

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Schedule TO

*Tender Offer Statement under Section
14(d)(1) or 13(e)(1) of the Securities Exchange Act of 1934*

LIMITED BRANDS, INC.

(Name of Issuer)

LIMITED BRANDS, INC. (Issuer)

(Name of Filing Person (Identifying Status as Offeror, Issuer or Other Person))

Common Stock, \$0.50 Par Value
(Title of Class of Securities)

532716107

(CUSIP Number of Class of Securities)

Samuel P. Fried
Senior Vice President, General Counsel and Secretary
Limited Brands, Inc.
Three Limited Parkway
P.O. Box 16000
Columbus, Ohio 43216
Telephone (614) 415-7000

(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications on Behalf of Filing Persons)

Copy to:
Dennis S. Hersch
David L. Caplan
Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
Telephone: (212) 450-4000

CALCULATION OF FILING FEE

Transaction Valuation*	Amount of Filing Fee**
\$2 billion	\$ 253,400

* Calculated solely for the purpose of determining the amount of the filing fee. This amount is based upon the purchase of 80,000,000 outstanding shares of Common Stock at the maximum tender offer price of \$25.00 per share.

** The amount of the filing fee, calculated in accordance with Rule 0-11 of the Securities Exchange Act of 1934, as amended, and Fee Advisory #7 for Fiscal Year 2004 issued by the Securities and Exchange Commission, equals \$126.70 per million of the value of the transaction.

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

Amount Previously Paid: N/A

Filing Party: N/A

Form of Registration No.: N/A

Date Filed: N/A

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

third-party tender offer subject to Rule 14d-1

issuer tender offer subject to Rule 13e-4

going-private transaction subject to Rule 13e-3

amendment to Schedule 13D under Rule 13d-2

Check the following box if the filing is a final amendment reporting the results of the tender offer:

SCHEDULE TO

This Tender Offer Statement on Schedule TO relates to the offer by Limited Brands, Inc., a Delaware corporation (“Limited Brands” or the “Company”), to purchase up to 80,000,000 shares of its common stock, \$0.50 par value per share (the “Shares”), or such lesser number of Shares as is properly tendered and not properly withdrawn, at prices between \$21.75 and \$25.00 per share, without interest. Limited Brands’ offer is being made upon the terms and subject to the conditions set forth in the Offer to Purchase dated October 7, 2004 (the “Offer to Purchase”), and in the related Letter of Transmittal, copies of which are attached to this Schedule TO as Exhibits (a)(1)(i) and (a)(1)(ii), respectively (which together, as amended or supplemented from time to time, constitute the “Offer”). The information contained in the Offer is incorporated herein by reference in response to all of the items of this Schedule TO as more particularly described below. This Schedule TO is intended to satisfy the reporting requirements of Rule 13e-4(c)(2) of the Securities Exchange Act of 1934, as amended.

Item 1. Summary Term Sheet.

The information set forth under “Summary Term Sheet” in the Offer to Purchase is incorporated herein by reference.

Item 2. Subject Company Information.

- (a) The name of the issuer is Limited Brands, Inc. The address and telephone number of Limited Brands is set forth under Item 3.
- (b) The information set forth under “Introduction” in the Offer to Purchase is incorporated herein by reference.
- (c) The information set forth in the Offer to Purchase under Section 8 (“Price Range of Shares; Dividends”) is incorporated herein by reference.

Item 3. Identity and Background of Filing Person.

(a) Limited Brands is the filing person. The address of Limited Brands’ principal executive office is Three Limited Parkway, P.O. Box 16000, Columbus, Ohio 43216. Limited Brands’ telephone number is (614) 415-7000. The information set forth in the Offer to Purchase under Section 11 (“Interest of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares”) is incorporated herein by reference.

Item 4. Terms of the Transaction.

- (a) The following information set forth in the Offer to Purchase is incorporated herein by reference:
 - Summary Term Sheet;
 - Section 1 (“Number of Shares; Proration”);
 - Section 2 (“Purpose of the Tender Offer; Certain Effects of the Tender Offer”);
 - Section 3 (“Procedures for Tendering Shares”);
 - Section 4 (“Withdrawal Rights”);
 - Section 5 (“Purchase of Shares and Payment of Purchase Price”);
 - Section 11 (“Interest of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares”);
 - Section 13 (“United States Federal Income Tax Consequences”); and
 - Section 14 (“Extension of the Tender Offer; Termination; Amendment”).

(b) The information set forth in the Offer to Purchase under Section 11 (“Interest of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares”) is incorporated herein by reference.

Item 5. Past Contacts, Transactions, Negotiations and Agreements.

(e) The information set forth under Section 11 (“Interest of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares”) in the Offer to Purchase is incorporated herein by reference.

Item 6. Purposes of the Transaction and Plans or Proposals.

(a), (b) and (c) The information set forth under Section 2 (“Purpose of the Tender Offer; Certain Effects of the Tender Offer”) in the Offer to Purchase is incorporated herein by reference.

Item 7. Source and Amount of Funds or Other Consideration.

(a), (b) and (d) The information set forth under Section 9 (“Source and Amount of Funds”) in the Offer to Purchase is incorporated herein by reference.

Item 8. Interest in Securities of the Subject Company.

(a) and (b) The information set forth under Section 11 (“Interest of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares”) in the Offer to Purchase is incorporated herein by reference.

Item 9. Persons/Assets, Retained, Employed, Compensated or Used.

(a) The information set forth under Section 15 (“Fees and Expenses”) in the Offer to Purchase is incorporated herein by reference.

Item 10. Financial Statements.

(a) The information set forth under Section 10 (“Certain Information Concerning Us”) in the Offer to Purchase, the information set forth in Item 8 of the Company’s Annual Report on Form 10-K for the year ended January 31, 2004, and the information set forth in Item 1 of the Company’s Quarterly Report on Form 10-Q for the quarter ended July 31, 2004, is incorporated herein by reference.

(b) The information set forth under Section 10 (“Certain Information Concerning Us”) in the Offer to Purchase is incorporated herein by reference.

Item 11. Additional Information.

(a) The information set forth under Section 10 (“Certain Information Concerning Us”), Section 11 (“Interest of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares”) and Section 12 (“Legal Matters; Regulatory Approvals”) in the Offer to Purchase is incorporated herein by reference.

(b) The information set forth in the Offer to Purchase and in the related Letter of Transmittal, copies of which are filed as Exhibits (a)(1)(i) and (a)(1)(ii) respectively hereto, as each may be amended or supplemented from time to time, is incorporated herein by reference.

Item 12. Exhibits.

- (a)(1)(i) Offer to Purchase dated October 7, 2004.
- (a)(1)(ii) Letter of Transmittal (including Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9).
- (a)(1)(iii) Notice of Guaranteed Delivery.
- (a)(1)(iv) Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees dated October 7, 2004.
- (a)(1)(v) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees dated October 7, 2004.
- (a)(1)(vi) Letter dated October 6, 2004 from Leslie H. Wexner, Chairman and Chief Executive Officer of Limited Brands, Inc.
- (a)(1)(vii) Letter from Savings and Retirement Plan Administrative Committee, including Letter and Notice of Instructions, to all Participants in the Savings and Retirement Plan of Limited Brands, Inc. dated October 7, 2004.
- (a)(1)(viii) Letter from Savings and Retirement Plan Administrative Committee to Participants in the Savings and Retirement Plan who are subject to Section 16 of the Securities and Exchange Act of 1934, as amended, dated October 7, 2004.
- (a)(1)(ix) Letter from Computershare Trust Co., Inc. to all Participants in the Stock Purchase Plan of Limited Brands, Inc. dated October 7, 2004.
- (a)(1)(x) Notice to Holders of Vested Stock Options dated October 7, 2004.
- (a)(2) None.
- (a)(3) Not applicable.
- (a)(4) Not applicable.
- (a)(5)(i) Form of summary advertisement dated October 7, 2004.
- (a)(5)(ii) Limited Brands Stock Tender Offer—Questions and Answers.
- (b)(i) Five-Year Revolving Credit Agreement, dated as of October 6, 2004, among Limited Brands, Inc., the Lenders party thereto, JPMorgan Chase Bank, as Administrative Agent, and Bank of America, N.A. and Citicorp North America, Inc., as Co-Syndication Agents.
- (b)(ii) Term Loan Credit Agreement, dated as of October 6, 2004, among Limited Brands, Inc., the Lenders party thereto, JPMorgan Chase Bank, as Administrative Agent, and Bank of America, N.A. and Citicorp North America, Inc., as Co-Syndication Agents.
- (b)(iii) Bridge Credit Agreement, dated as of October 6, 2004, among Limited Brands, Inc., the Lenders party thereto, JPMorgan Chase Bank, as Administrative Agent, and Bank of America, N.A. and Citicorp North America, Inc., as Co-Syndication Agents.
- (d)(1) Employment Agreement of Mark A. Giresi dated as of August 15, 2002, incorporated by reference to Exhibit 10.22 to the Company's Annual Report on Form 10-K for fiscal year ended February 1, 2003.
- (d)(2) Amendment to Employment Agreement of Mark A. Giresi dated as of May 19, 2003, incorporated by reference to Exhibit (d)(4) to the Company's Tender Offer statement on Schedule TO (file no. 005-33912) dated February 27, 2004.
- (d)(3) Employment Agreement of Leonard A. Schlesinger dated as of July 31, 2003, incorporated by reference to Exhibit 10 to the Company Quarterly Report on Form 10-Q for quarterly period ended August 2, 2003.

- (d)(4) Employment Agreement of V. Ann Hailey dated as of January 2, 2004, incorporated by reference to Exhibit (d)(6) to the Company's Tender Offer statement on Schedule TO (file no. 005-33912) dated February 27, 2004.
- (d)(5) Limited Brands Stock Award and Deferred Compensation Plan for Non-Associate Directors, incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-8 filed November 13, 2003.
- (d)(6) Limited Brands 1993 Stock Option and Performance Incentive Plan (2004 Restatement), incorporated by reference to Appendix A to the Company's Proxy Statement on Form 14A dated May 17, 2004.
- (d)(7) Intimate Brands 1995 Stock Option and Performance Incentive Plan (1997 Restatement), incorporated by reference to Exhibit B to the Company's Proxy Statement on Form 14A dated April 14, 1997.
- (g) Not applicable.
- (h) Not applicable.

Item 13. Information Required by Schedule 13E-3

Not applicable.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

LIMITED BRANDS, INC.

/s/ Timothy J. Faber

By: _____

Name: Timothy J. Faber

Title: Vice President, Treasury/Mergers &
Acquisitions

Dated: October 7, 2004

EXHIBIT INDEX

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(d)(7)	Intimate Brands 1995 Stock Option and Performance Incentive Plan (1997 Restatement), incorporated by reference to Exhibit B to the Company's Proxy on Form 14A dated April 14, 1997.

Limitedbrands
Offer to Purchase for Cash
by
LIMITED BRANDS, INC.

of
Up to 80,000,000 Shares of its Common Stock At a Purchase Price of Not Greater Than \$25.00 Nor Less Than \$21.75 Per Share

THE TENDER OFFER, THE PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, NOVEMBER 4, 2004, UNLESS THE TENDER OFFER IS EXTENDED.

Limited Brands, Inc., a Delaware corporation (“Limited Brands” or the “Company”), invites its stockholders to tender up to 80,000,000 shares of its common stock, \$0.50 par value per share, for purchase by us at a price not greater than \$25.00 nor less than \$21.75 per share, without interest, upon the terms and subject to the conditions set forth in this Offer to Purchase and in the related Letter of Transmittal (which together, as they may be amended or supplemented from time to time, constitute the tender offer). We will select the lowest purchase price that will allow us to purchase 80,000,000 shares or, if a lesser number of shares are properly tendered, all shares that are properly tendered and not withdrawn. All shares acquired in the tender offer will be acquired at the same purchase price regardless of whether the stockholder tendered at a lower price. However, because of the “odd lot” priority, proration and conditional tender provisions described in this Offer to Purchase, all of the shares tendered at or below the purchase price may not be purchased if more than the number of shares we seek are properly tendered. Shares tendered but not purchased in the tender offer will be returned to the tendering stockholders at our expense promptly after the expiration of the tender offer. See Section 1.

Our intent is to purchase up to \$2 billion of our shares in the tender offer. In the event the final purchase price is less than the maximum price of \$25.00 per share and more than 80,000,000 shares are tendered in the tender offer at or below the purchase price, we intend to exercise our right to purchase up to an additional 2% of our outstanding shares without extending the tender offer so that we repurchase up to \$2 billion of our shares. By way of example, if the final purchase price is the minimum purchase price of \$21.75 per share, we intend to purchase up to an additional 9,438,333 of our outstanding shares to the extent tendered in the tender offer. We also expressly reserve the right, in our sole discretion, to purchase additional shares subject to applicable legal requirements. See Section 1.

THE TENDER OFFER IS NOT CONDITIONED ON ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE TENDER OFFER IS, HOWEVER, SUBJECT TO OTHER CONDITIONS. SEE SECTION 7.

The shares are listed and traded on the New York Stock Exchange (the “NYSE”) under the trading symbol “LTD”. On October 6, 2004, the last full trading day before the announcement of the tender offer, the last reported sale price of the shares was \$21.88 per share. You are urged to obtain current market quotations for the shares. See Section 8.

The tender offer is an element of our overall plan to return approximately \$2.5 billion of capital to our stockholders. Shortly after completion of the tender offer, we intend to declare a special dividend of \$500 million in the aggregate, subject to applicable legal requirements. If we are unable to purchase \$2 billion of shares in the tender offer, we will consider, in our sole discretion, various other options for the cash, including, among other things, additional share repurchases or an increase in the special dividend. The amount of the dividend and the record date will be set at the time the dividend is declared. If you participate in the tender offer, you will not be entitled to receive the special dividend with respect to any shares we purchase.

OUR BOARD OF DIRECTORS HAS APPROVED THE TENDER OFFER. HOWEVER, NEITHER WE NOR OUR BOARD OF DIRECTORS NOR THE DEALER MANAGERS MAKE ANY RECOMMENDATION TO YOU AS TO WHETHER YOU SHOULD TENDER OR REFRAIN FROM TENDERING YOUR SHARES OR AS TO THE PURCHASE PRICE OR PRICES AT WHICH YOU MAY CHOOSE TO TENDER YOUR SHARES. YOU MUST MAKE YOUR OWN DECISION AS TO WHETHER TO TENDER YOUR SHARES AND, IF SO, HOW MANY SHARES TO TENDER AND THE PRICE OR PRICES AT WHICH TO TENDER YOUR SHARES. IN SO DOING, YOU SHOULD READ CAREFULLY THE INFORMATION IN THIS OFFER TO PURCHASE AND IN THE RELATED LETTER OF TRANSMITTAL, INCLUDING OUR REASONS FOR MAKING THE TENDER OFFER. SEE SECTION 2. LESLIE H. WEXNER, OUR CHAIRMAN AND CHIEF EXECUTIVE OFFICER, HIS IMMEDIATE FAMILY MEMBERS AND AFFILIATED ENTITIES EXPECT TO TENDER A PORTION (NOT TO EXCEED 6%) OF THEIR SHARES PURSUANT TO THE TENDER OFFER. OUR OTHER DIRECTORS AND EXECUTIVE OFFICERS HAVE ADVISED US THAT THEY HAVE NOT DETERMINED WHETHER TO TENDER ANY OF THEIR SHARES IN THE TENDER OFFER.

The Dealer Managers for the Tender Offer are:

Banc of America Securities LLC

JPMorgan

Offer to Purchase dated October 7, 2004

IMPORTANT

If you want to tender all or part of your shares, you must do one of the following before the tender offer expires:

- if your shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, contact the nominee and have the nominee tender your shares for you;
- if you hold certificates in your own name, complete and sign a Letter of Transmittal according to its instructions and deliver it, together with any required signature guarantees, the certificates for your shares and any other documents required by the Letter of Transmittal, to Wachovia Bank, N.A., the Depository for the tender offer;
- if you are an institution participating in The Depository Trust Company, which we call the “Book-Entry Transfer Facility” in this Offer to Purchase, tender your shares according to the procedure for book-entry transfer described in Section 3 of this Offer to Purchase;
- if you are a participant in our Savings and Retirement Plan or Stock Purchase Plan and you wish to tender any of your shares held in either of those plans, you must follow the separate instructions and procedures described in Section 3 of this Offer to Purchase and you must review the separate materials related to those plans enclosed with this Offer to Purchase for instructions;
- if you are a participant in the Dividend Reinvestment Plan and you wish to tender any of your shares held in that plan or you hold shares in our Direct Registration System and you wish to tender any of your shares held in the Direct Registration System, you must indicate this on the Letter of Transmittal and follow the procedures outlined in the Letter of Transmittal; or
- if you are a holder of vested options, you may exercise your options for cash and tender any of the shares issued upon exercise.

If you want to tender your shares but your certificates for the shares are not immediately available or cannot be delivered to the Depository within the required time or you cannot comply with the procedure for book-entry transfer, or your other required documents cannot be delivered to the Depository by the Expiration Date (as defined below) of the tender offer, you may still tender your shares if you comply with the guaranteed delivery procedure described in Section 3 of this Offer to Purchase.

TO TENDER SHARES PROPERLY, OTHER THAN SHARES REGISTERED IN THE NAME OF A BROKER, DEALER, COMMERCIAL BANK, TRUST COMPANY OR OTHER NOMINEE, OR SHARES HELD IN THE SAVINGS AND RETIREMENT PLAN OR THE STOCK PURCHASE PLAN, YOU MUST PROPERLY COMPLETE AND DULY EXECUTE THE LETTER OF TRANSMITTAL, INCLUDING THE SECTION RELATING TO THE PRICE AT WHICH YOU ARE TENDERING YOUR SHARES.

If you wish to maximize the chance that your shares will be purchased by us, you should check the box in the section of the Letter of Transmittal captioned “Shares Tendered at Price Determined Pursuant to the Tender Offer”. Note that this election could result in your shares being purchased at the minimum price of \$21.75 per share.

Questions and requests for assistance may be directed to D.F. King & Co., Inc., the Information Agent for the tender offer, or to Banc of America Securities LLC and J.P. Morgan Securities Inc., the Dealer Managers for the tender offer, at their respective addresses and telephone numbers set forth on the back cover page of this Offer to Purchase. Requests for additional copies of this Offer to Purchase, the Letter of Transmittal or the Notice of Guaranteed Delivery may be directed to the Information Agent.

We are not making this tender offer to, and will not accept any tendered shares from, stockholders in any jurisdiction where it would be illegal to do so. However, we may, at our discretion, take any actions necessary for us to make this tender offer to stockholders in any such jurisdiction.

WE HAVE NOT AUTHORIZED ANY PERSON TO MAKE ANY RECOMMENDATION ON OUR BEHALF AS TO WHETHER YOU SHOULD TENDER OR REFRAIN FROM TENDERING YOUR SHARES IN THE TENDER OFFER OR AS TO THE PURCHASE PRICE OR PRICES AT WHICH YOU MAY CHOOSE TO TENDER YOUR SHARES. YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS DOCUMENT OR IN DOCUMENTS INCORPORATED BY REFERENCE OR TO WHICH WE HAVE REFERRED YOU. WE HAVE NOT AUTHORIZED ANY PERSON TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE TENDER OFFER OTHER THAN THOSE CONTAINED IN THIS DOCUMENT OR INCORPORATED BY REFERENCE OR IN THE RELATED LETTER OF TRANSMITTAL. IF ANYONE MAKES ANY RECOMMENDATION OR REPRESENTATION TO YOU OR GIVES YOU ANY INFORMATION, YOU MUST NOT RELY ON THAT RECOMMENDATION, REPRESENTATION OR INFORMATION AS HAVING BEEN AUTHORIZED BY US OR THE DEALER MANAGERS.

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SUMMARY TERM SHEET

We are providing this summary term sheet for your convenience. It highlights certain material information in this Offer to Purchase, but you should realize that it does not describe all of the details of the tender offer to the same extent described elsewhere in this Offer to Purchase. We urge you to read the entire Offer to Purchase and the related Letter of Transmittal because they contain the full details of the tender offer. We have included references to the sections of this Offer to Purchase where you will find a more complete discussion.

Who is offering to purchase my shares?

We are offering to purchase up to 80,000,000 shares of our outstanding common stock.

What will the purchase price for the shares be?

We are conducting the tender offer through a procedure commonly called a modified “Dutch Auction”. This procedure allows you to select the price (in increments of \$0.25) within a price range specified by us at which you are willing to sell your shares. The price range for this offer is \$21.75 to \$25.00 per share. The purchase price will be the lowest price at which, based on the number of shares tendered and the prices specified by the tendering stockholders, we can purchase 80,000,000 shares, or such lesser number of shares as are properly tendered. All shares we purchase will be purchased at the same price, even if you have selected a lower price, but we will not purchase any shares above the purchase price we determine. We will determine the purchase price for tendered shares promptly after the tender offer expires.

What will be the form of payment of the purchase price?

If your shares are purchased in the tender offer, you will be paid the purchase price in cash, without interest, for all your shares that we purchase pursuant to the tender offer. We will pay the purchase price promptly after the expiration of the tender offer period. See Section 1.

How many shares will Limited Brands purchase?

We will purchase 80,000,000 shares in the tender offer, or such lesser number of shares as are properly tendered and not withdrawn. The 80,000,000 shares represent approximately 17% of our outstanding common stock as of October 1, 2004. If more than 80,000,000 shares are tendered, all shares tendered at or below the purchase price will be purchased on a pro rata basis, except for “odd lots” (lots held by owners of less than 100 shares), which will be purchased on a priority basis. The tender offer is not conditioned on any minimum number of shares being tendered. See Section 7.

Our intent is to purchase up to \$2 billion of our shares in the tender offer. In the event the final purchase price is less than the maximum price of \$25.00 per share and more than 80,000,000 shares are tendered in the tender offer at or below the purchase price, we intend to exercise our right to purchase up to an additional 2% of our outstanding shares without extending the tender offer so that we repurchase up to \$2 billion of our shares. By way of example, if the final purchase price is the minimum purchase price of 21.75, we intend to purchase up to an additional 9,438,333 of our outstanding shares to the extent tendered in the tender offer. We also expressly reserve the right, in our sole discretion, to purchase additional shares subject to applicable legal requirements. See Section 1.

What is the special dividend? How will it be structured?

The tender offer is an element of our overall plan to return approximately \$2.5 billion of capital to our stockholders. Shortly after completion of the tender offer, we intend to declare a special dividend of \$500 million in the aggregate, subject to applicable legal requirements. If we are unable to purchase \$2 billion of shares in the tender offer, we will consider, in our sole discretion, various other options for the cash, including, among other things, additional share repurchases or an increase in the special dividend. The amount of the dividend and the record date will be set at the time the dividend is declared. If you participate in the tender offer, you will not be entitled to receive the special dividend with respect to any shares we purchase.

What is the purpose of the tender offer and the special dividend?

Our business has evolved significantly over the past several years. Ten years ago, we were primarily an apparel retailer. Today, we are predominantly an intimate apparel, personal care and beauty products company, with a steadily decreasing reliance on the apparel segment of our business.

After evaluating our current business, financial condition, capital spending and working capital needs, and growth plans, our Board of Directors has determined that a \$2.5 billion return of capital to stockholders would be desirable and in the best interest of our stockholders. The Board of Directors further determined that this return should be effected by a repurchase of up to \$2 billion of our shares through a tender offer and a post-tender offer special dividend of \$500 million in the aggregate.

The tender offer and the special dividend are intended to achieve multiple objectives, including demonstrating our confidence in our business, providing value to our continuing stockholders, providing an opportunity for our stockholders who wish to receive cash for all or a portion of their shares to do so efficiently, and establishing a capital structure that is appropriate for our current mix of businesses.

How will Limited Brands pay for the shares tendered in the tender offer and the special dividend?

We will use our available cash on hand and proceeds from borrowings under our credit facilities to purchase shares tendered in the tender offer, to pay the special dividend and to pay all related expenses. The tender offer is subject to the receipt of the necessary financing. See Section 7 and Section 9.

How long do I have to tender my shares?

You may tender your shares until the tender offer expires. The tender offer will expire on Thursday, November 4, 2004, at 12:00 Midnight, New York City time, unless we extend the tender offer. We may choose to extend the tender offer for any reason. We cannot assure you that the tender offer will be extended or, if extended, for how long. See Section 1 and Section 14. If a broker, dealer, commercial bank, trust company or other nominee holds your shares, it is likely they have an earlier deadline for accepting the tender offer.

Can the tender offer be extended, amended or terminated, and under what circumstances?

We can extend or amend the tender offer in our sole discretion. If we extend the tender offer, we will delay the acceptance of any shares that have been tendered. We can terminate the tender offer under certain circumstances. See Section 7 and Section 14.

How will I be notified if Limited Brands extends the offer or amends the terms of the tender offer?

We will issue a press release no later than 9:00 a.m., New York City time, on the business day after the previously scheduled expiration date if we decide to extend the tender offer. We will announce any amendment to the tender offer by making a public announcement of the amendment. See Section 14.

Are there any conditions to the tender offer?

Yes. Our obligation to accept and pay for your tendered shares depends on a number of conditions, including:

- No legal action shall have been threatened, pending or taken that challenges or relates to the tender offer or materially and adversely affects our business, condition (financial or otherwise), assets, income, operations or prospects or otherwise materially impairs the contemplated future conduct of our business or our ability to purchase up to 80,000,000 shares in the tender offer.

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- No general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-counter markets in the United States or the declaration of a banking moratorium or any suspension of payment in respect of banks in the United States shall have occurred.
- No changes in the general political, market, economic or financial conditions in the United States or abroad that could adversely affect our business, condition (financial or otherwise), income, operations or prospects or otherwise materially impairs the contemplated future conduct of our business.
- No commencement or escalation of war, armed hostilities or other international or national calamity, including, but not limited to, an act of terrorism, shall have occurred.
- No decrease of more than 15% in the market price for the shares or in the Dow Jones Industrial Average, New York Stock Exchange Index, Nasdaq Composite Index or the Standard and Poor's 500 Composite Index measured from the close of trading on October 6, 2004 shall have occurred.
- No person shall have made a tender or exchange offer for our shares (other than this tender offer), nor shall we have entered into a definitive agreement or an agreement in principle with any person with respect to a merger, business combination or other similar transaction, other than in the ordinary course of business.
- No person (including certain groups) shall acquire, or propose to acquire, beneficial ownership of more than 5% of our outstanding common stock other than as publicly disclosed in a filing with the Securities and Exchange Commission (the "Commission") prior to October 6, 2004. No person or group which has made such a filing prior to October 6, 2004 shall acquire, or propose to acquire, an additional 2% or more of our outstanding common stock. In addition, no new group shall have been formed that beneficially owns more than 5% of our outstanding common stock.
- No material adverse change in our and our subsidiaries' business, condition (financial or otherwise), assets, income, operations or prospects, shall have occurred or been threatened.
- Prior to the expiration of the tender offer, (i) our \$1 billion revolving credit facility shall be effective on the terms set forth in the facility as described in Section 9 and (ii) we shall have received at least \$1 billion in debt financing to fund the tender offer and the special dividend, comprised of a \$500 million term loan and \$500 million through the issuance of securities in the capital markets or a bridge loan provided by our lenders, in each case (other than the issuance of securities in the capital markets) on the terms and conditions set forth in the credit facilities as described in Section 9.

The tender offer is subject to a number of other conditions described in greater detail in Section 7.

Following the tender offer, will Limited Brands continue as a public company?

The completion of the tender offer in accordance with its conditions will not cause Limited Brands to be delisted from the New York Stock Exchange or to stop being subject to the periodic reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). See Section 2.

How do I tender my shares?

To tender your shares, prior to 12:00 Midnight, New York City time, on Thursday, November 4, 2004, unless the offer is extended:

- you must deliver your share certificate(s) (unless you plan to cause the shares to be delivered by book entry transfer to the Depository's account at the Depository Trust Company or you deliver shares through Limited Brands' Direct Registration System or the Dividend Reinvestment Plan) and a properly completed and duly executed Letter of Transmittal to Wachovia Bank, N.A., the Depository, at the address appearing on the back cover page of this Offer to Purchase;

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- the Depository must receive a confirmation of receipt of your shares by book-entry transfer and a properly completed and duly executed Letter of Transmittal or an agent's message, in the case of a book-entry transfer; or
- you must comply with the guaranteed delivery procedure outlined in Section 3.

If you wish to maximize the chance that your shares will be purchased by us, you should check the box in the section of the Letter of Transmittal captioned "Shares Tendered at Price Determined Pursuant to the Tender Offer". Note that this election could result in your shares being purchased at the minimum price of \$21.75 per share. You may also contact the Information Agent or the Dealer Managers or your broker for assistance. See Section 1, Section 3 and the instructions to the Letter of Transmittal.

How do participants in the Limited Brands Savings and Retirement Plan and Stock Purchase Plan participate in the tender offer?

Participants in our Savings and Retirement Plan or our Stock Purchase Plan may not use the Letter of Transmittal to direct the tender of their shares in those plans but instead must follow the separate Instructions related to those shares. If you are a participant in our Savings and Retirement Plan and wish to have the trustee of the plan tender some or all shares held in the plan, you must complete, execute and return to the trustee the separate election form included in the notice sent to participants. If you are a participant in our Stock Purchase Plan and wish to have the agent for the plan tender some or all shares held in the plan, you must complete, execute and return to the agent the separate election form included in the notice sent to the participants. Participants are urged to read the separate election forms and related materials carefully. See Section 3.

How do participants in the Limited Brands Dividend Reinvestment Plan participate in the tender offer?

If you are a participant in our Dividend Reinvestment Plan and wish to tender some or all of the shares held in the plan, you must indicate this on the Letter of Transmittal and follow the procedures outlined in the Letter of Transmittal. See Instruction 15 of the Letter of Transmittal.

How do participants in Limited Brands' Direct Registration System participate in the tender offer?

If you hold shares in uncertificated form through the Limited Brands' Direct Registration System and wish to tender some or all of the shares held through our Direct Registration System, you must indicate this on the Letter of Transmittal and follow the procedures outlined in the Letter of Transmittal. See Instruction 15 of the Letter of Transmittal.

How do holders of vested stock options for shares participate in the tender offer?

If you hold vested but unexercised options, you may exercise such options for cash in accordance with the terms of the applicable stock option plans and tender the shares received upon such exercise in accordance with this tender offer. See Instruction 14 of the Letter of Transmittal.

Can I change my mind after I have tendered shares in the tender offer?

Yes. You may withdraw any shares you have tendered at any time before the expiration of the tender offer, which will occur at 12:00 Midnight, New York City time, on Thursday, November 4, 2004, unless we extend it. You may withdraw any shares held in the Savings and Retirement Plan or the Stock Purchase Plan you have tendered at any time before three days prior to the expiration of the tender offer, which will be 12:00 Midnight, New York City time, Monday, November 1, 2004, unless we extend the tender offer. If we have not accepted for payment the shares you have tendered to us, you may also withdraw your shares after 12:00 Midnight, New York City time, on Monday, December 6, 2004. See Section 4.

How do I withdraw shares I previously tendered?

You must deliver on a timely basis a written or facsimile notice of your withdrawal to the Depository at the address appearing on the back cover page of this Offer to Purchase. Your notice of withdrawal must specify your name, the number of shares to be withdrawn and the name of the registered holder of such shares. Some additional requirements apply if the certificates for shares to be withdrawn have been delivered to the Depository or if your shares have been tendered under the procedure for book-entry transfer set forth in Section 3. See Section 4. Participants in the Savings and Retirement Plan or the Stock Purchase Plan who wish to withdraw their shares must follow the instructions found in “Letter from Savings and Retirement Plan Administrative Committee” or “Letter from Computershare Trust Co., Inc. to Participants in the Stock Purchase Plan”, as applicable, sent to them separately. See Section 4.

In what order will you purchase the tendered shares?

We will purchase shares:

- first, from all stockholders of “odd lots” (persons who own less than 100 shares) who properly tender all of their shares at or below the purchase price selected by us and do not properly withdraw them before the expiration of the tender offer;
- second, subject to the conditional tender provisions described in Section 6, on a pro rata basis from all other stockholders who properly tender shares at or below the purchase price selected by us and do not properly withdraw them before the expiration of the tender offer; and
- third, only if necessary to permit us to purchase 80,000,000 shares (or such greater number of shares as we may elect to purchase, subject to applicable law) from holders who have tendered shares conditionally (for which the condition was not initially satisfied) by random lot, to the extent feasible. To be eligible for purchase by random lot, stockholders whose shares are conditionally tendered must have properly tendered all of their shares and not properly withdrawn them before the expiration of the tender offer. See Section 6.

Therefore, we may not purchase all of the shares that you tender even if you tender them at or below the purchase price. See Section 1.

Has Limited Brands or its Board of Directors adopted a position on the tender offer?

Our Board of Directors has approved the tender offer. However, neither we nor our Board of Directors nor the Dealer Managers make any recommendation to you as to whether you should tender or refrain from tendering your shares or as to the purchase price or prices at which you may choose to tender your shares. You must make your own decision as to whether to tender your shares and, if so, how many shares to tender and the price or prices at which your shares should be tendered. In doing so, you should read carefully the information in this Offer to Purchase and in the related Letter of Transmittal.

Will Limited Brands’ directors and officers tender shares in the tender offer?

Leslie H. Wexner, our Chairman and Chief Executive Officer, his immediate family members and affiliated entities expect to tender a portion (not to exceed 6%) of their shares pursuant to the tender offer. Our other directors and executive officers have advised us that they have not determined whether to tender any shares in the tender offer. See Section 11.

If I decide not to tender, how will the tender offer affect my shares?

Stockholders who choose not to tender will own a greater percentage interest in our outstanding common stock following the consummation of the tender offer.

When and how will Limited Brands pay for the shares I tender?

We will pay the purchase price, without interest, for the shares we purchase promptly after the expiration of the tender offer and the acceptance of the shares for payment. We will pay for the shares accepted for purchase by depositing the aggregate purchase price with the Depository promptly after the expiration of the tender offer. The Depository will act as your agent and will transmit to you the payment for all of your shares accepted for payment. See Section 5.

What is the recent market price for the shares?

On October 6, 2004, the last full trading day before announcement of the tender offer, the last reported sale price per share on the New York Stock Exchange was \$21.88 per share. You are urged to obtain current market quotations for the shares. See Section 8.

Will I have to pay brokerage fees and commissions if I tender my shares?

If you are a holder of record of your shares or hold your shares through the Stock Purchase Plan or the Savings and Retirement Plan and you tender your shares directly to the Depository, you will not incur any brokerage fees or commissions. If you hold your shares through a broker, bank or other nominee and your broker tenders shares on your behalf, your broker may charge you a fee for doing so. We urge you to consult your broker or nominee to determine whether any charges will apply. See Section 5.

What are the United States federal income tax consequences if I tender my shares?

The receipt of cash for your tendered shares will generally be treated for United States federal income tax purposes either as (1) a sale or exchange eligible for capital gain or loss treatment or (2) a dividend. See Section 13.

Will I have to pay stock transfer tax if I tender my shares?

If you instruct the Depository in the Letter of Transmittal to make the payment for the shares to the registered holder, you will not incur any stock transfer tax. See Section 5.

Who can I talk to if I have questions?

The Information Agent and the Dealer Managers can help answer your questions. The Information Agent is D.F. King & Co., Inc., and the Dealer Managers are Banc of America Securities LLC and J.P. Morgan Securities Inc. Their contact information is set forth on the back cover page of this Offer to Purchase. Participants in the Savings and Retirement Plan and the Stock Purchase Plan who have questions relating to either plan should contact the relevant party set forth in the documentation relating to such plan sent separately to plan participants.

FORWARD-LOOKING STATEMENTS

This Offer to Purchase, the documents incorporated by reference and the documents to which we refer you contain statements that are not historical facts and constitute projections, forecasts or forward-looking statements. Words such as “estimate”, “project”, “plan”, “believe”, “expect”, “anticipate”, “intend”, “planned”, “potential” and similar expressions may identify forward-looking statements. These forward-looking statements involve risks and uncertainties and are subject to change based on various important factors, many of which may be beyond our control. Accordingly, our future performance and results may differ materially from those expressed or implied in any such forward-looking statements. The following factors, among others, in some cases have affected and in the future could affect our financial performance and actual results:

- changes in consumer spending patterns;
- consumer preferences and overall economic conditions;
- the potential impact of national and international security concerns on the retail environment, including any possible military action, terrorist attacks or other hostilities;
- our ability to service the debt we expect to incur in connection with this tender offer, any debt we draw down under our credit facilities and any other debt we incur, and the restrictions the agreements related to such debt impose upon us;
- our ability to implement our strategic and operational initiatives;
- the impact of competition and pricing;
- changes in weather patterns;
- political stability;
- postal rate increases and charges;
- paper and printing costs;
- risks associated with the seasonality of the retail industry;
- risks related to consumer acceptance of our products and our ability to develop new merchandise;
- the ability to retain, hire and train key personnel;
- risks associated with the possible inability of our manufacturers to deliver products in a timely manner;
- risks associated with relying on foreign sources of production; and
- risks associated with the possible lack of availability of suitable store locations on appropriate terms.

In addition, please refer to our Annual Report on Form 10-K for the year ended January 31, 2004, as well as our other filings with the Commission, for a more detailed discussion of these risks and uncertainties and other factors. We are not under any obligation and do not undertake to make publicly available any update or other revision to any of these forward-looking statements to reflect circumstances existing after the date of this Offer to Purchase or to reflect the occurrence of future events even if experience or future changes make it clear that any projected results expressed or implied herein or in any other document will not be realized.

