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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934**

Filed by the Registrant  Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**Limited Brands, Inc.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:



# Notice of Annual Meeting of Stockholders and Proxy Statement

May 16, 2005

Limitedbrands

# Limitedbrands

April 15, 2005

DEAR STOCKHOLDER:

You are cordially invited to attend our 2005 annual meeting of stockholders to be held at 9:00 a.m., Eastern Time, on May 16, 2005, at our offices located at Three Limited Parkway, Columbus, Ohio, 43230. Our Investor Relations telephone number is (614) 415-7076 should you require assistance in finding the location of the meeting. The formal Notice of Annual Meeting of Stockholders and proxy statement are attached. I hope that you will be able to attend and participate in the meeting, at which time I will have the opportunity to review the business and operations of Limited Brands.

The matters to be acted upon by our stockholders are discussed in the Notice of Annual Meeting of Stockholders. It is important that your shares be represented and voted at the meeting. Accordingly, after reading the attached proxy statement, would you kindly sign, date and return the enclosed proxy card or vote by telephone or via the Internet as described on the enclosed proxy card. Your vote is important regardless of the number of shares you own.

Sincerely yours,

/s/ Leslie H. Wexner  
Leslie H. Wexner  
Chairman of the Board



**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**May 16, 2005**

April 15, 2005

TO OUR STOCKHOLDERS:

We are pleased to invite you to attend our 2005 annual meeting of stockholders to:

- Elect four directors to serve for a three-year term.
- Transact such other business as may properly come before the meeting.

Stockholders of record at the close of business on March 31, 2005 may vote at the meeting.

Your vote is important. Stockholders of record can give proxies by calling a toll-free telephone number, by using the Internet or by mailing their signed proxy cards. Whether or not you plan to attend the meeting, please vote by telephone or via the Internet or sign, date and return the enclosed proxy card in the envelope provided. Instructions are included on your proxy card. You may change your vote by submitting a later dated proxy (including a proxy via telephone or the Internet) or by attending the meeting and voting in person.

By Order of the Board of Directors

/s/ Leslie H. Wexner

Leslie H. Wexner

Chairman of the Board

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## INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

The Board of Directors of Limited Brands, Inc. is soliciting your proxy to vote at our 2005 annual meeting of stockholders (or at any adjournment of the meeting). This proxy statement summarizes the information you need to know to vote at the meeting. “We,” “our,” “Limited Brands” and the “Company” refer to Limited Brands, Inc.

We began mailing this proxy statement and the enclosed proxy card on or about April 15, 2005 to all stockholders entitled to vote. Limited Brands’ 2004 Annual Report, which includes our financial statements, is being sent with this proxy statement.

### ***Date, time and place of meeting***

Date: May 16, 2005

Time: 9:00 a.m., Eastern Time

Place: Three Limited Parkway, Columbus, Ohio

### ***Shares entitled to vote***

Stockholders entitled to vote are those who owned Limited Brands common stock (which we refer to throughout this proxy statement as “Common Stock”) at the close of business on the record date, March 31, 2005. As of the record date, there were 407,043,976 shares of Common Stock outstanding. Each share of Common Stock that you own entitles you to one vote.

### ***Voting your shares***

Whether or not you plan to attend the annual meeting, we urge you to vote. Stockholders of record can give proxies by calling a toll-free telephone number, by using the Internet or by mailing their signed proxy cards. The telephone and Internet voting procedures are designed to authenticate stockholders’ identities, to allow stockholders to give their voting instructions and to confirm that stockholders’ instructions have been recorded properly. If you are voting by mail, please complete, sign and date the enclosed proxy card and return it promptly in the envelope provided. If you are voting by telephone or via the Internet, please use the telephone or Internet voting procedures set forth on the enclosed proxy card. Returning the proxy card or voting via telephone or the Internet will not affect your right to attend the meeting and vote.

The enclosed proxy card indicates the number of shares that you own.

Voting instructions are included on your proxy card. If you properly fill in your proxy card and send it to us or vote via telephone or the Internet in time to vote, one of the individuals named on your proxy card (your “proxy”) will vote your shares as you have directed. If you sign the proxy card or vote via telephone or the Internet but do not make specific choices, your proxy will follow the Board’s recommendations and vote your shares:

- “FOR” the election of four nominees for director (as described on page 3).

If any other matter is properly presented at the meeting, your proxy will vote in accordance with his or her best judgment. At the time this proxy statement went to press, we knew of no other matters to be acted on at the meeting.

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**Revoking your proxy**

You may revoke your proxy by:

- submitting a later dated proxy (including a proxy via telephone or the Internet),
- notifying our Secretary in writing before the meeting that you have revoked your proxy, or
- voting in person at the meeting.

**Voting in person**

If you plan to attend the meeting and vote in person, a ballot will be available when you arrive. However, if your shares are held in the name of your broker, bank or other nominee, you must bring an account statement or letter from the nominee indicating that you were the beneficial owner of the shares on March 31, 2005, the record date for voting.

**Appointing your own proxy**

If you want to give your proxy to someone other than the individuals named as proxies on the proxy card, you may cross out the names of those individuals and insert the name of the individual you are authorizing to vote. Either you or that authorized individual must present the proxy card at the meeting.

**Quorum requirement**

A quorum of stockholders is necessary to hold a valid meeting. The presence in person or by proxy at the meeting of holders of shares representing at least one-third of the votes of the Common Stock entitled to vote constitutes a quorum. Abstentions and broker “non-votes” are counted as present for establishing a quorum. A broker non-vote occurs on an item when a broker is not permitted to vote on that item absent instruction from the beneficial owner of the shares and no instruction is given.

**Vote necessary to approve proposals**

<u>Item</u>	<u>Vote Necessary</u>
Election of directors*	Directors are elected by a plurality of the votes represented by the shares of Common Stock present at the meeting in person or by proxy. This means that the director nominee with the most affirmative votes for a particular slot is elected for that slot.

\* Under New York Stock Exchange (“NYSE”) rules, if your broker holds your shares in its name, your broker is permitted to vote your shares on this item even if it does not receive voting instructions from you.



## ELECTION OF DIRECTORS

Our Nominating & Governance Committee has nominated four directors for election at the annual meeting. If you elect the four nominees, they will hold office for a three-year term expiring at the 2008 annual meeting or until their successors have been elected. All nominees, except for Jeffrey B. Swartz, are currently serving on our Board of Directors.

Your proxy will vote for each of the nominees unless you specifically withhold authority to vote for a particular nominee. If any nominee is unable to serve, your proxy may vote for another nominee proposed by the Nominating & Governance Committee. We do not know of any nominee of the Nominating & Governance Committee who would be unable to serve as a director if elected.

Stockholders wishing to nominate directors for election may do so by delivering to the Secretary of the Company, no later than fourteen days before the annual meeting, a notice stating (a) the name, age, business address and, if known, residential address of each nominee proposed in the notice, (b) the principal occupation or employment of each nominee and (c) the number of shares of Common Stock beneficially owned by each nominee. No person may be elected as a director unless he or she has been nominated by a stockholder in this manner, by the Board of Directors or by the Nominating & Governance Committee.

**The Board of Directors recommends that you vote FOR the election of all of the following nominees of the Board of Directors:**

### *Nominees and directors*

*Nominees of the Board of Directors for Election at the 2005 Annual Meeting.*

*Donna A. James* *Director since 2003* *Age 47*

Ms. James has served as the President of Nationwide Strategic Investments, a division of Nationwide Mutual Insurance Company ("Nationwide"), since 2003. Ms. James served as the Executive Vice President and Chief Administrative Officer of Nationwide from 2000 until 2003. Ms. James has served as an executive at Nationwide or affiliated entities for the past sixteen years. Ms. James has served as the Chairman of the Board of Financial Settlement Services Agency, Inc., a subsidiary of Nationwide, since its incorporation in January 2005.

*Leonard A. Schlesinger* *Director since 1996* *Age 52*

Dr. Schlesinger is Vice Chairman and Chief Operating Officer and Group President of Beauty and Personal Care of Limited Brands. He was Executive Vice President and Chief Operating Officer of Limited Brands from March 2001 until February 2003 and was Executive Vice President, Organization, Leadership and Human Resources of Limited Brands from October 1999 until March 2001. Dr. Schlesinger served as Senior Vice President, Counselor to the President and was Professor of Sociology and Public Policy and Senior Vice President for Development at Brown University from 1998 to 1999. He also was the George F. Baker, Jr. Professor of Business Administration at Harvard Business School from 1988 to 1998. Dr. Schlesinger is a member of the Governing Committee of the Columbus Foundation and serves on the Visiting Committee on Human Resources at Harvard University, the Strategic Advisory Group of the Ohio State University Medical Center, The Advisory Board of the Center of Science and Industry (COSI) and the corporation of the Winsor School.

