

Levi Strauss & Co.

Reconciliation of GAAP to Non-GAAP Financial Measures for the Fourth Quarter and Fiscal Year 2015

The following information relates to, and should be read in conjunction with, the investor call held on Thursday, February 11, 2016, discussing the Company's financial condition and results of operations as of and for the quarter and fiscal year ended November 29, 2015.

Free Cash Flow:

(\$ millions)	Fiscal Year Ended	
	November 29, 2015	November 30, 2014
Most comparable GAAP measure:		
Net cash provided by operating activities	\$ 218.3	\$ 232.9
Non-GAAP measure:		
Net cash provided by operating activities	\$ 218.3	\$ 232.9
Purchases of property, plant and equipment	(102.3)	(73.4)
(Payments) proceeds on settlement of forward foreign exchange contracts not designated for hedge accounting	14.7	(6.2)
Dividend to stockholders	(50.0)	(30.0)
Free Cash Flow	\$ 80.7	\$ 123.3

Net debt:

(\$ millions)	November 29, 2015	November 30, 2014
Most comparable GAAP measure:		
Total long-term and short-term debt	\$ 1,152.5	\$ 1,209.6
Non-GAAP measure:		
Total long-term and short-term debt	\$ 1,152.5	\$ 1,209.6
Cash and cash equivalents	(318.6)	(298.3)
Net debt	\$ 833.9	\$ 911.3

Adjusted EBIT and Adjusted EBITDA:

(\$ millions)	Three Months Ended		Fiscal Year Ended	
	November 29, 2015	November 30, 2014	November 29, 2015	November 30, 2014
	(unaudited)			
Most comparable GAAP measure:				
Operating income	\$ 161.2	\$ 49.9	\$ 431.0	\$ 313.9
Non-GAAP measure:				
Net income	\$ 101.7	\$ (6.1)	\$ 209.9	\$ 104.3
Income tax expense	41.9	5.1	100.5	49.6
Interest expense	18.9	27.3	81.2	117.6
Loss on early extinguishment of debt	—	9.2	14.0	20.3
Other (income) expense, net	(1.3)	14.5	25.4	22.1
Restructuring and related charges, severance and asset impairment charges, net	6.1	53.4	47.0	155.9
Pension and postretirement benefit plan curtailment and net settlement (gains) losses, net	0.4	30.6	0.6	33.9
Adjusted EBIT	\$ 167.7	\$ 134.0	\$ 478.6	\$ 503.7
Depreciation and amortization			102.0	109.5
Adjusted EBITDA			\$ 580.6	\$ 613.2

Gross Debt to Adjusted EBITDA ratio:

(\$ millions)	<u>November 29, 2015</u>	<u>November 30, 2014</u>
Total long-term and short-term debt	\$ 1,152.5	\$ 1,209.6
LTM Adjusted EBITDA	\$ 580.6	\$ 613.2
Gross Debt to Adjusted EBITDA ratio	2.0	2.0