INTRODUCTION

To the Holders of our Common Stock:

We invite our stockholders to tender shares of our common stock, \$0.50 par value per share, for purchase by us. Upon the terms and subject to the conditions set forth in this Offer to Purchase and in the related Letter of Transmittal, we are offering to purchase up to 80,000,000 shares at a price not greater than \$25.00 nor less than \$21.75 per share, without interest.

The tender offer will expire at 12:00 Midnight, New York City time, on Thursday, November 4, 2004, unless extended (such date and time, as the same may be extended, the "Expiration Date"). We may, in our sole discretion, extend the period of time in which the offer will remain open.

We will select the lowest purchase price that will allow us to buy 80,000,000 shares or, if a lesser number of shares are properly tendered, all shares that are properly tendered and not withdrawn. All shares acquired in the tender offer will be acquired at the same purchase price regardless of whether the stockholder tendered at a lower price. However, because of the "odd lot" priority, proration and conditional tender provisions described in this Offer to Purchase, all of the shares tendered at or below the purchase price may not be purchased if more than the number of shares we seek are properly tendered. Shares not purchased in the tender offer will be returned to the tendering stockholders at our expense promptly after the expiration of the tender offer. See Section 1.

Our intent is to purchase up to \$2 billion of our shares in the tender offer. In the event the final purchase price is less than the maximum price of \$25.00 per share and more than 80,000,000 shares are tendered in the tender offer at or below the purchase price, we intend to exercise our right to purchase up to an additional 2% of our outstanding shares without extending the tender offer so that we repurchase up to \$2 billion of our shares. By way of example, if the final purchase price is the minimum purchase price of \$21.75 per share, we intend to purchase up to an additional 9,438,333 of our outstanding shares to the extent tendered in the tender offer. Such a purchase of additional shares will not require us to extend the tender offer. We also expressly reserve the right, in our sole discretion, to purchase additional shares subject to applicable legal requirements. See Section 1.

The tender offer is an element of our overall plan to return approximately \$2.5 billion of capital to our stockholders. Shortly after completion of the tender offer, we intend to declare a special dividend of \$500 million in the aggregate, subject to applicable legal requirements. If we are unable to purchase \$2 billion of shares in the tender offer, we will consider, in our sole discretion, various other options for the cash, including, among other things, additional share repurchases or an increase in the special dividend. The amount of the dividend and the record date will be set at the time the dividend is declared. If you participate in the tender offer, you will not be entitled to receive the special dividend with respect to any shares we purchase.

Stockholders must complete the section of the Letter of Transmittal relating to the price at which they are tendering shares in order to properly tender shares.

Tendering stockholders will not be obligated to pay brokerage commissions or, subject to the Instructions to the Letter of Transmittal, stock transfer taxes on the purchase of shares by us. We will pay all charges and expenses of the Depositary and the Information Agent incurred in connection with the tender offer.

The tender offer is not conditioned upon any minimum number of shares being tendered. The tender offer is, however, subject to certain other conditions. See Section 7.

OUR BOARD OF DIRECTORS HAS APPROVED THE TENDER OFFER. HOWEVER, NEITHER WE NOR OUR BOARD OF DIRECTORS NOR THE DEALER MANAGERS MAKE ANY RECOMMENDATION TO YOU AS TO WHETHER YOU SHOULD TENDER OR REFRAIN FROM TENDERING YOUR SHARES OR AS TO THE PURCHASE PRICE OR PURCHASE PRICES AT WHICH YOU MAY CHOOSE TO TENDER YOUR SHARES. YOU MUST MAKE YOUR OWN DECISION AS TO WHETHER TO TENDER YOUR SHARES AND, IF SO, HOW MANY SHARES TO TENDER AND THE PRICE OR PRICES AT

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WHICH TO TENDER YOUR SHARES. IN SO DOING, YOU SHOULD READ CAREFULLY THE INFORMATION IN THIS OFFER TO PURCHASE AND IN THE RELATED LETTER OF TRANSMITTAL, INCLUDING OUR REASONS FOR MAKING THE TENDER OFFER. SEE SECTION 2. LESLIE H. WEXNER, OUR CHAIRMAN AND CHIEF EXECUTIVE OFFICER, HIS IMMEDIATE FAMILY MEMBERS AND AFFILIATED ENTITIES EXPECT TO TENDER A PORTION (NOT TO EXCEED 6%) OF THEIR SHARES PURSUANT TO THE TENDER OFFER. OUR OTHER DIRECTORS AND EXECUTIVE OFFICERS HAVE ADVISED US THAT THEY HAVE NOT DETERMINED WHETHER TO TENDER ANY OF THEIR SHARES IN THE TENDER OFFER.

If, at the Expiration Date more than 80,000,000 shares (or such greater number of shares as we may elect to purchase, subject to applicable law) are properly tendered at or below the purchase price and not properly withdrawn, we will buy shares:

- first, from all holders of “odd lots” (holders of less than 100 shares) who properly tender all their shares at or below the purchase price selected by us;
- second, on a pro rata basis from all other stockholders who properly tender shares at or below the purchase price selected by us, other than stockholders who tender conditionally and whose conditions are not satisfied; and
- third, only if necessary to permit us to purchase 80,000,000 shares (or such greater number of shares as we may elect to purchase, subject to applicable law) from holders who have tendered shares subject to the condition that a specified minimum number of the holder’s shares be purchased if any of the holder’s shares are purchased in the tender offer (for which the condition was not initially satisfied) at or below the purchase price by random lot, to the extent feasible. To be eligible for purchase by random lot, stockholders whose shares are conditionally tendered must have properly tendered all of their shares.

Therefore, we may not purchase all of the shares tendered pursuant to the tender offer even if the shares are tendered at or below the purchase price. See Section 1, Section 5 and Section 6, respectively, for additional information concerning priority, proration and conditional tender procedures.

We will pay the purchase price, without interest, for all shares purchased. Tendering stockholders who hold shares registered in their own name and who tender their shares directly to the Depository will not be obligated to pay brokerage commissions, solicitation fees or, subject to Instruction 9 of the related Letter of Transmittal, stock transfer taxes on our purchase of shares pursuant to the tender offer. Stockholders holding shares through brokers, dealers, commercial banks, trust companies or other nominees are urged to consult such nominees to determine whether transaction costs apply. Also, any tendering stockholder or other payee who fails to complete, sign and return to the Depository the Substitute Form W-9 included with the Letter of Transmittal (or such other IRS form as may be applicable) may be subject to United States federal income tax backup withholding of 28% of the gross proceeds paid to the United States holder or other payee pursuant to the tender offer, unless such holder establishes that such holder is within the class of persons that is exempt from backup withholding. See Section 3. Also see Section 13 regarding certain federal income tax consequences of the tender offer.

Participants in our Savings and Retirement Plan or our Stock Purchase Plan may not use the Letter of Transmittal to direct the tender of their shares in those plans but instead must follow the separate Instructions related to those shares. Stockholders who are participants in our Savings and Retirement Plan may instruct the trustee as set forth in the “Letter from Savings and Retirement Plan Administrative Committee” to tender some or all of the shares attributed to the participant’s account. Stockholders who are participants in our Stock Purchase Plan may instruct the agent for the Stock Purchase Plan, as set forth in the “Letter from Computershare Trust Co., Inc. to all Participants in the Stock Purchase Plan”, to tender some or all of the shares held in the participant’s account under the Stock Purchase Plan. If the trustee or agent for the related plan has not received a participant’s instructions at least three days prior to the Expiration Date of the tender offer, the trustee or agent may not tender any shares held on behalf of that participant.

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Stockholders who are participants in the Dividend Reinvestment Plan (the “DRP”) may tender some or all of the shares attributed to such stockholder’s account under the DRP.

Stockholders who hold shares through the Direct Registration System (“DRS”) may tender some or all of the shares attributed to such stockholder’s account in the DRS.

In addition, holders of vested but unexercised options outstanding under the 1993 Stock Option and Performance Incentive Plan (as amended and restated), (the “LBI Plan”) or the 1995 Stock Option and Performance Incentive Plan (as amended and restated) (the “IBI Plan”) (collectively, the “Stock Option Plans”) may exercise such options for cash and tender some or all of the shares issued upon such exercise.

Stockholders who are participants in employee benefit plans not affiliated with us that hold shares of Limited Brands common stock may tender some or all of such shares as provided herein generally, subject to the provisions of such plans.

As of October 1, 2004, we had issued and outstanding 471,916,667 shares. The 80,000,000 shares that we are offering to purchase represent approximately 17% of the shares then outstanding. The shares are listed and traded on the NYSE. On October 6, 2004, the last full day of trading prior to announcement of the tender offer, the last reported sale price of the shares on the NYSE was \$21.88 per share. See Section 8. Stockholders are urged to obtain current market quotations for the shares.

THE TENDER OFFER

1. Number of Shares; Proration.

General. Upon the terms and subject to the conditions of the tender offer, we will purchase 80,000,000 shares of our common stock, or such lesser number of shares as are properly tendered and not properly withdrawn in accordance with Section 4, before the Expiration Date of the tender offer at prices not greater than \$25.00 nor less than \$21.75 per share, without interest.

See Section 14 for a description of our right to extend, delay, terminate or amend the tender offer. In the event the final purchase price is less than the maximum price of \$25.00 per share and more than 80,000,000 shares are tendered in the tender offer at or below the purchase price, we intend to exercise our right to purchase up to an additional 2% of our outstanding shares without extending the tender offer so that we repurchase up to \$2 billion of our shares. By way of example, if the final purchase price is the minimum purchase price of \$21.75 per share, we intend to purchase up to an additional 9,438,333 of our outstanding shares to the extent tendered in the tender offer. Such a purchase of additional shares will not require us to extend the tender offer. We also expressly reserve the right, in our sole discretion, to purchase additional shares subject to applicable legal requirements.

If the tender offer is over-subscribed as described below, shares tendered at or below the purchase price will be subject to proration. The proration period and withdrawal rights expire on the Expiration Date.

If we

- increase the price to be paid for shares above \$25.00 per share or decrease the price to be paid for shares below \$21.75 per share,
- increase the number of shares being sought in the tender offer and such increase in the number of shares being sought exceeds 2% of our outstanding shares, or

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- decrease the number of shares being sought, and

the tender offer is scheduled to expire at any time earlier than the expiration of a period ending on the tenth business day (as defined below) from, and including, the date that announcement of any such increase or decrease is first published, sent or given in the manner specified in Section 14, the tender offer will be extended until the expiration of such period of ten business days. A “business day” means any day other than a Saturday, Sunday or United States federal holiday and consists of the time period from 12:01 a.m. through 12:00 Midnight, New York City time.

THE TENDER OFFER IS NOT CONDITIONED ON THE TENDER OF ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE TENDER OFFER IS, HOWEVER, SUBJECT TO OTHER CONDITIONS. SEE SECTION 7.

In accordance with Instruction 5 of the Letter of Transmittal, stockholders desiring to tender shares must specify the price or prices, not greater than \$25.00 nor less than \$21.75 per share, at which they are willing to sell their shares to us in the tender offer. Alternatively, stockholders desiring to tender shares can choose to not specify a price and, instead, specify that they will sell their shares at the purchase price ultimately paid for shares properly tendered in the tender offer, which could result in the tendering stockholder receiving a price per share as low as \$21.75. If tendering stockholders wish to maximize the chance that their shares will be purchased, they should check the box in the section of the Letter of Transmittal captioned “Shares Tendered at Price Determined Pursuant to the Tender Offer”. Note that this election could result in the tendered shares being purchased at the minimum price of \$21.75 per share.

Promptly following the Expiration Date, we will, in our sole discretion, determine the purchase price that we will pay for shares properly tendered and not properly withdrawn, taking into account the number of shares tendered and the prices specified by tendering stockholders. We will select the lowest purchase price, not greater than \$25.00 nor less than \$21.75 per share, without interest, that will enable us to purchase 80,000,000 shares, or such lesser number of shares as are properly tendered, pursuant to the tender offer. Shares properly tendered pursuant to the tender offer at or below the purchase price and not properly withdrawn will be purchased at the purchase price, upon the terms and subject to the conditions of the tender offer, including the proration provisions.

All shares tendered and not purchased pursuant to the tender offer, including shares tendered at prices in excess of the purchase price and shares not purchased because of proration and conditional tender provisions, will be returned to the tendering stockholders or, in the case of shares delivered by book-entry transfer, credited to the account at the Book-Entry Transfer Facility from which the transfer had previously been made or, in the case of shares delivered by the Direct Registration System or the Dividend Reinvestment Plan, credited to the tendering stockholder’s account, at our expense promptly following the Expiration Date. By following the instructions to the Letter of Transmittal, stockholders can specify one minimum price for a specified portion of their shares and a different minimum price for other specified shares, but a separate Letter of Transmittal must be submitted for shares tendered at each price. Stockholders can also specify the order in which the specified portions will be purchased in the event that, as a result of the proration provisions or otherwise, some but not all of the tendered shares are purchased pursuant to the tender offer.

If the number of shares properly tendered at or below the purchase price and not properly withdrawn prior to the Expiration Date is less than or equal to 80,000,000 shares, or such greater number of shares as we may elect to purchase, subject to applicable law, we will, upon the terms and subject to the conditions of the tender offer, purchase all shares so tendered at the purchase price.

Priority of Purchases. Upon the terms and subject to the conditions of the tender offer, if more than 80,000,000 shares (or such greater number of shares as we may elect to purchase, subject to applicable law) have

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been properly tendered at prices at or below the purchase price selected by us and not properly withdrawn, we will purchase properly tendered shares on the basis set forth below:

- first, we will purchase all shares tendered by all holders of “odd lots” (as defined below) who:
 - (1) tender all shares owned beneficially or of record at a price at or below the purchase price selected by us (partial tenders will not qualify for this preference); and
 - (2) complete the section entitled “Odd Lots” in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery.
- second, subject to the conditional tender provisions described in Section 6, we will purchase all other shares tendered at prices at or below the purchase price selected by us on a pro rata basis with appropriate adjustments to avoid purchases of fractional shares, as described below.
- third, only if necessary to permit us to purchase 80,000,000 shares (or such greater number of shares as we may elect to purchase, subject to applicable law), shares conditionally tendered (for which the condition was not initially satisfied) at or below the purchase price selected by us, will, to the extent feasible, be selected for purchase by random lot. To be eligible for purchase by random lot, stockholders whose shares are conditionally tendered must have tendered all of their shares.

Therefore, all of the shares that a stockholder tenders in the tender offer may not be purchased even if they are tendered at prices at or below the purchase price. It is also possible that none of the shares conditionally tendered will be purchased even though those shares were tendered at prices at or below the purchase price.

Odd Lots. The term “odd lots” means all shares tendered at prices at or below the purchase price selected by us by any person who owned beneficially or of record a total of fewer than 100 shares and so certified in the appropriate place on the Letter of Transmittal and, if applicable, on the Notice of Guaranteed Delivery. To qualify for the odd lot preference, an odd lots holder must tender all shares owned in accordance with the procedures described in Section 3. Odd lots will be accepted for payment before any proration of the purchase of other tendered shares. Any odd lot holder wishing to tender all of the stockholder’s shares pursuant to the tender offer must complete the section entitled “Odd Lots” in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery.

Proration. If proration of tendered shares is required, we will determine the proration factor promptly following the Expiration Date. Proration for each stockholder tendering shares will be based on the ratio of the number of shares properly tendered and not properly withdrawn by such stockholder to the total number of shares properly tendered and not properly withdrawn by all stockholders at or below the purchase price. Because of the difficulty in determining the number of shares properly tendered, including shares tendered by guaranteed delivery procedures, as described in Section 3, and not properly withdrawn, we do not expect that we will be able to announce the final proration factor or commence payment for any shares purchased pursuant to the tender offer until five to seven business days after the Expiration Date. The preliminary results of any proration will be announced by press release promptly after the Expiration Date. Stockholders may obtain preliminary proration information from the Information Agent or the Dealer Managers and may be able to obtain such information from their brokers.

As described in Section 13, the number of shares that we will purchase from a stockholder pursuant to the tender offer may affect the United States federal income tax consequences to that stockholder and, therefore, may be relevant to a stockholder’s decision whether or not to tender shares.

This Offer to Purchase and the related Letter of Transmittal will be mailed to record holders of shares and will be furnished to brokers, dealers, commercial banks and trust companies whose names, or the names of whose nominees, appear on our stockholder list or, if applicable, who are listed as participants in a clearing agency’s security position listing for subsequent transmittal to beneficial owners of shares.

2. Purpose of the Tender Offer; Certain Effects of the Tender Offer.

Purpose of the Tender Offer and the Special Dividend. Our business has evolved significantly over the past several years. Ten years ago, we were primarily an apparel retailer. Today, we are predominantly an intimate apparel, personal care and beauty products company, with a steadily decreasing reliance on the apparel segment of our business.

After evaluating our current business, financial condition, capital spending and working capital needs, and growth plans, our Board of Directors has determined that a \$2.5 billion return of capital to stockholders would be desirable and in the best interest of our stockholders. The Board of Directors further determined that this return should be effected by a repurchase of up to \$2 billion of our shares through a tender offer and a post-tender offer special dividend of \$500 million in the aggregate.

The tender offer and the special dividend are intended to achieve a number of objectives, including the following:

- **Demonstrate confidence in our business.** We are optimistic about the prospects for our business and are pursuing a number of initiatives that we believe will result in significant growth and efficiencies. This capital restructuring is a demonstration of that confidence.
- **Provide value for continuing stockholders.** Stockholders who wish to achieve a greater percentage ownership in the enterprise will be able to do so by not tendering their shares and thus will have a greater stake in our future results, opportunities and risks. In addition, stockholders who retain their shares will participate in the special dividend.
- **Provide value to stockholders who wish to sell.** A significant repurchase is an efficient way to return value to stockholders who wish to receive cash for all or a portion of their shares.
- **Establish a more appropriate capital structure.** As described above, we are now predominantly an intimate apparel, personal care and beauty products company, with a steadily decreasing exposure to the volatility of the apparel business. By reducing the level of low-yielding cash on hand and by accessing debt markets under the currently favorable conditions, we are able to return value to stockholders now, while at the same time, increasing the return on the capital that remains invested in our business. We believe this creates an appropriate capital structure for our current mix of businesses.
- **Maintain financial flexibility and a strong balance sheet.** Conservative financial management has been and continues to be a paramount objective of our management and Board of Directors. We believe that, after giving effect to the self-tender and the special dividend (including the related borrowings), our remaining cash on hand, cash flow from operations and borrowing capacity should be more than sufficient to meet our operational needs, including funding internal growth initiatives and pursuing acquisitions and other opportunities that might arise.

This tender offer and the special dividend are consistent with our history of returning capital as a means of increasing stockholder value. In February 1996, we completed a \$1.6 billion self-tender, in which we repurchased 170,000,000 shares from our public stockholders. In June 1999, we repurchased 30,000,000 shares through a self-tender for approximately \$750 million. During 2000, we completed a \$200 million share repurchase program acquiring approximately 8,700,000 shares. In January 2003, our Board of Directors authorized a share repurchase program for a total of \$150 million. During 2003, we completed the \$150 million share repurchase program acquiring approximately 9,900,000 shares at an average price of approximately \$15 per share. In October 2003, our Board of Directors authorized the repurchase of an additional \$100 million of our shares under a share repurchase program; but we did not repurchase any shares under this program, and our Board of Directors determined to supersede the program with the tender offer we completed in April of 2004. In April 2004, we

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repurchased 50,632,881 shares through a self-tender for approximately \$1 billion. In May 2004, our Board of Directors authorized a share repurchase program for a total of \$100 million. In August 2004, we completed the \$100 million share repurchase program, acquiring approximately 5,142,300 shares at an average price of approximately \$19.42 per share. In August 2004, our Board of Directors authorized the repurchase of an additional \$250 million under a share repurchase program. We have completed \$14.6 million in share repurchases under this program, acquiring approximately 696,100 shares at an average price of approximately \$21.01 per share. That program is superseded by this tender offer.

Our Board of Directors has approved the tender offer. However, neither we nor our Board of Directors nor the Dealer Managers make any recommendation to you as to whether you should tender or refrain from tendering your shares or as to the purchase price or purchase prices at which you may choose to tender your shares. You must make your own decision as to whether to tender your shares and, if so, how many shares to tender and the price or prices at which your shares should be tendered. In doing so, you should read carefully the information in this Offer to Purchase and in the related Letter of Transmittal. Leslie H. Wexner, our Chairman and Chief Executive Officer, his immediate family members and affiliated entities expect to tender a portion (not to exceed 6%) of their shares pursuant to the tender offer. Our other directors and executive officers have advised us that they have not determined whether to tender any of their shares in the tender offer. See Section 11.

Certain Effects of the Tender Offer. The tender offer will reduce the number of shares that might otherwise trade publicly and is likely to reduce the number of our stockholders. These reductions may reduce the volume of trading in our shares and may result in lower stock prices and reduced liquidity in the trading of our shares following completion of the tender offer. As of October 1, 2004, we had issued and outstanding 471,916,667 shares. The 80,000,000 shares that we are offering to purchase pursuant to the tender offer represent approximately 17% of the shares outstanding as of that date. Stockholders may be able to sell non-tendered shares in the future on the NYSE or otherwise, at a net price higher or lower than the purchase price in the tender offer. We can give no assurance, however, as to the price at which a stockholder may be able to sell such shares in the future.

Based on the published guidelines of the NYSE and the conditions of the tender offer, our purchase of 80,000,000 shares pursuant to the tender offer will not result in delisting of the remaining shares on the NYSE. The shares are registered under the Exchange Act, which requires, among other things, that we furnish certain information to our stockholders and the Commission and comply with the Commission's proxy rules in connection with meetings of our stockholders. We believe that our purchase of shares pursuant to the tender offer will not result in the shares becoming eligible for termination of registration under the Exchange Act. The tender offer is conditioned upon our having determined that the consummation of the tender offer will not cause the shares to be delisted from the NYSE or eligible for deregistration under the Exchange Act.

Upon the completion of the tender offer, non-tendering stockholders will realize a proportionate increase in their relative ownership interest in the Company. In particular, the tender offer would increase the proportional holdings of certain significant stockholders and of our directors and executive officers if they determine not to tender any of their shares in the tender offer. Leslie H. Wexner, our Chairman and Chief Executive Officer, certain members of Mr. Wexner's immediate family and certain affiliated entities currently beneficially own in the aggregate approximately 12.9% of our outstanding shares as of October 1, 2004. Mr. Wexner, his immediate family members and affiliated entities expect to tender a portion (not to exceed 6%) of their shares pursuant to the tender offer.

We currently intend to cancel and retire shares purchased pursuant to the tender offer. Such shares will return to the status of authorized and unissued shares and will be available for us to issue without further stockholder action for all purposes except as required by applicable law or the rules of the NYSE. We have no current plans for the issuance of shares purchased in this tender offer.

We may, in the future, decide to purchase shares. Any such purchases may be on the same terms as, or on terms which are more or less favorable to stockholders than, the terms of the tender offer. Rule 13e-4 under the

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Exchange Act, however, prohibits us and our affiliates from purchasing any shares, other than pursuant to the tender offer, until at least ten business days after the Expiration Date.

The shares are currently “margin securities” under the rules of the Federal Reserve Board. This has the effect, among other things, of allowing brokers to extend credit on the collateral of the shares. We believe that, following the repurchase of shares pursuant to the tender offer, the shares will continue to be margin securities for purposes of the Federal Reserve Board’s margin regulations.

The tender offer is an element of our overall plan to return approximately \$2.5 billion of capital to our stockholders. Shortly after completion of the tender offer, we intend to declare a special dividend of \$500 million in the aggregate, subject to applicable legal requirements. If we are unable to purchase \$2 billion of shares in the tender offer, we will consider, in our sole discretion, various other options for the cash, including, among other things, additional share repurchases or an increase in the special dividend. The amount of the dividend and the record date will be set at the time the dividend is declared. If you participate in the tender offer, you will not be entitled to receive the special dividend with respect to any shares we purchase.

We will borrow a significant amount under our credit facilities or in the capital markets to pay for the tendered shares, the special dividend and related expenses. Depending on the number of shares tendered, our borrowings under our credit facilities could be up to \$1 billion. We anticipate that the tender offer, the special dividend and the related borrowings will result in a downgrade of one increment in our credit rating but that our credit rating will remain investment grade.

Except as otherwise disclosed in this Offer to Purchase, we currently have no plans, proposals or negotiations underway that relate to or would result in:

- any extraordinary transaction, such as a merger, reorganization or liquidation, involving us or any of our subsidiaries;
- any purchase, sale or transfer of a material amount of our or any of our subsidiaries’ assets;
- any material change in our present dividend rate or policy, our indebtedness or our capitalization;
- any change in our present board of directors or management, including but not limited to any plans or proposals to change the number or the term of directors or to fill any existing vacancies on the board or to change any material term of the employment contract of any executive officer;
- any other material change in our corporate structure or business;
- any class of our equity securities ceasing to be authorized to be quoted on the NYSE;
- any class of our equity securities becoming eligible for termination of registration under Section 12(g) of the Exchange Act;
- the suspension of our obligation to file reports under Section 15(d) of the Exchange Act;
- the acquisition or disposition by any person of additional securities of us, or the disposition of our securities other than purchases pursuant to outstanding options to purchase shares and outstanding restricted stock equivalent awards granted to certain employees (including directors and officers); or
- any changes in our charter, bylaws or other governing instruments or other actions that could impede the acquisition of control of us.

Notwithstanding the foregoing, we reserve the right to change our plans and intentions at any time, as we deem appropriate.

3. Procedures for Tendering Shares.

Proper Tender of Shares. For shares to be tendered properly pursuant to the tender offer:

- the certificates for the shares (unless shares are delivered through our Direct Registration System or Dividend Reinvestment Plan), or confirmation of receipt of the shares under the procedure for book-entry transfer set forth below, together with a properly completed and duly executed Letter of Transmittal, including any required signature guarantees, or an Agent's Message (as defined below) in the case of a book-entry transfer, and any other documents required by the Letter of Transmittal, must be received before 12:00 Midnight, New York City time, in each case by the Expiration Date by the Depository at its address set forth on the back cover page of this document; or
- the tendering stockholder must comply with the guaranteed delivery procedures set forth below.

Notwithstanding any other provisions hereof, payment for shares tendered and accepted for payment pursuant to the tender offer will be made only after timely receipt by the Depository of certificates for such shares (or a timely confirmation of a book-entry transfer of such shares into the Depository's account at the Book-Entry Transfer Facility, as defined below), a properly completed and duly executed Letter of Transmittal (or facsimile thereof) with any required signature guarantees, or an Agent's Message in connection with book-entry delivery, and any other documents required by the Letter of Transmittal.

IN ACCORDANCE WITH INSTRUCTION 5 OF THE LETTER OF TRANSMITTAL, EACH STOCKHOLDER DESIRING TO TENDER SHARES PURSUANT TO THE OFFER MUST EITHER (1) CHECK THE BOX IN THE SECTION OF THE LETTER OF TRANSMITTAL CAPTIONED "SHARES TENDERED AT PRICE DETERMINED PURSUANT TO THE TENDER OFFER" OR (2) CHECK ONE OF THE BOXES IN THE SECTION OF THE LETTER OF TRANSMITTAL CAPTIONED "SHARES TENDERED AT PRICE DETERMINED BY STOCKHOLDER" INDICATING THE PRICE (IN INCREMENTS OF \$0.25) AT WHICH SHARES ARE BEING TENDERED.

If tendering stockholders wish to maximize the chance that their shares will be purchased, they should check the box in the section of the Letter of Transmittal captioned "Shares Tendered at Price Determined Pursuant to the Tender Offer". Note that this election could result in the tendered shares being purchased at the minimum price of \$21.75 per share. A stockholder who wishes to indicate a specific price (in increments of \$0.25) at which such stockholder's shares are being tendered must check a box under the section captioned "Shares Tendered at Price Determined by Stockholder". A stockholder who wishes to tender shares at more than one price must complete a separate Letter of Transmittal for each price at which shares are being tendered. The same shares may not be tendered at more than one price unless such shares are previously withdrawn according to the terms of the tender offer.

A TENDER OF SHARES WILL BE PROPER IF, AND ONLY IF, ON THE APPROPRIATE LETTER OF TRANSMITTAL EITHER THE BOX IN THE SECTION CAPTIONED "SHARES TENDERED AT PRICE DETERMINED BY THE TENDER OFFER" OR ONE OF THE BOXES IN THE SECTION CAPTIONED "SHARES TENDERED AT PRICE DETERMINED BY STOCKHOLDER" IS CHECKED. STOCKHOLDERS WHO HOLD SHARES THROUGH BROKERS OR BANKS ARE URGED TO CONSULT THEIR BROKERS OR BANKS TO DETERMINE WHETHER TRANSACTION COSTS ARE APPLICABLE IF STOCKHOLDERS TENDER SHARES THROUGH THE BROKERS OR BANKS.

Odd lot holders who tender all their shares must also complete the section captioned "Odd Lots" in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery, to qualify for the preferential treatment available to odd lot holders as set forth in Section 1.

Book-Entry Delivery. The Depository will establish an account with respect to the shares at The Depository Trust Company (referred to as the "Book-Entry Transfer Facility") for purposes of the tender offer within two

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business days after the date of this Offer to Purchase, and any financial institution that is a participant in the system of the Book-Entry Transfer Facility may make delivery of shares by causing the Book-Entry Transfer Facility to transfer such shares into the Depository's account in accordance with the procedures of the Book-Entry Transfer Facility. However, although delivery of shares may be effected through book-entry transfer, a properly completed and duly executed Letter of Transmittal together with any required signature guarantees or an Agent's Message and any other required documents must, in any case, be received by the Depository at one of its addresses set forth on the back cover of this Offer to Purchase by the Expiration Date, or the guaranteed delivery procedure described below must be complied with. Delivery of the Letter of Transmittal and any other required documents to the Book-Entry Transfer Facility does not constitute delivery to the Depository.

The term "Agent's Message" means a message transmitted by the Book-Entry Transfer Facility to, and received by, the Depository and forming a part of the book-entry confirmation, stating that the Book-Entry Transfer Facility has received an express acknowledgment from the participant tendering shares through the Book-Entry Transfer Facility that the participant has received and agrees to be bound by the terms of the Letter of Transmittal and that we may enforce that agreement against that participant.

***Method of Delivery.* The method of delivery of all documents, including share certificates, is at the election and risk of the tendering stockholder. If delivery is by mail, registered mail with return receipt requested, properly insured, is recommended. Shares will be deemed delivered only when actually received by the Depository (including in the case of a book-entry transfer, by book-entry confirmation). In all cases, sufficient time should be allowed to ensure timely delivery.**

Signature Guarantees. Except as otherwise provided below, all signatures on a Letter of Transmittal must be guaranteed by a financial institution (including most banks, savings and loans associations and brokerage houses) which is a participant in the Securities Transfer Agents Medallion Program (an "Eligible Institution"). Signatures on a Letter of Transmittal need not be guaranteed if (a) the Letter of Transmittal is signed by the registered holder of the shares tendered therewith and such holder has not completed the box captioned "Special Delivery Instructions" or captioned "Special Payment Instructions" on the Letter of Transmittal or (b) such shares are tendered for the account of an Eligible Institution. See Instructions 1 and 8 of the Letter of Transmittal. If a share certificate is registered in the name of a person other than the person executing a Letter of Transmittal, or if payment is to be made to a person other than the registered holder, then the share certificate must be endorsed or accompanied by an appropriate stock power, in either case signed exactly as the name of the registered holder appears on the certificate, with the signature guaranteed by an Eligible Institution.

Guaranteed Delivery. If a stockholder desires to tender shares pursuant to the tender offer and cannot deliver such shares and all other required documents to the Depository by the Expiration Date or such stockholder cannot complete the procedure for delivery by book-entry on a timely basis, such shares may nevertheless be tendered if all of the following conditions are met:

- such tender is made by or through an Eligible Institution;
- a properly completed and duly executed Notice of Guaranteed Delivery substantially in the form provided by us is received by the Depository (as provided below) by the Expiration Date; and
- the certificates for such shares (or a confirmation of a book-entry transfer of such shares into the Depository's account at the Book-Entry Transfer Facility), together with a properly completed and duly executed Letter of Transmittal with any required signature guarantee or an Agent's Message and any other documents required by the Letter of Transmittal, are received by the Depository within three NYSE trading days after the date of execution of the Notice of Guaranteed Delivery.

The Notice of Guaranteed Delivery may be delivered by hand or transmitted by telegram, facsimile transmission or mail to the Depository and must include a guarantee by an Eligible Institution in the form set forth in such Notice.

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Employee Plans. Participants in our Savings and Retirement Plan who wish to have the trustee of the plan tender some or all shares held in the plan, must complete, execute and return to the trustee the tender election form included in the notice sent to participants. Participants in our Stock Purchase Plan who wish to have the agent for the Plan tender some or all shares held in the plan, must complete, execute and return to the agent the separate tender election form included in the notice sent to participants. Holders of vested but unexercised options may exercise such options for cash in accordance with the terms of the Stock Option Plans and tender the shares received upon such exercise in accordance with the tender offer. See “Proper Tender of Shares” above. **Participants in the Stock Purchase Plan or the Savings and Retirement Plan may not use the Letter of Transmittal to direct the tender of the shares, but must use the separate election form sent to them.** Participants in those plans are urged to read the separate election form and related materials carefully.

Dividend Reinvestment Plan. Stockholders who are participants in the DRP who wish to tender some or all of the shares attributable to their accounts must indicate this on the Letter of Transmittal and follow the procedures outlined therein. See Instruction 15 of the Letter of Transmittal.

Direct Registration System. Stockholders who hold shares in uncertificated form through our Direct Registration System who wish to tender shares attributable to their DRS account must indicate this on the Letter of Transmittal and follow the procedures outlined therein. See Instruction 15 of the Letter of Transmittal.

Other Benefit Plans. Stockholders who are participants in employee benefit plans not affiliated with us that hold shares of Limited Brands common stock may tender some or all of such shares as provided herein generally, subject to the provisions of such plans. To the extent required under any such plan, we expect that participants will receive separate instructions from the administrators of those plans to be followed in connection with any tender.

Federal Income Tax Withholding. Under the federal income tax backup withholding rules, 28% of the gross proceeds payable to a stockholder or other payee pursuant to the tender offer must be withheld and remitted to the United States Treasury, unless the stockholder or other payee provides his or her taxpayer identification number (employer identification number or social security number) to the Depository and certifies that such number is correct or an exemption otherwise applies under applicable regulations. Therefore, unless such an exemption exists and is proven in a manner satisfactory to the Depository, each tendering stockholder should complete and sign the Substitute Form W-9 included as part of the Letter of Transmittal so as to provide the information and certification necessary to avoid backup withholding. Certain stockholders (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. In order for a foreign individual to qualify as an exempt recipient, that stockholder must submit a statement, signed under penalties of perjury, attesting to that individual’s exempt status. Such statements can be obtained from the Depository. See Instruction 11 of the Letter of Transmittal.

ANY TENDERING STOCKHOLDER OR OTHER PAYEE WHO FAILS TO COMPLETE FULLY AND SIGN THE SUBSTITUTE FORM W-9 INCLUDED IN THE LETTER OF TRANSMITTAL MAY BE SUBJECT TO REQUIRED FEDERAL INCOME TAX WITHHOLDING OF 28% OF THE GROSS PROCEEDS PAID TO SUCH STOCKHOLDER OR OTHER PAYEE PURSUANT TO THE TENDER OFFER.

Gross proceeds payable pursuant to the tender offer to a foreign stockholder or his or her agent will be subject to withholding of federal income tax at a rate of 30%, unless we determine that a reduced rate of withholding is applicable pursuant to a tax treaty or that an exemption from withholding is applicable because such gross proceeds are effectively connected with the conduct of a trade or business within the United States. For this purpose, a foreign stockholder is any stockholder that is not (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or (iii) an estate or trust the income of which is subject to United States federal income taxation regardless of its source. A foreign stockholder may be eligible to file for a refund of such tax or a portion of such tax if such stockholder meets the “complete redemption”, “substantially disproportionate” or “not essentially equivalent to a dividend”

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tests described in Section 13 or if such stockholder is entitled to a reduced rate of withholding pursuant to a tax treaty and the Company withheld at a higher rate. In order to obtain a reduced rate of withholding under a tax treaty, a foreign stockholder must deliver to the Depositary before the payment a properly completed and executed statement claiming such an exemption or reduction. Such statements can be obtained from the Depositary. In order to claim an exemption from withholding on the grounds that gross proceeds paid pursuant to the tender offer are effectively connected with the conduct of a trade or business within the United States, a foreign stockholder must deliver to the Depositary a properly executed statement claiming such exemption. Such statements can be obtained from the Depositary. See Instruction 11 of the Letter of Transmittal. Foreign stockholders are urged to consult their own tax advisors regarding the application of federal income tax withholding, including eligibility for a withholding tax reduction or exemption and the refund procedure.

Tender Constitutes An Agreement. The tender of shares pursuant to any one of the procedures described above will constitute the tendering stockholder's acceptance of the terms and conditions of the tender offer and an agreement between the tendering stockholder and us upon the terms and subject to the conditions of the tender offer, as well as the tendering stockholder's representation and warranty to us that (1) the stockholder has a "net long position" in the shares or equivalent securities at least equal to the shares tendered within the meaning of Rule 14e-4 promulgated by the Commission under the Exchange Act and (2) the tender of shares complies with Rule 14e-4.

It is a violation of Rule 14e-4 under the Exchange Act for a person, directly or indirectly, to tender shares for his own account unless the person so tendering (i) has a net long position equal to or greater than the number of (x) shares tendered or (y) other securities immediately convertible into, or exercisable or exchangeable for, the number of shares tendered and will acquire such shares for tender by conversion, exercise or exchange of such other securities and (ii) will cause such shares to be delivered in accordance with the terms of the tender offer. Rule 14e-4 provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person.

