

Levi Strauss & Co.

Reconciliation of GAAP to Non-GAAP Financial Measures for the Second Quarter 2015

The following information relates to, and should be read in conjunction with, the investor call held on Friday, July 10, 2015, discussing the Company's financial condition and results of operations as of and for the quarter ended May 31, 2015.

Free Cash Flow:

(\$ millions)	Six Months Ended	
	May 31, 2015	May 25, 2014
	(Unaudited)	
Most comparable GAAP measure:		
Net cash provided by operating activities	\$ 102.6	\$ 72.4
Non-GAAP measure:		
Net cash provided by operating activities	\$ 102.6	\$ 72.4
Purchases of property, plant and equipment	(43.2)	(35.3)
(Payments) proceeds on settlement of forward foreign exchange contracts not designated for hedge accounting	(1.4)	6.8
Dividend to stockholders	(50.0)	(30.0)
Free Cash Flow	\$ 8.0	\$ 13.9

Net debt:

(\$ millions)	May 31, 2015	November 30, 2014
	(Unaudited)	
Most comparable GAAP measure:		
Total long-term and short-term debt	\$ 1,190.9	\$ 1,224.0
Non-GAAP measure:		
Total long-term and short-term debt	\$ 1,190.9	\$ 1,224.0
Cash and cash equivalents	(284.6)	(298.3)
Net debt	\$ 906.3	\$ 925.7

Adjusted EBIT and Adjusted EBITDA:

(\$ millions)	Three Months Ended		Twelve Months Ended	
	May 31, 2015	May 25, 2014	May 31, 2015	May 25, 2014
	(Unaudited)		(Unaudited)	
Most comparable GAAP measure:				
Operating income	\$ 47.6	\$ 65.1	\$ 310.1	\$ 343.2
Non-GAAP measure:				
Net income	\$ 11.5	\$ 11.0	\$ 93.5	\$ 133.6
Income tax expense	7.8	5.5	55.3	51.0
Interest expense	21.9	31.3	99.6	127.1
Loss on early extinguishment of debt	14.0	11.2	23.1	11.2
Other (income) expense, net	(7.6)	6.1	38.6	20.3
Restructuring and related charges, severance and asset impairment charges, net	15.6	23.4	96.4	96.1
Pension and postretirement benefit plan curtailment and net settlement (gains) losses, net	0.1	4.1	29.2	5.0
Adjusted EBIT	\$ 63.3	\$ 92.6	\$ 435.7	\$ 444.3
Depreciation and amortization			106.6	111.8
Adjusted EBITDA			\$ 542.3	\$ 556.1

Gross Debt to Adjusted EBITDA ratio:

(\$ millions)	May 31, 2015	May 25, 2014
Total long-term and short-term debt	\$ 1,190.9	\$ 1,441.3
LTM Adjusted EBITDA	\$ 542.3	\$ 556.1
Gross Debt to Adjusted EBITDA ratio	2.2	2.6