

**LEVI STRAUSS & CO.**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**  
**FOR THE FIRST QUARTER OF 2017**

The following information relates to non-GAAP financial measures, and should be read in conjunction with the investor call held on April 11, 2017, discussing the company's financial condition and results of operations as of and for the quarter ended February 26, 2017.

**Free cash flow:**

	<b>Three Months Ended</b>	
	<b>February 26, 2017</b>	<b>February 28, 2016</b>
	<b>(Dollars in millions)</b>	
<b>Most comparable GAAP measure:</b>		
Net cash provided by operating activities	\$ 49.0	\$ 46.1
<b>Non-GAAP measure:</b>		
Net cash provided by operating activities	\$ 49.0	\$ 46.1
Purchases of property, plant and equipment	(25.1)	(30.7)
Proceeds on settlement of forward foreign exchange contracts not designated for hedge accounting	9.1	13.0
Dividend to stockholders	(35.0)	—
<b>Free cash flow</b>	<b>\$ (2.0)</b>	<b>\$ 28.4</b>

**Net debt:**

	<b>(Unaudited)</b>	
	<b>February 26, 2017</b>	<b>November 27, 2016</b>
	<b>(Dollars in millions)</b>	
<b>Most comparable GAAP measure:</b>		
Total debt	\$ 1,040.8	\$ 1,045.2
<b>Non-GAAP measure:</b>		
Total debt	\$ 1,040.8	\$ 1,045.2
Cash and cash equivalents	(368.6)	(375.6)
<b>Net debt</b>	<b>\$ 672.2</b>	<b>\$ 669.6</b>

**Adjusted EBIT and Adjusted EBITDA:**

	<u>Three Months Ended</u>		<u>Twelve Months Ended</u>	
	<u>February 26,</u>	<u>February 28,</u>	<u>February 26,</u>	<u>February 28,</u>
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<i>(Dollars in millions)</i>				
<b>Most comparable GAAP measure:</b>				
Net income	\$ 60.1	\$ 66.3	\$ 285.0	\$ 237.9
<b>Non-GAAP measure:</b>				
Net income	\$ 60.1	\$ 66.3	\$ 285.0	\$ 237.9
Income tax expense	28.7	33.2	111.6	113.9
Interest expense	19.9	14.9	78.2	72.8
Loss on early extinguishment of debt	—	—	—	14.0
Other (income) expense, net	(0.4)	2.2	(20.8)	1.6
Restructuring and related charges, severance and asset impairment charges, net	1.3	7.7	11.2	42.6
Pension and postretirement benefit plan curtailment and net settlement (gains) losses, net	—	—	(0.1)	0.3
<b>Adjusted EBIT</b>	<b>\$ 109.6</b>	<b>\$ 124.3</b>	<b>\$ 465.1</b>	<b>\$ 483.1</b>
<b>Depreciation and amortization</b>			106.2	100.6
<b>Adjusted EBITDA</b>			<b>\$ 571.3</b>	<b>\$ 583.7</b>

**Gross Debt to Adjusted EBITDA ratio:**

	<u>February 26, 2017</u>	<u>February 28, 2016</u>
	<i>(Dollars in millions)</i>	
Total debt	\$ 1,040.8	\$ 1,081.4
LTM Adjusted EBITDA	\$ 571.3	\$ 583.7
Gross Debt to Adjusted EBITDA ratio	<b>1.8</b>	<b>1.9</b>