*Jeffrey B. Swartz* *Not Currently a Director* *Age 45*

Mr. Swartz is the President and Chief Executive Officer of The Timberland Company (a premium-quality footwear, apparel and accessories company), a position he has held since 1998.

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*Raymond Zimmerman* *Director since 1984* *Age 72*

Mr. Zimmerman has been Chairman of the Board and Chief Executive Officer of 99c Stuff, Inc. (a retail company) since July 1999. Mr. Zimmerman was the Non-Executive Chairman of the Board of Service Merchandise Company, Inc. from 1999 to 2000.

*Directors Whose Terms Continue Until the 2006 Annual Meeting.*

*E. Gordon Gee* *Director since 1991* *Age 61*

Dr. Gee has been Chancellor of Vanderbilt University since August 1, 2000. He was the President of Brown University from 1998 to 2000. Dr. Gee is a director of Dollar General Corporation, Gaylord Entertainment, Inc., Hasbro, Inc. and Massey Energy Co.

*James L. Heskett* *Director since 2002* *Age 71*

Professor Heskett is a Baker Foundation Professor at the Harvard University Graduate School of Business Administration, where he has served on the faculty and administration since 1965. Professor Heskett is a director of Intelliseek and Office Depot, Inc.

*Allan R. Tessler* *Director since 1987* *Age 68*

Mr. Tessler has been Chairman of the Board and Chief Executive Officer of International Financial Group, Inc., an international merchant banking firm, since 1987. He has been Chairman of the Board of Epoch Holdings Corporation, formerly J Net Enterprises, since 2004. He was Chief Executive Officer and Chairman of the Board of J Net Enterprises from 2000 to 2004. From March 2001 to August 2001, Mr. Tessler was acting Chief Executive Officer of Jasmine Networks, an optical networking company. He was Co-Chairman of the Board of Data Broadcasting Corporation (now named Interactive Data Corporation, a member of the Pearson PLC group of companies), a provider of financial and business information to institutional and individual investors, from June 1992 until May 2000 and Co-Chief Executive Officer of that company from June 1992 until November 1999. Mr. Tessler was Chairman of the Board of Enhance Financial Services Group, Inc. from 1986 to February 2001 and Chairman of the Board of InterWorld Corporation from 2001 to 2004. Since January 1997, Mr. Tessler has also served as Chairman of Checker Holdings Corp. IV.

*Abigail S. Wexner* *Director since 1997* *Age 43*

Mrs. Wexner is the Immediate Past Chair of the Governing Committee of The Columbus Foundation, Founder and Chair of The Columbus Coalition Against Family Violence and KidsOhio.org, Chair of the Center for Child and Family Advocacy, Chair Elect of the Boards of Trustees of Children's Hospital, Inc. and Children's Hospital, and a Trustee of The Columbus Academy and The Wexner Center Foundation in Columbus, Ohio. Mrs. Wexner is the wife of Leslie H. Wexner.

*Directors Whose Terms Continue Until the 2007 Annual Meeting.*

*Eugene M. Freedman* *Director since 1995* *Age 73*

Mr. Freedman was a director and Senior Advisor of Monitor Company Group Limited Partnership, an international business strategy and consulting firm, from January 1995 until the end of 2003. He was a founder, Managing Director and President of Monitor Clipper Partners, a private equity firm from 1997 until 1999 and thereafter a Senior Advisor until the end of 2002. Until October 1994 and for many prior years, Mr. Freedman was a Senior Partner of Coopers & Lybrand where he last served as Chairman and Chief Executive Officer of Coopers & Lybrand LLP, U.S. and as Chairman of Coopers & Lybrand International. Mr. Freedman is a director of The Concord Coalition, eCredit.com, Inc., Epoch Holdings Corporation, Outcomes, Inc. and Pathmark Stores, Inc. and is a member of the Advisory Board of The Cross Country Group, Inc.

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*V. Ann Hailey* Director since 2001 Age 54

Ms. Hailey has been Executive Vice President and Chief Financial Officer of Limited Brands since August 1997. She is a director of The Federal Reserve Bank of Cleveland.

*David T. Kollat* Director since 1976 Age 66

Dr. Kollat has been Chairman of 22, Inc., a management consulting firm, since 1987. He is also a director of Big Lots, Inc., Select Comfort, Inc. and Wolverine World Wide, Inc.

*William R. Loomis, Jr.* Director since 2005 Age 56

Mr. Loomis was a General Partner of Lazard Freres & Co., an investment bank, from 1984 to 2002. In 1999, he became Deputy Chief Executive Officer. After the formation of Lazard LLC in 2000, he became the Chief Executive Officer of the new entity. Mr. Loomis became a Limited Managing Director of Lazard in 2002 and resigned from that position in March 2004. He is a director of Alcan Inc. and Ripplewood LLC.

*Leslie H. Wexner* Director since 1963 Age 67

Mr. Wexner has been Chief Executive Officer of Limited Brands since he founded the company in 1963, and Chairman of the Board for more than twenty years. Mr. Wexner is the husband of Abigail S. Wexner.

### **Retirement of Donald B. Shackelford**

After 30 years of service on the Board, Donald B. Shackelford has determined not to stand for reelection. Limited Brands and its Board are grateful for Mr. Shackelford's extraordinary dedication and service to the Company.

### **Director independence**

The Board has determined that each of the individuals nominated to serve on the Board of Directors (except for Leonard A. Schlesinger), together with each of the members of the Board who will continue to serve after the 2005 annual meeting of stockholders (except for V. Ann Hailey, Abigail S. Wexner and Leslie H. Wexner), has no material relationship with the Company (either directly or as a partner, stockholder or officer of an organization that has a relationship with the Company) other than in his or her capacity as a director of the Company and that each is "independent" in accordance with applicable NYSE standards. In making these determinations, the Board took into account all factors and circumstances that it considered relevant, including, where applicable, the existence of any employment relationship between the director (or nominee) or a member of the director's (or nominee's) immediate family and the Company; whether within the past three years the director (or nominee) has served as an executive officer of the Company; whether the director (or nominee) or a member of the director's (or nominee's) immediate family has received, during any twelve-month period within the last three years, direct compensation from the Company in excess of \$100,000; whether the director (or nominee) or a member of the director's (or nominee's) immediate family has been, within the last three years, a partner or an employee of the Company's internal or external auditors; and whether the director (or nominee) or a member of the director's (or nominee's) immediate family is employed by an entity that is engaged in business dealings with the Company. The Board has not adopted categorical standards with respect to director independence. The Board believes that it is more appropriate to make independence determinations on a case by case basis in light of all relevant factors.

### **Information concerning the Board of Directors**

Our Board of Directors held ten meetings in fiscal year 2004 and took action without a meeting on two occasions. During fiscal year 2004, all of the directors attended 75% or more of the total number of meetings of the Board and of the committees of the Board on which they served.

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### **Committees of the Board of Directors**

#### *Audit Committee.*

The Audit Committee of the Board is instrumental in the Board's fulfillment of its oversight responsibilities relating to (i) the integrity of the Company's financial statements, (ii) the Company's compliance with legal and regulatory requirements, (iii) the qualifications, independence and performance of the Company's independent auditors and (iv) the performance of the Company's internal audit function. The current members of the Audit Committee are Messrs. Shackelford (Chair) and Freedman, Ms. James and Messrs. Tessler and Zimmerman. The Board has determined that each of the Audit Committee members meets the independence, expertise and experience standards established by the NYSE and the Securities and Exchange Commission (the "Commission") for service on the Audit Committee of the Company's Board of Directors and for designation as an "audit committee financial expert" within the meaning of the regulations promulgated by the Commission. Each member of the Audit Committee was designated an "audit committee financial expert" by the Board.

The Report of the Audit Committee can be found on page 21 of this proxy statement. The Audit Committee held thirteen meetings in fiscal year 2004.

#### *Compensation Committee.*

The Compensation Committee of the Board (i) oversees the Company's compensation and benefits philosophy and policies generally, (ii) evaluates the chief executive officer's performance and oversees and sets compensation for the chief executive officer, (iii) oversees the evaluation process and compensation structure for other members of the Company's senior management and (iv) fulfills the other responsibilities set forth in its charter. The current members of the Compensation Committee are Mr. Heskett (Chair), Dr. Gee and Mr. Shackelford. The Board has determined that each of the Compensation Committee members is "independent" in accordance with applicable NYSE standards.

