

Levi Strauss & Co.

Reconciliation of GAAP to Non-GAAP Financial Measures for the First Quarter 2016

The following information relates to, and should be read in conjunction with, the investor call held on Tuesday, April 12, 2016, discussing the Company's financial condition and results of operations as of and for the quarter ended February 28, 2016.

Free Cash Flow:

(\$ millions)	Three Months Ended	
	February 28, 2016	March 1, 2015
	(Unaudited)	
Most comparable GAAP measure:		
Net cash provided by operating activities	\$ 46.1	\$ 37.6
Non-GAAP measure:		
Net cash provided by operating activities	\$ 46.1	\$ 37.6
Purchases of property, plant and equipment	(30.7)	(21.2)
Proceeds (payments) on settlement of forward foreign exchange contracts not designated for hedge accounting	13.0	(4.0)
Free Cash Flow	\$ 28.4	\$ 12.4

Net debt:

(\$ millions)	February 28, 2016	November 29, 2015
	(Unaudited)	
Most comparable GAAP measure:		
Total debt	\$ 1,081.4	\$ 1,152.5
Non-GAAP measure:		
Total debt	\$ 1,081.4	\$ 1,152.5
Cash and cash equivalents	(271.1)	(318.6)
Net debt	\$ 810.3	\$ 833.9

Adjusted EBIT and Adjusted EBITDA:

(\$ millions)	Three Months Ended		Twelve Months Ended	
	February 28, 2016	March 1, 2015	February 28, 2016	March 1, 2015
	(Unaudited)		(Unaudited)	
Most comparable GAAP measure:				
Operating income	\$ 116.6	\$ 107.4	\$ 440.2	\$ 327.6
Non-GAAP measure:				
Net income	\$ 66.3	\$ 38.3	\$ 237.9	\$ 93.0
Income tax expense	33.2	19.8	113.9	53.0
Interest expense	14.9	23.3	72.8	109.0
Loss on early extinguishment of debt	—	—	14.0	20.3
Other expense, net	2.2	26.0	1.6	52.3
Restructuring and related charges, severance and asset impairment charges and other, net	7.7	12.1	42.6	104.2
Pension and postretirement benefit plan curtailment and net settlement losses, net	—	0.3	0.3	33.2
Adjusted EBIT	\$ 124.3	\$ 119.8	\$ 483.1	\$ 465.0
Depreciation and amortization			100.6	109.1
Adjusted EBITDA			\$ 583.7	\$ 574.1

Gross Debt to Adjusted EBITDA ratio:

(\$ millions)	February 28, 2016	March 1, 2015
Total long-term and short-term debt	\$ 1,081.4	\$ 1,125.5
LTM Adjusted EBITDA	\$ 583.7	\$ 574.1
Gross Debt to Adjusted EBITDA ratio	1.9	2.0