LEVI STRAUSS & CO.

FOR IMMEDIATE RELEASE

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LEVI STRAUSS & CO. REPORTS SECOND QUARTER 2017 FINANCIAL RESULTS AND RAISES FULL YEAR REVENUE GUIDANCE

- Second quarter revenue up 6 percent and year-to-date revenue up 5 percent on broad-based growth across regions and channels;
- Europe revenue up 17 percent;
- Direct-to-consumer revenue up 13 percent;
- Full year 2017 revenue growth guidance raised to 2-4 percent range in constant currency

SAN FRANCISCO (July 11, 2017) – Levi Strauss & Co. (LS&Co.) announced financial results today for the second quarter ended May 28, 2017.

Highlights include:

		Three Mor	nths En	ded	% Increase (Decrease)
(\$ millions)	N	lay 28, 2017		May 29, 2016	As Reported
Net revenues	\$	1,068	\$	1,012	6 %
Net income attributable to LS&Co.	\$	18	\$	31	(43)%
Adjusted EBIT	\$	67	\$	63	7 %

Net revenues grew six percent on a reported basis and grew seven percent excluding \$11 million in unfavorable currency translation effects. Direct-to-consumer revenues grew thirteen percent on performance and expansion of the retail network, as well as ecommerce growth. Wholesale revenues grew two percent primarily reflecting growth in Europe.

Net income declined \$13 million primarily due to a \$23 million loss on early extinguishment of debt, related to debt refinancing activities this quarter, which will result in a substantial reduction in the average cost of debt and interest expense for the company.

Adjusted EBIT grew seven percent reflecting higher revenue and gross margins. A reconciliation of Adjusted EBIT, a non-GAAP financial measure, is provided at the end of this press release.

"Our business is more diversified than ever before, driven by disciplined execution of our long-term growth strategies, and investments in product innovation and the consumer shopping experience," said Chip Bergh, president and chief executive officer, Levi Strauss & Co. "Our strong year-to-date revenue growth reinforces the benefits of a more balanced portfolio as our women's, tops, direct-to-consumer and international businesses delivered solid results, despite a slight decline in the U.S. wholesale business. Based on the performance in the first half, we are raising revenue growth guidance for the full year."

Second Quarter 2017 Highlights

- On a reported basis, gross margin for the second quarter was 52.3 percent of revenues compared with 51.1 percent in the same quarter of fiscal 2016, reflecting the margin benefit from revenue growth in the direct-to-consumer channel and international business.
- Selling, general and administrative expenses (SG&A) for the second quarter were \$496 million compared with \$459 million in the same quarter of fiscal 2016. SG&A as a percent of revenue was 46.4 percent compared with 45.4 percent of revenues in the same quarter of fiscal 2016. The increase in costs reflects the expansion of the company's direct-to-consumer business, higher advertising expenses and the absence of a \$6.1 million gain recorded in the second quarter of 2016 related to the sale-leaseback of our distribution center. The company had 61 more company-operated stores at the end of the second quarter of 2017 than it did at the end of the second quarter of 2016.
- Operating income grew eight percent for the second quarter and operating margin was approximately flat year-over-year, primarily reflecting higher revenue and gross margins, offset by higher SG&A expenses.

Regional Overview

Reported regional net revenues and operating income for the quarter are set forth in the table below:

		Net F	Revenues			C	peratir	ng Income	*
	 Three Mor	nths En	ded			Three Mon	ths End	led	_
(\$ millions)	ay 28, 2017		ay 29, 2016	% Increase (Decrease)	May	28, 2017		ny 29, 016	% Increase (Decrease)
Americas	\$ 602	\$	589	2%	\$	102	\$	97	5%
Europe	\$ 280	\$	241	17%	\$	35	\$	27	31%
Asia	\$ 185	\$	182	2%	\$	10	\$	10	- %

^{*} Note: Regional operating income is equal to regional adjusted EBIT. Business segment information for the prior-year period has been revised to reflect a change in presentation. Effective first quarter 2017, central costs previously recorded in the Americas region and corporate expenses have been allocated to the regional business segments.

- In the Americas, excluding unfavorable currency effects of \$3 million, net revenues grew three percent, primarily reflecting higher direct-to-consumer revenues in the U.S. and higher revenues in Canada and Mexico. This was partially offset by a decline in U.S. wholesale as lower Dockers® revenue offset growth in Levi's®, Signature® and Denizen® brands. The increase in operating income reflects higher net revenues partially offset by higher selling and advertising expenses.
- In Europe, excluding unfavorable currency effects of \$7 million, net revenues grew twenty percent reflecting broad-based growth across all markets and channels, including exceptional growth in the women's and tops business. Operating income growth of 31 percent reflects improved leverage driven by higher net revenues and gross margins.
- In Asia, excluding unfavorable currency effects of \$1 million, net revenues grew three percent reflecting direct-to-consumer expansion and performance. Flat operating income reflects higher selling costs to support retail expansion, including ecommerce, partially offset by higher net revenues.

Cash Flow and Balance Sheet

At May 28, 2017, cash and cash equivalents of \$438 million were complemented by \$714 million available under the company's revolving credit facility, resulting in a total liquidity position of approximately \$1.2 billion. Net debt at the end of the second quarter was \$601 million.

During the quarter, the company issued €475 million in aggregate principal amount of 3.375% senior notes due 2027, to retire our 6.875% senior notes due 2022, which will result in a substantial reduction in the average cost of debt and interest expenses. In addition, the company amended its senior secured revolving credit facility to extend the term through May 2022.