The Report of the Compensation Committee can be found on page 15 of this proxy statement. The Compensation Committee held eleven meetings in fiscal year 2004 and took action in writing without a meeting on eleven occasions.

#### *Executive Committee.*

The Executive Committee of the Board may exercise, to the fullest extent permitted by law, all of the powers and authority granted to the Board. Among other things, the Executive Committee may declare dividends, authorize the issuance of stock and authorize the seal of Limited Brands to be affixed to papers that require it. The current members of the Executive Committee are Messrs. Wexner (Chair) and Shackelford. The Executive Committee took action in writing without a meeting on six occasions in fiscal year 2004.

#### *Finance Committee.*

The Finance Committee of the Board periodically reviews our financial position and financial arrangements with banks and other financial institutions. The Finance Committee also makes recommendations on financial matters that it believes are necessary, advisable or appropriate. The current members of the Finance Committee are Messrs. Tessler (Chair), Freedman, Kollat and Shackelford, Mrs. Wexner and Mr. Zimmerman. The Finance Committee held four meetings in fiscal year 2004.

#### *Nominating & Governance Committee.*

The Nominating & Governance Committee of the Board identifies and recommends to the Board candidates who are qualified to serve on the Board and its committees. The Nominating & Governance Committee considers and reviews the qualifications of any individual nominated for election to the Board by stockholders. It also proposes a slate of candidates for election as directors at each annual meeting of stockholders. The Nominating & Governance Committee also develops and recommends to the Board, and reviews from time to time, a set of

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corporate governance principles for the Company and monitors compliance with those principles. The current members of the Nominating & Governance Committee are Messrs. Tessler (Chair), Heskett and Shackelford. The Board has determined that each of the Nominating & Governance Committee members is “independent” in accordance with applicable NYSE standards.

The Nominating & Governance Committee develops and recommends to the Board criteria and procedures for the selection and evaluation of new individuals to serve as directors and committee members. It also reviews and periodically makes recommendations to the Board regarding the composition, size, structure, practices, policies and activities of the Board and its committees. In making its assessment and in identifying and evaluating director nominees, the Nominating & Governance Committee takes into account the qualification of existing directors for continuing service or re-nomination which may be affected by, among other things, the quality of their contributions, their attendance records, changes in their primary employment or other business affiliations, the number of boards of publicly-held companies on which they serve, or other competing demands on their time and attention. While the Board has not established any specific minimum qualifications for director nominees, as indicated in the Company’s Corporate Governance Principles, the directors and any potential nominees should be individuals of diverse backgrounds who possess the integrity, judgment, skills, experience and other characteristics that are deemed necessary or desirable for the effective performance of the Board’s oversight function.

The Nominating & Governance Committee does not have a formal policy on the consideration of director candidates recommended by stockholders. The Board believes that it is more appropriate to give the Nominating & Governance Committee flexibility in evaluating stockholder recommendations. In the event that a director nominee is recommended by a stockholder, the Nominating & Governance Committee will give due consideration to the director nominee and will use the same criteria used for evaluating Board director nominees, in addition to considering the information relating to the director nominee provided by the stockholder. To date, the Nominating & Governance Committee has not received any recommendations from stockholders requesting that the Nominating & Governance Committee consider a candidate for inclusion among the Nominating & Governance Committee’s slate of nominees in the Company’s proxy statement.

To date, the Company has not engaged third parties to identify or evaluate or assist in identifying potential director nominees, although the Company reserves the right in the future to retain a third-party search firm, if necessary.

The Nominating & Governance Committee held five meetings in fiscal year 2004.

### *Meetings of the Company’s Independent Directors.*

The independent members of the Board meet in executive session at each regularly scheduled Board meeting. The director who is the Chairman of the Nominating & Governance Committee serves as the chair of those meetings.

### **Communications with the Board**

The Board provides a process for interested parties to send communications to the full Board, the independent members of the Board and the members of the Audit Committee. Interested parties are directed to the Company’s website at <http://www.limitedbrands.com> for the relevant email addresses. Communications that are not related to a director’s duties and responsibilities as a Board member, an independent director or an Audit Committee member may be excluded by the Office of the General Counsel, including, without limitation, solicitations and advertisements; junk mail; product-related communications; job referral materials such as resumes; surveys; and any other material that is determined to be illegal or otherwise inappropriate. The directors to whom such information is addressed are informed that the information has been removed and that it will be made available to such directors upon request.

### **Attendance at annual meetings**

The Company does not have a formal policy regarding attendance by members of the Board of Directors at the Company’s Annual Meeting of Stockholders. However, it encourages directors to attend and historically

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more than a majority have done so. All of the current Board members attended the 2004 Annual Meeting. Each director is expected to dedicate sufficient time, energy and attention to ensure the diligent performance of his or her duties, including by attending meetings of the stockholders of the Company, the Board and Committees of which he or she is a member.

### **Code of ethics**

The Company adopted a code of ethics which is applicable to all employees of the Company, including the Company's Chief Executive Officer, Chief Operating Officer and Chief Financial Officer. Any amendments to the code or any waivers from any provisions of the code granted to executive officers or directors will be promptly disclosed to shareholders through posting on the Company's website at <http://www.limitedbrands.com>.

### **Copies of the Company's code of ethics, corporate governance principles and committee charters**

The Company's code of ethics, corporate governance principles, as well as the charters of the Audit Committee, Compensation Committee and Nominating & Governance Committee of the Board of Directors, are available on the Company's website at <http://www.limitedbrands.com>. Stockholders may also request a copy of the code of ethics, corporate governance principles or a committee charter from: Limited Brands, Inc., Attention: Investor Relations, Three Limited Parkway, Columbus, Ohio 43230.

### **Security ownership of directors and management**

The following table shows certain information about the securities ownership of all directors (and nominees) of Limited Brands, the executive officers of Limited Brands named in the Summary Compensation Table below and all directors (and nominees) and executive officers of Limited Brands as a group.

<u>Name of Beneficial Owner</u>	<u>Number of Shares of Common Stock Beneficially Owned (a)(b)</u>	<u>Percent of Class</u>
Eugene M. Freedman	32,877(c)	*
E. Gordon Gee	42,012(c)	*
Mark A. Giresi	157,674(c)	*
V. Ann Hailey	754,837(c)(d)	*
James L. Heskett	12,746(e)	*
Donna A. James	7,576(e)	*
David T. Kollat	115,069(c)	*
William R. Loomis, Jr.	6,390	*
Leonard A. Schlesinger	1,049,439(c)	*
Donald B. Shackelford	157,926(c)(e)(f)	*
Jerry Stritzke	31,332(c)	*
Jeffrey B. Swartz (not currently a director)	0	*
Allan R. Tessler	33,542(c)	*
Abigail S. Wexner	9,764,797(c)(g)	2.4%
Leslie H. Wexner	58,967,634(c)(d)(h)	14.5%
Raymond Zimmerman	42,439(c)(e)(i)	*
<u>All directors and executive officers as a group</u>	61,411,493	15.1%

\* Less than 1%.

(a) Unless otherwise indicated, each named person has voting and investment power over the listed shares and such voting and investment power is exercised solely by the named person or shared with a spouse. However, each named person has investment but not voting power over the listed shares held in Limited Brands Savings and Retirement Plan.

(b) Reflects beneficial ownership of shares of Common Stock, and shares outstanding, as of February 15, 2005.