Determination of Validity; Rejection of Shares; Waiver of Defects; No Obligation to Give Notice of Defects. All questions as to the purchase price, the form of documents and the validity, eligibility (including time of receipt) and acceptance for payment of any tender of shares will be determined by us, in our sole discretion, which determination shall be final and binding on all parties. We reserve the absolute right to reject any or all tenders of shares determined by us not to be in proper form, or the acceptance of which or payment for which may, in the opinion of our counsel, be unlawful. We also reserve the absolute right to waive any defect or irregularity in any tender of particular shares, and our interpretation of the terms of the tender offer (including the instructions in the Letter of Transmittal) will be final and binding on all parties. No tender of shares will be deemed to be properly made until all defects and irregularities have been cured or waived. Unless waived, any defects or irregularities in connection with tenders must be cured within such time as we shall determine. None of us, the Dealer Managers, the Depositary, the Information Agent or any other person will be under any duty to give notification of any defect or irregularity in tenders or incur any liability for failure to give any such notification.

Return of Unpurchased Shares. If any tendered shares are not purchased pursuant to the tender offer or are properly withdrawn before the Expiration Date, or if less than all shares evidenced by a stockholder's certificates are tendered, certificates for unpurchased shares will be returned promptly after the expiration or termination of the tender offer or the proper withdrawal of the shares, as applicable, or, in the case of shares tendered by book-entry transfer at the book-entry transfer facility, the shares will be credited to the appropriate account maintained by the tendering stockholder at the book-entry transfer facility, in each case without expense to the stockholder.

Lost or Destroyed Certificates. Stockholders whose certificate or certificates for part or all of their shares have been lost, stolen, misplaced or destroyed may contact Wachovia Bank, as Transfer Agent for our shares, at the address set forth on the back cover of this Offer to Purchase for instructions as to obtaining a replacement. The replacement certificate will then be required to be submitted together with the Letter of Transmittal in order

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to receive payment for shares that are tendered and accepted for payment. A bond may be required to be posted by the stockholder to secure against the risk that the certificate may be subsequently recirculated. Stockholders are urged to contact the Transfer Agent immediately in order to permit timely processing of this documentation and to determine if the posting of a bond is required.

CERTIFICATES FOR SHARES, TOGETHER WITH A PROPERLY COMPLETED AND DULY EXECUTED LETTER OF TRANSMITTAL OR FACSIMILE THEREOF, OR AN AGENT'S MESSAGE, AND ANY OTHER DOCUMENTS REQUIRED BY THE LETTER OF TRANSMITTAL, MUST BE DELIVERED TO THE DEPOSITARY AND NOT TO US, THE DEALER MANAGERS OR THE INFORMATION AGENT. ANY SUCH DOCUMENTS DELIVERED TO US, THE DEALER MANAGERS OR THE INFORMATION AGENT WILL NOT BE FORWARDED TO THE DEPOSITARY AND THEREFORE WILL NOT BE DEEMED TO BE PROPERLY TENDERED.

4. Withdrawal Rights.

Tenders of shares made pursuant to the tender offer may be withdrawn at any time prior to the Expiration Date. Thereafter, such tenders are irrevocable, except that they may be withdrawn after 12:00 Midnight, New York City time, on Monday, December 6, 2004 unless theretofore accepted for payment as provided in this Offer to Purchase. If we extend the period of time during which the tender offer is open, are delayed in accepting for payment or paying for shares or are unable to accept for payment or pay for shares pursuant to the tender offer for any reason, then, without prejudice to our rights under the tender offer, the Depositary may, on our behalf, retain all shares tendered, and such shares may not be withdrawn except as otherwise provided in this Section 4, subject to Rule 13e-4(f)(5) under the Exchange Act, which provides that the issuer making the tender offer shall either pay the consideration offered, or return the tendered securities, promptly after the termination or withdrawal of the tender offer.

For a withdrawal to be effective, a written, or facsimile transmission notice of withdrawal must:

- be timely received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase; and
- must specify the name of the person who tendered the shares to be withdrawn and the number of shares to be withdrawn and the name of the registered holder of the shares, if different from that of the person who tendered such shares.

A stockholder who has tendered shares at more than one price must complete a separate notice of withdrawal for shares tendered at each price. If the shares to be withdrawn have been delivered to the Depositary, a signed notice of withdrawal with signatures guaranteed by an Eligible Institution (except in the case of shares tendered by an Eligible Institution) must be submitted prior to the release of such shares. In addition, such notice must specify, in the case of shares tendered by delivery of certificates, the name of the registered holder (if different from that of the tendering stockholder) and the serial numbers shown on the particular certificates evidencing the shares to be withdrawn or, in the case of shares tendered by book-entry transfer, the name and number of the account at the Book-Entry Transfer Facility to be credited with the withdrawn shares.

Withdrawals may not be rescinded, and shares withdrawn will thereafter be deemed not validly tendered for purposes of the tender offer. However, withdrawn shares may be retendered by again following one of the procedures described in Section 3 at any time prior to the Expiration Date.

We will determine all questions as to the form and validity (including time of receipt) of any notice of withdrawal, in our sole discretion, which determination shall be final and binding. We also reserve the absolute right to waive any defect or irregularity in the withdrawal of shares by any stockholder, and such determination will be binding on all stockholders. None of us, the Dealer Managers, the Depositary, the Information Agent or any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal or incur any liability for failure to give any such notification.

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Participants in our Savings and Retirement Plan who wish to have the trustee of the plan withdraw previously tendered shares held in the plan must follow the procedures set in the “Letter from Savings and Retirement Plan Administrative Committee” to all Participants in the Savings and Retirement Plan. Participants in our Stock Purchase Plan who wish to have the agent for the plan withdraw previously tendered shares held in the plan must follow the instructions found in the “Letter from Computershare Trust Co., Inc. to all Participants in the Stock Purchase Plan”.

5. Purchase of Shares and Payment of Purchase Price.

Upon the terms and subject to the conditions of the tender offer, promptly following the Expiration Date, we (1) will determine the purchase price we will pay for shares properly tendered and not properly withdrawn before the Expiration Date, taking into account the number of shares so tendered and the prices specified by tendering stockholders, and (2) will accept for payment and pay for, and thereby purchase, up to 80,000,000 shares properly tendered at prices at or below the purchase price and not properly withdrawn before the Expiration Date.

For purposes of the tender offer, we will be deemed to have accepted for payment and therefore purchased shares that are properly tendered at or below the purchase price and not properly withdrawn, subject to the “odd lot” priority, proration and conditional tender provisions of the tender offer, only when, as and if we give oral or written notice to the Depositary of our acceptance of the shares for payment pursuant to the tender offer.

We will pay for shares purchased under the tender offer by depositing the aggregate purchase price for such shares with the Depositary, which will act as agent for tendering stockholders for the purpose of receiving payment from us and transmitting payment to the tendering stockholders. UNDER NO CIRCUMSTANCES WILL INTEREST ON THE PURCHASE PRICE BE PAID BY US REGARDLESS OF ANY DELAY IN MAKING SUCH PAYMENT.

In the event of proration, we will determine the proration factor and pay for those tendered shares accepted for payment promptly after the Expiration Date; however, we do not expect to be able to announce the final results of any proration and commence payment for shares purchased until approximately five to seven business days after the Expiration Date. The preliminary results of any proration will be announced by press release promptly after the Expiration Date. Certificates for all shares tendered and not purchased, including all shares tendered at prices in excess of the purchase price and shares not purchased due to proration, will be returned to the tendering stockholder, or, in the case of shares tendered by book-entry transfer, will be credited to the account maintained with the Book-Entry Transfer Facility by the participant therein who so delivered the shares, at our expense promptly after the Expiration Date or termination of the tender offer. In addition, if certain events occur, we may not be obligated to purchase shares under the tender offer. See Section 7.

We will pay all stock transfer taxes, if any, payable on the transfer to us of shares purchased pursuant to the tender offer. If, however, payment of the purchase price is to be made to any person other than the registered holder, or if tendered certificates are registered in the name of any person other than the person signing the Letter of Transmittal, the amount of all stock transfer taxes, if any (whether imposed on the registered holder or the other person), payable on account of the transfer to the person will be deducted from the purchase price unless satisfactory evidence of the payment of the stock transfer taxes, or exemption therefrom, is submitted. See Instruction 9 of the Letter of Transmittal.

ANY TENDERING STOCKHOLDER OR OTHER PAYEE WHO FAILS TO COMPLETE FULLY, SIGN AND RETURN TO THE DEPOSITARY THE SUBSTITUTE FORM W-9 INCLUDED WITH THE LETTER OF TRANSMITTAL MAY BE SUBJECT TO FEDERAL INCOME TAX BACKUP WITHHOLDING ON THE GROSS PROCEEDS PAID TO THE STOCKHOLDER OR OTHER PAYEE PURSUANT TO THE TENDER OFFER. SEE SECTION 3. ALSO SEE SECTION 13 REGARDING UNITED STATES FEDERAL INCOME TAX CONSEQUENCES FOR FOREIGN STOCKHOLDERS.

6. Conditional Tender of Shares.

Subject to the exception for holders of odd lots, in the event of an over-subscription of the tender offer, shares tendered at or below the purchase price prior to the Expiration Date will be subject to proration. See Section 1. As discussed in Section 13, the number of shares to be purchased from a particular stockholder may affect the tax treatment of the purchase to the stockholder and the stockholder's decision whether to tender. Accordingly, a stockholder may tender shares subject to the condition that a specified minimum number of the stockholder's shares tendered pursuant to a Letter of Transmittal must be purchased if any shares tendered are purchased. Any stockholder desiring to make a conditional tender must so indicate in the box entitled "Conditional Tender" in the Letter of Transmittal and indicate the minimum number of shares that must be purchased if any are to be purchased. We urge each stockholder to consult with his or her own financial or tax advisors.

After the Expiration Date, if more than 80,000,000 shares (or such greater number of shares as we may elect to purchase, subject to applicable law) are properly tendered and not properly withdrawn, so that we must prorate our acceptance of and payment for tendered shares, we will calculate a preliminary proration percentage based upon all shares properly tendered, conditionally or unconditionally. If the effect of this preliminary proration would be to reduce the number of shares to be purchased from any stockholder tendered pursuant to a Letter of Transmittal below the minimum number specified, the shares conditionally tendered will automatically be regarded as withdrawn (except as provided in the next paragraph). All shares tendered by a stockholder subject to a conditional tender and that are withdrawn as a result of proration will be returned at our expense to the tendering stockholder.

After giving effect to these withdrawals, we will accept the remaining shares properly tendered, conditionally or unconditionally, on a pro rata basis, if necessary. If conditional tenders that would otherwise be regarded as withdrawn would cause the total number of shares to be purchased to fall below 80,000,000 (or such greater number of shares as we may elect to purchase, subject to applicable law) then, to the extent feasible, we will select enough of the shares conditionally tendered that would otherwise have been withdrawn to permit us to purchase such number of shares. In selecting among the conditional tenders, we will select by random lot, treating all tenders by a particular taxpayer as a single lot, and will limit our purchase in each case to the designated minimum number of shares to be purchased. To be eligible for purchase by random lot, stockholders whose shares are conditionally tendered must have tendered all of their shares.

7. Conditions of the Tender Offer.

Notwithstanding any other provision of the tender offer, we will not be required to accept for payment or pay for any shares tendered, and may terminate or amend the tender offer or may postpone the acceptance for payment of, and the payment for, shares tendered, subject to the requirements of the Exchange Act for prompt payment for or return of shares, if at any time on or after October 7, 2004 (or such earlier date as may be specified in the relevant condition) and before the Expiration Date any of the following events shall have occurred or are determined by us to have occurred, that, in our reasonable judgment and regardless of the circumstances giving rise to such event, makes it inadvisable to proceed with the tender offer or with acceptance for payment or payment:

(1) there shall have been threatened, instituted or pending any action or proceeding by any government or governmental, regulatory or administrative agency, authority or tribunal or any other person, domestic or foreign, before any court, authority, agency or tribunal that directly or indirectly (i) challenges the making of the tender offer or the acquisition of some or all of the shares pursuant to the tender offer or otherwise relates in any manner to the tender offer or (ii) in our reasonable judgment, could materially and adversely affect our and our subsidiaries' business, condition (financial or otherwise), income, operations or prospects, taken as a whole, or otherwise materially impairs in any way the contemplated future conduct of the business of us and our subsidiaries, taken as a whole, or materially impair our ability to purchase up to 80,000,000 shares in the tender offer;

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(2) there shall have been any action threatened, pending or taken, or approval withheld, or any statute, rule, regulation, judgment, order or injunction threatened, proposed, sought, promulgated, enacted, entered, amended, enforced or deemed to be applicable to the tender offer or us or any of our subsidiaries, by any court or any authority, agency or tribunal that, in our reasonable judgment, would or is reasonably likely to directly or indirectly (i) make the acceptance for payment of, or payment for, some or all of the shares illegal or otherwise restrict or prohibit completion of the tender offer, (ii) delay or restrict our ability, or render us unable, to accept for payment or pay for some or all of the shares, or (iii) materially and adversely affect our and our subsidiaries' business, condition (financial or otherwise), income, operations or prospects, taken as a whole, or otherwise materially impair in any way the contemplated future conduct of the business of us and our subsidiaries;

(3) there shall have occurred (i) any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-counter market in the United States, (ii) the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States, (iii) the commencement or escalation of a war, armed hostilities or other international or national calamity directly or indirectly involving the United States or any of its territories, including, but not limited to, an act of terrorism, (iv) any change in the general political, market, economic or financial conditions in the United States or abroad that could, in our reasonable judgment, have a material adverse effect on our and our subsidiaries' business, condition (financial or otherwise), assets, income, operations or prospects, taken as a whole, (v) in the case of any of the foregoing existing at the time of the commencement of the tender offer, a material acceleration or worsening thereof or (vi) any decrease of more than 15% in the market price for the shares or in the Dow Jones Industrial Average, New York Stock Exchange Index, Nasdaq Composite Index or the Standard and Poor's 500 Composite Index measured from the close of trading on October 6, 2004;

(4) a tender offer or exchange offer for any or all of our shares (other than this tender offer) shall have been commenced, or we shall have entered into a definitive agreement or an agreement in principle with any person with respect to a merger, business combination or other similar transaction, other than in the ordinary course of business;

(5) (i) any entity, "group" (as that term is used in Section 13(d)(3) of the Exchange Act) or person shall have acquired or proposed to acquire beneficial ownership of more than 5% of the outstanding shares (other than any such person, entity or group who has filed a Schedule 13D or Schedule 13G with the Commission on or before October 6, 2004), (ii) any such entity, group or person who has filed a Schedule 13D or Schedule 13G with the Commission on or before October 6, 2004 shall have acquired or proposed to acquire beneficial ownership of an additional 2% or more of the outstanding shares or (iii) any new group shall have been formed which beneficially owns more than 5% of the outstanding shares (options for and other rights to acquire shares which are acquired or proposed to be acquired being deemed for purposes of this clause (5) to be immediately exercisable or convertible);

(6) any change shall have occurred or been threatened in the business, condition (financial or otherwise), assets, income, operations, prospects or stock ownership of us or our subsidiaries, taken as a whole, that, in our judgment, is or may reasonably likely be material and adverse to us or our subsidiaries;

(7) we determine that there is a reasonable likelihood that either (i) the shares would be held of record by less than 300 persons, or (ii) the completion of the tender offer and the purchase of the shares may otherwise cause the shares to be delisted from the NYSE or to be eligible for deregistration under the Exchange Act; or

(8) prior to the expiration of the tender offer, (i) our \$1 billion revolving credit facility is not effective on the terms set forth in the facility as described in Section 9 or (ii) we are unable to obtain at least \$1 billion in debt financing to fund the tender offer and special dividend, comprised of a \$500 million term loan and \$500 million through the issuance of securities in the capital markets or a bridge loan provided by our lenders, in each case (except in the case of the issuance of securities in the capital markets) on terms and conditions set forth in the credit facilities described in Section 9.

The foregoing conditions are for our sole benefit and may be asserted by us regardless of the circumstances giving rise to any such condition, and may be waived by us, in whole or in part, at any time in our sole discretion before the Expiration Date. Our failure at any time to exercise any of the foregoing rights will not be deemed a

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waiver of any such right. Each such right is an ongoing right and may be asserted at any time and from time to time. Any determination or judgment by us concerning the events described above will be final and binding on all parties.

8. Price Range of Shares; Dividends.

The shares are listed and traded on the NYSE under the trading symbol “LTD”. The following table sets forth, for each of the periods indicated, the high and low sales prices of the shares as reported on the NYSE, and dividends paid per share.

	<u>High</u>	<u>Low</u>	<u>Dividends</u>
Fiscal 2002:			
First Quarter	\$20.00	\$ 15.95	\$ 0.075
Second Quarter	22.34	15.30	0.075
Third Quarter	17.11	12.53	0.075
Fourth Quarter	18.50	12.11	0.075
Fiscal 2003:			
First Quarter	\$14.88	\$10.88	\$ 0.10
Second Quarter	17.30	13.00	0.10
Third Quarter	17.83	14.82	0.10
Fourth Quarter	18.55	16.68	0.10
Fiscal 2004:			
First Quarter	\$21.65	\$18.21	\$ 0.12
Second Quarter	21.04	18.34	0.12
Third Quarter (through October 6, 2004)	22.31	18.82	0.12

On October 6, 2004, the last trading day before the date of announcement of the tender offer, the last reported sale price of the shares on the NYSE was \$21.88 per share. **We urge stockholders to obtain current market quotations for the shares before deciding whether and at what purchase price or purchase prices to tender their shares.**

The tender offer is an element of our overall plan to return approximately \$2.5 billion of capital to our stockholders. Accordingly, shortly after completion of the tender offer, we intend to declare a special dividend of approximately \$500 million in the aggregate, subject to applicable legal requirements. If we are unable to purchase \$2 billion of shares in the tender offer, we will consider, in our sole discretion, increasing the amount of the dividend in order to utilize the full \$2 billion of capital available for the tender offer. We will also consider alternative methods of returning capital to our stockholders if we believe the alternatives are preferable to increasing the special dividend. The amount of the dividend and the record date will be set at the time the dividend is declared. If you participate in the tender offer, you will not be entitled to receive future distributions with respect to any shares we purchase.

9. Source and Amount of Funds.

Assuming we purchase 80,000,000 shares pursuant to the tender offer at the maximum price of \$25.00 per share, we expect that the aggregate purchase price, including all related fees and expenses, will be approximately \$2 billion. We expect to fund the purchase of shares tendered in the tender offer and the payment of related fees and expenses from cash on hand and from borrowings under the credit facilities described below. The tender offer is subject to the receipt of such financing by the Company.

On October 6, 2004, we entered into three unsecured credit facilities as follows: (i) a \$1 billion 5-year revolving credit facility (the “Revolving Facility”) which provides for loans and letters of credit (subject to a \$500 million sublimit for letters of credit) to be issued from time to time at our request (which replaces our existing \$750 million revolving credit facility); (ii) a 5-year term loan facility (the “Term Facility”) which

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provides for up to \$500 million of loans to be made available in a single drawing, which loans will amortize in the third through fifth years in quarterly installments aggregating 20% in the third year, 20% in the fourth year and 60% in the fifth year; and (iii) a 364-day non-amortizing bridge loan facility (the “Bridge Facility”) which provides for loans of up to \$500 million to be made available in a single drawing and which is mandatorily prepayable with the proceeds of any capital markets issuances that we make. The terms of our credit facilities are set forth in documents filed with the Commission and available as described in Section 10. We expect to fund a portion of the purchase of shares tendered in the tender offer and the special dividend through (i) borrowings of \$500 million under the Term Facility and (ii) borrowings of \$500 million under our Bridge Facility or through the issuance of securities in the capital markets.

The availability of loans (and, in the case of the Revolving Facility, letters of credit) under each of the Facilities is subject to customary conditions, including the absence of any defaults thereunder and the accuracy of our representations and warranties contained therein.

The Facilities include representations and warranties, covenants and events of default, including requirements that we maintain the ratio of our Consolidated Debt (as defined in the Facilities and including six times our fixed minimum store rent commitments) to Consolidated EBITDAR (as so defined) at 4.0 to 1.0 or less and that we maintain the ratio of our Consolidated EBITDAR (as so defined) to Consolidated Fixed Charges (as so defined and including interest expense and fixed minimum store rental expense) at 1.75 to 1.0 or more and limitations on liens, subsidiary indebtedness and consolidations, mergers and sales of all or a substantial part of our consolidated assets.

Interest on loans under the Facilities will be payable at per annum rates equal, at our election, to (i) in the case of the Revolving Facility, the LIBO Rate (as defined in the Facilities) plus a margin (ranging from 0.30% to 0.925%, depending on our senior unsecured debt ratings and our utilization of the Revolving Facility) or ABR (as defined in the Facilities), (ii) in the case of the Term Facility, the LIBO Rate plus a margin (ranging from 0.50% to 1.125%, depending on such ratings) or ABR plus a margin (ranging from 0% to 0.125%, depending on such ratings) and (iii) in the case of the Bridge Facility, the LIBO Rate plus 0.75% (increasing to 0.875% after six months) or ABR. Fees on letters of credit under the Revolving Facility will accrue at a per annum rate ranging from 0.40% to 0.925% (depending on our senior unsecured debt ratings) plus a per annum fee payable to the issuers of such letters of credit at rates to be agreed with such issuers. In addition we will pay a facility fee on the commitments under the Revolving Facility (whether or not used) at a per annum rate ranging from 0.10% to 0.20% depending on our senior unsecured debt ratings and, between the activation of the Term Facility and the Bridge Facility and the borrowing of loans under these facilities, a commitment fee on the commitments under these facilities at a per annum rate of 0.15%.

Assuming that we purchase 80,000,000 shares pursuant to the tender offer at the maximum price of \$25.00 per share, we expect that we will borrow the full amount available under the Term Facility and, except to the extent that we raise alternative financing in the capital markets prior thereto, the Bridge Facility at the closing of the tender offer. We anticipate that amounts borrowed under the Revolving Facility and the Term Facility will be refinanced or repaid from funds generated internally by the Company or other sources, which may include the proceeds of the sale of securities. We anticipate that the amounts borrowed under the Bridge Facility will be repaid from the proceeds of the sale of securities. No decision has been made concerning this matter and decisions will be made based on the Company’s review from time to time of the advisability of selling particular securities as well as on interest rates and other economic conditions.

We do not have any alternative financing arrangement or alternative financing plans.

10. Certain Information Concerning Us.

General. We sell personal and beauty care products, women’s intimate apparel and women’s and men’s apparel under various trade names through our specialty retail stores and direct response (catalog and e-commerce) businesses. Merchandise is targeted to appeal to customers in various market segments that have distinctive consumer characteristics.

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We conduct our business in three primary segments: (1) Bath & Body Works, which derives its revenue from sales of personal care products and accessories and home fragrance products marketed principally under the Bath & Body Works and White Barn Candle Company brand names; (2) Victoria's Secret, which derives its revenue from sales of women's intimate and other apparel, personal care products and accessories marketed principally under the Victoria's Secret brand name and sold through its stores and direct response (catalog and e-commerce) businesses; and (3) the Apparel segment, which derives its revenue from sales of women's and men's apparel through Express, Express Men's and Limited Stores. At October 2, 2004, we operated approximately 3,828 specialty stores in the United States.

Our principal executive office is Three Limited Parkway, P.O. Box 16000, Columbus, Ohio 43216 and our telephone number is (614) 415-7000.

Recent Developments. On October 6, 2004, we issued a press release announcing, among other things, the following information:

- Comparable store sales decreased 5% for the five weeks ended October 2, 2004 compared to the five weeks ended October 4, 2003. Net sales were \$679.3 million compared to sales of \$714.4 million last year. September sales results were below the Company's expectation for a mid-single digit positive comp, driven by softness at its apparel brands.
- The negative apparel comp of 25% for September was significantly impacted by a shift in timing of clearance sales from September last year to October this year.
- As a result of the softness in apparel sales quarter-to-date, the Company now estimates that third quarter earnings per share will be between \$0.04 and \$0.06 per share. This estimate includes a \$0.02 benefit related to the favorable settlement of a state tax matter. The Company remains comfortable with an earnings per share estimate for the full year of \$1.30 to \$1.35.
- Comparable store sales increased 5% for the thirty-five weeks ended October 2, 2004. Net sales for the year to date period were \$5.446 billion, an increase of 6% compared to sales of \$5.147 billion last year.

Condensed Historical Financial Information. Set forth below is condensed consolidated historical financial information of the Company and its subsidiaries. The historical financial information (other than the ratios of earnings to fixed charges) for the years ended January 31, 2004 and February 1, 2003 was derived from the audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended January 31, 2004 (the "Company's 2003 Annual Report"), and other information contained in the Company's 2003 Annual Report. The historical financial information (other than the ratios of earnings to fixed charges) for the twenty-six weeks ended July 31, 2004 and August 2, 2003 was derived from the unaudited consolidated financial statements included in the Company's Quarterly Report on Form 10-Q for the twenty-six week period ended July 31, 2004 (the "Company's Second Quarter 2004 Quarterly Report"). Certain amounts derived from the Company's 2003 Annual Report have been reclassified to conform to the presentation included in the Company's Second Quarter 2004 Quarterly Report.

More comprehensive financial information is included in such reports and the financial information which follows is qualified in its entirety by reference to such reports and all of the financial statements and related notes contained therein, copies of which may be obtained as set forth below under "Additional Information About Us".

Additionally, set forth below is adjusted income information which provides non-GAAP financial measures and gives effect to certain significant transactions and events that do not relate to the performance of the Company's core business but impact the comparability of our results in 2004, 2003 and 2002. The following tables adjust net income for such transactions and events (as described below) to determine the adjusted results, and reconcile the adjusted results to net income reported in accordance with accounting principles generally accepted in the United States of America. Management believes that the adjusted results provide useful information as to our underlying business performance and assessment of ongoing operations. The adjusted income information should not be construed as an alternative to the reported results determined in accordance with generally accepted accounting principles. Further, our definition of adjusted income information may differ from similarly titled measures used by other companies.

LIMITED BRANDS, INC. AND SUBSIDIARIES
Condensed Historical Financial Information
(In millions, except per share data and financial ratios)

	Year Ended			Year Ended		
	Reported January 31, 2004	Adjustments	Adjusted January 31, 2004	Reported February 1, 2003	Adjustments	Adjusted February 1, 2003
Condensed Consolidated Statements of Income:						
Net sales	\$ 8,934		\$ 8,934	\$ 8,445		\$ 8,445
Operating income	963		963	838	34(3)	872
Net income	717	(133)(2)	584	502	26(4)	528
Net income per share:						
Basic	1.38		1.13	.98		1.01
Diluted	1.36		1.11	.96		.99
Weighted average number of shares outstanding:						
Basic	519		519	510	11(5)	521
Diluted	526		526	522	11(5)	533
Ratio of earnings to fixed charges (1)	6.1		5.2	5.3		5.5

	Twenty-Six Weeks Ended			Twenty-Six Weeks Ended		
	Reported July 31, 2004	Adjustments	Adjusted July 31, 2004	Reported August 2, 2003	Adjustments	Adjusted August 2, 2003
Condensed Consolidated Statements of Income:						
Net sales	\$ 4,189		\$ 4,189	\$ 3,856		\$ 3,856
Operating income	347		347	279		279
Net income	245	(40)(6)	205	199	(47)(7)	152
Net income per share:						
Basic	.50		.42	.38		.29
Diluted	.49		.41	.38		.29
Weighted average number of shares outstanding:						
Basic	489		489	521		521
Diluted	498		498	527		527
Ratio of earnings to fixed charges (1)	4.9		4.3	3.7		3.1

	January 31, 2004	February 1, 2003	July 31, 2004	August 2, 2003
Condensed Consolidated Balance Sheets:				
Assets				
Cash and equivalents	\$ 3,131	\$ 2,263	\$ 2,100	\$ 2,241
Total current assets	4,433	3,606	3,553	3,640
Noncurrent assets	3,447	3,647	3,393	3,547
Total assets	7,880	7,253	6,946	7,187
Liabilities and Stockholders' Equity				
Total current liabilities	\$ 1,397	\$ 1,259	\$ 1,335	\$ 1,112
Long-term debt	648	547	648	648
Total noncurrent liabilities	1,217	1,134	1,193	1,200
Stockholders' equity	5,266	4,860	4,418	4,875
Book value per share outstanding (8)	10.17	9.29	9.40	9.41
Shares outstanding at end of period	518	523	470	518

- (1) For the purpose of calculating the ratio of earnings to fixed charges, earnings consists of pretax income excluding income and losses from equity method investees plus fixed charges consisting of interest and the portion of minimum rent considered representative of interest.
- (2) \$208 million pretax, non-operating gain resulting from the sale of the Company's interest in Alliance Data Systems Corporation.

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- (3) \$34 million non-cash charge for vested stock awards related to the Intimate Brands, Inc. ("IBI") recombination.
- (4) Primarily consists of the \$34 million non-cash charge for vested stock awards related to the IBI recombination at an effective tax rate of 23%.
- (5) Reflects the increase in total weighted average shares outstanding as a result of the IBI recombination using the exchange ratio of 1.1 share of Limited Brands common stock for each share of IBI Class A common stock.
- (6) Comprised of a \$45 million pretax, non-operating gain resulting from the early collection of a long-term note receivable and the sale of New York & Company warrants held by the Company and an \$18 million pretax, non-operating gain resulting from the sale of the Company's remaining ownership interest in Galyan's.
- (7) \$80 million pretax, non-operating gain resulting from the sale of approximately one-half of the Company's investment in Alliance Data Systems Corporation.
- (8) Book value per share outstanding is based upon actual shares outstanding net of shares held in treasury and does not include the dilutive effect of stock options and restricted stock.

Pro Forma Financial Information

Set forth below is condensed unaudited *pro forma* consolidated financial information for the Company and its subsidiaries based on historical information which has been adjusted to reflect the Offer, the special dividend and the related transactions described in the Notes to Condensed Unaudited *Pro Forma* Financial Information.

The Condensed Unaudited *Pro Forma* Consolidated Statements of Income for the year ended January 31, 2004 and the twenty-six weeks ended July 31, 2004 give effect to the Offer, the special dividend and the related transactions as if they occurred on February 2, 2003. The Condensed Unaudited *Pro Forma* Consolidated Balance Sheet as of July 31, 2004 gives effect to the Offer, the special dividend and the related transactions as if they occurred on July 31, 2004. The assumptions on which the *pro forma* financial information is based are further described in the Notes to Condensed Unaudited *Pro Forma* Financial Information. Management of the Company believes that the assumptions used provide a reasonable basis on which to present the Condensed Unaudited *Pro Forma* Financial Statements. The *pro forma* financial information does not purport to be indicative of the results which would actually have been achieved if the Offer, the special dividend and the related transactions had been completed as of such dates or which may be achieved in the future. The *pro forma* financial information should be read in conjunction with the accompanying notes thereto and the consolidated financial statements and related notes set forth in the Company's 2003 Annual Report and the Company's Second Quarter 2004 Quarterly Report, as well as the condensed historical financial information set forth above.

LIMITED BRANDS, INC. AND SUBSIDIARIES
Condensed Unaudited *Pro Forma* Consolidated Statements of Income
(In millions, except per share data and financial ratios)

	Reported Year Ended January 31, 2004	Tender Offer and Special Dividend	<i>Pro Forma</i> Reported Year Ended January 31, 2004
Net Sales	\$ 8,934		\$ 8,934
Cost of goods sold, buying and occupancy	(5,683)		(5,683)
Gross income	3,251		3,251
General, administrative and store operating expenses	(2,288)		(2,288)
Operating income	963		963
Interest expense	(62)	(43)(a)	(105)
Interest income	63	(23)(b)	40
Other loss	(6)		(6)
Gains on investees' stock	208		208
Income before income taxes	1,166	(66)	1,100
Provision for income taxes	449	(26)(c)	423
Net income	717	(40)	677
Net income per share:			
Basic	\$ 1.38		\$ 1.57
Diluted	\$ 1.36		\$ 1.54
Weighted average number of shares outstanding:			
Basic	519	(87)(d)	432
Diluted	526	(87)(d)	439
Ratio of earnings to fixed charges (e)	6.1		5.0

The accompanying notes are an integral part of the Condensed Unaudited *Pro Forma* Consolidated Financial Statements.

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	Reported Twenty-Six Weeks Ended July 31, 2004	Tender Offer and Special Dividend	Pro Forma Reported Twenty-Six Weeks Ended July 31, 2004
Net Sales	\$ 4,189		\$ 4,189
Cost of goods sold, buying and occupancy	(2,715)		(2,715)
Gross income	1,474		1,474
General, administrative and store operating expenses	(1,127)		(1,127)
Operating income	347		347
Interest expense	(24)	(21)(a)	(45)
Interest income	16	(11)(b)	5
Other income	42		42
Gains on investees' stock	18		18
Income before income taxes	399	(32)	367
Provision for income taxes	154	(13)(c)	141
Net income	245	(19)	226
Net income per share:			
Basic	\$.50		\$.56
Diluted	\$.49		\$.55
Weighted average number of shares outstanding:			
Basic	489	(87)(d)	402
Diluted	498	(87)(d)	411
Ratio of earnings to fixed charges (e)	4.9		4.0

The accompanying notes are an integral part of the Condensed Unaudited *Pro Forma* Consolidated Financial Statements.

LIMITED BRANDS, INC. AND SUBSIDIARIES
Condensed Unaudited Pro Forma Consolidated Balance Sheet
(In millions, except per share data)

	July 31, 2004	Tender Offer and Special Dividend	Pro Forma July 31, 2004
Assets			
Current assets			
Cash and equivalents	\$ 2,100	\$ 1,000(a) (2,000)(b) (20)(c) (500)(d)	\$ 580
Accounts receivable	101		101
Inventories	1,122		1,122
Other	230		230
Total current assets	3,553	(1,520)	2,033
Property and equipment, net	1,516		1,516
Goodwill	1,311		1,311
Trade names and other intangible assets, net	438		438
Other assets	128	11 (c)	139
Total assets	\$ 6,946	\$ (1,509)	\$ 5,437
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable	\$ 543		\$ 543
Accrued expenses	670		670
Income taxes	122		122
Total current liabilities	1,335		1,335
Deferred income taxes	134		134
Long-term debt	648	\$ 1,000 (a)	1,648
Other long-term liabilities	411		411
Total stockholders' equity	4,418	(2,000)(b) (9)(c) (500)(d)	1,909
Total Liabilities and Stockholders' Equity	\$ 6,946	\$ (1,509)	\$ 5,437
Shares outstanding at end of period	470	(87)(e)	383
Book value per share outstanding (f)	\$ 9.40		\$ 4.98

The accompanying notes are an integral part of the Condensed Unaudited Pro Forma Consolidated Financial Statements.

Notes to Condensed Unaudited *Pro Forma* Financial Information

1. Basis of Presentation

The following summary of *pro forma* adjustments is based on available information and various estimates and assumptions. Management of the Company believes that these assumptions provide a reasonable basis for presenting all of the significant effects of the following transactions and events and that the *pro forma* adjustments give appropriate effect to those assumptions and are properly applied in the unaudited *pro forma* financial statements.

The condensed unaudited *pro forma* financial information gives effect to the transactions described below:

- The purchase of approximately 87,000,000 shares of the Company at the approximate mid-point of the range of \$23 per share for a total of \$2 billion, which will be funded by \$1 billion of cash on-hand and proceeds of \$1 billion from additional long-term debt.
- Payment of \$20 million in transaction costs and financing fees.
- Payment of a special dividend to stockholders of \$500 million, which will be funded by cash on-hand.

The Condensed Unaudited *Pro Forma* Consolidated Statements of Income for the year ended January 31, 2004 and the twenty-six weeks ended July 31, 2004 give effect to the above transactions as if they occurred on February 2, 2003. The Condensed Unaudited *Pro Forma* Balance Sheet as of July 31, 2004 gives effect to the transactions as if they occurred on July 31, 2004.

2. *Pro Forma* Consolidated Statements of Income

- (a) To reflect the following:
 - Estimated interest expense on \$500 million of 5-year, variable rate debt at the stated interest rate of LIBOR plus 75 basis points (effective rate of 2.66%).
 - Estimated interest expense on \$500 million of 10-year, fixed rate debt at an effective interest rate of 5.5%.
 - Amortization of \$11 million of capitalized deferred financing costs over the term of the related debt.
- (b) To eliminate interest income earned on the \$1.5 billion of cash used to purchase shares under the tender offer and the cash used to pay the special dividend at an estimated effective interest rate of 1.5%.
- (c) To reflect the tax effect of the *pro forma* interest adjustments at an estimated effective tax rate of 39%.
- (d) To reflect the assumed number of shares purchased.
- (e) For the purpose of calculating the ratio of earnings to fixed charges, earnings consists of pretax income excluding income and losses from equity method investees plus fixed charges consisting of interest and the portion of minimum rent considered representative of interest.

3. *Pro Forma* Consolidated Balance Sheet

- (a) To reflect \$1 billion of cash from additional borrowings of long-term debt used to purchase shares under the tender offer.
- (b) To reflect the use of cash to purchase approximately 87,000,000 shares under the tender offer.
- (c) To reflect the payment and capitalization of transaction costs and financing fees.
- (d) To reflect the payment of the special dividend.
- (e) To reflect the assumed number of shares purchased.

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- (f) Book value per share outstanding is based upon actual shares outstanding net of shares held in treasury and does not include the dilutive effect of stock options and restricted stock.

Pro Forma Adjusted Data

On an adjusted basis, if the tender offer had occurred on February 2, 2003, adjusted net income for the year ended January 31, 2004 of \$584 million would have decreased to \$544 million, adjusted diluted earnings per share of \$1.11 would have increased to \$1.24 and the ratio of earnings to fixed charges of 5.2 would have decreased to 4.3. For the twenty-six weeks ended July 31, 2004, adjusted net income of \$205 million would have decreased to \$186 million, adjusted diluted earnings per share of \$0.41 would have increased to \$0.45 and the ratio of earnings to fixed charges of 4.3 would have decreased to 3.5.