Free cash flow through the second quarter of 2017 was \$100 million, an increase of \$88 million compared to the first six months of 2016, reflecting higher revenues, lower inventory purchases, and the change in timing of dividend payments. A reconciliation of net debt and free cash flow, non-GAAP financial measures, is provided at the end of this press release.

Investor Conference Call

The company's second-quarter 2017 investor conference call will be available through a live audio webcast at https://engage.vevent.com/rt/levistraussao~40251852 on July 11, 2017, at 1 p.m. Pacific / 4 p.m. Eastern or via the following phone numbers: 800-891-4735 in the United States and Canada, or +1-973-200-3066 internationally; I.D. No. 40251852. A replay is available the same day on http://www.levistrauss.com/investors/earnings-webcast and will be archived for one month. A telephone replay is also available through July 17, 2017, at 855-859-2056 in the United States and Canada or +1-404-537-3406 internationally; I.D. No. 40251852. Please see http://www.levistrauss.com/investors/earnings-webcast for a discussion and reconciliation of non-GAAP measures referenced on the investor conference call.

About Levi Strauss & Co.

Levi Strauss & Co. is one of the world's largest brand-name apparel companies and a global leader in jeanswear. The company designs and markets jeans, casual wear and related accessories for men, women and children under the Levi's , Dockers , Signature by Levi Strauss & Co.™, and Denizen brands. Its products are sold in more than 110 countries worldwide through a combination of chain retailers, department stores, online sites, and a global footprint of approximately 2,900 retail stores and shop-in-shops. Levi Strauss & Co.'s reported fiscal 2016 net revenues were \$4.6 billion. For more information, go to http://levistrauss.com.

Forward Looking Statement

This news release and related conference call contains, in addition to historical information, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements related to: inventory levels, including year-end levels; full year gross margin; SG&A and advertising costs and revenue growth. We have based these forward-looking statements on our current assumptions, expectations and projections about future events. We use words like "believe," "will," "so we can," "when," "anticipate," "intend," "estimate," "expect," "project" and similar expressions to identify forward-looking statements, although not all forward-looking statements contain these words. These forward-looking statements are necessarily estimates reflecting the best judgment of our senior management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Investors should consider the information contained in our filings with the U.S. Securities and Exchange Commission (the "SEC"), including our Annual Report on Form 10-K for the fiscal year 2016 and our Quarterly Report on Form 10-Q for the quarter ended May 28, 2017, especially in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" sections. Other unknown or unpredictable factors also could have material adverse effects on our future results, performance or achievements. In light of these risks, uncertainties, assumptions and factors, the forward-looking events discussed in this news release and related conference call may not occur. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date stated, or if no date is stated, as of the date of this news release and related conference call. We are not under any obligation and do not intend to update or revise any of the forward-looking statements contained in this news release and related conference call to reflect circumstances existing after the date of this news release and related conference call or to reflect the occurrence of future events even if experience or future events make it clear that any expected results expressed or implied by those forward-looking statements will not be realized.

Non-GAAP Financial Measures

The company reports its financial results in conformity with generally accepted accounting principles in the United States ("GAAP") and the rules of the SEC. However, management believes that certain non-GAAP financial measures, such as Free Cash Flow, Net Debt and Adjusted EBIT, provide users of the company's financial information with additional useful information. The tables found below include Free Cash Flow, Net Debt and Adjusted EBIT and corresponding reconciliations to the most comparable GAAP financial measures. These non-GAAP financial measures should be viewed as supplementing, and not as an alternative or substitute for, the company's financial results prepared in accordance with GAAP. Certain of these items that may be excluded or included in non-GAAP financial measures may be significant items that could impact the company's financial position, results of operations and cash flows and should therefore be considered in assessing the company's actual financial condition and performance. Non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgment by management in determining how they are formulated. Some specific limitations, include but are not limited to, the fact that such non-GAAP financial measures: (a) do not reflect cash outlays for capital expenditures, contractual commitments or liabilities including pension obligations, post-retirement health benefit obligations and income tax liabilities, (b) do not reflect changes in, or cash requirements for, working capital requirements; and (c) they do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on indebtedness. Additionally, the methods used by the company to calculate its non-GAAP financial measures may differ significantly from methods used by other companies to compute similar measures. As a result, any non-GAAP financial measures presented herein may not be comparable to similar measures provided by other companies, limiting the usefulness of these measures. The company urges investors to review the reconciliation of these non-GAAP financial measures to the comparable GAAP financial measures included in this press release, and not to rely on any single financial measure to evaluate its business.

LS&Co. Q2 2017 Results/Add Four July 11, 2017

The company presents non-GAAP financial measures, such as Free Cash Flow, Net Debt and Adjusted EBIT, because it believes they provide investors, financial analysts and the public with additional information to measure performance and evaluate the company's ability to service its debt and may be useful for comparing its operating performance with the performance of other companies that have different financing and capital structures and tax rates. The company further believes these measures may be useful for period-over-period comparisons of underlying business trends and its ongoing operations. See "RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES FOR THE SECOND QUARTER OF 2017" below for reconciliation to the most comparable GAAP financial measures.

Constant currency

Constant-currency comparisons are based on translating local currency amounts in the prior-year period at actual foreign exchange rates for the current year. The company routinely evaluates its financial performance on a constant-currency basis in order to facilitate period-to-period comparisons without regard to the impact of changing foreign currency exchange rates.