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- (c) Includes the following number of shares issuable within 60 days of February 15, 2005, upon the exercise of outstanding stock options: Mr. Freedman, 12,964; Dr. Gee, 12,964; Mr. Giresi, 147,134; Ms. Hailey, 604,094; Dr. Kollat, 12,964; Mr. Schlesinger, 989,476 (includes 14,264 shares of restricted stock and restricted stock units that vest and become issuable within 60 days); Mr. Shackelford, 12,964; Mr. Stritzke, 31,332; Mr. Tessler, 12,964; Mrs. Wexner, 8,438; Mr. Wexner, 5,327,361; Mr. Zimmerman, 12,964; and all directors and executive officers as a group, 7,171,355.
- (d) Includes the following number of shares held in Limited Brands Savings and Retirement Plan, over which the participant has investment but not voting power: Ms. Hailey, 903; Mr. Wexner, 1,270,784; and all directors and executive officers as a group, 1,271,687.
- (e) Includes the following number of deferred stock units credited to directors' accounts under the 2003 Stock Award and Deferred Compensation Plan for Non-Associate Directors that could be convertible into Common Stock within 60 days after termination from the Board: Mr. Heskett, 2,516; Ms. James, 4,840; Mr. Shackelford, 1,644; and Mr. Zimmerman, 5,806.
- (f) Includes the following number of shares owned by family members, as to which beneficial ownership is disclaimed: Mr. Shackelford, 7,018.
- (g) Excludes 400,000 shares held by a trust of which Mrs. Wexner is the beneficiary. Mrs. Wexner disclaims beneficial ownership of these shares. Includes 5,000,000 shares held by a trust, Foxcote Two. Mrs. Wexner shares voting and investment power with Mr. Wexner with respect to the shares held by Foxcote Two. Excludes 49,202,837 shares beneficially owned by Mr. Wexner as to which Mrs. Wexner disclaims beneficial ownership. Includes 4,756,359 shares directly owned by Mrs. Wexner.
- (h) Includes 5,000,000 shares held by a trust, Foxcote Two, 3,300,568 shares held by Trust 600 and 9,327,638 shares held by H.R.E.I. Trust. Mr. Wexner shares voting and investment power with others with respect to shares held by Foxcote Two, Trust 600 and H.R.E.I. Trust. Includes 15,000,000 shares held by a trust, Foxcote One, as to which shares Mr. Wexner has sole voting and investment power. Includes 4,892,608 shares held by Mr. Wexner as the sole stockholder, director and officer of Wexner Personal Holdings Corporation. Excludes 400,000 shares held in a trust of which Mrs. Wexner is beneficiary and as to which Mr. Wexner disclaims beneficial ownership. Includes 4,756,359 shares directly owned by Mrs. Wexner and 8,438 shares issuable to Mrs. Wexner within 60 days of February 15, 2005 upon exercise of outstanding stock options. Mr. Wexner may be deemed to share voting and investment power with respect to the shares directly owned by Mrs. Wexner and the shares issuable to Mrs. Wexner upon exercise of outstanding options. Includes 10,083,878 shares directly owned by Mr. Wexner.
- (i) Includes 2,400 shares which are Mr. Zimmerman's pro rata share of 7,200 shares owned by a corporation of which Mr. Zimmerman is president and a 33% stockholder plus 4,000 shares held by a partnership which is 45% owned by Mr. Zimmerman and 45% owned by his wife.

### ***Certain relationships and related transactions***

On February 25, 2004, the parties agreed to a settlement of the litigation pending in the Delaware Court of Chancery styled *In re The Limited, Inc. Shareholders Litigation*. In satisfaction of his obligations to the Company in connection with the settlement, on January 28, 2005, Mr. Wexner forfeited 127,245 options to purchase shares of the Company's common stock with an exercise price of \$7.73 per share.

As compensation for their service on the Board's Special Litigation Committee established in connection with the litigation referred to above, on January 31, 2005, Mr. Shackelford (who served as Chair of the Committee) received payment of \$95,000 and Mr. Zimmerman received payment of \$60,000.

Certain executive officers pay for occasional personal use of Company aircraft. Payment is the greater of the amount established by the IRS as reasonable for personal use and the incremental operating costs associated with the use of the aircraft.

**EXECUTIVE COMPENSATION**

**Summary compensation table**

The following table (the “Summary Compensation Table”) shows the compensation paid by Limited Brands to each of the named executive officers of Limited Brands for each of our last three fiscal years.

Name and Principal Position(1)	Fiscal Year	Annual Compensation			Long-Term Compensation		
		Salary(\$)	Bonus\$(2)	Other Annual Compensation(\$)	Restricted Stock Awards\$(3)	Securities Underlying Options Awarded(4)	All Other Compensation\$(5)
Leslie H. Wexner	2004	\$1,615,192	\$ 3,156,723	\$9,024	—	379,440	\$ 259,331
Chairman of the Board,	2003	1,554,231	2,910,336	6,041	—	379,440	406,291
Chief Executive Officer	2002	1,490,385	2,881,920	1,488	—	421,600	108,819
Leonard A. Schlesinger	2004	1,047,308	1,667,931	37,769	—	131,749	435,852
Vice Chairman,	2003	993,269	2,515,800	29,903	\$4,980,000	395,250	311,225
Chief Operating Officer	2002	817,788	1,010,660	28,270	—	158,100	198,015
V. Ann Hailey	2004	867,596	1,059,100	17,505	1,919,000	105,399	254,906
Executive Vice President,	2003	836,154	979,440	13,590	—	105,400	250,311
Chief Financial Officer	2002	795,192	960,640	12,824	197,220	70,266	183,054
Mark A. Giresi	2004	591,538	544,680	3,873	—	42,159	118,393
Senior Vice President,	2003	556,635	457,072	1,463	—	52,699	102,072
Chief Stores Officer	2002	523,558	378,252	1,175	—	52,699	95,908
Jerry Stritzke	2004	519,711	787,500	4,284	—	36,889	139,863
Chief Executive Officer, Mast Industries, Senior Vice President, Production and Sourcing Services							

- Mr. Stritzke became an executive officer in March 2004; therefore, only information beginning with the 2004 fiscal year is noted in the Summary Compensation Table.
- Represents for each fiscal year, the aggregate of the performance-based incentive compensation for the spring and fall selling seasons. However, Mr. Schlesinger’s bonus for 2003 includes a signing bonus of \$1,000,000 in connection with his entering into a new employment agreement.
- Represents for each executive officer, the restricted stock and restricted stock unit awards for the specified fiscal year under Limited Brands’ 1993 Stock Option and Performance Incentive Plan. Information set forth above is based on the closing price of Common Stock on the date on which the awards were made.

On February 6, 2004, 100,000 restricted shares of Common Stock were awarded to Ms. Hailey. The per share value of Common Stock on that date was \$19.19. This award vests in four equal installments beginning on the first anniversary of the grant date, subject to continued employment with Limited Brands.

On March 14, 2003, 200,000 restricted shares of Common Stock and 200,000 shares of restricted stock units were granted to Mr. Schlesinger. The per share value of Common Stock on that date was \$12.45. This award vests in six equal installments beginning on the first anniversary of the grant date, subject to continued employment with Limited Brands.

On February 4, 2002, 11,111 restricted shares of Common Stock were awarded to Ms. Hailey. The per share value of Common Stock on that date was \$17.75. This award vested 100% on August 4, 2004.

The above grants of restricted shares were subsequently adjusted to reflect Limited Brands’ special dividend on December 22, 2004.

Dividends will not be paid or accrue with respect to shares of restricted stock or restricted stock units until such shares vest.



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As of January 29, 2005, the aggregate restricted stock and restricted stock units holdings and the value of such holdings for each of the named executive officers were: Mr. Wexner, no shares; Mr. Schlesinger, 427,153 shares, \$9,922,764; Ms. Hailey, 105,400 shares, \$2,448,442; Mr. Giresi, 10,540 shares, \$244,844; and Mr. Stritzke, no shares (based on the \$23.23 fair market value of a share of Common Stock as of Friday, January 28, 2005).

- (4) The number of options has been adjusted to reflect Limited Brands' special dividend on December 22, 2004.
- (5) For the 2004 fiscal year, includes employer matching and supplemental contributions allocated during the year to each executive officer's account under certain of Limited Brands' qualified and non-qualified defined contribution plans during the year in the amount of \$259,331, \$404,712, \$242,531, \$118,393 and \$139,863 for executive officers Wexner, Schlesinger, Hailey, Giresi and Stritzke, respectively, and term life insurance premiums in the amount of \$31,140 and \$12,375 paid on behalf of executive officers Schlesinger and Hailey, respectively.

The Company has recently announced the hiring of Jay Margolis as Group President, Apparel, and Martyn Redgrave as Executive Vice President and Chief Administrative Officer as well as the creation of the Limited Brands Executive Committee consisting of Mr. Wexner, Mr. Schlesinger, Ms. Hailey, Mr. Margolis, Mr. Redgrave and Sandy West, Executive Vice President, Human Resources.

### **Long-term incentive plan awards**

Limited Brands did not grant any awards for the 2004 fiscal year to the executive officers named in the Summary Compensation Table.

### **Stock options**

The following table shows certain information regarding stock options granted to the executive officers named in the Summary Compensation Table during our 2004 fiscal year.