Refer to the Condensed Historical Financial Information above for a reconciliation of reported results as determined in accordance with generally accepted accounting principles to adjusted results and to the Pro Forma Financial Information above for an explanation of the pro forma adjustments.

Additional Information About Us. We are subject to the information requirements of the Exchange Act, and in accordance therewith file periodic reports, proxy statements and other information relating to our business, financial condition and other matters. We are required to disclose in such proxy statements certain information, as of particular dates, concerning our directors and executive officers, their compensation, stock options granted to them, the principal holders of our securities and any material interest of such persons in transactions with us. Pursuant to Rule 13e-4(c)(2) under the Exchange Act, we have filed with the Commission an Issuer Tender Offer Statement on Schedule TO, which includes additional information with respect to the tender offer. Such material and other information may be inspected at the public reference facilities maintained by the Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such material can also be obtained by mail, upon payment of the Commission's customary charges, by writing to the Public Reference Section at 450 Fifth Street, N.W., Washington, D.C. 20549. The Commission also maintains a web site on the Internet at <http://www.sec.gov> that contains reports, proxy and information statements and other information regarding registrants, including us, that file electronically with the Commission.

Incorporation by Reference: The rules of the Commission allow us to "incorporate by reference" information into this document, which means that we can disclose important information to you by referring you to another document filed separately with the Commission. These documents contain important information about us.

<u>SEC Filings</u>	<u>Period or Date Filed</u>
Annual Report on Form 10-K	Year ended January 31, 2004
Quarterly Reports on Form 10-Q	Quarter ended July 31, 2004
	Quarter ended May 1, 2004

We incorporate by reference into this Offer to Purchase the documents listed above and any additional documents we may file with the Commission between the date of this Offer to Purchase and the Expiration Date. You may request a copy of these filings, at no cost, by writing or telephoning us at our principal executive offices at the following address: Investor Relations, Limited Brands, Inc., Three Limited Parkway, P.O. Box 16000, Columbus, Ohio 43216, (614) 415-7076. Please be sure to include your complete name and address in the request.

You can obtain the documents described under "Additional Information" and any of the documents incorporated by reference in this document from us or from the Commission's web site at the Commission's website described above. You can obtain the documents described under "Additional Information" and documents incorporated by reference in this Offer to Purchase from us, without charge, by requesting them in

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writing or by telephone from us at Investor Relations, Limited Brands, Inc., Three Limited Parkway, P.O. Box 16000, Columbus, Ohio 43216, (614) 415-7076. Please be sure to include your complete name and address in the request. If you request any incorporated documents, we will mail them by first class mail, or another equally prompt means, promptly after we receive the request.

11. Interest of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares.

As of October 1, 2004, we had 471,916,667 issued and outstanding shares. The 80,000,000 shares we are offering to purchase pursuant to the tender offer represent approximately 17% of the shares outstanding as of October 1, 2004. As of September 28, 2004, our directors and executive officers as a group (14 persons) beneficially owned an aggregate of 63,119,447 shares of our common stock, representing approximately 13.4% of outstanding shares. Our directors and executive officers are entitled to participate in the tender offer on the same basis as all other stockholders. Mr. Wexner, his immediate family members and affiliated entities expect to tender a portion (not to exceed 6%) of their shares pursuant to the tender offer. Our other directors and executive officers have advised us that they have not determined whether to tender any shares in the tender offer.

The following table shows, as of September 28, 2004, the aggregate number and percentage of our securities that were beneficially owned by our directors and executive officers. Assuming that Mr. Wexner, his immediate family members and affiliated entities tender 1,000,000 of their shares, that we purchase 80,000,000 shares and that no other director or executive officer tenders any shares pursuant to the tender offer, then after the tender offer, Mr. Wexner, his immediate family members and affiliated entities' beneficial ownership will increase from approximately 12.9% to approximately 15.3%, and the directors and executive officers as a group will beneficially own approximately 15.8% of the outstanding shares. The business address of each of our directors and executive officers is Three Limited Parkway, P.O. Box 16000, Columbus, Ohio 43216.

<u>Name</u>	<u>Number of Shares of Common Stock Beneficially Owned (a)(b)</u>	<u>Percent of Class</u>
Eugene M. Freedman	30,117(b)	*
E. Gordon Gee	39,518(b)	*
Mark A. Giresi	139,100(b)	*
V. Ann Hailey	846,881(b)(c)	*
James L. Heskett	11,920(d)	*
Donna A. James	5,987(d)	*
David T. Kollat	112,841(b)	*
Leonard A. Schlesinger	741,431(b)(j)	*
Donald B. Shackelford	157,866(b)(d)(e)	*
Jerry D. Stritzke	130,087(b)	*
Allan R. Tessler	30,516(b)	*
Abigail S. Wexner	9,762,533(b)(f)	2.0%
Leslie H. Wexner	60,834,105(b)(c)(g)	12.9%
Raymond Zimmerman	39,108(b)(d)(h)	*
All directors and executive officers as a group	63,119,447(b)(c)(d)(i)	13.4%

* 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 the Limited Brands Savings and Retirement Plan.
- (b) Includes the following number of shares issuable within 60 days upon the exercise of outstanding stock options: Mr. Freedman, 11,804; Dr. Gee, 11,804; Mr. Giresi, 134,700; Ms. Hailey, 630,726; Dr. Kollat,

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- 11,804; Mr. Schlesinger, 694,421; Mr. Shackelford, 11,804; Mr. Stritzke, 130,087; Mr. Tessler, 11,804; Mrs. Wexner, 7,508; Mr. Wexner, 4,989,206 (does not include the 7,508 shares attributable to Mrs. Wexner); Mr. Zimmerman, 11,804; and all directors and executive officers as a group, 6,657,472.
- (c) Includes the following number of shares held in an employee benefit plan, over which the participant has the power to dispose or withdraw shares: Ms. Hailey, 4,400; Mr. Wexner, 1,192,789 (as of August 31, 2004); and all directors and executive officers as a group, 1,197,189.
 - (d) 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 would be convertible into common stock within 60 days after termination from the Board of Directors: Mr. Heskett, 1,690; Ms. James, 3,251; Mr. Shackelford, 1,104; Mr. Zimmerman, 3,899.
 - (e) Includes the following number of shares owned by family members, as to which beneficial ownership is disclaimed: Mr. Shackelford, 8,871.
 - (f) Excludes 400,000 shares held by a trust of which Mrs. Wexner is the beneficiary. Mrs. Wexner disclaims beneficial ownership of these shares. Excludes 51,071,572 shares beneficially owned by Mr. Wexner as to which Mrs. Wexner disclaims beneficial ownership.
 - (g) Includes 7,049,856 shares held by The Abigail Trust, 3,500,000 shares held by The Wexner Children's Trust II and 9,327,638 shares held by the H.R.E.I. Trust. Mr. Wexner shares voting and investment power with others with respect to shares held by The Abigail Trust, The Wexner Children's Trust II and the H.R.E.I. Trust. 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 a beneficiary and as to which Mr. Wexner disclaims beneficial ownership. Includes 9,762,533 shares beneficially owned by Mrs. Wexner as to which Mr. Wexner may be deemed to share voting and investment power.
 - (h) 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.
 - (i) Includes 8,871 shares as to which beneficial ownership is disclaimed.
 - (j) Includes 6,788 deferred stock units credited to Mr. Schlesinger's account under the 1993 Stock Option and Performance Incentive Plan (2004 Restatement) that would be convertible into common stock within 60 days of termination.

Recent Securities Transactions. Based on our records and on information provided to us by our directors, executive officers and subsidiaries, neither we nor any of our affiliates, subsidiaries, associates, directors or executive officers have effected any transactions involving shares of our common stock during the 60 days prior to October 7, 2004, except (i) September 7, 2004 Mark A. Giresi exercised options and acquired 15,000 shares at a price of \$9.60 per share and sold the shares on the open market at a price of \$20.16 per share, (ii) a September 20, 2004 open market sale of 100,000 shares at a price of \$21.68 per share by David T. Kollat and (iii) a surrender of 6,744 shares to Limited Brands to satisfy tax withholding obligations upon vesting and delivery of restricted stock on October 1, 2004 by Leonard A. Schlesinger. In addition, we are not currently aware of any transactions involving shares of our common stock having been effected during the 60 days prior to October 7, 2004 by any directors and executive officers of our subsidiaries, however, we are in the process of ascertaining whether any such transactions have occurred. Further information on transactions involving shares by directors and executive officers of our subsidiaries during the 60 days preceding the date of the Offer will be made available by amendment to Schedule TO.

Stock-Based Plans. We maintain three stock plans: the Limited Brands, Inc. Stock Award and Deferred Compensation Plan for Non-Associate Directors, the Limited Brands, Inc. 1993 Stock Option and Performance Incentive Plan (As Amended and Restated Effective May 17, 2004) and the Intimate Brands, Inc. 1995 Stock Option and Performance Incentive Plan. Each of the plans was approved by our stockholders.

The Limited Brands Stock Award and Deferred Compensation Plan for Non-Associate Directors (the "Director Plan") replaced the 1996 Stock Plan for Non-Associate Directors (the "1996 Director Plan"). Under the

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Director Plan, each non-employee director receives a cash component and stock component of the compensation earned as a director. Each such director is entitled to elect to receive all or a portion of the cash compensation earned as a director (“Election Amount”) in the form of shares of common stock or “deferred stock units” and each of the stock compensation in shares or “deferred stock units.” Deferred stock units are paid in shares of common stock upon distribution. The shares or “deferred stock units” are issued under the Director Plan in equal quarterly installments (based on the Election Amount), and the actual number of shares of common stock to be received by a non-employee director will be determined based on the fair market value of common stock on the date of grant. A non-employee director will be 100 percent vested under the Director Plan. Up to 500,000 shares of common stock, subject to certain adjustments, have been reserved for issuance under the Director Plan. The Director Plan is administered by the Board of Directors, which has the power to amend the Director Plan, subject to certain limitations. Since commencing the day immediately following the 2003 annual meeting, nine non-employee directors participated in the Director Plan, electing to receive between 0% and 100% of their annual cash compensation as directors in shares of common stock or deferred stock units. As of October 1, 2004, we had issued an aggregate of 104,690 options under the 1996 Director Plan, and 64,043 shares and 21,245 deferred stock units under the Director Plan.

Under the Limited Brands, Inc. 1993 Stock Option and Performance Incentive Plan, 2004 Restatement (the “LBI Plan”), we reserved an aggregate of 26,262,663 shares (adjusted for stock dividends, stock splits and similar events) for issuance to executive officers and key management associates of Limited Brands and its subsidiaries. The aggregate number of shares may be increased by an amount equal to the number of shares subject to previously granted awards that have been cancelled. The LBI Plan provides for the following types of awards: (i) incentive stock options; (ii) nonstatutory stock options; (iii) stock appreciation rights (“SARs”); (iv) restricted shares; (v) performance shares; (vi) performance units; (vii) shares of unrestricted common stock; and (viii) tax offset payments. No associate may be granted in any calendar year awards covering more than 2,000,000 shares; and no more than 21,622,969 shares may be issued under the LBI Plan other than that pursuant to stock options or SARs. The Compensation Committee of our Board of Directors determines the number and type of awards granted under the LBI Plan. Except in the case of awards issued in connection with the assumption of awards in connection with an acquisition by, or combination involving, Limited Brands, options will be granted at exercise prices that are at least equal to the fair market value of our common stock on the date of grant. Options are generally granted for a term of ten years from the date of grant. As of October 1, 2004, 26,442,498 shares were available for future grants, which includes shares subject to previously granted awards that have been cancelled.

Under the Intimate Brands, Inc. 1995 Stock Option and Performance Incentive Plan (1997 Restatement) (the “IBI Plan”), an aggregate of 40,425,000 (adjusted for stock dividends, splits and similar events) shares of the common stock of Intimate Brands, Inc. (“IBI”) was reserved for issuance to executive officers and key management associates of IBI and of Limited Brands and its subsidiaries. The IBI Plan provided for the following types of awards: (i) incentive stock options; (ii) nonstatutory stock options; (iii) stock appreciation rights; (iv) restricted shares; (v) performance shares; (vi) performance units; (vii) shares of unrestricted IBI common stock; and (viii) tax offset payments. The Compensation Committee of the IBI board of directors determined the number and type of awards granted under the IBI Plan. Options were generally granted for a term of ten years from the date of grant. In connection with Limited Brands’ exchange offer and merger with IBI in March 2002, 12,808,603 IBI options and 1,338,260 shares of IBI restricted stock were converted into 14,089,253 Limited Brands options and 1,472,086 shares of Limited Brands’ restricted stock, respectively. No additional awards will be made under the IBI Plan.

In the event that the Company pays a special dividend following the completion of the tender offer, the Compensation Committee of our Board of Directors has indicated that outstanding stock awards under the LBI Plan and the IBI Plan will be equitably adjusted to prevent the dilution or enlargement of the rights of the participants under those awards. Any such equitable adjustment will, for example, involve adjustments to the exercise price and the number of shares subject to outstanding options which will maintain the pre-dividend value of adjusted options.

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The foregoing descriptions of our stock-based plans are qualified in their entirety by reference to the stock plans, copies of which have been filed with the Commission.

Dividend Reinvestment Plan. We maintain a Dividend Reinvestment Plan (the “DRP”), under which dividends are not paid directly to the participating stockholders but are applied to the purchase of our shares for the accounts of the participating stockholders.

Employee Stock Purchase Plan and Savings and Retirement Plan. We also maintain the Employee Stock Purchase Plan and the Savings and Retirement Plan. The Employee Stock Purchase Plan is an open market stock purchase plan whereby employees may elect to have an agent purchase shares in the open market through payroll deductions. The minimum payroll deduction is \$1.00 and the Employee Stock Purchase Plan covers part-time or full-time employees who are of voting age. The Savings and Retirement Plan is a tax-qualified defined contribution plan 401(k) covering certain of our employees who are at least 21 years of age and have completed a year of employment with 1,000 or more hours of service in which participants may elect to acquire and hold shares.

Agreements, Arrangements or Understandings.

Except as otherwise described in this Offer to Purchase or documents incorporated by reference, neither we nor, to the best of our knowledge, any of our affiliates, directors or executive officers, is a party to any contract, arrangement, understanding or relationship with any other person relating, directly or indirectly, to the tender offer or with respect to any of our securities, including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or the voting of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees or loans, guarantees against loss or the giving or withholding of proxies, consents or authorizations.

On February 25, 2004, the parties agreed to a settlement of the litigation then pending in the Delaware Court of Chancery styled *In re The Limited, Inc. Shareholders Litigation*. On August 10, 2004, the Delaware Court of Chancery entered a judgment approving the settlement and awarding to plaintiff’s counsel fees and expenses of \$7 million over the objection of two purported stockholders. This judgment was appealed by two purported stockholders on September 8, 2004 to the Delaware Supreme Court. We believe that the appeal lacks merit.

12. Legal Matters; Regulatory Approvals.

We are not aware of any license or regulatory permit that appears material to our business that might be adversely affected by our acquisition of the shares as contemplated by the tender offer or of any approval or other action by any government or governmental, administrative or regulatory authority or agency, domestic, foreign or supranational, that would be required for our acquisition or ownership of the shares as contemplated by the tender offer. Should any such approval or other action be required, we presently contemplate that we will seek that approval or other action. We are unable to predict whether we will be required to delay the acceptance for payment of or payment for shares tendered pursuant to the tender offer pending the outcome of any such matter.

There can be no assurance that any such approval or other action, if needed, would be obtained or would be obtained without substantial cost or conditions or that the failure to obtain the approval or other action might not result in adverse consequences to our business and financial condition. Our obligations under the tender offer to accept shares for payment and pay for shares is subject to conditions. See Section 7.

13. United States Federal Income Tax Consequences.

The following describes the material United States federal income tax consequences relevant to the tender offer. This discussion is based upon the Internal Revenue Code of 1986, as amended to the date hereof (the

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“Code”), existing and proposed Treasury Regulations, administrative pronouncements and judicial decisions, changes to which could materially affect the tax consequences described herein and could be made on a retroactive basis.

This discussion deals only with shares held as capital assets and does not deal with all tax consequences that may be relevant to all categories of holders (such as dealers in securities or commodities, insurance companies, tax-exempt organizations or persons who hold shares as a position in a straddle). In particular, different rules may apply to shares acquired as compensation (including shares acquired upon the exercise of options, the vesting of restricted shares or shares held by the trustee of our Savings and Retirement Plan). This discussion does not address the state, local or foreign tax consequences of participating in the tender offer. Holders of shares should consult their tax advisors as to the particular consequences to them of participation in the tender offer.

As used herein, a “Holder” means a beneficial holder of shares that is a citizen or resident of the United States, a corporation or a partnership created or organized under the laws of the United States or any State thereof, or an estate or trust the income of which is subject to United States federal income taxation regardless of its source.

Holders of shares who are not United States holders (“foreign stockholders”) should consult their tax advisors regarding the United States federal income tax consequences and any applicable foreign tax consequences of the tender offer and should also see Section 3 for a discussion of the applicable United States withholding rules and the potential for obtaining a refund of all or a portion of any tax withheld.

Non-Participation in the Tender Offer. Holders of shares who do not participate in the tender offer will not incur any tax liability as a result of the consummation of the tender offer.

Exchange of Shares Pursuant to the Tender Offer. An exchange of shares for cash pursuant to the tender offer will be a taxable transaction for United States federal income tax purposes. A Holder who participates in the tender offer will, depending on such Holder’s particular circumstances, be treated either as recognizing gain or loss from the disposition of the shares or as receiving a dividend distribution from us.

Under Section 302 of the Code, a Holder will recognize gain or loss on an exchange of shares for cash if the exchange (i) results in a “complete termination” of all such Holder’s equity interest in us, (ii) results in a “substantially disproportionate” redemption with respect to such Holder or (iii) is “not essentially equivalent to a dividend” with respect to the Holder. In applying the Section 302 tests, a Holder must take account of stock that such Holder constructively owns under attribution rules, pursuant to which the Holder will be treated as owning our stock owned by certain family members (except that in the case of a “complete termination” a Holder may, under certain circumstances, waive attribution from family members) and related entities and our stock that the Holder has the right to acquire by exercise of an option. An exchange of shares for cash will be a substantially disproportionate redemption with respect to a Holder if the percentage of the then outstanding shares owned by such Holder immediately after the exchange is less than 80% of the percentage of the shares owned by such Holder immediately before the exchange. If an exchange of shares for cash fails to satisfy the “substantially disproportionate” test, the Holder may nonetheless satisfy the “not essentially equivalent to a dividend” test. An exchange of shares for cash will satisfy the “not essentially equivalent to a dividend” test if it results in a “meaningful reduction” of the Holder’s equity interest in us. An exchange of shares for cash that results in a reduction of the proportionate equity interest in us of a Holder whose relative equity interest in us is minimal (an interest of less than one percent should satisfy this requirement) and who does not exercise any control over or participate in the management of our corporate affairs should be treated as “not essentially equivalent to a dividend”. Holders should consult their tax advisors regarding the application of the rules of Section 302 in their particular circumstances.

If a Holder is treated as recognizing gain or loss from the disposition of the shares for cash, such gain or loss will be equal to the difference between the amount of cash received and such Holder’s tax basis in the shares

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exchanged therefor. Any such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the holding period of the shares exceeds one year as of the date of the exchange.

If a Holder is not treated under the Section 302 tests as recognizing gain or loss on an exchange of shares for cash, the entire amount of cash received by such Holder pursuant to the exchange will be treated as a dividend to the extent of the Holder's allocable portion of our current and accumulated earnings and profits. Provided certain holding period requirements are satisfied, non-corporate holders generally will be subject to U.S. federal income tax at a maximum rate of 15% on amounts treated as dividends. Such a dividend will be taxed at a maximum rate of 15% in its entirety, without reduction for the tax basis of the shares exchanged. Non-corporate Holders should consult their tax advisors regarding the tax treatment of any loss on the sale of shares with respect to which they have received an "extraordinary dividend". To the extent that cash received in exchange for shares is treated as a dividend to a corporate Holder, (i) it will be eligible for a dividends-received deduction (subject to applicable limitations) and (ii) it will be subject to the "extraordinary dividend" provisions of the Code. Corporate Holders should consult their tax advisors concerning the availability of the dividends-received deduction and the application of the "extraordinary dividend" provisions of the Code in their particular circumstances.

We cannot predict whether or the extent to which the tender offer will be oversubscribed. If the tender offer is oversubscribed, proration of tenders pursuant to the tender offer will cause us to accept fewer shares than are tendered. Therefore, a Holder can be given no assurance that a sufficient number of such Holder's shares will be purchased pursuant to the tender offer to ensure that such purchase will be treated as a sale or exchange, rather than as a dividend, for federal income tax purposes pursuant to the rules discussed above.

If we declare a special dividend after the expiration of the tender offer, Holders of shares who do not participate in the tender offer will receive their pro rata share of any such dividend, which will be taxed as a dividend for federal income tax purposes to the extent of the Holder's allocable portion of our current and accumulated earnings and profits and as a return of capital thereafter. As noted above, under current law, subject to applicable holding period requirements, non-corporate holders generally are subject to U.S. federal income tax at a maximum rate of 15% on dividends. Corporate holders may be eligible for a dividends received deduction (subject to applicable limitations and possible application of the "extraordinary dividend" provisions of the Code). Dividends paid to foreign holders are generally subject to 30% withholding unless a reduced rate of withholding applies pursuant to a tax treaty or an exemption applies. Backup withholding at a 28% rate may also apply in the case of certain stockholders who have failed to supply correct taxpayer identification numbers or attest to exempt status.

See Section 3 with respect to the application of federal income tax withholding and backup withholding.

14. Extension of the Tender Offer; Termination; Amendment.

We expressly reserve the right, in our sole discretion, at any time and from time to time, and regardless of whether or not any of the events set forth in Section 7 shall have occurred or shall be deemed by us to have occurred, to extend the period of time during which the tender offer is open and thereby delay acceptance for payment of, and payment for, any shares by giving oral or written notice of such extension to the Depositary and making a public announcement of such extension. We also expressly reserve the right, in our sole discretion, to terminate the tender offer and not accept for payment or pay for any shares not theretofore accepted for payment or paid for or, subject to applicable law, to postpone payment for shares upon the occurrence of any of the conditions specified in Section 7 hereof by giving oral or written notice of such termination or postponement to the Depositary and making a public announcement of such termination or postponement. Our reservation of the right to delay payment for shares which we have accepted for payment is limited by Rule 13e-4(f)(5) promulgated under the Exchange Act, which requires that we must pay the consideration offered or return the shares tendered promptly after termination or withdrawal of the tender offer.

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Subject to compliance with applicable law, we further reserve the right, in our sole discretion, and regardless of whether any of the events set forth in Section 7 shall have occurred or shall be deemed by us to have occurred, to amend the tender offer in any respect, including, without limitation, by decreasing or increasing the consideration offered in the tender offer to holders of shares or by decreasing or increasing the number of shares being sought in the tender offer. Amendments to the tender offer may be made at any time and from time to time effected by public announcement, such announcement, in the case of an extension, to be issued no later than 9:00 a.m., New York City time, on the next business day after the last previously scheduled or announced Expiration Date. Any public announcement made pursuant to the tender offer will be disseminated promptly to stockholders in a manner reasonably designed to inform stockholders of such change. Without limiting the manner in which we may choose to make a public announcement, except as required by applicable law, we shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release through PRnewswire or another comparable service.

If we materially change the terms of the tender offer or the information concerning the tender offer, we will extend the tender offer to the extent required by Rules 13e-4(d)(2) and 13e-4(f)(1) promulgated under the Exchange Act. These rules and certain related releases and interpretations of the Commission provide that the minimum period during which a tender offer must remain open following material changes in the terms of the tender offer or information concerning the tender offer (other than a change in price or a change in percentage of securities sought) will depend on the facts and circumstances, including the relative materiality of such terms or information. If (1) we increase or decrease the price to be paid for shares or increase or decrease the number of shares being sought in the tender offer and, if an increase in the number of shares being sought exceeds 2% of our outstanding shares and (2) the tender offer is scheduled to expire at any time earlier than the expiration of a period ending on the tenth business day from, and including, the date that such notice of an increase or decrease is first published, sent or given to security holders in the manner specified in this Section 14, the tender offer will be extended until the expiration of such period of ten business days.

15. Fees and Expenses.

We have retained Banc of America Securities LLC and J.P. Morgan Securities Inc. to act as the Dealer Managers in connection with the tender offer and to provide financial advisory services in connection with the tender offer. The Dealer Managers will each receive \$3 million for their services. We have also agreed to reimburse the Dealer Managers for reasonable out-of-pocket expenses incurred by them in connection with the tender offer, including reasonable fees and expenses of counsel, and to indemnify the Dealer Managers against certain liabilities in connection with the tender offer, including liabilities under the federal securities laws. Banc of America Securities LLC and J.P. Morgan Securities Inc. have rendered various investment banking and other services to us in the past and may continue to render such services, for which they have received and may continue to receive customary compensation from us. In the ordinary course of their trading and brokerage activities, Banc of America Securities LLC and J.P. Morgan Securities Inc. and their affiliates may hold positions, for their own accounts or for those of their customers, in our securities.

We have retained D.F. King & Co., Inc. to act as Information Agent and Wachovia Bank, N.A. to act as Depositary in connection with the tender offer. The Information Agent may contact holders of shares by mail, telephone and in person and may request brokers, dealers, commercial banks, trust companies and other nominee stockholders to forward materials relating to the tender offer to beneficial owners. The Information Agent and the Depositary will each receive reasonable and customary compensation for their respective services, will be reimbursed by us for specified reasonable out-of-pocket expenses and will be indemnified against certain liabilities in connection with the tender offer, including certain liabilities under the federal securities laws.

We will not pay any fees or commissions to brokers or dealers (other than fees to the Dealer Managers and the Information Agent as described above) for soliciting tenders of shares pursuant to the tender offer. Stockholders holding shares through brokers or banks are urged to consult the brokers or banks to determine whether transaction costs are applicable if stockholders tender shares through such brokers or banks and not

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directly to the Depository. We will, however, upon request, reimburse brokers, dealers, commercial banks and trust companies for customary mailing and handling expenses incurred by them in forwarding the tender offer and related materials to the beneficial owners of shares held by them as a nominee or in a fiduciary capacity. No broker, dealer, commercial bank or trust company has been authorized to act as the agent of us, the Dealer Managers, the Information Agent or the Depository for purposes of the tender offer. We will pay or cause to be paid all stock transfer taxes, if any, on our purchase of shares except as otherwise provided in this document and Instruction 9 in the Letter of Transmittal.

16. Miscellaneous.

We are not aware of any jurisdiction where the making of the tender offer is not in compliance with applicable law. If we become aware of any jurisdiction where the making of the tender offer or the acceptance of shares pursuant thereto is not in compliance with applicable law, we will make a good faith effort to comply with the applicable law. If, after such good faith effort, we cannot comply with the applicable law, the tender offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of shares in such jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the tender offer to be made by a licensed broker or dealer, the tender offer shall be deemed to be made on our behalf by the Dealer Managers or one or more registered brokers or dealers licensed under the laws of that jurisdiction.

Pursuant to Rule 13e-4(c)(2) under the Exchange Act, we have filed with the Commission an Issuer Tender Offer Statement on Schedule TO, which contains additional information with respect to the tender offer. The Schedule TO, including the exhibits and any amendments and supplements thereto, may be examined, and copies may be obtained, at the same places and in the same manner as is set forth in Section 10 with respect to information concerning us.

WE HAVE NOT AUTHORIZED ANY PERSON TO MAKE ANY RECOMMENDATION ON OUR BEHALF AS TO WHETHER YOU SHOULD TENDER OR REFRAIN FROM TENDERING YOUR SHARES IN THE TENDER OFFER. WE HAVE NOT AUTHORIZED ANY PERSON TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE TENDER OFFER OTHER THAN THOSE CONTAINED IN THIS DOCUMENT OR DOCUMENTS INCORPORATED BY REFERENCE OR IN THE RELATED LETTER OF TRANSMITTAL. IF GIVEN OR MADE, ANY RECOMMENDATION OR ANY SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY US OR THE DEALER MANAGERS.

October 7, 2004.

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The Letter of Transmittal and certificates for shares and any other required documents should be sent or delivered by each stockholder or such stockholder's broker, dealer, commercial bank, trust company or nominee to the Depository at one of its addresses set forth below.

The Depository for the Tender Offer is:

WACHOVIA BANK, N.A.

1525 West W.T. Harris Blvd.
Building 3C3, NC-1153
Charlotte, NC 28262-8522

By Registered, Certified Mail or First Class Mail:

Wachovia Bank, N.A.
Securities Processing Center
PO Box 859208
Braintree, MA 02185-9208

By Hand or Courier Delivery:

Wachovia Bank, N.A.
Securities Processing Center
161 Bay State Dr.
Braintree, MA 02184

By Facsimile Transmission (for eligible institutions only):

(781) 380-3388

For Confirmation Call:
(800) 829-8432
(781) 843-1833 ext. 200

DELIVERY OF THE LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY TO THE DEPOSITARY.

Questions or requests for assistance may be directed to the Information Agent or the Dealer Managers at their respective telephone numbers and addresses set forth below. Requests for additional copies of the Offer to Purchase, the related Letter of Transmittal or the Notice of Guaranteed Delivery may be directed to the Information Agent at the telephone number and address set forth below. Stockholders may also contact their broker, dealer, commercial bank, trust company or nominee for assistance concerning the tender offer. To confirm delivery of shares, stockholders are directed to contact the Depository.

The Information Agent for the Tender Offer is:

D.F. KING & CO., INC.

48 Wall Street
New York, NY 10005

Banks and Brokerage Firms Please Call: (212) 269-5550 (Call Collect)

All Others Call Toll Free: (888) 628-8208

The Dealer Managers for the Tender Offer are:

Banc of America Securities LLC

9 West 57th Street
New York, New York 10019
(212) 583-8537 (Call Collect)
(888) 583-8900, ext. 8537 (Call Toll Free)

J.P. Morgan Securities Inc.

277 Park Avenue
New York, New York 10172
(212) 622-2624 (Call Collect)
(866) 262-0777 (Call Toll Free)

LETTER OF TRANSMITTAL
To Tender Shares of Common Stock
of
LIMITED BRANDS, INC.
Pursuant to its Offer to Purchase
Dated October 7, 2004

THE TENDER OFFER, THE PRORATION PERIOD AND WITHDRAWAL RIGHTS EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, NOVEMBER 4, 2004, UNLESS THE TENDER OFFER IS EXTENDED.

The Depository for the Tender Offer is:

WACHOVIA BANK, N.A.

By Registered, Certified Mail or First Class Mail:
 Wachovia Bank, N.A.
 Securities Processing Center
 PO Box 859208
 Braintree, MA 02185-9208

By Hand or Courier Delivery:
 Wachovia Bank, N.A.
 Securities Processing Center
 161 Bay State Dr.
 Braintree, MA 02184

Delivery of this Letter of Transmittal to an address other than as set forth above will not constitute a valid delivery to the Depository. The instructions set forth in this Letter of Transmittal should be read carefully before this Letter of Transmittal is completed.

THIS LETTER OF TRANSMITTAL MAY NOT BE USED TO TENDER SHARES HELD IN THE LIMITED BRANDS SAVINGS AND RETIREMENT PLAN OR STOCK PURCHASE PLAN. INSTEAD, YOU MUST USE THE SEPARATE "TENDER INSTRUCTION FORMS" SENT TO PARTICIPANTS IN THOSE PLANS.

You should use this Letter of Transmittal if you are tendering physical certificates, uncertificated shares held in the Company's Direct Registration System ("DRS"), uncertificated shares held in your account under Limited Brands' Dividend Reinvestment Plan ("DRP") or are causing the shares to be delivered by book-entry transfer to the Depository's account at The Depository Trust Company ("DTC", which is hereinafter referred to as the "Book-Entry Transfer Facility") pursuant to the procedures set forth in Section 3 of the Offer to Purchase.

Description of Shares Tendered

Name(s) and Address(es) of Registered Holder(s) (Please fill in, if blank, exactly as name(s) appear(s) on Share Certificate(s))	Shares Tendered (Attach additional list if necessary)		
	Certificate Number(s) or, if applicable, INDICATE "DRS" or "DRP"**	Total Number of Shares Represented by Certificate(s)/ DRS/DRP*	Number of Shares Tendered**
	Total Shares		

Indicate in this box the order (by certificate number) in which shares are to be purchased in the event of proration***
 1st: 2nd: 3rd: 4th:

* If tendered shares are held in the Limited Brands Direct Registration System, indicate by writing "DRS". If the tendered shares are held in the Limited Brands Dividend Reinvestment Plan, indicate by writing "DRP".
 ** Unless otherwise indicated, it will be assumed that all shares represented by any certificates delivered to the Depository are being tendered. See Instruction 4.
 *** If you do not designate an order, in the event less than all shares tendered are purchased due to proration, shares will be selected for purchase by the Depository.

If you desire to tender shares in the tender offer, but you cannot deliver your shares and all other required documents to the Depository by the Expiration Date (as defined in the Offer to Purchase) or cannot comply with the procedures for book-entry transfer on a timely basis, you must tender your shares pursuant to the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase. See Instruction 2.

Additional Information if Shares Have Been Lost, Are Being Delivered By Book-Entry Transfer or Are Being Delivered Pursuant to a Previous Notice of Guaranteed Delivery

Check here if tendered shares are being delivered pursuant to a Notice of Guaranteed Delivery previously sent to the Depository and complete the following:

Name(s) of Tendering Stockholder(s) _____

Date of Execution of Notice of Guaranteed Delivery _____

Name of Institution which Guaranteed Delivery _____

If any certificate evidencing the shares you are tendering with this Letter of Transmittal has been lost, stolen, destroyed or mutilated you should call Wachovia Bank, N.A., as Transfer Agent at 1-800-829-8432, regarding the requirements for replacement. You may be required to post a bond to secure against the risk that the certificates may be subsequently recirculated. You are urged to contact the Transfer Agent immediately in order to receive further instructions, for a determination of whether you will need to post a bond and to permit timely processing of this documentation. See Instruction 16.

Check here if tendered shares are being delivered by book-entry transfer made to an account maintained by the Depository with the Book-Entry Transfer Facility and complete the following (only financial institutions that are participants in the system of any Book-Entry Transfer Facility may deliver shares by book-entry transfer):

Name of Tendering Institution _____

Account No. _____

Transaction Code No. _____

**NOTE: SIGNATURES MUST BE PROVIDED BELOW
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY**

CHECK ONLY ONE BOX. IF MORE THAN ONE BOX IS CHECKED, OR IF NO BOX IS CHECKED, THERE IS NO VALID TENDER OF SHARES.

**SHARES TENDERED AT PRICE DETERMINED PURSUANT TO THE TENDER OFFER
(See Instruction 5)**

- The undersigned wants to maximize the chance of having Limited Brands purchase all the shares the undersigned is tendering (subject to the possibility of proration). Accordingly, by checking this ONE box INSTEAD OF ONE OF THE PRICE BOXES BELOW, the undersigned hereby tenders shares and is willing to accept the purchase price determined by Limited Brands pursuant to the tender offer. This action will result in receiving a price per share of as low as \$21.75 or as high as \$25.00.

— OR —

**SHARES TENDERED AT PRICE DETERMINED BY STOCKHOLDER
(See Instruction 5)**

By checking ONE of the boxes below INSTEAD OF THE BOX ABOVE, the undersigned hereby tenders shares at the price checked. This action could result in none of the shares being purchased if the purchase price for the shares is less than the price checked. If the purchase price for the shares is equal to or greater than the price checked, then the shares purchased by Limited Brands will be purchased at the purchase price. **A stockholder who desires to tender shares at more than one price must complete a separate Letter of Transmittal for each price at which shares are tendered.** The same shares cannot be tendered at more than one price (unless those shares were previously tendered and withdrawn).

PRICE (IN DOLLARS) PER SHARE AT WHICH SHARES ARE BEING TENDERED

<input type="checkbox"/> \$21.75	<input type="checkbox"/> \$22.50	<input type="checkbox"/> \$23.25	<input type="checkbox"/> \$24.00	<input type="checkbox"/> \$24.75
<input type="checkbox"/> \$22.00	<input type="checkbox"/> \$22.75	<input type="checkbox"/> \$23.50	<input type="checkbox"/> \$24.25	<input type="checkbox"/> \$25.00
<input type="checkbox"/> \$22.25	<input type="checkbox"/> \$23.00	<input type="checkbox"/> \$23.75	<input type="checkbox"/> \$24.50	

**ODD LOTS
(See Instruction 6)**

To be completed only if shares are being tendered by or on behalf of a person owning, beneficially or of record, an aggregate of fewer than 100 shares. The undersigned:

- is the beneficial or record owner of an aggregate of fewer than 100 shares, all of which are being tendered.

CONDITIONAL TENDER
(See Instruction 17)

A tendering stockholder may condition his or her tender of shares upon Limited Brands purchasing a specified minimum number of the shares tendered, all as described in Section 6 of the Offer to Purchase. Unless at least the minimum number of shares you indicate below is purchased by Limited Brands pursuant to the terms of the tender offer, none of the shares tendered will be purchased. It is the tendering stockholder's responsibility to calculate that minimum number of shares that must be purchased if any are purchased, and each stockholder is urged to consult his or her own tax advisor. Unless this box has been checked and a minimum specified, your tender will be deemed unconditional.

The minimum number of shares that must be purchased, if any are purchased, is: _____ shares

If, because of proration, the minimum number of shares designated will not be purchased, Limited Brands may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering stockholder must have tendered all of his or her shares and checked the box below:

The tendered shares represent all shares held by the undersigned.