LEVI STRAUSS & CO. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

	(Unaudited) May 28, 2017	No	ovember 27, 2016
		(Dollars in	thous	sands)
ASSETS				
Current Assets: Cash and cash equivalents	\$	427 517	۲	275 562
Trade receivables, net of allowance for doubtful accounts of \$13,331 and \$11,974	Ş	437,517 309,392	\$	375,563 479,018
Inventories:		309,392		479,016
Raw materials		4,940		2,454
Work-in-process		3,214		3,074
Finished goods		772,425		710.653
Total inventories		780,579		716,181
Other current assets		114,112		115,385
Total current assets		1,641,600		1,686,147
Property, plant and equipment, net of accumulated depreciation of \$908,045 and \$856,588		390,496		393,605
Goodwill		235,971		234,280
Other intangible assets, net		42,922		42,946
Deferred tax assets, net		533,235		523,101
Other non-current assets		110,933		107,017
Total assets	\$	2,955,157	\$	2,987,096
LIABILITIES, TEMPORARY EQUITY AND STOCKHOLDERS' EQUITY Current Liabilities:				
	\$	21 502	۲	38.922
Short-term debt	Ş	31,582	\$	/ -
Accounts payable		274,455 152,172		270,293
Accrued salaries, wages and employee benefits		,		180,740 4,878
Restructuring liabilities		1,715		
Accrued interest payable Accrued income taxes		6,873 1,327		5,098 9,652
Other accrued liabilities				
Total current liabilities	_	265,456 733,580	_	252,160 761,743
		1,007,285		
Long-term debt				1,006,256
Long-term capital leases Postretirement medical benefits		15,005		15,360
Pension liability		95,259		100,966
·		337,293		354,461
Long-term employee related benefits		72,540		73,243
Long-term income tax liabilities		16,676		20,150
Other long-term liabilities	_	69,699	_	63,796
Total liabilities	_	2,347,337		2,395,975
Commitments and contingencies		75.224		70.246
Temporary equity	_	75,324		79,346
Stockholders' Equity:				
Levi Strauss & Co. stockholders' equity				
Common stock — \$.01 par value; 270,000,000 shares authorized; 37,620,430 shares and 37,470,158 shares issued and outstanding		376		375
Additional paid-in capital		_		1,445
Retained earnings		942,373		935,049
Accumulated other comprehensive loss		(412,686)		(427,314)
Total Levi Strauss & Co. stockholders' equity		530,063		509,555
Noncontrolling interest		2,433		2,220
Total stockholders' equity		532,496		511,775
Total liabilities, temporary equity and stockholders' equity	\$	2,955,157	\$	2,987,096
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LEVI STRAUSS & CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

	Three Moi	nths	Ended		Six Mont	hs En	ded
	May 28, 2017		May 29, 2016		May 28, 2017	N	May 29, 2016
			(Dollars in th (Unaud				
Net revenues	\$ 1,067,855	\$	1,011,587	\$ 2	2,169,846	\$ 2	,068,087
Cost of goods sold	509,463		494,389	:	1,046,901		991,291
Gross profit	558,392		517,198		1,122,945	1	,076,796
Selling, general and administrative expenses	495,741		459,351		951,954		900,514
Restructuring, net	_		(191)		_		1,657
Operating income	62,651		58,038		170,991		174,625
Interest expense	(17,895)		(20,411)		(37,829)		(35,313)
Loss on early extinguishment of debt	(22,793)		_		(22,793)		_
Other (expense) income, net	(18,087)		4,295		(17,679)		2,076
Income before income taxes	3,876		41,922		92,690		141,388
Income tax (benefit) expense	(13,847)		10,862		14,846		44,037
Net income	17,723		31,060		77,844		97,351
Net income attributable to noncontrolling interest	(207)		(335)		(185)		(790)
Net income attributable to Levi Strauss & Co.	\$ 17,516	\$	30,725	\$	77,659	\$	96,561

LEVI STRAUSS & CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Mor	ths I	Ended		Six Mont	hs En	ided
	 Лау 28, 2017	May 29, 2016		May 28, 2017		P	May 29, 2016
			(Dollars in (Unau		•		
Net income	\$ 17,723	\$	31,060	\$	77,844	\$	97,351
Other comprehensive income (loss), before related income taxes:							
Pension and postretirement benefits	3,769		3,735		7,460		7,317
Net investment hedge losses	(29,640)		(250)		(29,640)		(914)
Foreign currency translation gains (losses)	20,903		5,877		28,587		(1,698)
Unrealized gains (losses) on marketable securities	875		1,510		1,875		(319)
Total other comprehensive (loss) income, before related income taxes	(4,093)		10,872		8,282		4,386
Income taxes benefit (expense) related to items of other comprehensive income	8,984		(2,414)		6,173		(3,638)
Comprehensive income, net of income taxes	22,614		39,518		92,299		98,099
Comprehensive income attributable to noncontrolling interest	(226)		(447)		(12)		(1,121)
Comprehensive income attributable to Levi Strauss & Co.	\$ 22,388	\$	39,071	\$	92,287	\$	96,978