#### **Option Grants in Fiscal Year 2004**

Name	Individual Grants				Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term(2)	
	Securities Underlying Options Granted(#)(1)	Approximate % of Total Options Granted to Associates in Fiscal Year	Exercise Price Per Share\$(1)	Expiration Date	5%(\$)	10%(\$)
Leslie H. Wexner	379,440	5.52%	\$ 17.78	02/02/14	\$ 4,242,778	\$ 10,752,033
Leonard A. Schlesinger	131,749	1.92%	17.78	02/02/14	1,473,176	3,733,316
V. Ann Hailey	105,399	1.53%	17.78	02/02/14	1,178,538	2,986,647
Mark A. Giresi	42,159	0.61%	17.78	02/02/14	471,409	1,194,642
Jerry Stritzke	36,889	0.54%	17.78	02/02/14	412,481	1,045,308

- (1) Options were granted to executive officers Wexner, Schlesinger, Hailey, Giresi and Stritzke on February 2, 2004 pursuant to Limited Brands' 1993 Stock Option and Performance Incentive Plan. Options vest in four equal installments beginning on the first anniversary of the grant date, in each case subject to the holder's continued employment with the Company.

The number of options and the exercise price per share have been adjusted to reflect Limited Brands' special dividend on December 22, 2004.

- (2) The assumed rates of growth were selected by the Commission for illustrative purposes only and are not intended to predict or forecast our future stock prices.

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The following table sets forth certain information regarding stock options exercised by the executive officers named in the Summary Compensation Table during Limited Brands' 2004 fiscal year and the year-end values of unexercised options held by those executive officers.

**Aggregated Option Exercises in 2004 Fiscal Year and Fiscal Year-End Option Values**

Name	Shares Acquired on Exercise(#) (1)	Value Realized(\$) (2)	Number of Securities Underlying Unexercised Options at Fiscal Year-End(#)(1)		Value of Unexercised In-the-Money Options at Fiscal Year-End\$(3)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Leslie H. Wexner	99,135	\$1,516,726	5,032,241(4)	874,820(4)	\$64,993,246(4)	\$6,607,461(4)
Leonard A. Schlesinger	—	—	731,913	1,203,403	5,534,383	11,006,165
V. Ann Hailey	194,341	2,303,012	500,452	395,247	4,771,236	2,714,502
Mark A. Giresi	36,890	455,549	105,081	121,101	707,151	978,065
Jerry Stritzke	137,107	1,174,955	1	159,126	8	1,205,882

- Options have been adjusted to reflect Limited Brands' special dividend on December 22, 2004.
- Calculated on the basis of the number of shares exercised, multiplied by the excess of the fair market value of a share of Common Stock on the date of exercise over the exercise price of such option.
- Value is calculated on the basis of the number of shares subject to each such option, multiplied by the excess of the fair market value of a share of Common Stock at fiscal year-end (\$23.23) over the exercise price of such option.
- The amounts shown also reflect Mr. Wexner's surrender on January 28, 2005 of 127,245 options to the Company in connection with the settlement of the litigation referred to in "Certain relationships and related transactions" on page 9.

The following table summarizes share and exercise price information about Limited Brands' equity compensation plans as of January 29, 2005.

**Equity Compensation Plan Information**

Plan category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders:(1)	36,805,123	\$ 14.78(2)	28,717,684
Equity compensation plans not approved by security holders	-0-		-0-
<b>Total</b>	<b>36,805,123</b>		<b>28,717,684</b>

- Includes the following plans: Limited Brands, Inc. 1993 Stock Option and Performance Incentive Plan (2004 Restatement), Limited Brands, Inc. 1996 Stock Plan for Non-Associate Directors, 2003 Stock Award and Deferred Compensation Plan for Non-Associate Directors, and Intimate Brands, Inc. 1995 Stock Option and Performance Incentive Plan. In March 2002, awards then outstanding under the Intimate Brands, Inc. plan were converted into awards relating to 15,561,339 shares of Common Stock in connection with the merger of Intimate Brands, Inc. and a subsidiary of the Company.
- Does not include outstanding rights to receive Common Stock upon the vesting of restricted share awards.

**Compensation of directors**

Associates and officers who are directors receive no additional compensation for their service as directors. The following compensation was provided in fiscal 2004 to our directors who were not associates of Limited Brands for their services as directors:

- an annual cash retainer of \$40,000 per year (increased by \$10,000 for Audit, Compensation, Finance or Nominating & Governance committee chairs held and \$5,000 for other committee chairs held), plus
- an annual stock retainer worth \$40,000 under the Limited Brands, Inc. 2003 Stock Award and Deferred Compensation Plan for Non-Associate Directors, based on the fair market value of Company Stock on the first day of the fiscal year.
- an annual cash retainer of \$10,000 for membership on the Audit, Compensation, Finance or Nominating & Governance committees and \$5,000 for other committee membership, and
- an annual stock grant worth \$10,000 under the Limited Brands, Inc. Stock Award and Deferred Compensation Plan for Non-Associate Directors, for membership on the Audit, Compensation, Finance or Nominating & Governance committees and worth \$5,000 for other committee membership, based on the fair market value of Company Stock on the first day of the fiscal year.
- fees of \$4,000 for each Board of Directors meeting attended in excess of ten during a fiscal year and \$1,500 for each committee meeting attended in excess of ten during a fiscal year.

At the end of four years of membership on the Board of Directors, each member must maintain ownership of Limited Brands stock equal to the amount of stock received as Board compensation over the four year period.

Directors may defer receipt of Board cash compensation into an account that is either deemed a cash balance which accrues interest or is denominated as stock units which accrue dividend equivalents in the form of additional stock units.

See also "Certain relationships and related transactions" on page 9 for information with respect to additional compensation paid to Messrs. Shackelford and Zimmerman.

**Employment agreements with certain executive officers**

In 2003 we entered into an employment agreement with Mr. Schlesinger, pursuant to which he serves as our Vice Chairman and Chief Operating Officer and Group President of Beauty and Personal Care. The initial term of Mr. Schlesinger's agreement ends on February 6, 2009, with automatic one-year extensions thereafter unless either party gives written notice to the contrary. Mr. Schlesinger's agreement provides for an initial base salary of \$1 million, life insurance coverage of \$5 million and disability benefits in addition to the benefits available under our disability plans. The agreement notes that Mr. Schlesinger was paid a promotion bonus of \$1 million, and provides for the grant in March 2003 of options to acquire 250,000 shares of Common Stock, 200,000 restricted shares of Common Stock and 200,000 restricted stock units, and also contains the provisions summarized below.

In 2004 we entered into an employment agreement with Ms. Hailey under which she serves as our Executive Vice President and Chief Financial Officer. The initial term of Ms. Hailey's agreement is six years, with automatic one-year extensions thereafter unless either party gives written notice to the contrary. Ms. Hailey's agreement provides for an initial base salary of \$840,000, life insurance coverage of \$5 million and disability benefits in addition to the benefits available under the Company's disability plans. The agreement also provides for the grant to Ms. Hailey of options to purchase 100,000 shares of Common Stock and, beginning in the spring of 2004 subject to her continued performance and changes in applicable rules or practices, for the annual grant of options to purchase 100,000 shares of Common Stock. The agreement with Ms. Hailey was amended in March 2005 in connection with certain organizational changes. Under the amendment, upon specified employment terminations prior to March 1, 2006, Ms. Hailey will be entitled to either (i) certain specified compensation and other benefits consistent with her agreement or (ii) the compensation and benefits to

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which she would have been entitled had her employment continued through March 1, 2008 at her current level of compensation and benefits. In the event that Ms. Hailey's employment does not terminate prior to March 1, 2006, then her current agreement will continue to govern her employment relationship with the Company. Certain other provisions of her employment agreement are summarized below.

In 2002 the Company entered into an employment agreement with Mr. Giresi, which was amended in 2003, under which he serves as the Company's Senior Vice President and Chief Stores Officer. The initial term of Mr. Giresi's agreement is six years, with automatic one-year extensions thereafter unless either party gives written notice to the contrary. Mr. Giresi's agreement provides for an initial base salary of \$525,000 and also contains the provisions summarized below.

In 2002, the Company entered into an employment agreement with Mr. Stritzke, which was amended in 2003, under which he serves as the Company's Chief Executive Officer, Mast Industries and Senior Vice President, Production and Sourcing Services. The initial term of Mr. Stritzke's agreement is six years, with automatic one-year extensions thereafter unless either party gives written notice to the contrary. Mr. Stritzke's agreement provides for an initial base salary of \$450,000 and also contains the provisions summarized below.