SPECIAL PAYMENT INSTRUCTIONS
(See Instructions 1, 8, 9 and 10)

To be completed ONLY if the check for the purchase price of shares purchased (less the amount of any federal income and backup with holding tax required to be withheld) and/or certificates for shares not tendered or not purchased are to be issued in the name of someone other than the undersigned or if shares tendered hereby and delivered by book-entry transfer which are not purchased are to be returned by credit to an account at the Book-Entry Transfer Facility other than that designated above.

Issue Check to:

Share certificate(s) to:

Name(s) _____

(Please Print)

Address _____

(Zip Code)

(Taxpayer Identification No.)

Credit shares delivered by book-entry transfer or Direct Registration System and not purchased to the account set forth below:

Account Number: _____

SPECIAL DELIVERY INSTRUCTIONS
(See Instructions 1, 8, 9 and 10)

To be completed ONLY if the check for the purchase price of shares purchased (less the amount of any federal income and backup withholding tax required to be withheld) and/or certificates for shares not tendered or not purchased are to be mailed to someone other than the undersigned or to the undersigned at an address other than that shown below the undersigned's signature(s).

Deliver Check to:

Share certificate(s) to:

Name _____

(Please Print)

Address _____

(Zip Code)

SIGN HERE
(Please Complete and Return the Attached Substitute Form W-9 below)

Signature(s) of Owner(s)

Name(s) _____
(Please Print)

Capacity (full title) _____

Address _____

(Zip Code)

(Tax Identification or Social Security Number)
(See Substitute Form W-9 Included Herewith)

Daytime Area Code and Telephone Number _____
Dated _____, 2004

(Must be signed by registered holder(s) exactly as name(s) appear(s) on stock certificate(s) or on a security position listing or by persons(s) authorized to become registered holder(s) by certificates and documents transmitted herewith. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, agent, officer of a corporation or other person acting in a fiduciary or representative capacity, please set forth full title and see Instruction 8.)

Guarantee of Signature(s), if required
(See Instructions 1 and 8)

Name: _____

Title: _____

Name of Firm: _____

Authorized Signature: _____

Address _____

(Zip Code)

Area Code and Telephone Number: _____

Dated: _____, 2004

Part I Taxpayer Identification No.—For All Accounts

Part II For Payees Exempt From Backup Withholding, please write "Exempt" here (see enclosed *Guidelines*)

**SUBSTITUTE
FORM W-9**

Department of the Treasury
Internal Revenue Service

**Payer's Request for
Taxpayer Identification No.**

Enter your taxpayer identification number in the appropriate box. For most individuals and sole proprietors, this is your social security number. For other entities, it is your Employer Identification Number. If you do not have a number, see How to Obtain a TIN in the enclosed Guidelines.

Social security number

OR

Employer identification number

Note: If the account is in more than one name, see the chart on page 3 of enclosed Guidelines to determine which number to give.

Part III.—Certification.—Under penalties of perjury, I certify that:

- (1) The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me), and either (a) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration office or (b) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number within (60) days, 28% of all reportable payments made to me thereafter will be withheld until I provide a number;
- (2) I am not subject to backup withholding either because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service ("IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- (3) Any information provided in this form is true, correct and complete.

SIGNATURE _____

DATE: _____, 2004

Name (Please Print)
Address (Please Print)

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 28% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

Ladies and Gentlemen:

The undersigned hereby tenders to Limited Brands, Inc., a Delaware corporation ("Limited Brands"), the above-described shares of common stock, \$0.50 par value per share, pursuant to Limited Brands' offer to purchase up to 80,000,000 shares at a price per share indicated in this Letter of Transmittal, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase dated October 7, 2004 (the "Offer to Purchase"), receipt of which is hereby acknowledged, and in this Letter of Transmittal (which together, as amended or supplemented from time to time, constitute the tender offer). In the event the final purchase price is less than the maximum price of \$25.00 per share and more than 80,000,000 shares are tendered in the tender offer at or below the purchase price, Limited Brands intends to exercise its right to purchase up to an additional 2% of its outstanding shares without extending the tender offer so that it repurchases up to \$2 billion of its shares. Limited Brands also expressly reserves the right, in its sole discretion, to purchase additional shares subject to applicable legal requirements.

Subject to, and effective upon, acceptance for payment of and payment for the shares tendered herewith, the undersigned hereby sells, assigns and transfers to or upon the order of Limited Brands all right, title and interest in and to all the shares that are being tendered hereby and appoints the Depository the true and lawful agent and attorney-in-fact of the undersigned with respect to such shares, with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), to:

- (1) deliver certificates for such shares, or transfer ownership of such shares on the account books maintained by the Book-Entry Transfer Facility, together, in any such case, with all accompanying evidences of transfer and authenticity, to or upon the order of Limited Brands;
- (2) present such shares for transfer and cancellation on the books of Limited Brands; and
- (3) receive all benefits and otherwise exercise all rights of beneficial ownership of such shares, all in accordance with the terms of the tender offer.

The undersigned understands that Limited Brands will determine a single per share price, not greater than \$25.00 nor less than \$21.75 per share, that it will pay for shares validly tendered and not withdrawn pursuant to the tender offer, after taking into account the number of shares so tendered and the prices specified by tendering stockholders. The undersigned understands that Limited Brands will select the lowest purchase price that will allow it to purchase 80,000,000 shares or, if a lesser number of shares are validly tendered and not withdrawn, all such shares that are properly tendered and not withdrawn. All shares properly tendered at prices at or below the purchase price and not properly withdrawn will be purchased, subject to the conditions of the tender offer and the "odd lot" priority, proration and conditional tender provisions described in the Offer to Purchase. The undersigned understands that all stockholders whose shares are purchased by Limited Brands will receive the same purchase price for each share purchased in the tender offer.

The undersigned hereby represents and warrants that the undersigned:

- (1) has a net long position in shares at least equal to the number of shares being tendered;
- (2) has full power and authority to tender, sell, assign and transfer the shares tendered hereby and that, when the same are accepted for payment by Limited Brands, Limited Brands will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claims; and
- (3) will, upon request, execute and deliver any additional documents deemed by the Depository or Limited Brands to be necessary or desirable to complete the sale, assignment and transfer of the shares tendered hereby.

The undersigned understands that tenders of shares pursuant to any one of the procedures described in Section 3 of the Offer to Purchase and in the instructions hereto will constitute an agreement between the undersigned and Limited Brands upon the terms and subject to the conditions of the tender offer. The undersigned acknowledges that under no circumstances will Limited Brands pay interest on the purchase price.

The undersigned recognizes that, under certain circumstances set forth in the Offer to Purchase, Limited Brands may terminate or amend the tender offer or may postpone the acceptance for payment of, or the payment for, shares tendered or may accept for payment fewer than all of the shares tendered.

Unless otherwise indicated under “Special Payment Instructions”, please issue the check for the purchase price of any shares purchased (less the amount of any federal income or backup withholding tax required to be withheld), and return any shares not tendered or not purchased, in the name(s) of the undersigned or, in the case of shares tendered by book-entry transfer, by credit to the account at the Book-Entry Transfer Facility designated above (or, in the case of shares tendered by the Direct Registration System or held in Limited Brands’ Dividend Reinvestment Plan, by credit to the Direct Registration System or Dividend Reinvestment Plan account designated above). Similarly, unless otherwise indicated under “Special Delivery Instructions”, please mail the check for the purchase price of any shares purchased (less the amount of any federal income or backup withholding tax required to be withheld) and any certificates for shares not tendered or not purchased (and accompanying documents, as appropriate) to the undersigned at the address shown below the undersigned’s signature(s). In the event that both “Special Payment Instructions” and “Special Delivery Instructions” are completed, please issue the check for the purchase price of any shares purchased (less the amount of any federal income or backup withholding tax required to be withheld) and return any shares not tendered or not purchased in the name(s) of, and mail said check and any certificates to, the person(s) so indicated.

The undersigned recognizes that Limited Brands has no obligation, pursuant to the “Special Payment Instructions”, to transfer any shares from the name of the registered holder(s) thereof, if Limited Brands does not accept for payment any of the shares so tendered.

All authority herein conferred or agreed to be conferred shall survive the death or incapacity of the undersigned and any obligation of the undersigned hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned. Except as stated in the Offer to Purchase, this tender is irrevocable.

INSTRUCTIONS

Forming Part of the Terms and Conditions of the Offer

IF YOU PARTICIPATE IN THE SAVINGS AND RETIREMENT PLAN OR THE STOCK PURCHASE PLAN, YOU MUST **NOT** USE THIS LETTER OF TRANSMITTAL TO DIRECT THE TENDER OF THE SHARES ATTRIBUTABLE TO YOUR ACCOUNT. INSTEAD, YOU MUST USE THE SEPARATE “TENDER INSTRUCTION FORMS” SENT TO PARTICIPANTS IN THOSE PLANS. IF YOU PARTICIPATE IN THE SAVINGS AND RETIREMENT PLAN OR THE STOCK PURCHASE PLAN YOU SHOULD READ THE SEPARATE “TENDER INSTRUCTION FORMS” AND RELATED MATERIALS CAREFULLY.

1. Guarantee of Signatures. Except as otherwise provided below, all signatures on this Letter of Transmittal must be guaranteed by a financial institution (including most banks and brokerage houses) which is a participant in the Securities Transfer Agents Medallion Program (an “Eligible Institution”). Signatures on this Letter of Transmittal need not be guaranteed (a) if this Letter of Transmittal is signed by the registered holder(s) of the shares (which term, for purposes of this document, shall include any participant in the Book-Entry Transfer Facility whose name appears on a security position listing as the owner of shares) tendered herewith and such holder(s) have not completed the box entitled “Special Payment Instructions” or “Special Delivery Instructions” on this Letter of Transmittal or (b) if such shares are tendered for the account of an Eligible Institution. See Instruction 10. You may also need to have any certificates you deliver endorsed or accompanied by a stock power, and the signatures on these documents may also need to be guaranteed. See Instruction 8.

2. Delivery of Letter of Transmittal and Shares; Guaranteed Delivery Procedure. You should use this Letter of Transmittal only if you are forwarding certificates with this Letter of Transmittal, causing the shares to be delivered by book-entry transfer or tendering shares by the Direct Registration System, tendering shares held in Limited Brands Dividend Reinvestment Plan pursuant to the procedures set forth in Section 3 of the Offer to Purchase. In order for you to validly tender shares, certificates for all physically delivered shares, or a confirmation of a book-entry transfer of all shares delivered electronically into the Depository’s account at the Book-Entry Transfer Facility, as well as a properly completed and duly executed Letter of Transmittal or an Agent’s Message in connection with book-entry transfer and any other documents required by this Letter of Transmittal, must be received by the Depository at one of its addresses set forth on the front page of this Letter of Transmittal by the Expiration Date (as defined in the Offer to Purchase).

Agent’s Message. The term “Agent’s Message” means a message transmitted by the Book-Entry Transfer Facility to, and received by, the Depository, which states that the Book-Entry Transfer Facility has received an acknowledgment from the participant in the Book-Entry Transfer Facility tendering the shares that such participant has received and agrees to be bound by the terms of the Letter of Transmittal and Limited Brands may enforce such agreement against them.

Guaranteed Delivery. If you cannot deliver your shares and all other required documents to the Depository by the Expiration Date or the procedure for book-entry transfer cannot be completed on a timely basis, you must tender your shares pursuant to the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase. Pursuant to such procedure:

(a) such tender must be made by or through an Eligible Institution;

(b) a properly completed and duly executed Notice of Guaranteed Delivery substantially in the form provided by Limited Brands must be received by the Depository by the Expiration Date, specifying the price at which shares are being tendered, including (where required) a signature guarantee by an Eligible Institution in the form set forth in the Notice of Guaranteed Delivery; and

(c) the certificates for all physically delivered shares, or a confirmation of a book-entry transfer of all shares delivered electronically into the Depository’s account at the Book-Entry Transfer Facility, together with a properly completed and duly executed Letter of Transmittal with any required signature guarantees or an Agent’s Message and any other documents required by this Letter of Transmittal, must be received by the Depository within three New York Stock Exchange, Inc. trading days after the date of execution of such Notice of Guaranteed Delivery, all as provided in Section 3 of the Offer to Purchase.

The method of delivery of all documents, including share certificates, is at your option and risk. If you choose to deliver the documents by mail, then registered mail with return receipt requested, properly insured, is recommended. In all cases, sufficient time should be allowed to ensure timely delivery.

Except as specifically permitted by Section 6 of the Offer to Purchase, Limited Brands will not accept any alternative, conditional or contingent tenders, and no fractional shares will be purchased. By executing this Letter of Transmittal, you waive any right to receive any notice of the acceptance for payment of the shares.

3. Inadequate Space. If the space provided in the box captioned “Description of Shares Tendered” is inadequate, then you should list the certificate numbers and/or the number of shares on a separate signed schedule attached hereto.

4. Partial Tenders (Not applicable to stockholders who tender by book-entry transfer or shares in the Company’s Direct Registration System or Dividend Reinvestment Plan). If you wish to tender (offer to sell) fewer than all of the shares represented by any certificates that you deliver to the Depository, fill in the number of shares which are to be tendered in the box entitled “Number of Shares Tendered”. In such case, a new certificate for the remainder of the shares represented by the old certificate will be sent to the person(s) signing this Letter of Transmittal, unless otherwise provided in the appropriate box on this Letter of Transmittal, as promptly as practicable after the expiration or termination of the tender offer. Unless you indicate otherwise, all shares represented by certificates delivered to the Depository will be deemed to have been tendered. In the case of shares tendered by book-entry transfer at the Book-Entry Transfer Facility, the shares will be credited to the appropriate account maintained by the tendering stockholder at the Book-Entry Transfer Facility. In each case, shares will be returned or credited without expense to the stockholder.

5. Indication of Price at Which Shares Are Being Tendered. In order to validly tender by this Letter of Transmittal, you must either:

- (a) check the box under “Shares Tendered at Price Determined Pursuant to the Tender Offer”; OR
- (b) check the box indicating the price per Share at which you are tendering shares under “Shares Tendered at Price Determined by Stockholder”.

By checking the box under “Shares Tendered at Price Determined Pursuant to the Tender Offer” you agree to accept the purchase price resulting from the tender offer process, which may be as low as \$21.75 or as high as \$25.00 per share. By checking a box under “Shares Tendered at Price Determined by Stockholder”, you acknowledge that doing so could result in none of the shares being purchased if the purchase price for the shares is less than the price that you checked.

You may only check one box. If you check more than one box or no boxes, then you will not be deemed to have validly tendered your shares. If you wish to tender portions of your share holdings at different prices, you must complete a separate Letter of Transmittal for each price at which you wish to tender each such portion of your shares. You cannot tender the same shares at more than one price (unless you previously tendered and withdrew those shares, as provided in Section 4 of the Offer to Purchase).

6. Odd Lots. As described in Section 1 of the Offer to Purchase, if Limited Brands purchases less than all shares tendered and not withdrawn before the Expiration Date, the shares purchased first will consist of all shares tendered by any stockholder who owns, beneficially or of record, an aggregate of fewer than 100 shares and who tenders all of such shares. Even if you otherwise qualify for the “odd lot” preferential treatment, you will not receive such preferential treatment unless you complete the box captioned “Odd Lots”.

7. Order of Purchase in Event of Proration. Stockholders may specify the order in which their shares are to be purchased in the event that as a result of the proration provisions or otherwise, some but not all of the tendered shares are purchased in the tender offer. The order of purchase may have an effect on the United States federal income tax treatment of the purchase for the shares purchased. See Section 1 and Section 13 of the Offer to Purchase.

8. Signatures on Letter of Transmittal; Stock Powers and Endorsements.

(a) *Exact Signatures.* If this Letter of Transmittal is signed by the registered holder(s) of the shares tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the certificates without alteration, enlargement or any change whatsoever.

(b) *Joint Holders*. If any of the shares tendered hereby are held of record by two or more persons, all such persons must sign this Letter of Transmittal.

(c) *Different Names on Certificates*. If any of the shares tendered hereby are registered in different names on different certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of certificates.

(d) *Endorsements*. If this Letter of Transmittal is signed by the registered holder(s) of the shares tendered hereby, no endorsements of certificates or separate stock powers are required unless payment of the purchase price is to be made, or shares not tendered or not purchased are to be returned, in the name of any person other than the registered holder(s). Signatures on any such certificates or stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal is signed by a person other than the registered holder(s) of the shares tendered hereby, certificates must be endorsed or accompanied by appropriate stock powers, in either case, signed exactly as the name(s) of the registered holder(s) appear(s) on the certificates for such shares. Signature(s) on any such certificates or stock powers must be guaranteed by an Eligible Institution. See Instruction 1.

If this Letter of Transmittal or any certificate or stock power is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, such person should so indicate when signing, and proper evidence satisfactory to the Depository of the authority of such person so to act must be submitted.

9. Stock Transfer Taxes. Except as provided in this Instruction 9, Limited Brands will pay any stock transfer taxes with respect to the sale and transfer of any shares to it or its order pursuant to the tender offer. If, however, payment of the purchase price is to be made to, or shares not tendered or not purchased are to be returned in the name of, any person other than the registered holder(s), or tendered shares are registered in the name of a person other than the name of the person(s) signing this Letter of Transmittal, the amount of any stock transfer taxes (whether imposed on the registered holder(s), such other person or otherwise) payable on account of the transfer to such person will be deducted from the purchase price by the Depository, unless satisfactory evidence of the payment of such taxes, or exemption therefrom, is submitted.

10. Special Payment and Delivery Instructions. If the check for the purchase price of any shares purchased is to be issued and any shares not tendered or not purchased are to be returned, in the name of a person other than the person(s) signing this Letter of Transmittal or if the check and any certificates for shares not tendered or not purchased are to be mailed to someone other than the person(s) signing this Letter of Transmittal or to the person(s) signing this Letter of Transmittal at an address other than that shown above, the boxes captioned "Special Delivery Instructions" and/or "Special Payment Instructions" on this Letter of Transmittal should be completed.

11. Federal Income Tax Withholding. Under the federal income tax laws, the Depository will be required to withhold 28% of the amount of any payments made to certain stockholders pursuant to the tender offer. In order to avoid such backup withholding, each tendering stockholder must provide the Depository with such stockholder's correct taxpayer identification number by completing the Substitute Form W-9 set forth above.

In general, if a stockholder is an individual, the taxpayer identification number is the social security number of such individual. If the Depository is not provided with the correct taxpayer identification number, the stockholder may be subject to a \$50 penalty imposed by the Internal Revenue Service and payments that are made to such stockholder pursuant to the tender offer may be subject to backup withholding. Certain stockholders (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. In order to satisfy the Depository that a foreign individual qualifies as an exempt recipient, such stockholder must submit an IRS Form W-8, signed under penalties of perjury, attesting to that individual's exempt status. Such statements can be obtained from the Depository.

For further information concerning backup withholding and instructions for completing the Substitute Form W-9 (including how to obtain a taxpayer identification number if you do not have one and how to complete the Substitute Form W-9 if shares are held in more than one name), consult the enclosed *Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9*.

Failure to complete the Substitute Form W-9 will not, by itself, cause shares to be deemed invalidly tendered, but may require the Depositary to withhold 28% of the amount of any payments made pursuant to the tender offer. Backup withholding is not an additional federal income tax. Rather, the federal income tax liability of a person subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained.

NOTE: FAILURE TO COMPLETE AND RETURN THE SUBSTITUTE FORM W-9 MAY RESULT IN BACKUP WITHHOLDING OF 28% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE TENDER OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

Unless Limited Brands determines that a reduced rate of withholding is applicable pursuant to a tax treaty or that an exemption from withholding is applicable because gross proceeds paid pursuant to the tender offer are effectively connected with the conduct of a trade or business within the United States, Limited Brands will be required to withhold federal income tax at a rate of 30% from such gross proceeds paid to a foreign stockholder or his agent. For this purpose, a foreign stockholder is any stockholder that is not (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States, or (iii) any estate or trust the income of which is subject to United States federal income taxation regardless of its source. A foreign stockholder may be eligible to file for a refund of such tax or a portion of such tax if such stockholder meets the “complete redemption”, “substantially disproportionate” or “not essentially equivalent to a dividend” tests described in the Offer to Purchase under the caption “United States Federal Income Tax Consequences” or if such stockholder is entitled to a reduced rate of withholding pursuant to a treaty and Limited Brands withheld at a higher rate.

In order to obtain a reduced rate of withholding under a tax treaty, a foreign stockholder must deliver to the Depositary, before the payment, a properly completed and executed statement claiming such an exemption or reduction. Such statements can be obtained from the Depositary. In order to claim an exemption from withholding on the grounds that gross proceeds paid pursuant to the tender offer are effectively connected with the conduct of a trade or business within the United States, a foreign stockholder must deliver to the Depositary a properly executed statement claiming exemption. Such statements can be obtained from the Depositary. Foreign stockholders are urged to consult their own tax advisors regarding the application of federal income tax withholding, including eligibility for a withholding tax reduction or exemption and the refund procedure.

12. Irregularities. All questions as to purchase price, the form of documents and the validity, eligibility (including time of receipt) and acceptance for payment of any tender of shares will be determined by Limited Brands in its sole discretion, which determinations shall be final and binding on all parties. Limited Brands reserves the absolute right to reject any or all tenders of shares it determines not to be in proper form or the acceptance of which or payment for which may, in the opinion of Limited Brands’ counsel, be unlawful. Limited Brands also reserves the absolute right to waive any of the conditions of the tender offer and any defect or irregularity in the tender of any particular shares, and Limited Brands’ interpretation of the terms of the tender offer (including these instructions) will be final and binding on all parties. No tender of shares will be deemed to be properly made until all defects and irregularities have been cured or waived. Unless waived, any defects or irregularities in connection with tenders must be cured within such time as Limited Brands shall determine. None of Limited Brands, the Dealer Managers, the Depositary, the Information Agent (as the foregoing are defined in the Offer to Purchase) or any other person is or will be obligated to give notice of any defects or irregularities in tenders and none of them will incur any liability for failure to give any such notice.

13. Requests for Assistance or Additional Copies. Questions and requests for assistance or additional copies of the Offer to Purchase and this Letter of Transmittal should be directed to the Information Agent or the Dealer Managers at their respective addresses and telephone numbers set forth below.

14. Stock Option Plans. If you hold vested options in any of the Company's stock option plans, then you may exercise such vested options as indicated in the instructions separately sent to you by paying the cash exercise price and receiving shares which you may then tender by following the instructions set forth in the Offer to Purchase and this Letter of Transmittal. You must exercise your options by not later than 3:00 p.m., Monday, November 1, 2004, New York City time, in order to obtain shares to tender by the Expiration Date.

15. Dividend Reinvestment Plan; Direct Registration System. You may tender shares that you hold through the Company's Direct Registration System or that you hold in Limited Brands' Dividend Reinvestment Plan by indicating the appropriate space in the box captioned "Description of Shares Tendered" on the cover page of this Letter of Transmittal and indicating the number of Dividend Reinvestment Plan shares tendered. See Section 3 of the Offer to Purchase.

16. Lost, Stolen, Destroyed or Mutilated Certificates. If your certificate or certificates for part or all of your shares has been lost, stolen, destroyed or mutilated, you should call Wachovia Bank, as Transfer Agent, at 1-800-829-8432 regarding the requirements for replacement at the address set forth on the cover page of this Letter of Transmittal. You may be required to post a bond to secure against the risk that the certificate may be subsequently recirculated. You are urged to contact the Transfer Agent immediately in order to receive further instructions, for a determination as to whether you will need to post a bond and to permit timely processing of this documentation.

17. Conditional Tenders. As described in Sections 1 and 6 of the Offer to Purchase, stockholders may condition their tenders on all or a minimum number of their tendered shares being purchased. If you wish to make a conditional tender you must indicate this in the box captioned "Conditional Tender" in this Letter of Transmittal or, if applicable, the Notice of Guaranteed Delivery. In the box in this Letter of Transmittal or the Notice of Guaranteed Delivery, you must calculate and appropriately indicate the minimum number of shares that must be purchased if any are to be purchased.

As discussed in Sections 1 and 6 of the Offer to Purchase, proration may affect whether Limited Brands accepts conditional tenders and may result in shares tendered pursuant to a conditional tender being deemed withdrawn if the minimum number of shares would not be purchased. If, because of proration, the minimum number of shares that you designate will not be purchased, Limited Brands may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, you must have tendered all your shares and check the box so indicating. Upon selection by random lot, if any, Limited Brands will limit its purchase in each case to the designated minimum number of shares.

All tendered shares will be deemed unconditionally tendered unless the "Conditional Tender" box is completed. If you are an "odd lot" holder and you tender all of your shares, you cannot conditionally tender, since your shares will not be subject to proration. Each stockholder is urged to consult his or her own tax advisor.

This Letter of Transmittal, properly completed and duly executed, together with certificates representing shares being tendered (or confirmation of book-entry transfer) and all other required documents, must be received before 12:00 Midnight, New York City time, on the Expiration Date, or the tendering stockholder must comply with the procedures for guaranteed delivery.

The Information Agent for the Offer is:

D.F. KING & CO., INC.

48 Wall Street
New York, NY 10005

Banks and Brokerage Firms Please Call: (212) 269-5550 (Call Collect)

All Others Call Toll Free: (888)-628-8208

The Dealer Managers for the Offer are:

Banc of America Securities LLC

9 West 57th Street
New York, New York 10019
(212) 583-8537 (Call Collect)
(888) 583-8900, ext. 8537 (Call Toll Free)

J.P. Morgan Securities Inc.

277 Park Avenue
New York, New York 10172
(212) 622-2624 (Call Collect)
(866) 262-0777 (Call Toll Free)

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9

How to Obtain a Taxpayer Identification Number.—If you do not have a taxpayer identification number or don't know your number, apply for one immediately. To apply, obtain FORM SS-5, Application for a Social Security Card (for individuals), from your local office of the Social Security Administration, or FORM SS-4, Application for Employer Identification Number (for businesses and all other entities), from your local IRS office.

Payees and Payments Exempt From Backup Withholding.—Payees specifically exempted from backup withholding on ALL payments include the following:

- (1) A corporation.
- (2) An organization exempt from tax under Section 501(a), or an IRA, or a custodial account under section 403(b)(7).
- (3) The United States or any of its agencies or instrumentalities.
- (4) A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities.
- (5) A foreign government and any of its political subdivisions, agencies or instrumentalities.
- (6) An international organization or any of its agencies or instrumentalities.
- (7) A foreign central bank of issue.
- (8) A registered dealer in securities or commodities registered in the U.S. or a possession of the U.S.
- (9) A real estate investment trust.
- (10) An entity registered at all times during the tax year under the Investment Company Act of 1940.
- (11) A common trust fund operated by a bank under section 584(a).
- (12) A financial institution.

Payments of dividends and patronage dividends generally not subject to backup withholding also include the following:

- Payments to nonresident aliens subject to withholding under section 1441.
- Payments to partnerships not engaged in trade or business in the U.S. and that have at least one nonresident partner.
- Payments of patronage dividends not paid in money.
- Payments made by certain foreign organizations.
- Payments made to a nominee.

Payments of interest generally not subject to backup withholding include the following:

- Payments of interest on obligations issued by individuals.

Note: You may be subject to backup withholding if this interest is \$600 or more and is paid in the course of the payer's trade or business and you have not provided your correct taxpayer identification number to the payer.

- Payments of tax-exempt interest (including exempt-interest dividends under section 852).
- Payments described in section 6049(b)(5) to nonresident aliens.
- Payments on tax-free covenant bonds under section 1451.
- Payments made by certain foreign organizations.

Exempt payees described above should file Form W-9 to avoid possible erroneous backup withholding. **FILE THIS FORM WITH THE PAYER, FURNISH YOUR TAXPAYER IDENTIFICATION NUMBER, WRITE "EXEMPT" ON THE FACE OF THE FORM, SIGN AND DATE THE FORM AND RETURN IT TO THE PAYER.**

Payments that are not subject to information reporting are also not subject to backup withholding. For details, see sections 6041, 6041A(a), 6042, 6044, 6045, 6049, 6050A, and 6050N, and their regulations.

Penalties

Failure to Furnish Taxpayer Identification Number.—If you fail to furnish your correct taxpayer identification number to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil Penalty for False Information With Respect to Withholding.—If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal Penalty for Falsifying Information.—Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Privacy Act Notice.—Section 6109 requires most recipients of dividends, interest, or other payments to furnish their correct taxpayer identification number to persons who must file information returns with the IRS. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. You must provide your taxpayer identification number whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable income of a taxpayer who does not furnish a taxpayer identification number to a payer. Certain penalties may also apply.

What Name and Number to Give the Requester

For this type of account	Give the Name and SOCIAL SECURITY number of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account(1)
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor(2)
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee(1)
b. So-called trust account that is not a legal or valid trust under state law	The actual owner(1)
5. Sole proprietorship	The owner(3)

For Additional Information Contact Your Tax Consultant or the Internal Revenue Service

For this type of account	Give the Name and SOCIAL SECURITY number of:
6. Sole proprietorship	The owner(3)
7. A valid trust, estate or pension trust	Legal entity(4)
8. Corporate	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agriculture program payment	The public entity

- (1) List first and circle the name of the person whose number you furnish.
- (2) Circle the minor's name and furnish the minor's social security number.
- (3) You must show your individual name, but you may also enter your business or "doing business as" name. You may use either your social security number or employer identification number.
- (4) List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the taxpayer identification number of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

Note: If no name is circled when there is more than one name, the number will be considered to be that of the first name listed.

NOTICE OF GUARANTEED DELIVERY
(Not To Be Used For Signature Guarantee)
To Tender Shares of Common Stock
of
LIMITED BRANDS, INC.

Pursuant to its Offer to Purchase dated October 7, 2004

THE TENDER OFFER, THE PRORATION PERIOD AND WITHDRAWAL RIGHTS EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, NOVEMBER 4, 2004, UNLESS THE TENDER OFFER IS EXTENDED.

As set forth in Section 3 of the Offer to Purchase (as defined below), this form, or a form substantially equivalent to this form, must be used to accept the tender offer (as defined below) if (1) certificates for shares of common stock, \$0.50 par value per share, of Limited Brands, Inc. and all other documents required by the Letter of Transmittal cannot be delivered to the Depository or (2) the procedures for book-entry transfer cannot be completed by the Expiration Date (as defined in the Offer to Purchase). This form may be delivered by hand, facsimile transmission or mail to the Depository. See Section 3 of the Offer to Purchase.

The Depository for the Tender Offer is:

WACHOVIA BANK, N.A.

By Registered, Certified Mail or First Class Mail:

Wachovia Bank, N.A.
 Securities Processing Center
 PO Box 859208
 Braintree, MA 02185-9208

By Hand or Courier Delivery:

Wachovia Bank, N.A.
 Securities Processing Center
 161 Bay State Dr.
 Braintree, MA 02184

By Facsimile Transmission (for eligible institutions only):

(781) 380-3388
 For Confirmation Call:
 (781) 843-1833, ext. 200

Delivery of this Notice of Guaranteed Delivery to an address other than those shown above or transmission of instructions via a facsimile number other than that listed above does not constitute a valid delivery. Deliveries to the Book-Entry Transfer Facility (as defined in the Offer to Purchase) does not constitute valid delivery to the Depository.

This Notice of Guaranteed Delivery is not to be used to guarantee signatures. If a signature on a Letter of Transmittal is required to be guaranteed by an "Eligible Institution" under the instructions thereto, such signature guarantee must appear in the applicable space provided in the signature box on the Letter of Transmittal.

Ladies and Gentlemen:

The undersigned hereby tenders to Limited Brands, Inc. ("Limited Brands"), upon the terms and subject to the conditions set forth in the Offer to Purchase dated October 7, 2004 (the "Offer to Purchase") and the related Letter of Transmittal (which together, as amended or supplemented, constitute the "tender offer"), receipt of which is hereby acknowledged, the number (indicated below) of shares of common stock, \$0.50 par value per share (such shares, together with all other outstanding shares of common stock of Limited Brands, are herein referred to as the "shares"), of Limited Brands, pursuant to the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase.

NUMBER OF SHARES BEING TENDERED HEREBY: _____ SHARES

CHECK ONLY ONE BOX. IF MORE THAN ONE BOX IS CHECKED, OR IF NO BOX IS CHECKED, THERE IS NO VALID TENDER OF SHARES.

**SHARES TENDERED AT PRICE DETERMINED PURSUANT TO THE TENDER OFFER
(See Instruction 5 of The Letter of Transmittal)**

- The undersigned wants to maximize the chance of having Limited Brands purchase all the shares the undersigned is tendering (subject to the possibility of proration). Accordingly, by checking this ONE box INSTEAD OF ONE OF THE PRICE BOXES BELOW, the undersigned hereby tenders shares and is willing to accept the purchase price determined by Limited Brands pursuant to the tender offer. This action will result in receiving a price per share of as low as \$21.75 or as high as \$25.00.

— OR —

**SHARES TENDERED AT PRICE DETERMINED BY STOCKHOLDER
(See Instruction 5 of The Letter of Transmittal)**

By checking ONE of the boxes below INSTEAD OF THE BOX ABOVE, the undersigned hereby tenders shares at the price checked. This action could result in none of the shares being purchased if the purchase price for the shares is less than the price checked. If the purchase price for the shares is equal to or greater than the price checked, then the shares purchased by Limited Brands will be purchased at the purchase price. **A stockholder who desires to tender shares at more than one price must complete a separate Letter of Transmittal for each price at which shares are tendered.** The same shares cannot be tendered at more than one price (unless those shares were previously tendered and withdrawn).

**PRICE (IN DOLLARS) PER SHARE AT
WHICH SHARES ARE BEING TENDERED**

<input type="checkbox"/> \$21.75	<input type="checkbox"/> \$22.50	<input type="checkbox"/> \$23.25	<input type="checkbox"/> \$24.00	<input type="checkbox"/> \$24.75
<input type="checkbox"/> \$22.00	<input type="checkbox"/> \$22.75	<input type="checkbox"/> \$23.50	<input type="checkbox"/> \$24.25	<input type="checkbox"/> \$25.00
<input type="checkbox"/> \$22.25	<input type="checkbox"/> \$23.00	<input type="checkbox"/> \$23.75	<input type="checkbox"/> \$24.50	

ODD LOTS
(See Instruction 6 of the Letter of Transmittal)

To be completed only if shares are being tendered by or on behalf of a person owning, beneficially or of record, an aggregate of fewer than 100 shares. The undersigned:

is the beneficial or record owner of an aggregate of fewer than 100 shares, all of which are being tendered.

CONDITIONAL TENDER
(See Instruction 17 of the Letter of Transmittal)

A tendering stockholder may condition his or her tender of shares upon Limited Brands purchasing a specified minimum number of the shares tendered, all as described in Section 6 of the Offer to Purchase. Unless at least the minimum number of shares you indicate below is purchased by Limited Brands pursuant to the terms of the Offer, none of the shares tendered will be purchased. It is the tendering stockholder's responsibility to calculate that minimum number of shares that must be purchased if any are purchased, and each stockholder is urged to consult his or her own tax advisor. Unless this box has been checked and a minimum specified, your tender will be deemed unconditional.

The minimum number of shares that must be purchased, if any are purchased, is: _____ shares

If, because of proration, the minimum number of shares designated will not be purchased, Limited Brands may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering stockholder must have tendered all of his or her shares and checked the box below:

The tendered shares represent all shares held by the undersigned.

Certificate Nos. (if available):

If shares will be tendered by book-entry transfer:

Name of Tendering Institution: _____

Account No. _____ at

The Depository Trust Company

SIGN HERE

Signature(s)

Dated: _____, 2004

Name(s) of Stockholders:

(Please Type or Print)

(Address)

(Zip Code)

(Area Code and Telephone No.)

(Taxpayer ID No. or Social Security No.)

GUARANTEE
(Not to be used for signature guarantee)

The undersigned, a firm that is a member of a registered national securities exchange or the National Association of Securities Dealers, Inc., or a commercial bank or trust company having an office, branch or agency in the United States, or otherwise an "eligible institution" within the meaning of Rule 17Ad-15 of the Securities Exchange Act of 1934, as amended, guarantees (a) that the above named person(s) "own(s)" the shares tendered hereby within the meaning of Rule 14e-4 under the Securities Exchange Act of 1934, as amended, (b) that such tender of shares complies with Rule 14e-4 and (c) to deliver to the Depository the shares tendered hereby, together with a properly completed and duly executed Letter(s) of Transmittal with any required signature guarantee, unless an Agent's Message (as defined in the Offer to Purchase) in the case of book-entry transfer is utilized, and any other required documents, all within (3) three New York Stock Exchange, Inc. trading days of the date hereof.

(Name of Firm)

(Authorized Signature)

(Name)

(Address)

(Zip Code)

(Area Code and Telephone No.)

Dated: _____, 2004

DO NOT SEND STOCK CERTIFICATES WITH THIS FORM. YOUR STOCK CERTIFICATES MUST BE SENT WITH THE LETTER OF TRANSMITTAL.

Offer by
LIMITED BRANDS, INC.
To Purchase For Cash
Up to 80,000,000 Shares of Its Common Stock
At a Purchase Price of Not Greater Than \$25.00 Nor Less Than \$21.75 Per Share

**THE TENDER OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME,
ON THURSDAY, NOVEMBER 4, 2004, UNLESS THE TENDER OFFER IS EXTENDED.**

To Our Clients:

Enclosed for your consideration are the Offer to Purchase dated October 7, 2004 and the related Letter of Transmittal (which, as may be amended or supplemented from time to time, together constitute the "Offer") in connection with the Offer by Limited Brands, Inc., a Delaware corporation (the "Company"), to purchase for cash up to 80,000,000 shares of its common stock, \$0.50 par value (such shares, together with all other outstanding shares of common stock of the Company, are herein referred to as the "Shares"), at a price specified by its stockholders not greater than \$25.00 nor less than \$21.75 per Share, without interest, upon the terms and subject to the conditions of the Offer.