LEVI STRAUSS & CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Net income Adjustments to reconcile net income to net cash provided by operating activities: Depreciation and amortization Depreciation and amortization SS, 29			Six Mont	ns E	
Act Promote From Operating Activities: Common (Common Promote From Pr					
Net income Adjustments to reconcile net income to net cash provided by operating activities: Depreciation and amortization Depreciation and amortization SS, 29					
Adjustments to reconcile net income to net cash provided by operating activities:	Cash Flows from Operating Activities:				
Depretation and amortization 55,829 90,000 Unrealized foreign exchange losses 23,43 16,50 Realized gain on settlement of Invard foreign exchange contracts not designated for hedge accounting 2,478 7,455 Employee benefit plans' amoritzation from accomulated other comprehensive loss and settlement loss 7,457 7,457 7,250 Stock based compensation 5,662 1,150 </td <td>Net income</td> <td>\$</td> <td>77,844</td> <td>\$</td> <td>97,351</td>	Net income	\$	77,844	\$	97,351
Durnalized foreign exchange losses 23,434 15.5 Realized gain on settlement of forward foreign exchange contracts not designated for hedge accounting 4,078 7,2 Loss on early extinguishment of debt 22,793 7,2 Loss on early extinguishment of debt 3,579 7,2 Loss on early extinguishment of debt 3,579 7,2 Loss on early extinguishment of debt 3,579 7,3 Change in operating assets and liabilities: Trade receivables 172,382 157,2 Inventories 172,382 157,2 Inventories 172,382 158,2 Inventori	Adjustments to reconcile net income to net cash provided by operating activities:				
Realized gain on settlement of forward foreign exchange contracts not designated for hedge accounting the plans' amortization from accounsilated other comprehensive loss and settlement loss	·		55,829		50,496
Employee benefit plans' amortization from accumulated other comprehensive loss and settlement loss 7, 457 7, Loss on early extinguishment of debt 22,793 7, Loss on early extinguishment of debt 22,793 1, 2,793 1, 2,203 1, 2,			23,434		16,927
Loss on early extinguishment of debt 22,793 Stock-based compensation 5,662 1,5 Other, net 3,579 (1,8 Change in operating assets and liabilities: 1772,382 157.7 Trade receivables 1772,382 157.5 Other normal contractive and the contractive of the c			(4,078)		(16,887
Stock-based compensation 5,662 1,5 Other, net 3,579 (,5 Change in operating assets and liabilities: (,2) (,2) Time receivables 172,382 152,382	. ,		•		7,487
Other, net 3,579 (1,6 Change in operating assets and liabilities: 172,382 157,2 Inventories (54,723) (185,6 Other current assets (3,759) (4,755) 1,1 Other non-current assets (3,794) (4,4) 4,255 1,1 Restructuring liabilities (3,285) (10,00 1,2,285 1,2,285 1,2,285 1,2,285 1,2,285 1,2,285 1,2,285 1,2,285 1,2,285 1,2,285 1,2,285 1,2,285 1,2,285 1,2,285 1,2,285 1,2,285 1	·				_
Process from Financing Activities			•		1,976
Trade receivables 172,382 157.2 Inwentories (54,723) (185,82) 165,725 118,725 108,725 118,725 108,725 108,725 108,725 108,725 108,725 108,725 108,725 108,725 108,725 108,725 108,725 108,725 108,725 108,725 108,725 108,725 109,725			3,579		(1,879
Inventories					
Other current assets 4,755 1,5 Other non-current assets (3,794) (4,1) Accounts payable and other accrued liabilities (7,66) (4,1) Restructuring liabilities (15,688) 10,0 Income tax liabilities (66,750) (73,4) Other long-term liabilities (66,750) (73,4) Other long-term liabilities (66,750) (73,4) Other long-term liabilities (66,750) (73,4) Net cash provided by operating activities 217,086 103,3 Cash Flows from Investing Activities: 217,086 103,3 Purchases of property, plant and equipment (52,889) (47,2) Proceeds from Investing activities 9,08 16,8 Proceeds from send of for investing activities 9,08 16,8 Repayments of long-term debt (52,889) 47,7 Proceeds from Insuring activities 9,02,835 18,0 Repayments of long-term debt (52,00) 19,00 Proceeds from senior revolving credit facility 9,00 18,0 Repayments of senior revolving c	Trade receivables		172,382		157,291
Other non-current assets (3,794) (4,1) Accounts payable and other accrued liabilities (7,696) 41,2 Restructuring liabilities (15,688) 18,3 Accrued salaries, wages and employee benefits and long-term employee related benefits (66,750) (73,4 Other long-term liabilities (68,81) (14,7 Proceeds from slacy of assets – 17,4 Proceeds from sales of assets – 17,2 Proceeds from slacy of assets – 17,2 Proceeds from slacy of assets – 17,2 Proceeds from isance of forngerend debt (52,800) 18,2 Repayments of some from credit facilities (52,800) 18,0 Repayments of senior revolving cred					(185,806
Accounts payable and other accrued liabilities (7,696) 41,5 Restructuring liabilities (3,285) (10,0 Income tax liabilities (15,688) 13,2 Accrued salaries, wages and employee benefits and long-term employee related benefits (66,750) (73,4 Other long-term liabilities (635) 2,5 Net cash provided by operating activities 217,086 103,3 Cash Flows from Investing Activities: 8 17,7 Purchases of property, plant and equipment (52,889) 40,7 Proceeds from sales of assets 9 17,7 Proceeds from sales of assets 9 17,7 Proceeds from sels of assets 9 17,7 Proceeds from sels of assets 9 17,7 Proceeds from sels of assets 9 18,0 Net cash used for investing activities 16,8 18,0 Proceeds from Sisuance of long-term debt (52,800) 18,0 Repayments of long-term debt (52,500) 180,0 Repayments of senior revolving credit facility 18,0 19,2 Repayments o	Other current assets		4,755		1,993
Restructuring liabilities (3,285) (10,08) Income tax liabilities (15,688) 18,38 Accrued salaries, wages and employee benefits and long-term employee related benefits (66,750) (73,40) Other long-term liabilities (635) 2,8 Net cash provided by operating activities 217,086 103,2 Purchases of property, plant and equipment (52,889) (47,47,47) Proceeds from sales of assets - 17,7 Proceeds from settlement of forward foreign exchange contracts not designated for hedge accounting 4,078 16,6 Net cash used for investing activities 4,078 16,6 Sepayments of long-term debt 502,835 16,6 Repayments of long-term debt 502,835 18,0 Repayments of long-term debt 502,835 18,0 Repayments of senior revolving credit facility - 180,0 Proceeds from senior revolving credit facilities 1,15,557 14,4 Repayments of short-term credit facilities 1,15,251 14,2 Proceeds from short-term credit facilities 1,15,251 14,2 Repaymen					(4,163