Each of Messrs. Schlesinger's, Giresi's and Stritzke's agreements and, except to the extent governed by the amendment to her agreement described above, Ms. Hailey's agreement also provide that, if we fail to extend the executive's agreement or terminate the executive's employment without cause, or if the executive terminates the executive's employment for good reason, the executive will continue to receive the executive's base salary for one year after the termination date; provided that if the executive agrees to execute a general release of us, the executive will also be entitled to receive a pro rata amount under our incentive compensation plan for the performance period in which the executive's employment terminated, an additional year of salary continuation and the amount of the incentive compensation that the executive would have otherwise received had the executive been employed by us during the one-year period beginning on the executive's employment termination date. In the event that in connection with a change in control of Limited Brands the executive's employment is terminated either by us without cause or by the executive for good reason, the executive would be entitled to severance benefits equal to two times the executive's base salary and an amount equal to the sum of the executive's four semi-annual payouts the executive received under our incentive compensation plan, together with a pro rata amount for the incentive compensation performance period in which the executive's employment terminated. In the event any "parachute" excise tax is imposed on the executive, the executive will be entitled to tax reimbursement payments.

### ***Section 16(a) beneficial ownership reporting compliance***

Limited Brands' officers and directors, and persons who own more than ten percent of a registered class of Limited Brands' equity securities, must file reports of ownership and changes in ownership of Limited Brands' equity securities with the Commission and the NYSE. Copies of those reports must also be furnished to Limited Brands.

Based solely on a review of the copies of reports furnished to Limited Brands and written representations of the Company's officers and directors that no other reports were required, we believe that during fiscal 2004 our officers, directors and greater than ten percent beneficial owners complied with these filing requirements with the exception that Mr. Shackelford was late in filing one Form 4 reporting one transaction.

## REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee (the “Committee”) reviews and approves Limited Brands’ compensation philosophy and policies and the application of such policies to the compensation of Mr. Wexner and other executive officers. Limited Brands has retained independent compensation consultants to assist in developing, and periodically assessing the effectiveness and reasonableness of, Limited Brands’ executive officer compensation program. The Committee meets independently on a periodic basis with these consultants to review the Company’s programs.

### ***Compensation philosophy***

Limited Brands attempts to apply a consistent philosophy to compensation for all leadership associates, including senior executives. The primary goal of the compensation program is to link total executive compensation to performance that enhances stockholder value. Accordingly, Limited Brands has structured total compensation for leadership individuals so that a lower proportion is fixed compensation and a higher proportion is performance contingent, keyed to business and stock performance.

Limited Brands’ philosophy is based on the following core principles:

#### *To Pay for Outstanding Performance.*

Limited Brands believes in paying for results. Individuals in leadership roles are compensated based on a combination of total company, business unit and individual performance factors. Total company and business unit performance are evaluated primarily on the degree by which financial targets are met. Individual performance is evaluated based upon several leadership factors, including building brand identity, attainment of specific merchandise and financial objectives, building and developing a strong leadership team, developing an infrastructure to support future business growth and managing expenses. In addition, a significant portion of total compensation is in the form of equity-based award opportunities to directly tie any increased compensation to increased stockholder value.

#### *To Pay Competitively.*

Limited Brands is committed to providing a total compensation program designed to attract the best senior leaders to the business and to retain the best, consistently highest performers. To achieve this goal, Limited Brands annually compares its pay practices and overall pay levels with other leading retail, and where appropriate, non-retail companies and sets pay guidelines based on this review.

#### *To Pay Equitably.*

Limited Brands believes that it is important to apply generally consistent guidelines for all leadership compensation programs across business units, considering the size, complexity, stage of development and performance of the business, and the performance of each individual executive.

#### *To Encourage Ownership of Company Stock.*

Limited Brands designs compensation policies and practices to encourage ownership of Company stock. Beginning in 2005, the Committee has approved stock ownership guidelines for our most senior executives (approximately the top 35 individuals). The guidelines set a minimum level of ownership value according to the position and responsibility ranging from three to five times base salary.

### ***Principal compensation elements***

The principal elements of executive compensation at Limited Brands are base salary, short-term performance-based incentive compensation and long-term equity-based incentive programs. In determining guidelines for each compensation element, Limited Brands participates in compensation surveys which include approximately 70 national and regional specialty and department store retail businesses, chosen because of their

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general similarity to Limited Brands in business and merchandise focus. In addition, Limited Brands participates in special surveys focusing on specific segments of the business, such as merchandise design and production sourcing. With the help of Limited Brands' compensation consultants, Limited Brands analyzes executive compensation levels and practices relative to the performance of these competitor companies and, from this information, develops pay guidelines that generally reward exceptional executive performance with pay well above the industry survey median. The competitor group that is surveyed is subject to periodic review and is modified from time to time to reflect new businesses, mergers, acquisitions and changes in business focus. The competitor group that Limited Brands uses for this purpose contains approximately 40% of the companies in the S&P 500 Retail Composite Index represented in the Stockholder Return Graph (on page 19). Subject to Limited Brands' needs, Limited Brands generally attempts to design all incentive and equity-based compensation programs to be deductible under the Internal Revenue Code.

### *Base Salary.*

The Committee annually reviews and approves the base salary of each executive officer and business president. In determining salary adjustments, the Committee considers the size and responsibility of the individual's position, the business unit's overall performance, the individual's overall performance and future potential and the base salaries paid by competitors to employees in comparable positions. Individual performance is measured against the following factors: seasonal and annual business goals, brand strategy execution and business growth goals, and the recruitment and development of leadership talent. These factors are considered subjectively in the aggregate, and none of these factors is accorded a formula weight.

In 2004, the base salaries of Ms. Hailey and Messrs. Giresi, Schlesinger, Stritzke and Wexner were adjusted based on both performance and market comparisons, with continued emphasis placed on performance-based cash and equity incentive compensation.

### *Performance-Based Incentive Compensation.*

The Limited Brands total compensation program includes a short-term performance-based incentive compensation program for specified leadership positions that provides for incentive payments for each six-month operating season. These incentive payments are based on the attainment of pre-established objective financial goals.

For most businesses, the goals under this plan for fiscal year 2004 were based on operating income. However, goals also may be based on other objectives or criteria, depending on the business unit and its strategy. Limited Brands sets these goals at the beginning of each six-month season, and bases them on an analysis of historical performance, growth and income improvement expectations for that business, financial results of other comparable businesses both inside and outside Limited Brands and progress toward achieving the strategic plan for that business. Annually, Limited Brands establishes target cash incentive compensation opportunities for eligible executives stated as a specific percent of base salary. The amount of performance-based incentive compensation earned by participating executives can range from zero to double their incentive target, based upon the extent to which the pre-established financial goals are achieved.

During 2004, Limited Brands began a multi-year, company-wide initiative to improve information architecture, systems and key business processes to support Limited Brands in its goal of substantial profit growth. Given the importance of this initiative, beginning in 2005, 25% of seasonal incentive compensation will be based on the achievement of goals and metrics associated with the program for our most senior executives.

Beginning with incentive payments based on 2005 seasonal performance, executives covered by the share ownership guidelines who have not met the minimum ownership requirement are required to receive at least 15% of their earned incentive compensation payment in the equivalent value of shares of Company stock. To further

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encourage stock ownership, Limited Brands will provide a 50% match in the form of a restricted stock grant, subject to three-year cliff vesting, on incentive compensation received in stock above the minimum 15% requirement, up to 50% as elected by the executive.

### *Equity-Based Incentive Programs.*

The Committee believes that continued emphasis on equity-based compensation opportunities encourages performance that enhances stockholder value, thereby further linking leadership and stockholder objectives. In 2004, the Committee awarded equity-based incentives, granting stock options and also, to a limited extent, restricted stock awards. The Committee believes that restricted stock awards, the vesting of which is subject to continued employment, help us to retain key high-performing executives.

Award opportunities for each eligible participant are based on guidelines, which include size of the executive's business unit, the individual's responsibility level within that business, competitive practice and the market price of Common Stock. In determining the awards for an executive officer, the Committee evaluated competitive practice and the executive officer's performance and importance to the business.

### *Stock Options.*

In 2004, stock options were awarded to Ms. Hailey and Messrs. Giresi, Schlesinger, Stritzke and Wexner in the amounts set forth in the Option Grants in Fiscal Year 2004 table above. The options granted to each executive officer vest, subject to continued employment, in four equal installments beginning on the first anniversary of the grant date. The exercise price for these options is equal to the fair market value of the underlying Common Stock on the date of grant.

### *Restricted Stock.*

The Committee awarded Ms. Hailey restricted shares in 2004 in the amount set forth in the Summary Compensation Table above, which vest over four years in equal installments beginning on the first anniversary of the grant date, subject to continued employment.

### **CEO compensation**

Mr. Wexner has been Chief Executive Officer since founding Limited Brands in 1963. Limited Brands conducts the same type of competitive review and analysis to determine base salary and incentive guidelines for Mr. Wexner's position as it does for the other executive positions.

