

Levi Strauss & Co.

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

The following information relates to, and should be read in conjunction with, the investor call held on Monday, July 11, 2016, discussing the Company's financial condition and results of operations as of and for the quarter ended May 29, 2016.

Free Cash Flow:

(\$ millions)	Six Months Ended	
	May 29, 2016	May 31, 2015
	(Unaudited)	
Most comparable GAAP measure:		
Net cash provided by operating activities	\$ 103.3	\$ 102.6
Non-GAAP measure:		
Net cash provided by operating activities	\$ 103.3	\$ 102.6
Purchases of property, plant and equipment	(47.2)	(43.2)
Proceeds (payments) on settlement of forward foreign exchange contracts not designated for hedge accounting	16.9	(1.4)
Dividend to stockholders	(60.0)	(50.0)
Free Cash Flow	\$ 13.0	\$ 8.0

Net debt:

(\$ millions)	May 29, 2016	November 29, 2015
	(Unaudited)	
Most comparable GAAP measure:		
Total debt	\$ 1,166.3	\$ 1,152.5
Non-GAAP measure:		
Total debt	\$ 1,166.3	\$ 1,152.5
Cash and cash equivalents	(359.5)	(318.6)
Net debt	\$ 806.8	\$ 833.9

Adjusted EBIT and Adjusted EBITDA:

(\$ millions)	Three Months Ended		Twelve Months Ended	
	May 29, 2016	May 31, 2015	May 29, 2016	May 31, 2015
	(Unaudited)		(Unaudited)	
Most comparable GAAP measure:				
Operating income	\$ 58.0	\$ 47.6	\$ 450.5	\$ 310.1
Non-GAAP measure:				
Net income	\$ 31.0	\$ 11.5	\$ 257.6	\$ 93.5
Income tax expense	10.9	7.8	116.8	55.3
Interest expense	20.4	21.9	71.2	99.6
Loss on early extinguishment of debt	—	14.0	—	23.1
Other (income) expense, net	(4.3)	(7.6)	4.9	38.6
Restructuring and related charges, severance, asset impairment charges and other, net	4.8	15.6	31.8	96.4
Pension and postretirement benefit plan curtailment and net settlement losses, net	—	0.1	0.2	29.2
Adjusted EBIT	\$ 62.8	\$ 63.3	\$ 482.5	\$ 435.7
Depreciation and amortization			102.0	106.6
Adjusted EBITDA			\$ 584.5	\$ 542.3

Gross Debt to Adjusted EBITDA ratio:

(\$ millions)	May 29, 2016	May 31, 2015
Total debt	\$ 1,166.3	\$ 1,190.9
LTM Adjusted EBITDA	\$ 584.5	\$ 542.3
Gross Debt to Adjusted EBITDA ratio	2.0	2.2