Income tax Inc	Accounts payable and other accrued liabilities		(7,696)		41,392
Accrued salaries, wages and employee benefits and long-term employee related benefits (66,75) (73,46) Other long-term liabilities (63,5) 2,5 Net cash provided by operating activities 217,086 103,3 Cash Flows from Investing Activities: Proceeds from sales of assets - 7,74 17,6 Proceeds from sels of forward foreign exchange contracts not designated for hedge accounting 4,078 10,6 Net cash used for investing activities 4,078 10,6 Net cash used for investing activities 502,835 18,0 Repayments of long-term debt 502,835 18,0 Repayments of long-term debt (525,000) 180,0 Proceeds from senior revolving credit facility - 180,0 180,0 Repayments of short-term credit facilities 15,557 144,0 Repayments of short-term credit facilities 15,557 14,0 Repayment of debt extinguishment costs (10,101) 50,0 Repurchase of common stock, including shares surrendered for tax withholdings on equity award exercises 11,1462 13,500 Obtidend to stockholders 3,340 1,5 <td>Restructuring liabilities</td> <td></td> <td>(3,285)</td> <td></td> <td>(10,691</td>	Restructuring liabilities		(3,285)		(10,691
Other long-term liabilities (535) 2,2 Net cash provided by operating activities 217,086 103,3 Cash Flows from Investing Activities: 3 47,7 Purchases of property, plant and equipment (52,889) (47,7 Proceeds from sales of assets - 17,6 Proceeds on settlement of forward foreign exchange contracts not designated for hedge accounting 4,078 16,8 Proceeds on sentiement of forward foreign exchange contracts not designated for hedge accounting 4,078 16,8 Net cash used for investing activities 502,835 16,8 Proceeds from issuance of long-term debt 502,835 18,0 Repayments of senior revolving credit facility 502,835 18,0 Repayments of senior revolving credit facility 5,557 14,4 Repayments of senior revolving credit facilities 15,557 14,4 Repayments of senior revolving credit facilities 13,557 14,4 Repayments of senior revolving credit facilities 13,557 14,4 Repayments of senior revolving credit facility 1,0 1,0 Repayments of senior revolving credit facility <	Income tax liabilities		(15,688)		18,397
Net cash provided by operating activities 217,086 103; Cash Flows from Investing Activities 8 147,2 Proceeds from sales of assets 6 17,4 Proceeds on settlement of forward foreign exchange contracts not designated for hedge accounting 4,078 16,8 Net cash used for investing activities 6 4,078 16,8 Cash Flows from Financing Activities 502,835 8 8 Repayments of long-term debt 502,835 8 7 180,0 8 7 180,0	Accrued salaries, wages and employee benefits and long-term employee related benefits		(66,750)		(73,463
Cash Flows from Investing Activities: Purchases of property, plant and equipment (52,889) (47,7) Proceeds from sales of assets — 17,4 Proceeds on settlement of forward foreign exchange contracts not designated for hedge accounting 4,078 16,6 Net cash used for investing activities - 18,20 Proceeds from Financing Activities: - - Proceeds from Investing activities 502,835 - Repayments of long-term debt 502,835 - Proceeds from senior revolving credit facility — 180,6 Repayments of senior revolving credit facility — 174,4 Proceeds from senior revolving credit facilities 15,557 14,4 Repayments of senior revolving credit facilities 115,557 14,4 Repayments of senior revolving credit facilities 115,557 14,5 Repayments of senior revolving credit facilities 115,557 14,5 Repayments of senior revolving credit facility — 110,00 Proceeds from senior revolving credit facility — 110,00 Repayments of senior-term	Other long-term liabilities		(635)		2,883
Purchases of property, plant and equipment (52,889) (47,7) Proceeds from sales of assets — 17,7 Proceeds on settlement of forward foreign exchange contracts not designated for hedge accounting 4,078 16,8 Proceeds on settlement of forward foreign exchange contracts not designated for hedge accounting 48,811 12,5 Proceeds from used in contracting activities 502,835 8 Proceeds from issuance of long-term debt (525,000) 502,835 Repayments of long-term debt (525,000) — 180,0 Repayments of senior revolving credit facility — 180,0 180,0 Repayments of senior revolving credit facilities 115,557 147,0 <t< td=""><td>Net cash provided by operating activities</td><td></td><td>217,086</td><td></td><td>103,304</td></t<>	Net cash provided by operating activities		217,086		103,304
Proceeds from sales of assets ————————————————————————————————————	Cash Flows from Investing Activities:				
Proceeds on settlement of forward foreign exchange contracts not designated for hedge accounting 4,078 1,08 Net cash used for investing activities (48,811) 1,02,9 Cash Flows from Financing Activities 8 Proceeds from issuance of long-term debt 502,835 5 Repayments of long-term debt (525,000) 7 Proceeds from senior revolving credit facility - 180,0 Repayments of senior revolving credit facility - 180,0 Proceeds from short-term credit facilities 15,557 144,0 Repayments of short-term credit facilities 15,557 144,0 Repayments of short-term credit facilities 15,557 144,0 Repayment of debt extinguishment costs (10,747) 5 Payment of debt extinguishment costs (21,899) 2 Repurchase of common stock, including shares surrendered for tax withholdings on equity award exercises (11,402) (1,502) Repurchase of common stock, including shares surrendered for tax withholdings on equity award exercises (11,402) (1,502) Repurchase of common stock, including shares surrendered for tax withholdings on equity award exercises (12,402) (Purchases of property, plant and equipment		(52,889)		(47,278
Net cash used for investing activities (48,811) (12,52 Cash Flows from Financing Activities 8 Proceeds from issuance of long-term debt 502,835 8 Repayments of long-term debt (525,000) 180,00 Repayments of senior revolving credit facility — 180,00 Repayments of senior revolving credit facilities 15,557 14,00 Repayments of short-term credit facilities (13,221) (10,00 Other short-term borrowings, net (10,014) 5 Payment of debt extinguishment costs (10,010) 6 Repurchase of common stock, including shares surrendered for tax withholdings on equity award exercises (11,402) (1,200) Dividend to stockholders (33,400) (10,000) Other financing, net (3,400) (1,200) Effect of exchange rate changes on cash and cash equivalents (11,2478) (49,000) Effect of exchange rate changes on cash and cash equivalents (3,150) (40,000) Repairing cash and cash equivalents (3,150) (40,000) Repairing cash and cash equivalents (3,150) (3,000) (40,000)	Proceeds from sales of assets		_		17,431