We are the holder of record of Shares held for your account. As such, only we, pursuant to your instructions, can tender your Shares. **The Letter of Transmittal is furnished to you for your information only and cannot be used by you to tender Shares held by us for your account.**

The Company will determine a single per Share price (not greater than \$25.00 nor less than \$21.75 per Share) that it will pay for the Shares properly tendered and not properly withdrawn pursuant to the Offer taking into account the number of Shares so tendered and the prices specified by tendering stockholders. The Company will select the purchase price that will allow it to purchase 80,000,000 Shares (or such lesser number as are properly tendered and not properly withdrawn) pursuant to the Offer. The Company will purchase all Shares validly tendered at prices at or below the purchase price and not withdrawn upon the terms and subject to the conditions set forth in the Offer to Purchase and the related Letter of Transmittal, including the provisions relating to "odd lot" tenders, proration and conditional tender described in the Offer to Purchase.

Shares tendered at prices in excess of the purchase price and Shares not purchased because of proration or conditional tenders will be returned at the Company's expense to the stockholders who tendered such Shares promptly after the Expiration Date (as defined in the Offer to Purchase). As described in the Offer to Purchase, in the event the final purchase price is less than the maximum price of \$25.00 per Share and more than 80,000,000 Shares are tendered in the Offer at or below the purchase price, the Company intends to exercise its right to purchase up to an additional 2% of its outstanding Shares without extending the tender offer so that it repurchases up to \$2 billion of its Shares. By way of example, if the final purchase price is the minimum purchase price of \$21.25 per Share, the Company intends to purchase up to an additional 9,438,333 of its outstanding shares to the extent tendered in the tender offer. The Company also expressly reserves the right, in its sole discretion, to purchase additional Shares subject to applicable legal requirements. See Section 1 of the Offer to Purchase.

The tender offer is an element of the Company's overall plan to return approximately \$2.5 billion of capital to its stockholders. Shortly after completion of the tender offer, the Company intends to declare a special dividend of \$500 million in the aggregate, subject to applicable legal requirements. If the Company is unable to purchase \$2 billion of shares in the tender offer, it will consider, in its sole discretion, various other options for the cash, including, among other things, additional share repurchases or an increase in the special dividend. The amount of the dividend and the record date will be set at the time the dividend is declared. Stockholders who participate in the tender offer will not be entitled to receive the special dividend with respect to any shares the Company purchases.

As described in the Offer to Purchase, if fewer than all Shares properly tendered and not properly withdrawn at or below the purchase price are to be purchased by the Company, the Company will purchase tendered Shares in the following order of priority:

- First, from all stockholders who own beneficially or of record, an aggregate of fewer than 100 Shares (“odd lots”) who properly tender, and do not properly withdraw, all of such Shares at or below the purchase price selected by the Company (partial tenders will not qualify for this preference);
- Second, subject to the conditional tender provisions described in Section 6 of the Offer to Purchase, on a pro rata basis from all other stockholders who properly, and do not properly withdraw, tender Shares at or below the purchase price selected by the Company; and
- Third, only if necessary to permit the Company to purchase 80,000,000 Shares (or such greater number of Shares as the Company may elect to purchase subject to applicable law) from holders who have tendered Shares conditionally (for which the condition was not initially satisfied) by random lot, to the extent feasible. To be eligible for purchase by random lot, stockholders whose Shares are conditionally tendered must have properly tendered all of their Shares and not properly withdrawn them before the expiration of the tender offer. See Section 6 of the Offer to Purchase.

We request instructions as to whether you wish us to tender any or all of the Shares held by us for your account, upon the terms and subject to the conditions set forth in the Offer to Purchase and the Letter of Transmittal.

Please note carefully the following:

1. You may tender Shares at a price not greater than \$25.00 nor less than \$21.75 per Share, as indicated in the attached Instruction Form.
2. The Offer, the proration period and withdrawal rights expire at 12:00 Midnight, New York City time, on Thursday, November 4, 2004 unless the Offer is extended by the Company.
3. The Offer is not conditioned upon any minimum number of Shares being tendered. The Offer is, however, subject to certain other conditions set forth in the Offer to Purchase. See Section 7 of the Offer to Purchase.
4. The Offer is for 80,000,000 Shares, constituting approximately 17% of our outstanding shares as of October 1, 2004.
5. Tendering stockholders who are registered stockholders or who tender their Shares directly to Wachovia Bank, N.A., the Depository, will not be obligated to pay any brokerage commissions or fees to the Company or the Dealer Managers, solicitation fees, or, except as set forth in the Offer to Purchase and the Letter of Transmittal, stock transfer taxes on the Company’s purchase of Shares pursuant to the Offer.
6. If you wish to tender portions of your Shares at different prices, you must complete a separate Instruction Form for each price at which you wish to tender each such portion of your Shares. We must submit separate Letters of Transmittal on your behalf for each price you will accept for each portion tendered.
7. If you hold beneficially or of record an aggregate of fewer than 100 Shares, and you instruct us to tender on your behalf all such Shares at or below the purchase price before the Expiration Date (as defined in the Offer to Purchase) and check the box captioned “Odd Lots” on the attached Instruction Form, the Company on the terms and subject to the conditions of the Offer, will accept all such Shares for purchase before proration, if any, of the purchase of other Shares properly tendered at or below the purchase price and not properly withdrawn.
8. If you wish to condition your tender upon the purchase of all Shares tendered or upon the Company’s purchase of a specified minimum number of the Shares which you tender, you may elect to do so and thereby avoid possible proration of your tender. The Company’s purchase of Shares from all tenders which are so

conditioned will be determined by random lot. To elect such a condition complete the section captioned "Conditional Tender" in the attached Instruction Form.

If you wish to have us tender any or all of your Shares, please so instruct us by completing, executing, detaching and returning to us the Instruction Form on the detachable part hereof. An envelope to return your instructions to us is enclosed. If you authorize tender of your Shares, all such Shares will be tendered unless otherwise specified on the Instruction Form.

YOUR PROMPT ACTION IS REQUESTED. YOUR INSTRUCTION FORM SHOULD BE FORWARDED TO US IN AMPLE TIME TO PERMIT US TO SUBMIT THE TENDER ON YOUR BEHALF BEFORE THE EXPIRATION OF THE OFFER.

The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of Shares in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the laws of such jurisdiction. In those jurisdictions the laws of which require that the Offer be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of the Company by Banc of America Securities LLC or J.P. Morgan Securities Inc., the Dealer Managers for the Offer, or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

INSTRUCTION FORM

With Respect to the Offer by

LIMITED BRANDS, INC.

to Purchase for Cash Up to 80,000,000 Shares of its Common Stock

The undersigned acknowledge(s) receipt of your letter and the enclosed Offer to Purchase dated October 7, 2004 and the related Letter of Transmittal (which together, as amended or supplemented, constitute the "Offer"), in connection with the offer by Limited Brands, Inc. ("Limited Brands") to purchase up to 80,000,000 shares of its common stock, \$0.50 par value (such shares, together with all other outstanding shares of common stock of Limited Brands, are herein referred to as the "Shares"), at a price not greater than \$25.00 nor less than \$21.75 per Share, without interest.

The undersigned hereby instruct(s) you to tender to Limited Brands the number of Shares indicated below or, if no number is indicated, all Shares held by you for the account of the undersigned, upon the terms and subject to the conditions set forth in the Offer.

NUMBER OF SHARES BEING TENDERED HEREBY: _____ SHARES*

* Unless otherwise indicated, it will be assumed that all Shares held by us for your account are to be tendered.

CHECK ONLY ONE BOX. IF MORE THAN ONE BOX IS CHECKED, OR IF NO BOX IS CHECKED, THERE IS NO VALID TENDER OF SHARES.

SHARES TENDERED AT PRICE DETERMINED PURSUANT TO THE OFFER
(See Instruction 5 of the Letter of Transmittal)

The undersigned wants to maximize the chance of having Limited Brands purchase all the Shares the undersigned is tendering (subject to the possibility of proration). Accordingly, by checking this ONE box INSTEAD OF ONE OF THE PRICE BOXES BELOW, the undersigned hereby tenders Shares and is willing to accept the purchase price determined by Limited Brands pursuant to the Offer. This action will result in receiving a price per Share of as low as \$21.75 or as high as \$25.00.

— OR —

SHARES TENDERED AT PRICE DETERMINED BY STOCKHOLDER
(See Instruction 5 of the letter of Transmittal)

By checking ONE of the boxes below INSTEAD OF THE BOX ABOVE, the undersigned hereby tenders Shares at the price checked. This action could result in none of the Shares being purchased if the purchase price for the Shares is less than the price checked. If the purchase price for the Shares is equal to or greater than the price checked, then the Shares purchased by Limited Brands will be purchased at the purchase price. **A stockholder who desires to tender Shares at more than one price must complete a separate Instruction Form for each price at which Shares are tendered.** The same Shares cannot be tendered at more than one price (unless those Shares were previously tendered and withdrawn).

PRICE (IN DOLLARS) PER SHARE AT WHICH SHARES ARE BEING TENDERED

<input type="checkbox"/> \$21.75	<input type="checkbox"/> \$22.50	<input type="checkbox"/> \$23.25	<input type="checkbox"/> \$24.00	<input type="checkbox"/> \$24.75
<input type="checkbox"/> \$22.00	<input type="checkbox"/> \$22.75	<input type="checkbox"/> \$23.50	<input type="checkbox"/> \$24.25	<input type="checkbox"/> \$25.00
<input type="checkbox"/> \$22.25	<input type="checkbox"/> \$23.00	<input type="checkbox"/> \$23.75	<input type="checkbox"/> \$24.50	

ODD LOTS
(See Instruction 6 of the Letter of Transmittal)

To be completed only if Shares are being tendered by or on behalf of a person owning, beneficially or of record, an aggregate of fewer than 100 Shares.

- By checking this box, the undersigned represents that it is the beneficial or record owner of an aggregate of fewer than 100 Shares, all of which are being tendered.

CONDITIONAL TENDER
(See Instruction 17 of the Letter of Transmittal)

A tendering stockholder may condition his or her tender of Shares upon Limited Brands purchasing a specified minimum number of the Shares tendered, all as described in Section 6 of the Offer to Purchase. Unless at least the minimum number of Shares you indicate below is purchased by Limited Brands pursuant to the terms of the Offer, none of the Shares tendered will be purchased. It is the tendering stockholder's responsibility to calculate that minimum number of Shares that must be purchased if any are purchased, and each stockholder is urged to consult his or her own tax advisor. Unless this box has been checked and a minimum specified, your tender will be deemed unconditional.

- The minimum number of Shares that must be purchased, if any are purchased, is: _____ Shares

If, because of proration, the minimum number of Shares designated will not be purchased, Limited Brands may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering stockholder must have tendered all of his or her shares and checked the box below:

- The tendered Shares represent all shares held by the undersigned.

THE METHOD OF DELIVERY OF THIS DOCUMENT IS AT THE ELECTION AND RISK OF THE TENDERING STOCKHOLDER. IF DELIVERY IS BY MAIL, THEN REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

SIGN HERE

Signature(s): _____

Name(s): _____

(PLEASE PRINT)

Taxpayer Identification or Social Security Number: _____

Address(es): _____

(INCLUDING ZIP CODE)

Area Code/Phone Number: _____

Date: _____

Offer by
LIMITED BRANDS, INC.
To Purchase For Cash
Up to 80,000,000 Shares of Its Common Stock
At a Purchase Price of Not Greater Than \$25.00 Nor Less Than \$21.75 Per Share

THE TENDER OFFER, THE PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, NOVEMBER 4, 2004, UNLESS THE TENDER OFFER IS EXTENDED.

October 7, 2004

To Brokers, Dealers, Commercial Banks,
Trust Companies and Other Nominees:

We have been appointed by Limited Brands, Inc., a Delaware corporation (the "Company"), to act as Dealer Managers in connection with the Company's offer to purchase up to 80,000,000 shares of its common stock, \$0.50 par value (such shares, together with all other outstanding shares of common stock of the Company, are herein referred to as the "Shares"), at a price not greater than \$25.00 nor less than \$21.75 per Share, without interest, upon the terms and subject to the conditions set forth in the Company's Offer to Purchase dated October 7, 2004 (the "Offer to Purchase") and the related Letter of Transmittal (which, as may be amended or supplemented from time to time, together constitute the "Offer").

The Company will determine a single per Share price, not greater than \$25.00 nor less than \$21.75 per Share, that it will pay for the Shares properly tendered and not properly withdrawn pursuant to the Offer taking into account the number of Shares so tendered and the prices specified by tendering stockholders. The Company will select the purchase price that will allow it to purchase 80,000,000 Shares (or such lesser number as are properly tendered and not properly withdrawn) pursuant to the Offer. The Company will purchase all Shares validly tendered at prices at or below the purchase price and not withdrawn upon the terms and subject to the conditions set forth in the Offer to Purchase and the related Letter of Transmittal, including the provisions relating to "odd lot" tenders, proration and conditional tender described in the Offer to Purchase.

Shares tendered at prices in excess of the purchase price and Shares not purchased because of proration or conditional tenders will be returned at the Company's expense to the stockholders who tendered such Shares promptly after the Expiration Date (as defined in the Offer to Purchase). As described in the Offer to Purchase, in the event the final purchase price is less than the maximum price of \$25.00 per Share and more than 80,000,000 Shares are tendered in the Offer at or below the purchase price, the Company intends to exercise its right to purchase up to an additional 2% of its outstanding Shares without extending the tender offer so that it repurchases up to \$2 billion of its Shares. By way of example, if the final purchase price is the minimum purchase price of \$21.75 per Share, the Company intends to purchase up to an additional 9,438,333 of its outstanding shares to the extent tendered in the tender offer. The Company also expressly reserves the right, in its sole discretion, to purchase additional Shares subject to applicable legal requirements. See Section 1 of the Offer to Purchase.

The tender offer is an element of the Company's overall plan to return approximately \$2.5 billion of capital to its stockholders. Shortly after completion of the tender offer, the Company intends to declare a special dividend of \$500 million in the aggregate, subject to applicable legal requirements. If the Company is unable to purchase \$2 billion of shares in the tender offer, it will consider, in its sole discretion, various other options for the cash, including, among other things, additional share repurchases or an increase in the special dividend. The amount of the dividend and the record date will be set at the time the dividend is declared. Stockholders who participate in the tender offer will not be entitled to receive the special dividend with respect to any shares the Company purchases.

For your information and for forwarding to your clients for whom you hold Shares registered in your name or in the name of your nominee, we are enclosing the following documents:

1. Offer to Purchase dated October 7, 2004;

2. Letter of Transmittal for your use and for the information of your clients, together with *Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9* providing information relating to backup federal income tax withholding;

3. Notice of Guaranteed Delivery to be used to accept the Offer if the Shares and all other required documents cannot be delivered to the Depository by the Expiration Date (as defined in the Offer to Purchase) or if the procedure for book-entry transfer cannot be completed on a timely basis;

4. Letter dated October 7, 2004 from the Company to its stockholders;

5. A form of letter that you may send to your clients for whose accounts you hold Shares registered in your name or in the name of your nominee, with space provided for obtaining such clients' instructions with regard to the Offer; and

6. Return envelope addressed to Wachovia Bank, N.A., the Depository, for your use only.

CERTAIN CONDITIONS TO THE OFFER ARE DESCRIBED IN SECTION 7 OF THE OFFER TO PURCHASE.

WE URGE YOU TO CONTACT YOUR CLIENTS AS PROMPTLY AS POSSIBLE. THE OFFER, THE PRORATION PERIOD AND WITHDRAWAL RIGHTS EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, NOVEMBER 4, 2004, UNLESS THE OFFER IS EXTENDED.

For Shares to be properly tendered pursuant to the Offer, (1) the share certificates or confirmation of receipt of such Shares under the procedure for book-entry transfer, together with a properly completed and duly executed Letter of Transmittal, including any required signature guarantees, or an "Agent's Message" (as defined in the Offer to Purchase) in the case of book-entry transfer, and any other documents required in the Letter of Transmittal, must be timely received by the Depository, or (2) the tendering stockholder must comply with the guaranteed delivery procedures, all in accordance with the Offer to Purchase and Letter of Transmittal.

The Company will not pay any fees or commissions to any broker or dealer or other person (other than the Dealer Managers and Information Agent as described in the Offer to Purchase) for soliciting tenders of Shares pursuant to the Offer. The Company will, however, upon request, reimburse brokers, dealers, commercial banks and trust companies for reasonable and necessary costs and expenses incurred by them in forwarding materials to their customers. The Company will pay all stock transfer taxes applicable to its purchase of Shares pursuant to the Offer, subject to Instruction 9 of the Letter of Transmittal. No broker, dealer, bank, trust company or fiduciary shall be deemed to be either our agent or the agent of the Company, the Information Agent or the Depository for the purpose of the Offer.

Any inquiries you may have with respect to the Offer should be addressed to, and additional copies of the enclosed materials may be obtained from, the Information Agent or the undersigned at the addresses and telephone numbers set forth on the back cover of the Offer to Purchase.

Very truly yours,

Banc of America Securities LLC
J.P. Morgan Securities Inc.

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY OTHER PERSON AS AN AGENT OF THE COMPANY, THE DEALER MANAGERS, THE INFORMATION AGENT OR THE DEPOSITARY, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENT ON BEHALF OF ANY OF THEM IN CONNECTION WITH THE OFFER OTHER THAN THE DOCUMENTS ENCLOSED HERewith AND THE STATEMENTS CONTAINED THEREIN.

Limitedbrands

October 6, 2004

Dear Partner,

This afternoon, Limited Brands announced a tender offer providing shareholders with the opportunity to sell shares back to the Company. The Company intends to repurchase \$2 billion of our stock—between 80 and 90 million shares. In addition, shortly after completion of the tender offer, the Company intends to declare a special dividend of approximately \$500 million, or about \$1.30 per share.

These transactions are intended to return value to our shareholders and at the same time create a more appropriate capital structure for our current mix of businesses. I, along with our Board of Directors and advisors, believe that our new capital structure is the right one for our Company and our shareholders. It gives us the flexibility we need to meet our existing cash needs and to pursue the growth strategies of the enterprise.

Historically, we have been viewed as a multi-divisional, popular-priced apparel retailer. And we were. Ten years ago, lingerie and personal care/beauty products were only 30% of our sales. Today's reality is very different.

Over the past ten years, we have reinvented ourselves. We are now predominantly a personal care/beauty and lingerie company with 70% of our sales in these categories. We distribute our products through our own channels, both stores and direct. We view ourselves as an upscale branded consumer packaged goods company with different growth prospects, different financial characteristics and different leadership skills and requirements.

We have achieved this through an intense focus on our core Victoria's Secret and Bath & Body Works businesses and on prestige brands that drive growth. We have also divested businesses not consistent with this strategy, including Brylane, Penhaligon's, Cacique, Abercrombie and Fitch, Limited Too, Lane Bryant, Lerner New York, Alliance Data Systems, and most recently, Galyan's Trading Company.

Why do we compare ourselves to a packaged goods company? From idea generation to revenue generation, packaged goods companies offer a better model for building a successful, predictable, growing business than our retail competitors. In the packaged goods industry, innovation, speed to market and efficiency drive consistent, profitable growth.

While much hard work needs to be done, we believe the opportunities for growth across our brands are significant.

Victoria's Secret is the most powerful lingerie brand in the world. And we're just beginning. We believe Victoria's Secret's growth prospects are excellent, with significant opportunities for additional sub-brands, channels of distribution and product line extensions. Victoria's Secret has created sub-brands—Body by Victoria, Very Sexy and our newest, Pink—which, on their own, are larger than most lingerie businesses in the world. Victoria's Secret Beauty has created three of the top fragrances in America and has a healthy and growing cosmetics business. With its association with the sexiest lingerie brand in the world, imaged to the top international models, Victoria's Secret Beauty is already a powerhouse in the beauty/cosmetics/fragrance category. New brands, new categories, new formats and channels...and the potential for international growth.

Bath & Body Works has become a \$2 billion brand focused on body and skin care. There are exciting prospects here too—new brands and products, channels of distribution, and store formats. In addition to the work underway to reposition the existing Bath & Body Works business, we are unveiling a new store format—C.O. Bigelow—in Columbus later this month. The Bigelow brand, which has its heritage as a New York City apothecary dating back to 1838, will feature upscale body care, face care, beauty and cosmetics products.

And then there's Henri Bendel. While Bendel is mostly associated with its well-known luxury store on New York City's Fifth Avenue, it also is a beauty brand in and of itself. We view Bendel as another entrant for us in the personal care/beauty and lingerie business—and as another exciting concept with which we are experimenting. We are currently reconfiguring the New York City Bendel store to sell an array of leading color cosmetics brands and a significant number of luxury European lingerie brands. Later this month, we are opening a Bendel store in Columbus which will carry an assortment of Bendel's and leading third party products.

So in the beauty category we have two established businesses—Victoria’s Secret Beauty and Bath & Body Works—and now we’re adding Bigelow and Bendel.

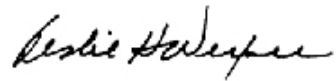
We’ve made significant strides in apparel as well. Express is well into the process of a substantial transformation and is proving itself as a significant dual-gender, high-quality apparel brand. It’s targeted at 20-30 year old working men and women. And Limited Stores, targeted at the 30+ female population, has been scaled back to a base of about 300 stores with an appropriately down-sized infrastructure.

At the core of our enterprise, we have developed high level operational and strategic skills. “The Creative Team” is now well established and focused on strategic brand creative work—design, marketing, research. They are teaming to explore new big ideas, develop them from concept and bring them to market. Again, thinking like a packaged goods company, their focus is on innovation and speed. This team gave us Pink and Express Design Studio, and is currently working on numerous other initiatives including the repositioning of the Bendel brand.

Operationally, we have consolidated and improved support services in finance, information technology, human resources, marketing, store design and construction and production. Our goal is to provide support—faster, better, cheaper—to achieve our enterprise goals. Our investment in new systems and processes over the next few years should provide a stronger, more streamlined platform for rapid growth as a consumer packaged goods company that leverages the strength of its own distribution channels while enabling us to meet the global demand for our product.

I believe we are well positioned with exciting opportunities supported by a significant talent base and strong and improving operational capabilities. There is still much to be done. We are in the early stages of an exciting transformation. Today’s announcement is a reflection of our confidence in the future. I am optimistic about our opportunities, and honored to be part of the talented team of associates that will drive our success.

Regards,



LESLIE H. WEXNER
Chairman and CEO

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995:

All forward-looking statements made by the Company in this letter involve risks and uncertainties and are subject to change based on various important factors, many of which may be beyond the Company's control. Accordingly, the Company's future performance and financial results may differ materially from those expressed or implied in any such forward-looking statements. Words such as "estimate," "project," "plan," "believe," "expect," "anticipate," "intend" and similar expressions may identify forward-looking statements. The following factors, among others, in some cases have affected and in the future could affect the Company's financial performance and actual results and could cause actual results for 2004 and beyond to differ materially from those expressed or implied in any forward-looking statements included in letter or otherwise made by management: changes in consumer spending patterns, consumer preferences and overall economic conditions; the potential impact of national and international security concerns on the retail environment, including any possible military action, terrorist attacks or other hostilities; our ability to service the debt we expect to incur in connection with this tender offer, any debt we draw down under our credit facilities, and other any debt we incur, and the restrictions the agreements related to such debt impose upon us; our ability to implement our strategic and operational initiatives; the impact of competition and pricing; changes in weather patterns; political stability; postal rate increases and charges; paper and printing costs; risks associated with the seasonality of the retail industry; risks related to consumer acceptance of the Company's products and the ability to develop new merchandise; the ability to retain, hire and train key personnel; risks associated with the possible inability of the Company's manufacturers to deliver products in a timely manner; risks associated with relying on foreign sources of production; risks associated with the possible lack of availability of suitable store locations on appropriate terms and other factors that may be described in the Company's filings with the Securities and Exchange Commission. The forward-looking information provided in this letter is based on information available to the Company as of the date of this letter. The Company does not undertake to publicly update or revise its forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized.

ADDITIONAL LEGAL INFORMATION:

This letter is for informational purposes only and does not constitute an offer to buy or the solicitation of an offer to sell shares of Limited Brands' common stock. The tender offer is being made only pursuant to the Offer to Purchase and the related materials that Limited Brands will distribute to its stockholders. Stockholders should read the Offer to Purchase and the related materials carefully because they contain important information. Stockholders will be able to obtain a free copy of the Tender Offer Statement on Schedule TO, the Offer to Purchase and other documents that Limited Brands is filing with the Securities and Exchange Commission at the Commission's website at www.sec.gov. Stockholders may also obtain a copy of these documents, without charge, from D.F. King & Co., Inc., the information agent for the tender offer, toll free at 888-628-8208.

LETTER FROM SAVINGS AND RETIREMENT PLAN
ADMINISTRATIVE COMMITTEE

October 7, 2004

Offer to Purchase Common Stock of Limited Brands, Inc.

Dear Savings and Retirement Plan Participant:

We are enclosing materials being sent to all stockholders of Limited Brands, Inc. ("Limited Brands" or the "Company") in connection with its recently announced offer to purchase up to 80,000,000 shares of the Company's common stock, \$0.50 par value per share (such shares, together with all other outstanding shares of common stock of Limited Brands, are herein referred to as the "shares"), at a price not greater than \$25.00 nor less than \$21.75 per share, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase dated October 7, 2004 (the "Offer to Purchase") and in the related Letter of Transmittal, which together, as amended or supplemented, constitute the tender offer.

The Company will, upon the terms and subject to the conditions of the tender offer, determine a single per share price, not greater than \$25.00 nor less than \$21.75 per share, that it will pay for the shares validly tendered pursuant to the tender offer and not validly withdrawn, taking into account the number of shares so tendered and the prices specified by tendering stockholders. The Company will select the lowest purchase price that will allow it to purchase 80,000,000 shares, or, if a lesser number of shares are validly tendered, such lesser number as are validly tendered and not withdrawn. In the event the final purchase price is less than the maximum price of \$25.00 per share and more than 80,000,000 shares are tendered in the tender offer at or below the purchase price, the Company intends to exercise its right to purchase up to an additional 2% of its outstanding shares without extending the tender offer so that it repurchases up to \$2 billion of its shares. By way of example, if the final purchase price is the minimum purchase price of \$21.75 per share, the Company intends to purchase up to an additional 9,438,333 of its outstanding shares to the extent tendered in the tender offer. The Company also expressly reserves the right, in its sole discretion, to purchase additional shares subject to applicable legal requirements. All stockholders whose shares are purchased by the Company will receive the same purchase price for each share purchased in the tender offer. Also enclosed is a brief description of the tender offer in connection with the Company's Savings and Retirement Plan ("Savings and Retirement Plan" or "SARP") and questions and answers describing how the process works.

Shortly after completion of the tender offer, the Company intends to declare a special dividend of \$500 million in the aggregate, subject to applicable legal requirements. If the Company is unable to purchase \$2 billion of shares in the tender offer, it will consider, in its sole discretion, various other options for the cash, including, among other things, additional share repurchases or an increase in the special dividend. The amount of the dividend and the record date will be set at the time the dividend is declared. If you participate in the tender offer, you will not be entitled to receive the dividend with respect to any shares the Company purchases.

As a participant in the Savings and Retirement Plan you may elect to direct the Trustee to "tender" (offer to sell) some or all of the shares (excluding fractional shares) currently allocated to your Limited Brands Stock Fund Account in the Savings and Retirement Plan by following the procedures described in the attachments to this letter. PLEASE NOTE THAT, ALTHOUGH THE DEADLINE FOR THE TRUSTEE OF THE SAVINGS AND RETIREMENT PLAN ("TRUSTEE") TO TENDER YOUR SHARES IS NOVEMBER 4, 2004, **YOU MUST SEND YOUR TENDER INSTRUCTION FORM TO THE TRUSTEE FOR RECEIPT BY 3:00 P.M., NEW YORK CITY TIME, MONDAY, NOVEMBER 1, 2004.** You also may direct the Trustee to withdraw any tender you have previously directed it to make pursuant to the tender offer, as long as you do so prior to November 1, 2004.

You may obtain information about the number of shares allocated to your Limited Brands Stock Fund Account by calling the SARP Line at 1-800-525-7277 (press "1" and hold for a customer representative who will help you). You may tender some or all of such shares held in your Limited Brands Stock Fund Account (excluding fractional shares).

Before making a decision, you should read carefully the materials in the enclosed Offer to Purchase the Notice to Savings and Retirement Plan Participants and the **yellow** Tender Instruction Form. If you take no action, no shares in your Limited Brands Stock Fund will be tendered by the Trustee. The Administrative Committee and the Trustee will treat confidentially your decision whether or not to tender these shares.

THE TENDER OFFER IS NOT CONDITIONED UPON ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE TENDER OFFER IS, HOWEVER, SUBJECT TO OTHER CONDITIONS. SEE SECTION 7 OF THE OFFER TO PURCHASE FOR A DESCRIPTION OF THESE CONDITIONS. NEITHER THE COMPANY NOR ITS BOARD OF DIRECTORS MAKES ANY RECOMMENDATION TO ANY STOCKHOLDER WHETHER TO TENDER OR REFRAIN FROM TENDERING ANY OR ALL SHARES OR AS TO THE PRICE OR PRICES AT WHICH STOCKHOLDERS MAY CHOOSE TO TENDER THEIR SHARES. STOCKHOLDERS MUST MAKE THEIR OWN DECISIONS WHETHER TO TENDER SHARES AND, IF SO, HOW MANY SHARES TO TENDER. LESLIE H. WEXNER, OUR CHAIRMAN AND CHIEF EXECUTIVE OFFICER, HIS IMMEDIATE FAMILY MEMBERS AND AFFILIATED ENTITIES EXPECT TO TENDER A PORTION (NOT TO EXCEED 6%) OF THEIR SHARES PURSUANT TO THE TENDER OFFER. SEE SECTION 11 OF THE OFFER TO PURCHASE. THE COMPANY'S OTHER DIRECTORS HAVE ADVISED THE COMPANY THAT THEY HAVE NOT DETERMINED WHETHER TO TENDER ANY OF THEIR SHARES PURSUANT TO THE TENDER OFFER.

If you direct the Trustee to tender any shares, the cash that is paid for them will be reinvested in a money market fund and then, as soon as practicable after the expiration date of the tender offer, will be reinvested in the Savings and Retirement Plan pursuant to your future contribution election in effect at the date of such reinvestment. **PLEASE NOTE THAT TO THE EXTENT SUCH CASH IS NOT REINVESTED IN YOUR COMPANY STOCK FUND ACCOUNT WITHIN 90 DAYS, YOU MAY NOT QUALIFY FOR CERTAIN FAVORABLE TAX TREATMENT UPON SUBSEQUENT DISTRIBUTIONS TO YOU FROM THE SAVINGS AND RETIREMENT PLAN. SEE "CERTAIN TAX INFORMATION" FOLLOWING QUESTION 18 IN THE ATTACHED QUESTIONS AND ANSWERS ("Q&A") ON THE SAVINGS AND RETIREMENT PLAN AND SECTION 13 OF THE OFFER TO PURCHASE.**

If more shares are tendered, at or below the purchase price than Limited Brands has offered to purchase, then the Company will only purchase a *pro rata* portion of any shares you direct the Trustee to tender (see Q&A #13).

IF YOU ELECT TO TENDER SHARES FROM YOUR COMPANY STOCK FUND, THE ENCLOSED YELLOW TENDER INSTRUCTION FORM MUST BE RECEIVED BY THE TRUSTEE BY 3:00 P.M., NEW YORK CITY TIME, NOVEMBER 1, 2004. PLEASE USE THE ENCLOSED POSTAGE PAID, PRE-ADDRESSED REPLY ENVELOPE TO RETURN YOUR TENDER INSTRUCTION FORM.

YOU MUST COMPLETE AND SIGN YOUR TENDER INSTRUCTION FORM. IF YOU DO NOT SIGN THE FORM, YOUR DIRECTIONS WILL NOT BE ACCEPTED AND THE YELLOW INSTRUCTION FORM, AS WELL AS YOUR DIRECTIONS, WILL BE VOID.

IF YOU DO NOT WISH TO TENDER YOUR SHARES, TAKE NO ACTION.

ADMINISTRATIVE COMMITTEE

Limited Brands, Inc. Savings
and Retirement Plan

Upon the terms and subject to the conditions of the tender offer, if more than 80,000,000 shares, or such greater number of shares as the Company may elect to purchase subject to applicable law, have been validly tendered and not properly withdrawn prior to the Expiration Date, at prices at or below the purchase price selected by the Company, the Company will purchase shares on the following basis:

(a) First, all shares properly tendered before the Expiration Date from all holders of Odd Lots (as defined in the Offer To Purchase) who (1) tender all shares owned beneficially or of record at a price at or below the purchase price (partial tenders will not qualify for this preference), and (2) complete the section entitled "Odd Lots" in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery;

(b) Second, subject to the conditional tender provisions in Section 6 of the Offer To Purchase, all other shares properly tendered at or below the purchase price selected by the Company, on a pro rata basis with appropriate adjustments to avoid purchases of fractional shares; and

(c) Third, only if necessary to permit the Company to purchase 80,000,000 shares, (or such greater number of shares as the Company may elect to purchase subject to applicable law), shares conditionally tendered at or below the purchase price (for which the condition was not initially satisfied) before the Expiration Date, will, to the extent feasible, be selected for purchase by random lot. To be eligible for purchase by random lot, stockholders whose shares are conditionally tendered must have properly tendered all of their shares.

The tender offer is not being made to, nor will tenders be accepted from or on behalf of, holders of shares in any jurisdiction in which the making or acceptance of the tender offer would not be in compliance with the laws of such jurisdiction. In those jurisdictions whose laws require that the tender offer be made by a licensed broker or dealer, the tender offer shall be deemed to be made on behalf of the Company by Banc of America Securities LLC or J.P. Morgan Securities Inc., the Dealer Managers for the tender offer, or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

**QUESTIONS AND ANSWERS ON
SAVINGS AND RETIREMENT PLAN TENDER RIGHTS AND
PROCEDURES**

A. DESCRIPTION OF THE TENDER OFFER

1. What is the tender offer?

On October 7, 2004, Limited Brands offered to purchase up to 80,000,000 shares of its common stock at a price not greater than \$25.00 nor less than \$21.75 per share. This tender offer will be open from Thursday, October 7, 2004 until it expires at 12:00 Midnight, New York City time, Thursday, November 4, 2004, unless it is extended by the Company. Savings and Retirement Plan participants who hold shares in the Company Stock Fund ("Plan Shares") may provide for the tender of Plan Shares for purchase pursuant to this tender offer by so indicating on the enclosed yellow Tender Instructions Form and returning it as directed no later than 12:00 midnight, New York City time on Monday, November 1, 2004. The Company will, upon the terms and subject to the conditions of the tender offer, determine a single per share price, not greater than \$25.00 nor less than \$21.75 per share, that it will pay for the shares validly tendered pursuant to the tender offer and not properly withdrawn, taking into account the number of shares so tendered and the prices specified by tendering stockholders. The Company will select the lowest purchase price that will allow it to purchase 80,000,000 shares or, if a lesser number of shares are validly tendered, such lesser number as are validly tendered and not properly withdrawn. In the event the final purchase price is less than the maximum price of \$25.00 per share and more than 80,000,000 shares are tendered in the tender offer at or below the purchase price, Limited Brands intends to exercise its right to purchase up to an additional 2% of its outstanding shares without extending the tender offer so that it repurchases up to \$2 billion of its shares. By way of example, if the final purchase price is the minimum purchase price of \$21.75 per share, the Company intends to purchase up to an additional 9,438,333 of its outstanding shares to the extent tendered in the tender offer. Limited Brands also expressly reserves the right, in its sole discretion, to purchase additional shares subject to applicable legal requirements. All stockholders whose shares are purchased by Limited Brands will receive the purchase price for each share purchased in the tender offer. This process is known as a "Dutch Auction".

If the number of shares tendered at or below the purchase price selected by the Company exceeds the total number of shares to be purchased, all shares tendered at or below the purchase price selected by the Company would be accepted on a *pro rata* basis. "Pro rata" simply means that each person can sell an equal proportion of the shares offered to the Company. For example, if the number of shares tendered at or below the purchase price (assume, 160,000,000) exceeds the number to be purchased, 80,000,000, the Company would calculate a proration percentage which would equal 50%, the ratio of the total number of shares to be purchased, 80,000,000, divided by the total number of shares tendered at or below the purchase price, 160,000,000. Therefore, if you tendered 1,000 shares at or below the purchase price, the Company would purchase 500 shares at the final purchase price. If the total number of your shares (including those held under Savings and Retirement Plan or the Company's Stock Purchase Plan or otherwise) is less than 100 and you tender all those shares at or below the purchase price, then the proration percentage will not be applied to your tendered shares and the Company will, instead, buy all of your tendered shares. (If you hold fewer than 100 shares you must check the first box on the yellow Tender Instruction Form to avoid proration.)

The tender offer is fully described in the Offer To Purchase provided to you. PLEASE READ IT CAREFULLY.

2. If I tender my shares, will I receive any dividends declared by the Company in the future?

If you tender your shares, you will not be entitled to receive future dividends with respect to any shares the Company purchases. The tender offer is an element of the Company's overall plan to return approximately \$2.5 billion of capital to its stockholders. Shortly after completion of the tender offer, the Company intends

to declare a special dividend of \$500 million in the aggregate, subject to applicable legal requirements. If the Company is unable to purchase \$2 billion of shares in the tender offer, it will consider, in its sole discretion, various other options for the cash, including, among other things, additional share repurchases or an increase in the special dividend. The amount of the dividend and the record date will be set at the time the dividend is declared.

