

Levi Strauss & Co.

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

The following information relates to, and should be read in conjunction with, the investor call held on Tuesday, October 13, 2015, discussing the Company's financial condition and results of operations as of and for the quarter ended August 30, 2015.

Free Cash Flow:

(\$ millions)	Nine Months Ended	
	August 30, 2015	August 24, 2014
	(Unaudited)	
Most comparable GAAP measure:		
Net cash provided by operating activities	\$ 110.3	\$ 81.3
Non-GAAP measure:		
Net cash provided by operating activities	\$ 110.3	\$ 81.3
Purchases of property, plant and equipment	(66.4)	(50.5)
Proceeds on settlement of forward foreign exchange contracts not designated for hedge accounting	6.1	3.4
Dividend to stockholders	(50.0)	(30.0)
Free Cash Flow	\$ —	\$ 4.2

Net debt:

(\$ millions)	August 30, 2015	November 30, 2014
	(Unaudited)	
Most comparable GAAP measure:		
Total long-term and short-term debt	\$ 1,196.8	\$ 1,224.0
Non-GAAP measure:		
Total long-term and short-term debt	\$ 1,196.8	\$ 1,224.0
Cash and cash equivalents	(272.6)	(298.3)
Net debt	\$ 924.2	\$ 925.7

Adjusted EBIT and Adjusted EBITDA:

(\$ millions)	Three Months Ended		Nine Months Ended		Twelve Months Ended	
	August 30, 2015	August 24, 2014	August 30, 2015	August 24, 2014	August 30, 2015	August 24, 2014
	(Unaudited)		(Unaudited)		(Unaudited)	
Most comparable GAAP measure:						
Operating income	\$ 114.8	\$ 105.1	\$ 269.8	\$ 263.9	\$ 319.8	\$ 330.2
Non-GAAP measure:						
Net income	\$ 58.5	\$ 49.8	\$ 108.2	\$ 110.4	\$ 102.1	\$ 127.0
Income tax expense	30.8	22.5	58.6	44.5	63.6	53.4
Interest expense	17.2	27.2	62.3	90.3	89.7	123.4
Loss on early extinguishment of debt	—	—	14.0	11.2	23.2	11.2
Other expense, net	8.3	5.6	26.7	7.5	41.2	15.3
Restructuring and related charges, severance and asset impairment charges, net	13.2	15.3	41.0	102.4	94.5	108.3
Pension and postretirement benefit plan curtailment and net settlement (gains) losses, net	(0.2)	(1.8)	0.2	3.3	30.8	3.0
Adjusted EBIT *	\$ 127.8	\$ 118.6	\$ 311.0	\$ 369.6	\$ 445.1	\$ 441.6
Depreciation and amortization					103.8	110.2
Adjusted EBITDA					\$ 548.9	\$ 551.8

* Currency unfavorably affected Adjusted EBIT by approximately \$15 million and \$42 million for the three- and nine- month periods ended August 30, 2015, respectively.

Gross Debt to Adjusted EBITDA ratio:

(\$ millions)

	<u>August 30, 2015</u>	<u>August 24, 2014</u>
Total long-term and short-term debt	\$ 1,196.8	\$ 1,426.9
LTM Adjusted EBITDA	\$ 548.9	\$ 551.8
Gross Debt to Adjusted EBITDA ratio	<u>2.2</u>	<u>2.6</u>