Cash Flows from Financing Activities: Proceeds from issuance of long-term debt 502,835 Repayments of long-term debt (525,000) Proceeds from senior revolving credit facility — 180,0 Repayments of senior revolving credit facility — (174,0 Proceeds from short-term credit facilities 15,557 14,2 Repayments of short-term credit facilities (10,747) 5 Repayments of short-term borrowings, net (10,047) 5 Payment of debt extinguishment costs (21,899) Payment of debt issuance costs (10,011) Repurchase of common stock, including shares surrendered for tax withholdings on equity award exercises (11,462) (1,3 Dividend to stockholders (35,000) (60,0 Other financing, net (3,440) 1,5 Net cash used for financing activities (11,247) (49,0 Effect of exchange rate changes on cash and cash equivalents 6,157 (3 Net increase in cash and cash equivalents 375,563 318,5 Ending cash and cash equivalents 375,563 318,5 Ending cash and cash equivalents <	Proceeds on settlement of forward foreign exchange contracts not designated for hedge accounting		4,078		16,887
Proceeds from issuance of long-term debt 502,835 Repayments of long-term debt (525,000) Proceeds from senior revolving credit facility — 180,0 Proceeds from senior revolving credit facility — 174,0 Proceeds from short-term credit facilities 15,557 14,2 Repayments of short-term credit facilities (13,221) (10,3 Other short-term borrowings, net (10,747) 5 Payment of debt extinguishment costs (21,899) 11,462 1,2 Payment of debt issuance costs (10,101) 1,0 <td>Net cash used for investing activities</td> <td></td> <td>(48,811)</td> <td></td> <td>(12,960</td>	Net cash used for investing activities		(48,811)		(12,960
Repayments of long-term debt (525,000) Proceeds from senior revolving credit facility — 180,0 Repayments of senior revolving credit facility — (174,0 Proceeds from short-term credit facilities 15,557 14,7 Proceeds from short-term credit facilities (10,747) 5 Repayments of short-term credit facilities (10,747) 5 Other short-term borrowings, net (10,747) 5 Payment of debt extinguishment costs (21,899) 1 Payment of debt issuance costs (10,101) 1 Repurchase of common stock, including shares surrendered for tax withholdings on equity award exercises (11,462) (1,3 Dividend to stockholders (35,000) (60,0 Other financing, net (3,440) 1,5 Net cash used for financing activities (112,478) (49,0 Effect of exchange rate changes on cash and cash equivalents 6,157 3 Net increase in cash and cash equivalents 61,954 40,5 Beginning cash and cash equivalents 5,375,563 318,5 Ending cash and cash equivalents \$	Cash Flows from Financing Activities:				
Proceeds from senior revolving credit facility — 180,0 Repayments of senior revolving credit facilities — (174,0 Proceeds from short-term credit facilities 15,557 14,2 Repayments of short-term credit facilities (13,221) (10,53) Other short-term borrowings, net (10,747) 5 Payment of debt extinguishment costs (10,101) 1 Repurchase of common stock, including shares surrendered for tax withholdings on equity award exercises (11,462) (1,50) Dividend to stockholders (35,000) (60,0 Other financing, net (34,00) 1,50 Net cash used for financing activities (112,478) (49,0) Effect of exchange rate changes on cash and cash equivalents 6,157 (3 Net increase in cash and cash equivalents 61,954 40,0 Beginning cash and cash equivalents 375,563 318,5 Ending cash and cash equivalents \$ 437,517 \$ 359,5 Noncash Investing Activity: Property, plant and equipment acquired and not yet paid at end of period \$ 8,191 \$ 22,5 Property, plant and equipment acquired and no	Proceeds from issuance of long-term debt		502,835		_
Repayments of senior revolving credit facilities — (174.0) Proceeds from short-term credit facilities 15,557 14,20 Repayments of short-term credit facilities (13,221) (10,32) Other short-term borrowings, net (10,747) 5 Payment of debt extinguishment costs (21,899) Payment of debt issuance costs (10,101) Repurchase of common stock, including shares surrendered for tax withholdings on equity award exercises (11,462) (1,3 Dividend to stockholders (35,000) (60,0 Other financing, net (34,40) 1,0 Net cash used for financing activities (112,478) (49,0 Effect of exchange rate changes on cash and cash equivalents 61,954 40,0 Reginning cash and cash equivalents 375,563 318,5 Ending cash and cash equivalents 375,563 318,5 Ending cash and cash equivalents \$ 437,517 \$ 359,5 Nocash Investing Activity: Property, plant and equipment acquired and not yet paid at end of period \$ 8,191 \$ 22,9 Supplemental disclosure of cash flow information: Cash paid for interest during the pe	Repayments of long-term debt		(525,000)		_
Proceeds from short-term credit facilities 15,557 14,258 Repayments of short-term credit facilities (13,221) (10,300 Chter short-term borrowings, net (10,747) 550 Payment of debt extinguishment costs (21,899) Payment of debt issuance costs (10,101) Repurchase of common stock, including shares surrendered for tax withholdings on equity award exercises (11,462) (1,300 Chter financing, net (3,440) 1,500 Chter financing, net (3,440) 1,500 Chter financing, net (3,440) 1,500 Chter financing activities (3,500) (60,00 Chter financing ac	Proceeds from senior revolving credit facility		_		180,000
Repayments of short-term credit facilities (13,221) (10,300 color short-term borrowings, net (10,747) color short-term borrowings, net (10,747) color short-term borrowings, net (10,047) color short-term borrowings, net (10,047) color short-term borrowings, net (10,047) color short-term borrowings, net (10,101) color short-term borrowings shares surrendered for tax withholdings on equity award exercises (11,462) color short-term borrowings, net (35,000) color financing, net (3,440) color short-term borrowings, net (4,540) color short-term borrowings, net (4,540	Repayments of senior revolving credit facility		_		(174,000