In 2004, as in prior years, in establishing Mr. Wexner's compensation package the Committee considered competitive practices, the extent to which Limited Brands achieved operating income and sales objectives, progress regarding brand strategy, and the continued recruitment and development of leadership talent for the business. These factors are considered subjectively in the aggregate and none of these factors is accorded specific weight.

As described earlier, the Committee and Limited Brands continue to emphasize variable, performance-based compensation components for all executives, including Mr. Wexner. Accordingly, as a result of fiscal 2003 performance, in early 2004, Mr. Wexner's base salary was adjusted by 4.5% from \$1,560,000 to \$1,630,000 while his incentive compensation target remained at 160%. In establishing these compensation elements, the Committee considered the financial results for fiscal 2003, changes in stockholder value, Mr. Wexner's progress in recruiting and developing senior leadership talent, and continued focus on the brand development strategy of the business units.

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In fiscal 2004, Limited Brands posted net sales of \$9.408 billion, an increase of 5% compared to net sales in fiscal 2003. Additionally, fiscal 2004 adjusted net income was \$637 million, which was 9% above comparable adjusted net income for fiscal 2003, and adjusted earnings per share were \$1.33 per share, an increase of 20% compared to fiscal 2003 adjusted earnings per share. (The corresponding results determined in accordance with generally accepted accounting principles are included on page 48 of Limited Brands' 2004 Annual Report which is being sent with this proxy statement.) These fiscal 2004 results were above targeted performance objectives established by the Committee for the spring season and below target for the fall season. Due to the amount by which the spring season exceeded the established targets, the results for the entire year were above target, and as a result, the annual cash incentive payment earned by Mr. Wexner was above target level for the year, according to the plan.

Compensation Committee

James L. Heskett, Chair

E. Gordon Gee

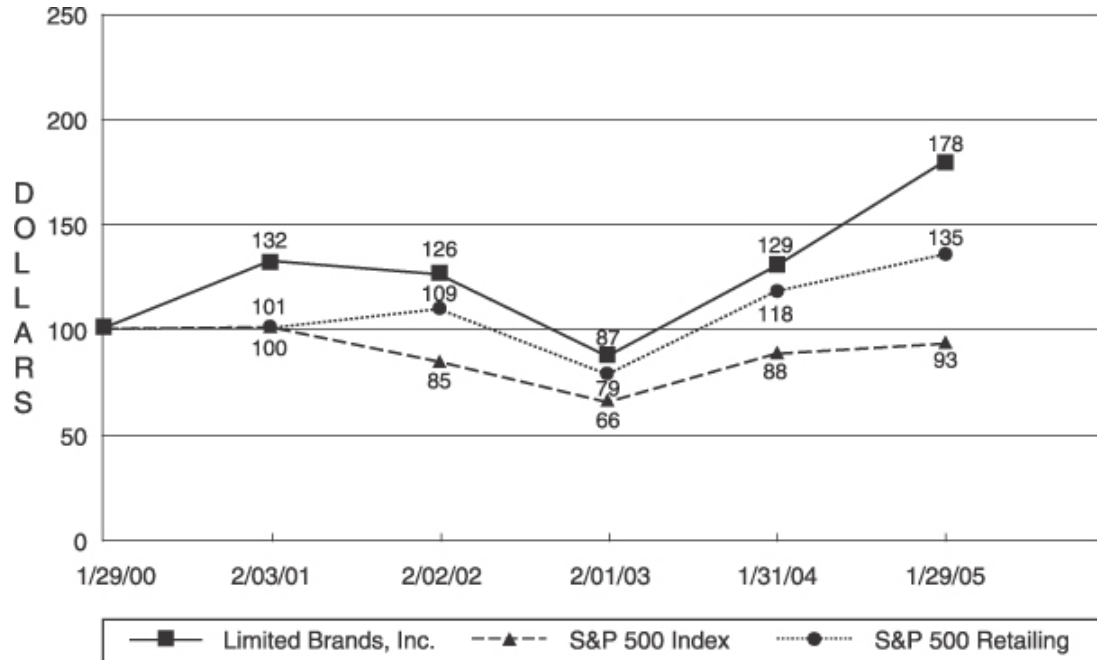
Donald B. Shackelford



### STOCKHOLDER RETURN GRAPH

The following graph shows the changes, over the past five-year period, in the value of \$100 invested in Common Stock, the Standard & Poor's 500 Composite Stock Price Index and the Standard & Poor's 500 Retail Composite Index. The plotted points represent the closing price on the last day of the fiscal year indicated.

**COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN\*  
AMONG LIMITED BRANDS, INC., THE S&P 500 INDEX  
AND THE S&P RETAIL COMPOSITE INDEX**



\*\$100 INVESTED IN STOCK OR IN INDEX AT THE CLOSING PRICE ON 1/29/00 – INCLUDING REINVESTMENT OF DIVIDENDS.

[Table of Contents](#)**SHARE OWNERSHIP OF PRINCIPAL STOCKHOLDERS**

The following table sets forth the names of all persons who, on February 15, 2005 were known by Limited Brands to be the beneficial owners (as defined in the rules of the Commission) of more than 5% of the shares of Common Stock.

<u>Name and Address of Beneficial Owner</u>	<u>Amount Beneficially Owned</u>	<u>Percent of Class</u>
Leslie H. Wexner(1) Three Limited Parkway P.O. Box 16000 Columbus, OH 43216	58,967,634	14.5%
Capital Research and Management Company(2) 333 South Hope Street Los Angeles, CA 90071	76,753,510	18.9%

- (1) Includes 1,270,784 shares held in an employee benefit plan as to which Mr. Wexner has the power to dispose of or withdraw those shares, but not to vote those shares. Includes 5,000,000 shares held by a trust, Foxcote Two, 3,300,568 shares held by Trust 600 and 9,327,638 shares held by H.R.E.I. Trust. Mr. Wexner shares voting and investment power with others with respect to shares held by Foxcote Two, Trust 600 and H.R.E.I. Trust. Includes 15,000,000 shares held by a trust, Foxcote One, as to which shares Mr. Wexner has sole voting and investment power. Includes 4,892,608 shares held by Mr. Wexner as the sole stockholder, director and officer of Wexner Personal Holdings Corporation. Excludes 400,000 shares held in a trust of which Mrs. Wexner is beneficiary and as to which Mr. Wexner disclaims beneficial ownership. Includes 4,756,359 shares directly owned by Mrs. Wexner and 8,438 shares issuable to Mrs. Wexner within 60 days of February 15, 2005 upon exercise of outstanding stock options. Mr. Wexner may be deemed to share voting and investment power with respect to the shares directly owned by Mrs. Wexner and the shares issuable to Mrs. Wexner upon exercise of outstanding options. Includes 10,083,878 shares directly owned by Mr. Wexner and 5,327,361 shares issuable to Mr. Wexner within 60 days of February 15, 2005 upon exercise of outstanding stock options.
- (2) Based on information set forth in Amendment No. 8 to the joint Schedule 13G filing (filed February 14, 2005) by Capital Research and Management Company, The Growth Fund of America, Inc. and The Investment Company of America. Capital Research and Management Company, acting as investment advisor to various investment companies, held no voting power and sole dispositive power over any of these shares.

## REPORT OF THE AUDIT COMMITTEE

As provided in our written charter, the Audit Committee is instrumental in the Board's fulfillment of its oversight responsibilities relating to (i) the integrity of the Company's financial statements, (ii) the Company's compliance with legal and regulatory requirements, (iii) the qualifications, independence and performance of the Company's independent auditors and (iv) the performance of the Company's internal audit function. We have the sole authority to appoint, compensate, retain, oversee and terminate the Company's independent auditors. We pre-approve the audit services and non-audit services to be provided by the Company's independent auditors. In addition, we evaluate the independent auditors' qualifications, performance and independence and present our conclusions with respect to the independent auditors to the full Board on at least an annual basis.

It is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditors. Furthermore, while we are responsible for reviewing the Company's policies and practices with respect to risk assessment and management, it is the responsibility of the CEO and senior management to determine the appropriate level of the Company's exposure to risk.

We have reviewed and discussed Limited Brands' audited financial statements as of and for the year ended January 29, 2005 and met with both management and our independent auditors to discuss the financial statements. Management has represented to us that the financial statements were prepared in accordance with generally accepted accounting principles. We have reviewed with the internal auditor and independent auditors the overall scope and plans for their respective audits. We also met with the internal auditor and independent auditors, with and without management present, to discuss the results of their examinations and their evaluations of the Company's internal controls.