3. What are my rights under the tender offer?

The records of the Savings and Retirement Plan indicate that Plan Shares are allocated to your Account under the Savings and Retirement Plan as a result of your election to invest in Limited Brands Stock Fund. You may tender some or all of these shares. Because all of these Plan Shares are held in trust for your benefit, they are registered in the name of the Trustee. Consequently, the Trustee will actually tender Plan Shares in accordance with your directions. **YOU MUST DIRECT THE TRUSTEE IF YOU WANT TO TENDER YOUR PLAN SHARES AND, IF SO, AT WHICH PRICE OR PRICES YOU WANT TO TENDER. THE TRUSTEE WILL TENDER YOUR PLAN SHARES ONLY IF DIRECTED. IF YOU DO NOT RESPOND, YOUR PLAN SHARES WILL REMAIN IN YOUR LIMITED BRANDS, INC. STOCK FUND ACCOUNT.**

4. Which documents did I receive in the tender offer materials and what is their purpose?

You received the following materials in this mailing:

- Letter from the Company. This announces the tender offer.
- Offer to Purchase dated October 7, 2004. This document (**white**, bound document) describes the tender offer. **PLEASE READ IT CAREFULLY.**
- Letter of Transmittal. This document (long **blue** document) is part of the tender offer and therefore is being provided to you. However, it does not apply to or provide detailed instructions for tendering Plan Shares. **Do NOT use it to tender Plan Shares or shares held in your name under the Company Stock Purchase Plan.** If you hold shares outside of the Savings and Retirement Plan and the Company Stock Purchase Plan, please refer to this blue Letter of Transmittal for instructions on how to tender those shares.
- Letter from the Savings and Retirement Plan Administrative Committee.
- Notice to Savings and Retirement Plan Participants (**white** document you are reading) which includes Questions and Answers on Savings and Retirement Plan Tender Rights and Procedures, as well as information about the Savings and Retirement Plan and the tender offer.
- Tender Instruction Form (**yellow form**). **YOU MUST COMPLETE, SIGN AND MAIL THIS DOCUMENT TO THE TRUSTEE IN THE ENCLOSED ENVELOPE IF YOU WISH TO DIRECT THE TRUSTEE TO TENDER YOUR PLAN SHARES. THIS DOCUMENT MUST BE USED IF YOU WISH TO DIRECT A TENDER OF YOUR PLAN SHARES.**
- Reply Envelope. A postage pre-paid, pre-addressed envelope for your reply.

5. How do I direct the Plan Trustee?

The only way that you can tender your Plan Shares is by completing the **yellow** Tender Instruction Form as described, signing and returning it to the Trustee who will process your instructions. The address you should use to return the yellow Tender Instruction form is on the postage paid, pre-addressed return envelope. In an emergency, you may overnight your completed yellow Tender Instruction Form to: American Express Trust Company, ATTN: Limited Brands Account Team, 921 AXP Financial Center, Minneapolis, MN 55474, or you may fax it to the Trustee at 612-671-4242.

THE YELLOW TENDER INSTRUCTION FORM MUST BE RECEIVED BY THE TRUSTEE BEFORE 3:00 P.M., NEW YORK CITY TIME, ON MONDAY, NOVEMBER 1, 2004. YOU MUST SIGN AND COMPLETE THE FORM FOR YOUR TENDER INSTRUCTION TO BE VALID.

TO PROPERLY DIRECT THE TRUSTEE TO TENDER PLAN SHARES ON YOUR BEHALF YOU MUST:

- **INSTRUCTIONS.** Read carefully and follow exactly the instructions in the Letter from Savings and Retirement Plan Administrative Committee and the yellow Tender Instruction Form. These will tell you how to direct the Plan Trustee regarding your Plan Shares.
- **FORM.** Complete the enclosed yellow Tender Instruction Form.
- **SHARES.** Designate on the yellow Tender Instruction Form the number of Plan Shares (excluding fractional shares) you wish to be tendered. Please call the SARP Line at 1-800-525-7277 (press "1" and hold for a customer representative who will help you determine the number of shares held in your Limited Brands Stock Fund Account).
- **PRICE.** Designate on the yellow Tender Instruction Form the price or prices at which you are willing to tender your Plan Shares. In the alternative, you may maximize the chance of the Company purchasing the Plan Shares you tender by electing to accept whatever purchase price is determined by the Company pursuant to the tender offer process. This action will result in you receiving a price per share as low as \$21.75 or as high as \$25.00.
- **SIGNATURE.** You must sign the yellow Tender Instruction Form to complete your instruction. Unless you sign the yellow Tender Instruction Form, your direction cannot be honored and the yellow Tender Instruction Form will be void.
- **MAILING.** A pre-addressed return envelope has been enclosed with your Tender materials. Use this postage paid envelope to return your completed yellow Tender Instruction Form if you wish to have the Plan Trustee tender your Plan Shares.

Please be precise in providing your instruction and please act PROMPTLY.

IF YOU DO NOT WISH TO TENDER ANY PLAN SHARES, TAKE NO ACTION.

6. How do I send instructions to the Trustee?

Please return your instructions PROMPTLY, recognizing the slow delivery time inherent in the U.S. mail today. You may mail your yellow Tender Instruction Form to the Trustee for the Savings and Retirement Plan in the postage paid, pre-addressed reply envelope that has been provided for your reply. In an emergency, you may overnight your completed yellow Tender Instruction Form to: American Express Trust Company, ATTN: Limited Brands Account Team, 921 AXP Financial Center, Minneapolis, MN 55474, or you may fax it to the Trustee at 612-671-4242. DO NOT DELIVER YOUR INSTRUCTIONS TO YOUR HUMAN RESOURCES DEPARTMENT OR TO YOUR BENEFITS ADMINISTRATOR.

7. Must I provide directions to the Trustee?

You must respond IF you wish the Trustee to tender your Plan Shares. DO NOT RESPOND IF YOU DO NOT WISH TO TENDER ANY OF YOUR PLAN SHARES.

8. How many Plan Shares may I tender and how do I learn that number?

You may determine the number of Plan Shares that you hold under the Savings and Retirement Plan by calling the SARP Line at 1-800-525-7277 (press "1" and hold for a customer representative who will help you). This information will be updated from time to time to reflect contributions and dividends. You may tender all or any number of such shares (excluding fractional shares, if any).

9. What if I have shares in my Savings and Retirement Plan account and hold shares outside of the Savings and Retirement Plan?

If you have shares in the Savings and Retirement Plan and own other shares (either in your possession or held by a brokerage firm) outside of the Savings and Retirement Plan, you will receive two or more sets of tender offer materials. You should be careful to follow the directions that apply to each kind of shares.

10. Who will know whether I tendered my Plan Shares?

Your directions to the Trustee are CONFIDENTIAL. Individual instructions will only be disclosed to the recordkeeper as necessary to complete the tender offer.

11. Can I change my mind and direct the Trustee to withdraw my Plan Shares that I directed to be tendered?

Yes, but only if you perform the following steps:

- You must send a signed notice of withdrawal to the Trustee for the Savings and Retirement Plan.
- The notice of withdrawal must be in writing. You may fax your notice of withdrawal to the Trustee for the Savings and Retirement Plan at fax number 612-671-4242.
- The notice of withdrawal must state your name, social security number, the number of Plan Shares that you wish to withdraw from the tender offer and that you are directing the Trustee to withdraw Plan Shares that you previously directed the Plan Trustee to tender on your behalf.
- The notice of withdrawal must be received by the Trustee before 3:00 p.m., New York City time, on Monday, November 1, 2004.

12. Can I direct the Trustee to re-tender my Plan Shares?

Yes. If, after directing the Plan Trustee to withdraw your Plan Shares, you wish to direct the Trustee to re-tender your Plan Shares, you must complete another yellow Tender Instruction Form and return it to the Trustee for receipt by 3:00 p.m., New York City time, on Monday, November 1, 2004. You may obtain another copy of the yellow Tender Instruction Form by faxing your request to 612-671-4242.

B. RESULTS OF THE TENDER OFFER: SHARES SOLD AND PRICE RECEIVED

13. Will all Plan Shares that I direct the Trustee to tender be purchased?

This depends upon the total number of shares tendered and the price or prices at which you tender. If you tender shares at a price above the purchase price determined by the Company pursuant to the tender offer, your shares will not be purchased. If you tender your shares at or below the purchase price or you elect to tender your shares at whatever purchase price determined by the Company pursuant to the tender offer process, and if more shares are tendered at or below the purchase price by all stockholders than the Company had offered to or has determined, subject to applicable law, to purchase, then the Company will purchase a *pro rata* portion of the shares that you directed to be tendered. See Q&A #1 for a description of how the proration process works.

Plan Shares held in your Savings and Retirement Plan Account that are not accepted will remain in the Company Stock Fund subject to normal Savings and Retirement Plan rules.

14. How will I know if my Plan Shares have been purchased?

After the tender offer has expired, all tender directions will be tabulated, which may take up to 5 to 7 days. Soon thereafter you will be sent a statement of the number of your Plan Shares which were accepted.

C. OPERATION OF THE SAVINGS AND RETIREMENT PLAN DURING THE TENDER OFFER

15. What happens to Limited Brands Stock Fund contributions made after October 7, 2004?

Contributions made to the Savings and Retirement Plan after October 7, 2004, will be allocated and invested in accordance with the investment elections in effect at the time of the contribution. No transactions in the Limited Brands Stock Fund will take place on the day that Plan Shares are deemed withdrawn from the Fund for purposes of complying with participant directions to participate in the tender offer. These transactions will be processed beginning on the first business day following such deemed withdrawal.

16. What happens if I request a distribution, withdrawal or reallocation following the announcement of the tender offer but before the tender offer expires?

Distributions and withdrawals from the Savings and Retirement Plan and transfers into or out of the Company Stock Fund will be processed in accordance with normal procedures. No transactions in the Limited Brands Stock Fund will take place on the day that Plan Shares are deemed withdrawn from the Fund for purposes of complying with participant directions to participate in the tender offer. These transactions will be processed beginning on the first business day following such deemed withdrawal.

UNDER THE TERMS OF THE SAVINGS AND RETIREMENT PLAN, SECTION 16 INSIDERS WHO TENDER SHARES WILL NOT BE PERMITTED TO MAKE AN ELECTION TO TRANSFER ANY AMOUNTS FROM OTHER INVESTMENT FUNDS INTO THE COMPANY'S STOCK FUND FOR SIX MONTHS AFTER THE EXPIRATION DATE; HOWEVER, NEW CONTRIBUTIONS MAY BE INVESTED IN THE COMPANY STOCK FUND DURING THIS SIX MONTH PERIOD.

17. Will I be taxed on any proceeds received in 2004 from the shares that I tender under the Savings and Retirement Plan?

No. Because tender offer proceeds received from Plan Shares will be received by and held in the Savings and Retirement Plan, they will not be subject to current income taxes.

D. REINVESTMENT OF TENDER OFFER PROCEEDS

18. How will the Savings and Retirement Plan invest the proceeds received from the Plan Shares that are tendered?

Proceeds received from this tender offer will be reinvested by the Trustee in a money market fund and reinvested in the investment funds you have selected under the Savings and Retirement Plan as soon as practicable in accordance with your future contribution election in effect at the date of such reinvestment.

E. CERTAIN TAX INFORMATION

Participants in the Savings and Retirement Plan should be aware that the reinvestment of the cash proceeds received in the tender offer may, in certain circumstances, result in certain tax consequences to those participants who, as part of the ultimate distributions of their accounts, would receive shares.

Special tax rules apply to certain distributions from the Savings and Retirement Plan that consist, in whole or in part, of shares. Generally, taxation of net unrealized appreciation ("NUA"), an amount equal to the excess of the value of such shares at distribution over the cost or other basis of such shares (which will vary depending on whether the distribution qualifies for lump sum treatment) will be deferred until the shares are sold following distribution. Moreover, if shares are disposed of prior to a distribution, as would be the case in the tender offer, and the proceeds of such disposition are reinvested within 90 days thereafter in the

Company Stock Fund, the cost or other basis of such newly acquired shares for NUA purposes will be the cost or other basis of the tendered shares.

Accordingly, if the cash proceeds receivable upon the tender of shares is not reinvested in the Company Stock Fund under the Savings and Retirement Plan within 90 days, the opportunity to retain for NUA purposes the cost or other basis of the shares tendered, and the tax-deferral treatment of the NUA calculated in reference to such basis, will be lost.

The foregoing is only a brief summary of complicated provisions of the Internal Revenue Code. You are strongly urged to consult with your tax advisor as to the issues described above.

NOTICE TO SAVINGS AND RETIREMENT PLAN PARTICIPANTS

October 7, 2004

TO: All Participants in the Limited Brands, Inc. Savings and Retirement Plan (The "Savings and Retirement Plan") with Accounts Invested in the Limited Brands, Inc. Stock Fund

Limited Brands, Inc. ("Limited Brands" or the "Company") has announced an offer to purchase up to 80,000,000 outstanding shares of its common stock, par value \$0.50 per share (such shares, together with all other outstanding shares of common stock of the Company, are referred to herein as the "shares"), at a price not greater than \$25.00 nor less than \$21.75 per share, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated October 7, 2004 and in the related blue Letter of Transmittal (which together, as amended or supplemented, constitute the tender offer).

The Company will, upon the terms and subject to the conditions of the tender offer, determine a single per share price, not greater than \$25.00 nor less than \$21.75 per share, that it will pay for the shares validly tendered pursuant to the tender offer and not validly withdrawn, taking into account the number of shares so tendered and the prices specified by tendering stockholders. The Company will select the lowest purchase price that will allow it to purchase 80,000,000 shares, or such lesser number as are validly tendered and not validly withdrawn pursuant to the tender offer. In the event the final purchase price is less than the maximum price of \$25.00 per share and more than 80,000,000 shares are tendered in the tender offer at or below the purchase price, Limited Brands intends to exercise its right to purchase up to an additional 2% of its outstanding shares without extending the tender offer so that it repurchases up to \$2 billion of its shares. By way of example, if the final purchase price is the minimum purchase price of \$21.75 per share, the Company intends to purchase up to an additional 9,438,333 of its outstanding shares to the extent tendered in the tender offer. Limited Brands also expressly reserves the right, in its sole discretion, to purchase additional shares subject to applicable legal requirements. All stockholders whose shares are purchased by the Company will receive the same purchase price for each share purchased in the tender offer. The tender offer became effective on October 7, 2004, and will expire at 12:00 Midnight, New York City time, on Thursday, November 4, 2004, unless the tender offer is extended by the Company. You, as a Savings and Retirement Plan participant, may participate in this tender offer by instructing the Trustee of the Savings and Retirement Plan (no later than 3:00 p.m., New York City time, on Monday, November 1, 2004) to tender the shares in your Limited Brands Stock Fund Account ("Plan Shares") for purchase by the Company.

The tender offer is an element of our overall plan to return approximately \$2.5 billion of capital to our stockholders. Shortly after completion of the tender offer, we intend to declare a special dividend of \$500 million in the aggregate, subject to applicable legal requirements. If we are unable to purchase \$2 billion of shares in the tender offer, we will consider, in our sole discretion, various other options for the cash, including, among other things, additional share repurchases or an increase in the special dividend. The amount of the dividend and the record date will be set at the time the dividend is declared. If you participate in the tender offer, you will not be entitled to receive the special dividend with respect to any shares we purchase.

YOUR DECISION WHETHER OR NOT TO HAVE YOUR PLAN SHARES TENDERED WILL BE KEPT CONFIDENTIAL.

Enclosed with this notice is a copy of documents describing the tender offer which have been furnished to holders of shares. Please read these materials so that you may properly make your decision regarding this tender offer.

A **yellow** Tender Instruction Form is also enclosed for you to use to direct the Plan Trustee regarding the tender offer. **IF NO DIRECTION IS RECEIVED, THE TRUSTEE WILL NOT TENDER ANY OF YOUR PLAN SHARES AND THEY WILL REMAIN IN THE SAVINGS AND RETIREMENT PLAN IN YOUR COMPANY STOCK FUND ACCOUNT.**

DO NOT CALL THE TRUSTEE, THE ADMINISTRATIVE COMMITTEE OR YOUR BENEFITS ADMINISTRATOR TO GIVE YOUR DECISION REGARDING THE OFFER. YOU MAY ONLY RESPOND BY COMPLETING AND MAILING THE ENCLOSED YELLOW TENDER INSTRUCTION FORM.

**TENDER INSTRUCTION FORM
FOR SHARES IN LIMITED BRANDS, INC.
SAVINGS AND RETIREMENT PLAN**

(NOTE: Before completing this Tender Instruction Form, you should refer to the attached Letter from the Administrative Committee of Limited Brands, Inc. Savings and Retirement Plan. If you wish to tender different groups of shares at different prices, you must complete a separate yellow Tender Instruction Form for each group of shares which will have a different price.)

TO THE TRUSTEE OF THE SAVINGS AND RETIREMENT PLAN:

I am a participant in the above-referenced Savings and Retirement Plan who has invested all or a portion of my Account in the Limited Brands Stock Fund and, as such, I have received a copy of the Offer to Purchase dated October 7, 2004, (the "Offer to Purchase") and related Letter of Transmittal, as amended or supplemented, relating to the tender offer by Limited Brands, Inc., a Delaware corporation ("Limited Brands" or the "Company"), to purchase up to 80,000,000 outstanding shares of common stock, \$0.50 par value per share, (such shares, together with all other outstanding shares of common stock of Limited Brands, are herein referred to as the "shares") at a price not greater than \$25.00 nor less than \$21.75 per share, without interest.

I wish to direct you to tender the shares in my Company Stock Fund Account as indicated below:

TENDER INSTRUCTIONS

- Odd lot.* By checking this box, I represent that I own beneficially or of record an aggregate (including shares held beneficially or of record in the Savings and Retirement Plan or the Company's Stock Purchase Plan or otherwise) of fewer than 100 shares, and I am instructing the Trustee to tender all shares held in my Limited Brands Stock Fund in the Savings and Retirement Plan. My indication as to whether I wish to tender my shares at the price determined by the tender offer or at the price or prices I specify is indicated below.

**SHARES TENDERED AT PRICE DETERMINED PURSUANT TO THE
TENDER OFFER**

- By checking this box, I represent that I want to maximize the chance of having Limited Brands purchase all of the shares that I am tendering (subject to the possibility of proration). Accordingly, by checking this ONE box INSTEAD OF ONE OF THE PRICE BOXES BELOW, I wish to have the Trustee tender _____ % shares of the shares held in my Savings and Retirement Plan Stock Fund Account (please enter the applicable percentage – not to exceed 100%) and I am willing to accept the purchase price determined by Limited Brands pursuant to the tender offer. This action will result in my receiving a price per share of as low as \$21.75 or as high as \$25.00.

- OR -

SHARES TENDERED AT PRICE DETERMINED BY STOCKHOLDER

By checking ONE of the boxes below INSTEAD OF THE BOX ABOVE, I wish to have the Plan Trustee tender at the price checked _____% of the shares held in my Savings and Retirement Plan Stock Fund Account (please enter the applicable percentage – not to exceed 100%). I understand that this action could result in none of my shares being purchased if the actual purchase price for the shares is less than the price that I have checked. If the purchase price for the shares is equal to or greater than the price checked, then the shares purchased by Limited Brands will be purchased at the purchase price so determined. A stockholder who desires to tender shares at more than one price must complete a separate yellow Tender Instruction Form for each price at which shares are tendered.

<input type="checkbox"/> \$21.75	<input type="checkbox"/> \$22.50	<input type="checkbox"/> \$23.25	<input type="checkbox"/> \$24.00	<input type="checkbox"/> \$24.75
<input type="checkbox"/> \$22.00	<input type="checkbox"/> \$22.75	<input type="checkbox"/> \$23.50	<input type="checkbox"/> \$24.25	<input type="checkbox"/> \$25.00
<input type="checkbox"/> \$22.25	<input type="checkbox"/> \$23.00	<input type="checkbox"/> \$23.75	<input type="checkbox"/> \$24.50	

I have read and understand the Offer to Purchase and related Letter of Transmittal and the Letter from the Administrative Committee and I agree to be bound by the terms of the tender offer. I hereby direct the Trustee to tender these shares on my behalf and to hold and invest the proceeds from the sale of these shares in a money market fund, to be invested as soon as practicable after the expiration of the tender offer in the Savings and Retirement Plan pursuant to my future contribution election in effect at the time of such reinvestment. I understand and declare that if the tender of my shares is accepted, the payment therefor will be full and adequate compensation for these shares in my judgment.

_____ DATE

_____ SIGNATURE OF PARTICIPANT

_____ SOCIAL SECURITY NUMBER

_____ PLEASE PRINT NAME, ADDRESS AND TELEPHONE NUMBER HERE

NOTE: THIS TENDER INSTRUCTION FORM MUST BE COMPLETED AND SIGNED IF SHARES HELD IN THE SAVINGS AND RETIREMENT PLAN ARE TO BE TENDERED. IF THE FORM IS NOT SIGNED, THE DIRECTIONS INDICATED WILL NOT BE ACCEPTED. PLEASE RETURN THIS TENDER INSTRUCTION FORM TO THE TRUSTEE FOR THE SAVINGS AND RETIREMENT PLAN, USING THE POSTAGE PAID, PRE-ADDRESSED REPLY ENVELOPE PROVIDED WITH YOUR TENDER MATERIALS. YOUR INSTRUCTION FORM MUST BE RECEIVED BY 3:00 P.M., NEW YORK CITY TIME, NOVEMBER 1, 2004. IN AN EMERGENCY, YOU MAY OVERNIGHT YOUR TENDER INSTRUCTION FORM TO: AMERICAN EXPRESS TRUST COMPANY, ATTN: LIMITED BRANDS ACCOUNT TEAM, 921 AXP FINANCIAL CENTER, MINNEAPOLIS, MN 55474, OR YOU MAY FAX IT TO THE TRUSTEE AT 612-671-4242.

YOUR DECISION WHETHER OR NOT TO HAVE YOUR PLAN SHARES TENDERED WILL BE KEPT CONFIDENTIAL.

Letter to Executive Officers

October 7, 2004

Offer to Purchase Common Stock of Limited Brands, Inc.

NAME/ADDRESS

Dear :

All stockholders of Limited Brands, Inc. ("Limited Brands" or the "Company") have been sent materials in connection with the Company's recently announced offer to purchase up to 80,000,000 outstanding shares of the Company's common stock, \$0.50 par value per share (such shares, together with all other outstanding shares of common stock of Limited Brands, are herein referred to as the "shares") at a price not greater than \$25.00 nor less than \$21.75 per share, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase dated October 7, 2004 (the "Offer to Purchase") and in the related Letter of Transmittal, which together constitute the tender offer. A brief description of the tender offer has also been sent to participants in the Limited Brands Savings and Retirement Plan ("SARP") who hold Company stock in the Limited Brands, Inc. stock fund within the SARP, along with questions and answers describing how the tender offer process will work in connection with the SARP.

As a participant in the SARP you may elect to direct the SARP Trustee to "tender" (offer to sell) some or all of the shares (excluding fractional shares) that may be currently allocated to your Account in the SARP as a result of any election you may have made to invest in the Company Stock Fund. You may direct the Plan Trustee to tender your shares by following the procedures described in the tender offer materials sent to you under separate cover.

SINCE YOU ARE SUBJECT TO THE REPORTING AND LIABILITY PROVISIONS OF SECTION 16 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "EXCHANGE ACT"), YOU SHOULD BE AWARE THAT A TENDER BY THE TRUSTEE OF SHARES HELD IN YOUR ACCOUNT UNDER THE SARP MAY BE SUBJECT TO SHORT-SWING PROFIT RECOVERY UNDER SECTION 16(b) OF THE EXCHANGE ACT. SUCH TENDER WILL BE SUBJECT TO SHORT-SWING PROFIT RECOVERY IF DURING THE SIX-MONTH PERIOD PRECEDING THE EXPIRATION DATE (AS DEFINED IN THE OFFER TO PURCHASE), YOU ELECTED TO MAKE AN INTRA-PLAN TRANSFER INVOLVING AN ACQUISITION OF SHARES BY THE COMPANY STOCK FUND AND SUCH INTRA-PLAN TRANSFER WAS NOT ITSELF EXEMPT FROM SHORT-SWING PROFIT RECOVERY UNDER SECTION 16(b). YOU SHOULD ALSO BE AWARE THAT EVEN IF THE TENDER OF SHARES PURSUANT TO THE TENDER OFFER IS NOT ITSELF SUBJECT TO SHORT-SWING PROFIT RECOVERY, THE TENDER OF SHARES MAY CAUSE A FUTURE INTRA-PLAN TRANSFER INVOLVING AN ACQUISITION OF SHARES BY THE COMPANY STOCK FUND TO BE SUBJECT TO SHORT-SWING PROFIT RECOVERY IF YOU ELECT TO MAKE SUCH INTRA-PLAN TRANSFER WITHIN SIX MONTHS AFTER THE EXPIRATION DATE. FOR THIS REASON, YOU WILL NOT BE PERMITTED TO MAKE AN ELECTION TO TRANSFER ANY AMOUNT INTO THE COMPANY STOCK FUND FROM ANOTHER PLAN INVESTMENT FUND FOR SIX MONTHS AFTER THE EXPIRATION DATE. YOU WILL, HOWEVER, BE PERMITTED TO ELECT TO INVEST NEW PLAN CONTRIBUTIONS IN THE COMPANY STOCK FUND DURING THIS PERIOD.

ADMINISTRATIVE COMMITTEE
Limited Brands, Inc. Savings
and Retirement Plan

COMPUTERSHARE TRUST CO., INC.

NOTICE TO PARTICIPANTS
IN THE STOCK PURCHASE PLAN
OF LIMITED BRANDS, INC.

Offer to Purchase for Cash

by

LIMITED BRANDS, INC.

Up to 80,000,000 Shares of its Common Stock

At a Purchase Price of Not Greater Than \$25.00 Nor Less Than \$21.75 Per Share

October 7, 2004

To Participants in the Stock Purchase Plan of Limited Brands, Inc.

Dear Client:

Enclosed for your consideration is the Offer to Purchase, dated October 7, 2004 (the "Offer to Purchase"), and the related Letter of Transmittal (which together, as amended or supplemented, constitute the tender offer), in connection with the tender offer by Limited Brands, Inc., a Delaware corporation ("Limited Brands" or the "Company"), to purchase up to 80,000,000 outstanding shares of its common stock, \$0.50 par value per share (such shares, together with all other outstanding shares of common stock of Limited Brands, are herein referred to as the "shares"), at a price specified by its stockholders not greater than \$25.00 nor less than \$21.75 per share, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase and in the related blue Letter of Transmittal.

The Company will, upon the terms and subject to the conditions of the tender offer, determine a single per share price, not greater than \$25.00 nor less than \$21.75 per share, that it will pay for the shares validly tendered pursuant to the tender offer and not properly withdrawn, taking into account the number of shares so tendered and the prices specified by tendering stockholders. The Company will select the lowest purchase price that will allow it to purchase 80,000,000 shares or, if a lesser number of shares as are validly tendered, such lesser number as are validly tendered and not properly withdrawn. All stockholders whose shares are purchased by the Company will receive the purchase price for each share purchased in the tender offer. In the event the final purchase price is less than the maximum price of \$25.00 per share and more than 80,000,000 shares are tendered in the tender offer at or below the purchase price, Limited Brands intends to exercise its right to purchase up to an additional 2% of its outstanding shares without extending the tender offer so that it repurchases up to \$2 billion of its shares. By way of example, if the final purchase price is the minimum purchase price of \$21.75 per share, the Company intends to purchase up to an additional 9,438,333 of its outstanding shares to the extent tendered in the tender offer. Limited Brands also expressly reserves the right, in its sole discretion, to purchase additional shares subject to applicable legal requirements.

Shortly after completion of the tender offer, the Company intends to declare a special dividend of \$500 million in the aggregate, subject to applicable legal requirements. If the Company is unable to purchase \$2 billion of shares in the tender offer, it will consider, in its sole discretion, various other options for the cash, including, among other things, additional share repurchases or an increase in the special dividend. The amount of the dividend and the record date will be set at the time the dividend is declared. If you participate in the tender offer, you will not be entitled to receive the dividend with respect to any shares the Company purchases.

Computershare Trust Co., Inc. ("Computershare" or the "Agent") is the holder of record of shares held for your account in the Limited Brands, Inc. Stock Purchase Plan (the "Plan"). A tender of your shares in your Plan account can only be made by us as your agent, pursuant to your instructions, using the attached Tender Instruction Form.

If you wish to participate in this tender offer, you must notify Computershare no later than 3:00 p.m., New York City time, on November 1, 2004. If you wish to tender all or any number of your shares, please instruct Computershare by the deadline by mailing your completed white Tender Instruction Form to us using the enclosed pre-addressed postage paid reply envelope or faxing the completed white Form to Computershare at 212-701-7636 or 212-701-7664. If you do not respond to this notice, no shares will be tendered in the tender offer. We are the holder of record of shares held for your account. **The blue Letter of Transmittal is furnished to you for your information only and cannot be used by you to tender shares held by us for your account.**

Cash received from any shares tendered and accepted for payment by the Company will be distributed to participants by check. Any shares tendered but not accepted by the Company will remain in your account.

Participants in the Stock Purchase Plan who wish to tender their shares **must deliver their completed white Tender Instruction Forms to our Customer Service Unit for receipt by 3:00 p.m. EST on November 1, 2004. The mailing address is Computershare Investor Services, LLC, c/o Computershare Trust Company of New York, Wall Street Station, P.O. Box 1010, New York, NY 10268-1010. The address for delivery by hand or overnight courier is Computershare Investor Services, LLC, c/o Computershare Trust Company of New York, Wall Street Plaza, 88 Pine Street, 19th Floor, New York, NY 10005. You may fax your completed white Tender Instruction Form to Computershare at 212-701-7636 or 212-701-7664. If you have any questions about the tender process, the phone number to call is: 1-866-396-1501.**

Please note the following:

1. You may tender shares for cash at either the price specified by you (in increments of \$0.25), not greater than \$25.00 nor less than \$21.75 per share, or the price determined by Limited Brands pursuant to the tender offer as indicated in Section 1 of the Offer to Purchase.

2. The tender offer, the proration period and withdrawal rights will expire at 12:00 midnight, New York City time, on Thursday, November 4, 2004 (the "Expiration Date") unless the Company extends the tender offer.

3. The tender offer is not conditioned upon any minimum number of shares being tendered. The tender offer is however, subject to other conditions. See Section 7 of the Offer to Purchase for a description of the conditions to the tender offer.

4. Any stock transfer taxes applicable to the sale of shares to the Company pursuant to the tender offer will be paid by the Company subject to Instruction 9 of the Letter of Transmittal.

5. Upon the terms and subject to the conditions of the tender offer, if more than 80,000,000 shares, or such greater number of shares as the Company may elect to purchase subject to applicable law, have been validly tendered and not properly withdrawn prior to the Expiration Date, at prices at or below the purchase price, the Company will purchase shares on the following basis:

(a) first, all shares properly tendered before the Expiration Date from all holders of an aggregate of fewer than 100 shares ("odd lots") who tender all shares owned beneficially or of record at a price at or below the purchase price (partial tenders will not qualify for this preference);

(b) second, all other shares properly tendered at or below the purchase price, on a pro rata basis with appropriate adjustments to avoid purchases of fractional shares; and

(c) third, only if necessary to permit the Company to purchase 80,000,000 shares, or such greater number of shares as the Company may elect to purchase subject to applicable law, shares conditionally tendered (for which the condition was not initially satisfied) before the Expiration Date, will, to the extent feasible, be selected for purchase by random lot. To be eligible for purchase by random lot, stockholders whose shares are conditionally tendered must have properly tendered all of their shares.

6. You may direct the Agent for the Stock Purchase Plan to withdraw your Plan shares only by performing the following steps:

(a) You must send a signed written notice of withdrawal to the Agent for the Stock Purchase Plan.

(b) You may fax your notice of withdrawal to the Agent for the Stock Purchase Plan at fax number 212-701-7636 or 212-701-7664.

(c) The notice of withdrawal must state your name, social security number, the number of Plan shares that you wish to withdraw from the tender offer and that you are directing the Agent to withdraw Plan shares that you previously directed the Agent to tender on your behalf.

(d) The notice of withdrawal must be received by the Agent before 3:00 p.m., New York City time, on Monday, November 1, 2004.

7. You may direct the Agent to re-tender your Plan shares by completing another white Tender Instruction Form and returning it to the Agent for receipt by 3:00 p.m., New York City time, on Monday, November 1, 2004. You may obtain another copy of the white Tender Instruction Form by faxing your request to 212-701-7636 or 212-701-7664.

THE TENDER OFFER IS NOT CONDITIONED UPON ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE TENDER OFFER IS SUBJECT, HOWEVER, TO CERTAIN OTHER CONDITIONS. SEE SECTION 7 OF THE OFFER TO PURCHASE FOR A DESCRIPTION OF THE CONDITIONS TO THE TENDER OFFER. NEITHER THE COMPANY NOR ITS BOARD OF DIRECTORS NOR THE DEALER MANAGERS MAKE ANY RECOMMENDATION TO ANY STOCKHOLDER AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING ANY OR ALL OF THEIR SHARES OR AS TO THE PURCHASE PRICE OR PRICES AT WHICH STOCKHOLDERS MAY CHOOSE TO TENDER THEIR SHARES. STOCKHOLDERS MUST MAKE THEIR OWN DECISIONS WHETHER TO TENDER SHARES AND, IF SO, HOW MANY SHARES TO TENDER. LESLIE H. WEXNER, OUR CHAIRMAN AND CHIEF EXECUTIVE OFFICER, HIS IMMEDIATE FAMILY MEMBERS AND AFFILIATED ENTITIES EXPECT TO TENDER A PORTION (NOT TO EXCEED 6%) OF THEIR SHARES PURSUANT TO THE OFFER. OUR OTHER DIRECTORS AND EXECUTIVE OFFICERS HAVE ADVISED US THAT THEY HAVE NOT DETERMINED WHETHER TO TENDER ANY OF THEIR SHARES IN THE TENDER OFFER.

YOUR INSTRUCTIONS TO US MUST BE FORWARDED TO US PROMPTLY IN ORDER TO PERMIT US TO SUBMIT A TENDER ON YOUR BEHALF IN ACCORDANCE WITH THE PROVISIONS OF THE OFFER TO PURCHASE. ALTHOUGH THE TENDER OFFER, IS PRESENTLY SCHEDULED TO EXPIRE ON THURSDAY, NOVEMBER 4, 2004, AT 3:00 P.M., NEW YORK CITY TIME, WE MUST RECEIVE YOUR INSTRUCTIONS BY NO LATER THAN MIDNIGHT, NEW YORK CITY TIME, ON MONDAY, NOVEMBER 1, 2004 IN ORDER TO BE ABLE TO ACT ON YOUR INSTRUCTIONS IN A TIMELY FASHION (UNLESS THE TENDER OFFER IS EXTENDED BY THE COMPANY).

Very truly yours,

Computershare Trust Co., Inc.
Agent, Limited Brands, Inc. Stock
Purchase Plan

The tender offer is not being made to, nor will tenders be accepted from or on behalf of, holders of shares in any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of such jurisdiction. In those jurisdictions whose laws require that the tender offer be made by a licensed broker or dealer, the tender offer shall be deemed to be made on behalf of the Company by Banc of America Securities LLC or J.P. Morgan Securities Inc., the Dealer Managers for the tender offer, or one or more registered brokers or dealers licensed under the laws of such jurisdictions.

**TENDER INSTRUCTION FORM
FOR SHARES IN LIMITED BRANDS, INC.
STOCK PURCHASE PLAN**

(NOTE: Before completing this Tender Instruction Form, you should refer to the attached Letter from Computershare Trust Co., Inc., Agent for the Limited Brands, Inc. Stock Purchase Plan. If you wish to tender different groups of shares at different prices held in the Stock Purchase Plan, you must complete a separate white Tender Instruction Form for each group of shares which will have a different price.)

TO THE AGENT FOR THE STOCK PURCHASE PLAN:

I am a participant in the above-referenced Stock Purchase Plan. I have received a copy of the Offer to Purchase dated October 7, 2004 and related blue Letter of Transmittal, relating to the tender offer by Limited Brands, Inc., a Delaware corporation ("Limited Brands" or the "Company"), to purchase up to 80,000,000 outstanding shares of common stock, \$0.50 par value per share, (such shares, together with all other outstanding shares of common stock of Limited Brands, are herein referred to as the "shares") at a price not greater than \$25.00 nor less than \$21.75 per share, without interest.

I wish to direct you to tender the shares held in my Stock Purchase Plan account as indicated below:

TENDER INSTRUCTIONS

- By checking this box, I represent that I own beneficially or of record an aggregate (including shares held beneficially or of record in the Stock Purchase Plan or the Company's Savings and Retirement Plan or otherwise) of fewer than 100 shares, and I am instructing the Trustee to tender all Limited Brand shares held in my account under the Stock Purchase Plan. My indication as to whether I wish to tender my shares at the price determined by the tender offer or at the price or prices I specify is indicated below.

SHARES TENDERED AT PRICE DETERMINED PURSUANT TO THE TENDER OFFER

- By checking this box, I represent that I want to maximize the chance of having Limited Brands purchase all of the shares that I am tendering (subject to the possibility of proration). Accordingly, by checking this ONE box INSTEAD OF ONE OF THE PRICE BOXES BELOW, I wish to have the Agent tender ____% shares of the shares held in my account under the Stock Purchase Plan (please enter the applicable percentage – not to exceed 100%) and I am willing to accept the purchase price determined by Limited Brands pursuant to the tender offer. This action will result in my receiving a price per share of as low as \$21.75 or as high as \$25.00.