Other short-term borrowings, net (10,747) Payment of debt extinguishment costs (21,899) Payment of debt issuance costs (10,101) Repurchase of common stock, including shares surrendered for tax withholdings on equity award exercises (11,462) (1,3,400) Other financing, net (3,440) (1,2,478) Net cash used for financing activities (112,478) A bet increase in cash and cash equivalents (51,954) Net increase in cash and cash equivalents (51,954) Beginning cash and cash equi	Proceeds from short-term credit facilities		15,557		14,216
Payment of debt extinguishment costs Payment of debt issuance costs (10,101) Repurchase of common stock, including shares surrendered for tax withholdings on equity award exercises (11,462) (1,50) Dividend to stockholders (35,000) (60,00) Other financing, net (3,440) Net cash used for financing activities (112,478) Possible of exchange rate changes on cash and cash equivalents Net increase in cash and cash equivalents Reginning cash and cash equivalents Regi	Repayments of short-term credit facilities		(13,221)		(10,389
Payment of debt issuance costs (10,101) Repurchase of common stock, including shares surrendered for tax withholdings on equity award exercises (11,462) (1,3 (1),462) Dividend to stockholders (35,000) (60,0 (1),462) Other financing, net (3,440) 1,9 (49,0 (1),478) Net cash used for financing activities (112,478) (49,0 (1),478) Effect of exchange rate changes on cash and cash equivalents (5,157) (3,140) Net increase in cash and cash equivalents (61,954) (40,9 (1),99 (1)	Other short-term borrowings, net		(10,747)		593
Repurchase of common stock, including shares surrendered for tax withholdings on equity award exercises (11,462) (1,50) (60,00	Payment of debt extinguishment costs		(21,899)		_
Dividend to stockholders (35,000) (60,000) Other financing, net (3,440) 1,500 Net cash used for financing activities (112,478) (49,000) Effect of exchange rate changes on cash and cash equivalents (5,157) (300) Net increase in cash and cash equivalents (61,954) 40,500 Beginning cash and cash equivalents (5,157) (5,15	Payment of debt issuance costs		(10,101)		_
Other financing, net Net cash used for financing activities Effect of exchange rate changes on cash and cash equivalents Net increase in cash and cash equivalents Beginning cash and cash equivalents Ending cash and cash equivalents Ending cash and cash equivalents Noncash Investing Activity: Property, plant and equipment acquired and not yet paid at end of period Property, plant and equipment additions due to build-to-suit lease transactions Supplemental disclosure of cash flow information: Cash paid for interest during the period \$ 28,795 \$ 33,55	Repurchase of common stock, including shares surrendered for tax withholdings on equity award exercises		(11,462)		(1,393
Net cash used for financing activities (112,478) (49,000 Effect of exchange rate changes on cash and cash equivalents 6,157 (2000 Net increase in cash and cash equivalents 61,954 (40,000 Net increase in cash and cash equivalents (61,954 (40,000 Net	Dividend to stockholders		(35,000)		(60,000
Effect of exchange rate changes on cash and cash equivalents Net increase in cash and cash equivalents Beginning cash and cash equivalents Ending cash and cash equivalents Supplemental disclosure of cash flow information: Cash paid for interest during the period \$ 28,795 \$ 33,55 (6,157 \$ 36,55 40,55 A18,55 A18,55 A19,55	Other financing, net		(3,440)		1,923
Net increase in cash and cash equivalents Beginning cash and cash equivalents Ending cash and cash equivalents Supplemental disclosure of cash flow information: Cash paid for interest during the period \$ 28,795 \$ 33,55 A 20,50 A 20,50 A 20,50 A 37,517 \$ 359,50 A 37,517	Net cash used for financing activities		(112,478)		(49,050
Beginning cash and cash equivalents Ending cash and cash equivalents Supplemental disclosure of cash flow information: Cash paid for interest during the period \$ 375,563 318,5 \$ 318,5 \$ 318,5 \$ 437,517 \$ 359,5 \$ 28,795 \$ 33,5	Effect of exchange rate changes on cash and cash equivalents		6,157		(325
Ending cash and cash equivalents Noncash Investing Activity: Property, plant and equipment acquired and not yet paid at end of period \$8,191 \$22,50 Property, plant and equipment additions due to build-to-suit lease transactions Supplemental disclosure of cash flow information: Cash paid for interest during the period \$33,50 \$	Net increase in cash and cash equivalents		61,954		40,969
Noncash Investing Activity: Property, plant and equipment acquired and not yet paid at end of period \$ 8,191 \$ 22,50 \$ Property, plant and equipment additions due to build-to-suit lease transactions 6,419 Supplemental disclosure of cash flow information: Cash paid for interest during the period \$ 28,795 \$ 33,50 \$	Beginning cash and cash equivalents		375,563		318,571
Property, plant and equipment acquired and not yet paid at end of period \$8,191 \$22,50 Property, plant and equipment additions due to build-to-suit lease transactions 6,419 Supplemental disclosure of cash flow information: Cash paid for interest during the period \$28,795 \$33,50	Ending cash and cash equivalents	\$	437,517	\$	359,540
Property, plant and equipment acquired and not yet paid at end of period \$8,191 \$22,50 Property, plant and equipment additions due to build-to-suit lease transactions 6,419 Supplemental disclosure of cash flow information: Cash paid for interest during the period \$28,795 \$33,50					
Property, plant and equipment additions due to build-to-suit lease transactions 6,419 Supplemental disclosure of cash flow information: Cash paid for interest during the period \$ 28,795 \$ 33,5					
Supplemental disclosure of cash flow information: Cash paid for interest during the period \$ 28,795 \$ 33,5		\$		Ş	22,911
Cash paid for interest during the period \$ 28,795 \$ 33,5	Property, plant and equipment additions due to build-to-suit lease transactions		6,419		_
Cash paid for interest during the period \$ 28,795 \$ 33,5	Supplemental disclosure of cash flow information:				
	··	¢	28 705	¢	33,536
Cash haid for income taxes during the heriod inet of retunds 26.13/1 21.7	Cash paid for income taxes during the period, net of refunds	Ų	26,134	۲	21,703