We have also discussed with the independent auditors all matters required to be discussed with audit committees by Statement on Auditing Standards No. 61 (Communication with Audit Committees). The Company's independent auditors also provided to us the written disclosures and the letter required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), and we discussed with the independent auditors their independence from the Company. We considered whether the provision of non-audit services by the independent auditors to the Company is compatible with maintaining their independence.

Based on the reviews and discussions summarized in this Report, and subject to the limitations on our role and responsibilities, certain of which are referred to above and in the Audit Committee charter, we recommended to the Board that Limited Brands' audited financial statements be included in our Annual Report on Form 10-K for the fiscal year 2004 for filing with the Commission.

Audit Committee

Donald B. Shackelford, Chair  
Eugene M. Freedman  
Donna A. James  
Allan R. Tessler  
Raymond Zimmerman

## INDEPENDENT PUBLIC ACCOUNTANTS

During our 2004 fiscal year, Ernst & Young LLP served as our independent public accountants and in that capacity rendered an opinion on our consolidated financial statements as of and for the fiscal year ended January 29, 2005. We annually review the selection of our independent public accountants and have selected Ernst & Young LLP as our independent public accountants for the current fiscal year. Representatives of Ernst & Young LLP are expected to be present at the annual meeting. They will be available to respond to appropriate questions and may make a statement if they so desire.

During our 2002 fiscal year, PricewaterhouseCoopers LLP served as our independent public accountants and in that capacity rendered an opinion on our consolidated financial statements as of and for the fiscal year ended February 1, 2003. The Audit Committee of the Board of Directors annually selects our independent public accountants. After consideration at several meetings, on January 30, 2003, the Audit Committee decided to request proposals from each of the four largest accounting firms, including PricewaterhouseCoopers LLP, to evaluate their capabilities in connection with retaining a firm to conduct the independent audit of the Company's financial statements for the year ending January 31, 2004. On February 26, 2003, PricewaterhouseCoopers LLP informed the Company that it would decline to stand for selection by the Audit Committee as the Company's independent public accountants. On April 7, 2003, the Audit Committee engaged the accounting firm Ernst & Young LLP as our independent public accountants for the 2003 fiscal year.

The reports of PricewaterhouseCoopers LLP on the financial statements for the 2002 fiscal year contained no adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles.

In connection with its audit for the 2002 fiscal year and through February 26, 2003, there were no disagreements (as defined in Item 304(a)(1)(iv) of Commission Regulation S-K) with PricewaterhouseCoopers LLP on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements if not resolved to the satisfaction of PricewaterhouseCoopers LLP, would have caused them to make reference thereto in their report on the financial statements for such years.

During the two most recent fiscal years, there have been no reportable events (as defined in Item 304(a)(1)(v) of Commission Regulation S-K).

The Company requested that PricewaterhouseCoopers LLP furnish it with a letter addressed to the Commission stating whether or not it agreed with the above statements. A copy of such letter, dated March 4, 2003, was filed as an exhibit to our current report on Form 8-K filed with the Commission on March 4, 2003.

### ***Audit fees***

The aggregate audit fees payable to Ernst & Young LLP for fiscal 2004 and 2003 were approximately \$4,199,000 and \$1,331,000, respectively. These amounts include fees for professional services rendered by Ernst & Young LLP in connection with the audit of our consolidated financial statements and reviews of our unaudited consolidated interim financial statements as well as fees for services that generally only the independent auditor can reasonably be expected to provide, including comfort letters and consultation regarding financial accounting and/or reporting standards. These amounts also include fees for services rendered in connection with the audit of management's assessment of internal controls over financial reporting.

### ***Audit related fees***

The aggregate fees for assurance and related services rendered by Ernst & Young LLP that were reasonably related to the audit of our consolidated financial statements for fiscal 2004 and 2003 were approximately \$219,000 and \$102,000, respectively. The fees under this category are for assurance and related services that are traditionally performed by the independent auditor and include audits of employee benefit plans and agreed upon procedures.

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***Tax fees***

The aggregate fees for tax services rendered by Ernst & Young LLP for fiscal 2004 and 2003 were approximately \$118,000 and \$375,000, respectively. Tax fees include tax compliance and advisory services.

***All other fees***

Other than as described above, there were no other services rendered by Ernst & Young LLP for fiscal 2004 or 2003.

***Pre-approval policies and procedures***

The Audit Committee pre-approves all audit and non-audit services to be provided by Ernst & Young LLP in a given fiscal year.

**OTHER MATTERS**

The Board of Directors knows of no other matters to be brought before the annual meeting. However, if other matters should come before the meeting, each of the persons named as proxy intends to vote in accordance with his or her judgment on such matters.

**STOCKHOLDER PROPOSALS**

We may omit from the proxy statement and form of proxy relating to the next annual meeting of stockholders any proposals of stockholders which are intended to be presented at that meeting which are not received by the Secretary of Limited Brands at our principal executive offices on or before December 19, 2005.

**SOLICITATION EXPENSES**

We will pay the expense of preparing, assembling, printing and mailing the proxy form and the form of material used in solicitation of proxies. Our employees may solicit proxies by telephone, mailgram, facsimile and personal solicitation, in addition to the use of the mail. We have retained Georgeson Shareholder Communications, Inc., New York, New York, to help us solicit proxies relating to shares held by brokerage houses, custodians, fiduciaries and other nominees for a fee of approximately \$11,000, plus expenses. We do not expect to pay any other compensation for the solicitation of proxies.

By Order of the Board of Directors

/s/ Leslie H. Wexner  
Leslie H. Wexner  
Chairman of the Board

# Limitedbrands

LIMITED BRANDS, INC.  
THREE LIMITED PARKWAY  
P.O. BOX 16000  
COLUMBUS, OH 43230

## Internet and Telephone Instructions

You can vote by telephone OR Internet! Available 24 hours a day 7 days a week!



Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Central Time on May 15, 2005. Have your proxy card in hand when you call and then follow the instructions.



Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Central Time on May 15, 2005. Have your proxy card in hand when you access the website and follow the instructions to obtain your records and to create an electronic voting instruction form.



Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return to Limited Brands, Inc. c/o ADP, 51 Mercedes Way, Edgewood, NY 11717.

**If you vote by telephone or the Internet, please DO NOT mail back this proxy card.**

**THANK YOU FOR VOTING**

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

LBRAND

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

### LIMITED BRANDS, INC.

PLEASE REFER TO THE REVERSE SIDE FOR INTERNET AND TELEPHONE VOTING INSTRUCTIONS.

#### A. Election of Directors

1. The Board of Directors recommends a vote "FOR" the nominated Directors.	<b>For All</b>	<b>Withhold All</b>	<b>For All Except</b>	To withhold authority to vote, mark "For All Except" and write the nominee's name on the line below.
<b>01 – Donna A. James</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>02 – Leonard A. Schlesinger</b>				
<b>03 – Jeffrey B. Swartz</b>				
<b>04 – Raymond Zimmerman</b>				

#### B. Authorized Signatures—Sign Here—This section must be completed for your instructions to be executed.

The undersigned acknowledges receipt with this Proxy of a copy of the Notice of Annual Meeting of Stockholders and Proxy Statement dated April 15, 2005.

**IMPORTANT:** Please date this Proxy and sign exactly as your name or names appear hereon. If stock is held jointly, signature should include both names. Executors, Administrators, Trustees, Guardians and others signing in a representative capacity should indicate full titles.

For address changes/comments, please check this box and write them on the back where indicated

Please indicate if you plan to attend this meeting  Yes  No

Signature [PLEASE SIGN WITHIN BOX]

Date

Signature (Joint Owners)

Date

**Proxy – Limited Brands, Inc.**

**This Proxy is Solicited on behalf of the Board of Directors for the Annual Meeting of Stockholders on May 16, 2005**

The undersigned hereby appoints Leslie H. Wexner, Leonard A. Schlesinger and V. Ann Hailey, and each of them, proxies, with full power of substitution, to vote for the undersigned all shares of Common Stock of Limited Brands, Inc. which the undersigned would be entitled to vote if personally present at the Annual Meeting of Stockholders to be held on May 16, 2005 at 9:00 a.m., Eastern Time, and at any adjournments thereof, upon the matters described in the accompanying Proxy Statement and upon any other business that may properly come before the meeting or any adjournments thereof.

**SAID PROXIES ARE DIRECTED TO VOTE AS MARKED ON THE REVERSE SIDE AND IN THEIR DISCRETION UPON SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING OR ANY ADJOURNMENTS THEREOF.**

Address Changes/Comments: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side.)

*(Continued and to be signed on the reverse side)*