The notes accompanying our consolidated financial statements in our Form 10-Q are an integral part of these consolidated financial statements.

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES FOR THE SECOND QUARTER OF 2017

The following information relates to non-GAAP financial measures, and should be read in conjunction with the investor call held on July 11, 2017, discussing the company's financial condition and results of operations as of and for the quarter ended May 28, 2017. Free cash flow, Net debt and Adjusted EBIT are not financial measures prepared in accordance with U.S. generally accepted accounting principles, or GAAP. As used in this press release: (1) Free cash flow represents cash from operating activities less purchases of property, plant and equipment, proceeds on settlement of forward foreign exchange contracts not designated for hedge accounting, payment of debt extinguishment costs, repurchase of common stock including shares surrendered for tax withholdings on equity award exercises, and cash dividends to stockholders; (2) Net debt represents total long-term and short-term debt less cash and cash equivalents; and (3) Adjusted EBIT represents net income plus income tax (benefit) expense, interest expense, loss on early extinguishment of debt, other (income) expense, net, restructuring related charges, severance and other, net, and pension and postretirement benefit plan curtailment and net settlement losses, net.

Free cash flow:

		Six Mont	hs Endec	Į
	May	, 28, 2017	Ma	y 29, 2016
		(Dollars i	n millions	;)
		(Unau	idited)	
Most comparable GAAP measure:				
Net cash provided by operating activities	\$	217.1	\$	103.3
Non-GAAP measure:				
Net cash provided by operating activities	\$	217.1	\$	103.3
Purchases of property, plant and equipment		(52.9)		(47.2)
Proceeds on settlement of forward foreign exchange contracts not designated for hedge accounting		4.1		16.9
Payment of debt extinguishment costs		(21.9)		_
Repurchase of common stock, including shares surrendered for tax withholdings on equity award exercises		(11.5)		(1.4)
Dividend to stockholders		(35.0)		(60.0)
Free cash flow	\$	99.9	\$	11.6

Net debt:

	Ma	ay 28, 2017	May 29, 2016					
		(Dollars in millions)						
	(Unaudited)							
Most comparable GAAP measure:								
Total debt	\$	1,038.9	\$	1,166.3				
Non-GAAP measure:								
Total debt	\$	1,038.9	\$	1,166.3				
Cash and cash equivalents		(437.5)		(359.5)				
Net debt	\$	601.4	\$	806.8				

Adjusted EBIT:

		Three Mor	nths End	ed
	May	28, 2017	May	29, 2016
		(Dollars in	million	s)
		(unau	dited)	
Most comparable GAAP measure:				
Net income	\$	17.7	\$	31.0
Non-GAAP measure:				
Net income		17.7		31.0
Income tax (benefit) expense		(13.8)		10.9
Interest expense		17.9		20.4
Loss on early extinguishment of debt		22.8		_
Other (income) expense, net		18.1		(4.3)
Restructuring and related charges, severance and other, net		4.0		4.8
Pension and postretirement benefit plan curtailment and net settlement losses, net		0.2		_
Adjusted EBIT	\$	66.9	\$	62.8