- OR -

SHARES TENDERED AT PRICE DETERMINED BY STOCKHOLDER

By checking ONE of the boxes below INSTEAD OF THE BOX ABOVE, I wish to have the Agent tender at the price checked below ____% of the shares held in my account under the Stock Purchase Plan (please enter the applicable percentage – not to exceed 100%). I understand that this action could result in none of my shares being purchased if the actual purchase price for the shares is less than the price that I have checked. If the purchase price for the shares is equal to or greater than the price checked, then the shares purchased by Limited Brands will be purchased at the purchase price so determined. A stockholder who desires to tender shares at more than one price must complete a separate Tender Instruction Form for each price at which shares are tendered.

<input type="checkbox"/> \$21.75	<input type="checkbox"/> \$22.50	<input type="checkbox"/> \$23.25	<input type="checkbox"/> \$24.00	<input type="checkbox"/> \$24.75
<input type="checkbox"/> \$22.00	<input type="checkbox"/> \$22.75	<input type="checkbox"/> \$23.50	<input type="checkbox"/> \$24.25	<input type="checkbox"/> \$25.00
<input type="checkbox"/> \$22.25	<input type="checkbox"/> \$23.00	<input type="checkbox"/> \$23.75	<input type="checkbox"/> \$24.50	

I have read and understand the Offer to Purchase and related blue Letter of Transmittal and the Letter from the Agent for the Stock Purchase Plan and I agree to be bound by the terms of the tender offer. I hereby direct the Agent to deliver the proceeds from the sale of these shares to me promptly after the expiration of the tender offer. I understand and declare that if the tender of my shares is accepted, the payment therefor will be full and adequate compensation for these shares in my judgment.

DATE

SIGNATURE OF PARTICIPANT

SOCIAL SECURITY NUMBER

PLEASE PRINT NAME, ADDRESS AND TELEPHONE NUMBER
HERE

NOTE: THIS TENDER INSTRUCTION FORM MUST BE COMPLETED AND SIGNED IF SHARES HELD IN THE STOCK PURCHASE PLAN ARE TO BE TENDERED. IF THE FORM IS NOT SIGNED, THE DIRECTIONS INDICATED WILL NOT BE ACCEPTED. PLEASE RETURN THIS TENDER INSTRUCTION FORM TO THE AGENT FOR THE STOCK PURCHASE PLAN, USING THE PREAMBITTED REPLY ENVELOPE PROVIDED OR VIA FAX OR OVERNIGHT DELIVERY AS INDICATED IN YOUR TENDER MATERIALS. YOUR INSTRUCTION FORM MUST BE RECEIVED BY 3:00 P.M., NEW YORK CITY TIME, NOVEMBER 1, 2004.

YOUR DECISION WHETHER OR NOT TO HAVE YOUR PLAN SHARES TENDERED WILL BE KEPT CONFIDENTIAL.

October 7, 2004

Offer to Purchase Common Stock of Limited Brands, Inc.

Notice to Holders of Vested Stock Options:

As you may already know, Limited Brands, Inc. ("Limited Brands" or the "Company") has recently announced its offer to purchase up to 80,000,000 shares of the Company's common stock, \$0.50 par value per share (such shares, together with all other outstanding shares of common stock of Limited Brands, are herein referred to as the "shares"), at a price specified by such stockholders not greater than \$25.00 nor less than \$21.75 per share, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase dated October 7, 2004 and in the related blue Letter of Transmittal (such documents and related materials, the "Tender Offer Documents"), which together as may be amended or supplemented from time to time constitute the tender offer. You may obtain copies of the Tender Offer Documents by calling Executive Compensation Services Option Information Line at (614) 415-1500.

As a holder of vested stock options, you may wish to exercise any or all of your options that are vested on or before November 1, 2004, and then tender the shares so acquired to the Company pursuant to the terms of the tender offer. November 1, 2004 is the last day that you may exercise your vested options in order to tender the shares subject to such options in the tender offer. To assist you, attached is a summary of your exercisable stock option grants, including the option date, exercise price, and the number of options from each grant that are exercisable as of October 1, 2004. In the event that you have options vesting after October 1, 2004 but on or before November 1, 2004, such additional options, once vested, may be exercised not later than November 1, 2004 for purposes of tendering the underlying shares in the tender offer. **Note that the attached summary only includes grants that currently have shares exercisable.**

You will need to evaluate the Tender Offer Documents, which you may obtain by calling Executive Compensation Services, to determine if participation would be advantageous to you, based on your stock option exercise prices, the date of your stock option grants and the years left yet to exercise your options, the range of tender prices, and the provisions for *pro rata* purchases by the Company outlined in the tender offer.

The Company will, upon the terms and subject to the conditions of the tender offer, determine a single per share price, not greater than \$25.00 nor less than \$21.75 per share, that it will pay for the shares validly tendered pursuant to the tender offer and not properly withdrawn, taking into account the number of shares so tendered and the prices specified by tendering stockholders. The Company will select the lowest purchase price that will allow it to purchase 80,000,000 shares or, if a lesser number of shares are validly tendered, such lesser number as are validly tendered and not properly withdrawn. All stockholders whose shares are purchased by the Company will receive the purchase price for each share purchased in the tender offer. In the event the final purchase price is less than the maximum price of \$25.00 per share and more than 80,000,000 shares are tendered in the tender offer at or below the purchase price, Limited Brands intends to exercise its right to purchase up to an additional 2% of its outstanding shares without extending the tender offer so that it repurchases up to \$2 billion of its shares. By way of example, if the final purchase price is the minimum purchase price of \$21.75 per share, the Company intends to purchase up to an additional 9,438,333 of its outstanding shares to the extent tendered in the tender offer. Limited Brands also expressly reserves the right, in its sole discretion, to purchase additional shares subject to applicable legal requirements.

Shortly after completion of the tender offer, the Company intends to declare a special dividend of \$500 million in the aggregate, subject to applicable legal requirements. If the Company is unable to purchase \$2 billion of shares in the tender offer, it will consider, in its sole discretion, various other options for the cash, including, among other things, additional share repurchases or an increase in the special dividend. The amount of the dividend and the record date will be set at the time the dividend is declared. If you participate in the tender offer, you will not be entitled to receive the dividend with respect to any shares the Company purchases.

In the event that the Company pays the special dividend, the Compensation Committee of its Board of Directors has indicated that outstanding stock awards under the Company's stock-based employee plans will be equitably adjusted to prevent the dilution or enlargement of the rights of the participants under those awards. Any such equitable adjustment will, for example, involve adjustments to the exercise price and the number of shares subject to outstanding options which will maintain the pre-dividend value of adjusted options. Specifically, the Company anticipates that any adjustments to outstanding options would be made as shown in the example appearing at the bottom of the reverse side of this page.

In the event that the Company pays the special dividend, you will receive a personalized communication following the dividend date explaining in more detail the impact of the dividend on your outstanding stock options. Payment of the dividend will not affect the vesting schedule for your outstanding stock options.

We strongly encourage you to discuss the tender offer with your tax advisor or broker. Merrill Lynch is also available to assist in answering any questions you may have. They can be reached at (614) 225-3194, if calling from Columbus, Ohio, or (800) 216-1606 (toll-free), if calling from outside Columbus, Ohio.

If you decide to exercise any of your stock options, attached is a Notice of Exercise for you to use. The tender offer will expire at 12 Midnight, New York City time, on Thursday, November 4, 2004 (the "Expiration Date") unless extended by the Company. **If you do intend to exercise stock options in order to tender shares in the tender offer, you must exercise your options not later than 3:00 p.m., Monday, November 1, 2004, New York City time, in order to obtain shares to tender by Thursday, November 4, 2004 (the Expiration Date). Please Note: If you exercise such options after Thursday, October 28, 2004, then in order to allow sufficient time for shares to be tendered by the Expiration Date, you must either (1) exercise by cashless hold, or (2) provide payment to your broker or Merrill Lynch by wire transfer and accept shares by electronic delivery to your broker or Merrill Lynch.**

Upon the terms and subject to the conditions of the tender offer, if more than 80,000,000 shares, or such greater number of shares as the Company may elect to purchase subject to applicable law, have been validly tendered and not properly withdrawn prior to the Expiration Date, at prices at or below the purchase price, the Company will purchase shares on the following basis:

- first, all shares properly tendered before the Expiration Date from all holders of an aggregate of fewer than 100 shares ("odd lots") who (1) tender all shares owned beneficially or of record at a price at or below the purchase price (partial tenders will not qualify for this preference), and (2) complete the section entitled "Odd Lots" in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery;
- second, subject to the conditional tender provisions described in the Offer to Purchase, all other shares properly tendered at or below the purchase price, on a pro rata basis with appropriate adjustments to avoid purchases of fractional shares; and
- third, only if necessary to permit the Company to purchase 80,000,000 shares, or such greater number of shares as the Company may elect to purchase subject to applicable law, shares conditionally tendered (for which the condition was not initially satisfied) before the Expiration Date, will, to the extent feasible, be selected for purchase by random lot. To be eligible for purchase by random lot, stockholders whose shares are conditionally tendered must have properly tendered all of their shares.

The tender offer is not being made to, nor will tenders be accepted from, or on behalf of, holders of shares in any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of such jurisdiction. In those jurisdictions whose laws require that the tender offer be made by a licensed broker or dealer, the tender offer shall be deemed to be made on behalf of the Company by Banc of America Securities LLC or J.P. Morgan Securities Inc., the Dealer Managers for the tender offer, or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

EXAMPLE OF DIVIDEND ADJUSTMENT:

- The exercise price would be adjusted downward and the number of options would be adjusted upward pursuant to the following formulas, where “Closing Price” is the closing price on the last trading day before the ex-dividend date for the special dividend.
- The exercise price of stock options outstanding immediately before the ex-dividend date would be adjusted downward to the product of:

$$\text{Pre-Dividend Exercise Price} \times (\text{Closing Price} - \text{Special Dividend per Share}) / \text{Closing Price} = \text{Post-Dividend Exercise Price}$$

- The number of shares covered by each stock option outstanding immediately before the ex-dividend date would be adjusted upward to the product of:

$$\text{Number of Shares Pre-Dividend} \times \text{Closing Price} / (\text{Closing Price} - \text{Special Dividend per Share}) = \text{Number of Shares Post-Dividend}$$

- Following is an example:

— Assumptions:

- Closing Price - \$22.00
- Option exercise price - \$12.00
- Special dividend per share - \$1.30 (based on a \$500 million dividend divided by 383 million shares outstanding post-tender)
- Option grant - 5,000

— The adjusted exercise price of the stock options would be: $\$12.00 \times (\$22.00 - \$1.30) / \$22.00 = \mathbf{\$11.29}$

— The adjusted number of stock options would be: $5,000 \times \$22.00 / (\$22.00 - \$1.30) = \mathbf{5,314}$

This announcement is neither an offer to purchase nor a solicitation of an offer to sell shares of Limited Brands, Inc. The tender offer (as defined below) is made solely by the Offer to Purchase dated October 7, 2004 and the related Letter of Transmittal, and any amendments or supplements thereto. The tender offer is not being made to, nor will tenders be accepted from or on behalf of, holders of shares in any jurisdiction in which the making or acceptance of offers would not be in compliance with the laws of that jurisdiction. In any jurisdictions where the laws require that the tender offer be made by a licensed broker or dealer, the tender offer shall be deemed to be made on behalf of the Company by Banc of America Securities LLC or J.P. Morgan Securities Inc., the Dealer Managers for this tender offer, or one or more registered brokers or dealers licensed under the laws of that jurisdiction.

Notice of Offer to Purchase for Cash
by
LIMITED BRANDS, INC.
Up to 80,000,000 Shares of its Common Stock
At a Purchase Price of Not Greater Than \$25.00 Nor Less Than \$21.75 Per Share

Limited Brands, Inc., a Delaware corporation (the "Company"), invites holders of its common stock, \$0.50 par value per share, to tender their shares at prices specified by such stockholders, not greater than \$25.00 nor less than \$21.75 per share, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase dated October 7, 2004 (the "Offer to Purchase") and in the related Letter of Transmittal, which together, as they may be amended or supplemented from time to time, constitute the tender offer.

THE TENDER OFFER, THE PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, NOVEMBER 4, 2004 (THE "EXPIRATION DATE"), UNLESS THE TENDER OFFER IS EXTENDED.

The tender offer is not conditioned upon any minimum number of shares being tendered. The tender offer is, however, subject to other conditions described in the Offer to Purchase.

Upon the terms and subject to the conditions of the tender offer, the Company will determine a single price (the "purchase price"), not greater than \$25.00 nor less than \$21.75 per share, that it will pay for the shares validly tendered pursuant to the tender offer and not properly withdrawn, taking into account the number of shares so tendered and the prices specified by tendering stockholders. The Company will select the lowest price that will allow it to purchase 80,000,000 shares or, if a lesser number of shares are validly tendered, such lesser number as are validly tendered and not properly withdrawn. The Company will purchase all the shares validly tendered at prices at or below the purchase price prior to the Expiration Date upon the terms and subject to the conditions of the tender offer, including "odd lot" priority, proration and conditional tender provisions. If more than 80,000,000 shares, or such greater number of shares as the Company may elect to purchase subject to applicable law, have been validly tendered and not properly withdrawn prior to the Expiration Date, at prices at or below the purchase price, the Company will purchase shares on the following basis:

(a) first, from all stockholders of "odd lots" (persons who own less than 100 shares) who properly tender all of their shares at or below the purchase price selected by the Company and do not properly withdraw them before the expiration of the tender offer;

(b) second, subject to the conditional tender provisions described in Section 6 of the Offer to Purchase, on a pro rata basis from all other stockholders who properly tender shares at or below the purchase price selected by the Company and do not properly withdraw them before the expiration of the tender offer; and

(c) third, only if necessary to permit the Company to purchase 80,000,000 shares (or such greater number of shares as we may elect to purchase, subject to applicable law) from holders who have tendered shares conditionally (for which the condition was not initially satisfied) by random lot, to the extent feasible. To be eligible for purchase by random lot, stockholders whose shares are conditionally tendered must have properly tendered all of their shares and not properly withdrawn them before the expiration of the tender offer.

All other shares that have been tendered and not purchased will be returned to stockholders promptly after the Expiration Date. The Company expressly reserves the right to extend the tender offer at any time and from time to time by oral or written notice to the Depository (as defined in the Offer to Purchase) and by making a public announcement of such extension, in which event the term "Expiration Date" shall mean the latest time and date to which the tender offer, as so extended by the Company, shall expire. During any such extension, all shares previously tendered and not properly withdrawn will remain subject to the tender offer and to the right of the tendering stockholder to withdraw such stockholder's shares.

In the event the purchase price is less than the maximum price of \$25.00 per share and more than 80,000,000 shares are tendered in the tender offer at or below the purchase price, the Company intends to exercise its right to purchase up to an additional 2% of its outstanding shares without extending the tender offer so that it will repurchase up to \$2 billion of its shares. By way of example, if the final purchase price is the minimum purchase price of \$21.75 per share, the Company intends to purchase up to an additional 9,438,333 of its outstanding shares to the extent tendered in the tender offer.

Tenders of shares made pursuant to the tender offer may be withdrawn at any time prior to the Expiration Date, and unless previously accepted for payment as provided in the Offer to Purchase may be withdrawn after 12:00 Midnight, New York City time, on Monday, December 6, 2004. To be effective, a written or facsimile transmission notice of withdrawal must be timely received by the Depository at one of its addresses set forth on the back cover of the Offer to Purchase and must specify the name of the person who tendered the shares to be withdrawn, the number of shares to be withdrawn, and the name of the registered holder of the shares, if different from that of the person who tendered such shares. If the shares to be withdrawn have been delivered to the Depository, a signed notice of withdrawal with signatures guaranteed by an Eligible Institution (as defined in the Offer to Purchase), except in the case of shares tendered by an Eligible Institution, must be submitted prior to the release of such shares. Any such notice must specify the name of the registered holder, if different from that of the tendering stockholder, and the serial numbers shown on the particular certificate evidencing the shares to be withdrawn. In the case of shares tendered pursuant to the procedures for book-entry transfer, any such notice must specify the name and number of the account at the Book-Entry Transfer Facility (as defined in the Offer to Purchase) to be credited with the withdrawn shares.

For purposes of the tender offer, the Company will be deemed to have accepted for payment shares that are properly tendered at or below the purchase price and not properly withdrawn, subject to the odd lot priority, proration and conditional tender provisions of the tender offer, only when, as and if the Company gives oral or written notice to the Depository of its acceptance of the shares for payment pursuant to the tender offer.

Payment for shares tendered and accepted for payment pursuant to the tender offer will be made only after timely receipt by the Depository of certificates for such shares or a timely confirmation of a book-entry transfer of such shares into the Depository's account at the Book-Entry Transfer Facility, a properly completed and duly executed Letter of Transmittal with any required signature guarantees, or an Agent's Message (as defined in the Offer to Purchase) in connection with book-entry delivery, and any other documents required by the Letter of Transmittal.

After a thorough evaluation of the Company's business, financial condition, capital needs and alternative uses of its cash, the Company's Board of Directors determined that a return of capital of approximately \$2.5 billion, consisting of a repurchase of up to \$2 billion of the Company's shares through a tender offer and a post-tender offer special dividend of \$500 million, would be in the best interests of its stockholders. The share repurchase and the special dividend are intended to achieve multiple objectives including providing value to the Company's stockholders who wish to receive cash for all or a portion of their shares, demonstrating the Company's confidence in its business and establishing a capital structure that is appropriate for its current business mix. In addition, the tender offer and the special dividend permit stockholders who elect not to tender to retain a greater percentage ownership interest following the tender (and to bear the benefits and risks associated with owning the Company's shares).

The tender offer is an element of the Company's overall plan to return approximately \$2.5 billion of capital to its stockholders. Shortly after completion of the tender offer, the Company intends to declare a special dividend of \$500 million in the aggregate, subject to applicable legal requirements. If the Company is unable to purchase \$2 billion of shares in the tender offer, it will consider, in its sole discretion, various other options for the cash, including, among other things, additional share repurchases or an increase in the special dividend. The amount of the dividend and the record date will be set at the time the dividend is declared. If you participate in the tender offer, you will not be entitled to receive the special dividend with respect to any shares the Company purchases.

The Company's Board of Directors has approved this tender offer. However, neither the Company nor the Board of Directors nor the Dealer Managers make any recommendation to any stockholder whether to tender or refrain from tendering any or all shares or as to the purchase price or prices at which stockholders may choose to tender their shares. Stockholders must make their own decision whether to tender shares and, if so, how many shares to tender and the price or prices at which they will tender the shares. Leslie H. Wexner, the Company's Chairman and Chief Executive Officer, members of his immediate family and affiliated entities expect to tender a portion (not to exceed 6%) of their shares in the tender offer. The Company's other directors and executive officers have advised the Company that they have not determined whether to tender any of their shares in the tender offer.

The receipt of cash by stockholders for tendered shares purchased by the Company in the tender offer will generally be treated for United States federal income tax purposes either as a sale or exchange eligible for capital gain or loss treatment or a dividend. Stockholders are strongly encouraged to read the Offer to Purchase for additional information regarding the United States federal income tax consequences of participating in the tender offer and to consult their tax advisors.

The information required to be delivered by Rule 13e-4(d)(1) under the Securities Exchange Act of 1934, as amended, is contained in the Offer to Purchase and is incorporated herein by reference.

The Offer to Purchase and the Letter of Transmittal contain important information that should be read before any decision is made with respect to the tender offer.

Copies of the Offer to Purchase and the Letter of Transmittal are being mailed to record holders of shares. Additional copies of the Offer to Purchase, the Letter of Transmittal or the Notice of Guaranteed Delivery may be obtained at the Company's expense from the Information Agent at the address and telephone number set out below. Any questions or requests for assistance may be directed to the Information Agent or the Dealer Managers at their respective telephone numbers and addresses set out below. Stockholders may also contact their broker, dealer, commercial bank, trust company or nominee for assistance concerning the tender offer.

The Information Agent for the tender offer is:

D.F. KING & CO., INC.

48 Wall Street

New York, NY 10005

Banks and Brokerage Firms Please Call: (212) 269-5550 (Call Collect)

All Others Call Toll Free: (888) 628-8208

The Dealer Managers for the tender offer are:

Banc of America Securities LLC

9 West 57th Street

New York, New York 10019

(212) 583-8537 (Call Collect)

(888) 583-8900, ext. 8537 (Call Toll Free)

J.P. Morgan Securities Inc.

277 Park Avenue

New York, New York 10172

(212) 622-2624 (Call Collect)

(866) 262-0777 (Call Toll Free)

October 7, 2004

Limited Brands, Inc. Stock Tender Offer/Special Dividend

Questions and Answers

1. What is Limited Brands announcing with regard to its stock?

Limited Brands has announced a tender offer with the intention of purchasing \$2 billion of our stock (also called a share repurchase).

In addition, Limited Brands announced the intent to declare a special dividend of \$500 million in the aggregate, subject to applicable legal requirements. This dividend will be decided shortly after the close of the tender offer.

2. What is a tender offer?

Tender means offer to sell; therefore, a tender offer simply means that if you own shares of Limited Brands, Inc. stock, you have the opportunity to tender (offer to sell) your shares of Limited Brands, Inc. stock back to Limited Brands. It is completely your choice whether or not to tender your shares.

3. What is a special dividend?

A dividend is a payment, usually in cash, made by a company to a stockholder. Limited Brands pays a regular dividend of \$.12 per share, per quarter to stockholders. Today, Limited Brands announced that, subject to applicable legal requirements, shortly after completion of the tender offer, it intends to declare a special dividend of \$500 million in the aggregate, as an element of its overall plan to return \$2.5 billion to stockholders. If Limited Brands is unable to purchase \$2 billion of shares in the tender offer, it will consider, in its sole discretion, various other options for the cash, including, among other things, additional share repurchases or an increase in the special dividend. The amount of the dividend and the record date will be set at the time the dividend is declared. This dividend would be in addition to regular quarterly dividends paid by Limited Brands.

4. Why is Limited Brands doing this?

Our business has evolved significantly over the past several years. Ten years ago, we were primarily an apparel retailer. Today, we are predominantly an intimate apparel, personal care and beauty products company with a steadily decreasing reliance on the apparel segment of our business.

After evaluation of our current business, our financial condition, our capital spending and working capital needs, and our growth plans, our Board of Directors determined that a \$2.5 billion return of capital to stockholders would be desirable and in the best interest of our stockholders. The Board further determined that this return would be effected by a repurchase of up to \$2 billion of our shares through a tender offer and a post-tender offer special dividend of \$500 million in the aggregate.

The tender offer and the special dividend are intended to achieve multiple objectives, including demonstrating Limited Brands' confidence in the business, providing value to continuing stockholders, providing an opportunity for Limited Brands stockholders who wish to receive cash for their shares, and establishing a capital structure that is appropriate for our current business.

5. What happens if Limited Brands is unable to purchase \$2 billion of shares in the tender offer?

The tender offer is an element of Limited Brands' overall plan to return approximately \$2.5 billion of capital to its stockholders. Shortly after the completion of the tender offer, Limited Brands intends to declare a special dividend of approximately \$500 million in the aggregate, subject to legal requirements. If Limited Brands is unable to purchase \$2 billion of shares in the tender offer, it will consider, in its sole discretion, various other options for the cash, including, among other things, additional share repurchases or an increase in the special dividend. The amount of the dividend and the record date will be set at the time the dividend is declared.

6. How long do I have to decide what I want to do?

You may tender your shares until the tender offer expires. The tender offer will expire on Thursday, November 4, 2004, at 12:00 Midnight, New York City time, unless we extend the tender offer. If you hold shares through the Savings and Retirement Plan (SARP) or the Associate Stock Purchase Plan (ASPP), your deadline under those plans is 3 p.m. New York City time on November 1, 2004. If you intend to exercise stock options in order to tender shares in the tender offer, you will need to exercise your options by 3 p.m. New York City time on November 1, 2004, in order to obtain shares to tender by November 4, 2004. PLEASE NOTE: If you exercise such options after Thursday, October 28, 2004, then in order to allow sufficient time for shares to be tendered by the expiration date, you must either (1) exercise by cashless hold, or (2) provide payment to your broker or Merrill Lynch by wire transfer and accept shares by electronic delivery to your broker or Merrill Lynch.

7. How do I tender (offer to sell) my shares?

You will receive a tender offer package that will provide you with the complete details of the tender offer and instructions on how to tender your shares if you wish to do so. Remember that if you own shares through multiple plans or brokers, you will be receiving packages from each. Should you choose to tender shares from multiple plans or brokers, you will need to follow the tender instructions for each, which will require completing separate tender forms.

8. What will happen if I want tender shares that I own in the Savings and Retirement Plan?

If you have shares of Limited Brands stock in your Savings and Retirement Plan (SARP) account, you will have the opportunity to tender those shares. You will receive a package at your home next week from Limited Brands, Inc. Savings and Retirement Plan (SARP)—American Express. The material in the package will explain your choices in detail and give you instructions on how to tender your shares if you wish to do so. If you choose to tender, the money from the sale of your shares would not be distributed to you, but would remain in your SARP account to be reinvested based on the elections you have made for the investment of future contributions. If you would like to change your future investment elections, you may do so by calling the SARP Line at (800) 525-SARP (7277).

If you own shares through multiple plans or brokers, you will be receiving packages from each. Should you choose to tender shares from multiple plans or brokers, you will need to follow the tender instructions for each, which will require completing separate tender forms.

9. What will happen if I want to tender shares that I own through the Associate Stock Purchase Plan?

If you have shares of Limited Brands stock in your Associate Stock Purchase Plan (ASPP), you will receive a package at your home next week from Limited Brands, Inc. Associate Stock Purchase Plan (ASPP)—Computershare. The material in the package will explain your choices in detail and give you instructions on how to tender your shares if you wish to do so. If you own shares through multiple plans or brokers, you will be receiving packages from each. Should you choose to tender shares from multiple plans or brokers, you will need to follow the tender instructions for each, which will require completing separate tender forms.

10. What happens if I want to tender vested stock options?

If you have been granted stock options and any of those options have vested, you will receive a package at your home next week from Limited Brands, Inc. Central Compensation outlining what you should do if you choose to exercise any or all of your vested options in order to tender your shares. It also will provide you with information regarding who to call should you have any questions. Remember that if you own shares through multiple plans or brokers, you will be receiving packages from each. Should you choose to tender shares from multiple plans or brokers, you will need to follow the tender instructions for each, which will require completing separate tender forms.

11. How do I know how many shares I actually own and can tender?

If you hold shares outright, through the SARP and/or through the ASPP, you will be receiving detailed information at home regarding the tender offer and how to find out how many shares you own. If you own shares through more than one plan or brokerage account you will receive multiple packages; therefore, it is important that you read each package in detail. If you have been granted stock options and any of those options have vested, the package that you will be receiving will provide information regarding the number of vested options available for exercise and subsequent tender.

12. Who can I talk to for more information about what this all means to me?

If you own shares, we recommend that you wait until you receive your tender offer package(s) in the mail and have had an opportunity to review the details of the tender offer. Then, if you have questions regarding your personal situation and how the tender offer impacts the various plans through which you may hold Company stock, beginning Friday, October 8, you may call:

- Regarding stock options: call Merrill Lynch at (614) 225-3194, if calling from Columbus, Ohio; or (800) 216-1606 toll-free if calling from outside Columbus, Ohio; or contact your own broker if applicable
- Regarding shares owned through the Associate Stock Purchase Plan: call Computershare at (866) 396-1501
- Regarding shares owned through SARP: call The SARP Line at (800) 525-7277
- Regarding shares owned by you not held in any plans: D.F. King & Co., Inc. at (888) 628-8208

Representatives will be available at these numbers to answer associate questions from 8 a.m. through 7 p.m. New York City time Monday through Friday.

13. What price will I get for shares that I sell?

Limited Brands will use a process called a modified “Dutch Auction.” Under this process, you may specify the minimum price at which you are willing to sell your shares (not greater than \$25.00 nor less than \$21.75 per share). After taking into account the number of shares tendered and the prices specified by tendering stockholders, Limited Brands will select the lowest price within the stated range that will allow it to purchase \$2 billion of its common stock, assuming that a sufficient number of shares are tendered.

If you tender (offer to sell) your shares at or below the purchase price selected by Limited Brands in the tender offer, then you will receive the purchase price for each share that is purchased (all shares purchased by Limited Brands in the tender offer will be purchased at the same price, even if you indicated you were willing to sell your shares for less than the purchase price).

14. How many shares will Limited Brands purchase?

Limited Brands will purchase 80,000,000 shares in the tender offer, or such lesser number of shares as are properly tendered and not withdrawn. The 80,000,000 shares represent approximately 17% of its outstanding common stock as of October 1, 2004. If more than 80,000,000 shares are tendered, all shares tendered at or below the purchase price will be purchased on a pro rata basis, except for “odd lots” (lots held by owners of less than 100 shares), which will be purchased on a priority basis. The tender offer is not conditioned on any minimum number of shares being tendered.

Limited Brands goal is to purchase up to \$2 billion of its shares in the tender offer. In the event the final purchase price is less than the maximum price of \$25.00 per share and more than 80,000,000 shares are tendered in the tender offer at or below the purchase price, Limited Brands intends to exercise its right to purchase up to an additional 2% of its outstanding shares without extending the tender offer so that it repurchases up to \$2 billion of its shares. By way of example, if the final purchase price is the minimum purchase price of 21.75, Limited Brands intends to purchase up to an additional 9,438,333 of its outstanding

shares to the extent tendered in the tender offer. Limited Brands also expressly reserves the right, in its sole discretion, to purchase additional shares subject to applicable legal requirements.

15. Will all the shares I tender at or below the purchase price be purchased by Limited Brands?

If at the end of the tender period less than 80,000,000 shares have been tendered (offered to be sold) at or below the purchase price, then Limited Brands will purchase all shares properly tendered (and no proration will apply). If at the end of the tender period more than 80,000,000 shares have been tendered (offered to be sold) at or below the purchase price, then the number of shares purchased by Limited Brands will be prorated. For example, if 80,000,000 shares are sought by Limited Brands and 160,000,000 shares are tendered at or below the purchase price by stockholders, then 50% of what each stockholder offered to sell at or below the purchase price will actually be bought. So, in this instance, if you tendered 1,000 shares, 500 of those would be purchased by Limited Brands.

16. Can the tender offer be extended, amended or terminated, and under what circumstances?

Limited Brands can extend or amend the tender offer at its sole discretion. If Limited Brands extends the tender offer, it will delay the acceptance of any shares that have been tendered. Limited Brands can terminate the tender offer under certain circumstances.

17. How will I be notified if Limited Brands extends the offer or amends the terms of the tender offer?

Limited Brands will issue a press release by 9:00 a.m., New York City time, no later than the business day after the previously scheduled expiration date if it decides to extend the tender offer. Limited Brands will announce any amendment to the tender offer by making a public announcement of the amendment.

18. Will I have to pay brokerage fees and commissions if I tender my shares?

If you are a holder of record of your shares or hold your shares through the ASPP or the SARP and you tender your shares directly to the Depository, you will not incur any brokerage fees or commissions. If you hold your shares through a broker, bank or other nominee and your broker tenders shares on your behalf, your broker may charge you a fee for doing so. We urge you to consult your broker or nominee to determine whether any charges will apply.

19. Will I have to pay any taxes if I decide to sell some of my shares?

The receipt of cash for your tendered shares will generally be treated for United States federal income tax purposes either as (1) a sale or exchange eligible for capital gain or loss treatment or (2) a dividend. We encourage you to review the tender offer package(s) mailed to your home and talk to your tax advisor about your personal situation.

20. What if I own fewer than 100 shares?

Special procedures will apply to tendering stockholders who own less than 100 total shares. The tender offer package will explain these procedures.

21. What if I want to conditionally tender shares?

Special procedures will apply to tendering stockholders who conditionally tender their shares. The tender offer package will explain these procedures.

22. How do I maximize the chance that Limited Brands will purchase my shares?

If you want to maximize the chance that Limited Brands will purchase your shares, instead of specifying a price at which you tender (offer to sell) your shares, you may tender your shares at whatever purchase price Limited Brands determines through the "Dutch Auction" process described above. This election will cause you to receive a price per share as low as \$21.75 or as high as \$25.00 per share.

You will need to read your tender materials carefully to ensure you comply with them and respond by the deadline outlined in each package.

23. When will I know how many of my shares have been sold?

Limited Brands will distribute a news release announcing the preliminary results of the tender offer, including the preliminary proration information, if applicable, promptly after the end of the tender period. Then, within five to seven business days, Limited Brands will distribute a news release announcing the final results of the tender offer, including the prorated percentage of shares purchased, if applicable. Copies of these news releases will be made available to associates and posted on LimitedBrands.com.

24. If I decide to sell, when will I get my money?

If you decide to sell, the purchase price for the shares you tendered and accepted by Limited Brands will be paid to you, or re-invested in your SARP account, promptly after it has been determined what percentage of the total number of shares tendered will be purchased by Limited Brands.

25. What if I do not want to sell?

If you do not want to sell your shares, do nothing.

26. If I decide not to tender, how will the tender offer affect my shares?

Those who elect not to tender will have a greater percentage ownership following the tender offer and thus a greater stake in the Company's future results, opportunities and risks. In addition, the special dividend will provide value to stockholders who do not wish to tender.

27. Will associates who own shares outright, through the Savings and Retirement Plan (SARP) and/or through the Associate Stock Purchase Plan (ASPP) benefit from a special dividend?

All associates who own shares—either outright, through the Savings and Retirement Plan (SARP) and/or through the Associate Stock Purchase Plan (ASPP)—will benefit from the dividend for all shares owned at the time the dividend is offered.

28. If I tender my shares, will I receive the special dividend?

If you tender your shares, you will not be entitled to receive the special dividend or other future distributions with respect to any shares Limited Brands purchases. Stockholders of record at the time the dividend is declared will be entitled to their pro rata share.

29. What happens to stock options if there is a special dividend?

In the event that Limited Brands pays the special dividend, the Compensation Committee of Limited Brand's Board of Directors has indicated that outstanding stock options under Limited Brand's stock-based associate plans will be adjusted accordingly. Associates who currently have vested stock options will be receiving a tender offer package in the mail next week which will include a letter explaining the formula for and an example of how options will be adjusted if Limited Brands pays a special dividend.

In the event Limited Brands pays the special dividend, associates with stock options at that time will receive a personalized communication following the dividend date explaining the formula for the adjustment and the impact of the dividend on their outstanding stock options. Payment of the dividend would not affect the vesting schedule for outstanding stock options.

30. Does Limited Brands have a recommendation about what I should do?

The Board of Directors of Limited Brands has approved the tender offer. However, neither Limited Brands nor the Board of Directors makes any recommendation to you as to whether you should tender your shares or as to the purchase price or prices at which you may choose to tender your shares. You must make your own decision as to whether to tender your shares and, if so, how many shares to tender and the price or prices at which your shares should be tendered.

ADDITIONAL LEGAL INFORMATION:

This document is for informational purposes only and does not constitute an offer to buy or the solicitation of an offer to sell shares of Limited Brands' common stock. The tender offer is being made only pursuant to the Offer to Purchase and the related materials that Limited Brands will distribute to its stockholders. Stockholders should read the Offer to Purchase and the related materials carefully because they contain important information. Stockholders will be able to obtain a free copy of the Tender Offer Statement on Schedule TO, the Offer to Purchase and other documents that Limited Brands is filing with the Securities and Exchange Commission at the Commission's website at www.sec.gov. Stockholders may also obtain a copy of these documents, without charge, from D.F. King & Co., Inc., the information agent for the tender offer, toll free at (888)-628-8208.

US\$1,000,000,000
FIVE-YEAR REVOLVING CREDIT AGREEMENT

dated as of

October 6, 2004

among

LIMITED BRANDS, INC.,

The Lenders Party Hereto

and

JPMORGAN CHASE BANK,
as Administrative Agent

J.P. MORGAN SECURITIES INC., BANC OF AMERICA SECURITIES LLC
and CITIGROUP GLOBAL MARKETS INC.,
as Joint Lead Arrangers and Joint Bookrunners

and

BANK OF AMERICA, N.A. and
CITICORP NORTH AMERICA, INC.,
as Co-Syndication Agents

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The parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“ABR”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

“Administrative Agent” means JPMorgan Chase Bank, in its capacity as administrative agent for the Lenders hereunder.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Alternate Base Rate” means, for any day, a rate per annum equal to the greater of (a) the Prime Rate in effect on such day or (b) the Federal Funds Effective Rate in effect on such day plus ½ of 1%. Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective from and including the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

“Applicable Percentage” means, with respect to any Lender, the percentage of the total Commitments represented by such Lender’s Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments.

“Applicable Rate” means, for any day, with respect to any Eurodollar Revolving Loan, or with respect to the participation fees and facility fees payable hereunder, as the case may be, the applicable rate per annum set forth below under the caption “Eurodollar Spread”, “Participation Fee Rate” or “Facility Fee Rate”, as the case

may be, based upon the ratings by Moody's and S&P, respectively, applicable on such date to the Index Debt:

Index Debt Ratings:	Eurodollar Spread		Participation Fee Rate	Facility Fee Rate
	Usage ≤ 50%	Usage > 50%		
<u>Category 1</u> ³ A-/A3	0.300%	0.400%	0.400%	0.100%
<u>Category 2</u> BBB+/Baa1	0.375%	0.500%	0.500%	0.125%
<u>Category 3</u> BBB/Baa2	0.475%	0.600%	0.600%	0.150%
<u>Category 4</u> BBB-/Baa3	0.575%	0.700%	0.700%	0.175%
<u>Category 5</u> Lower	0.800%	0.925%	0.925%	0.200%

For purposes of the foregoing, (a) if either Moody's or S&P shall not have in effect a rating for the Index Debt (other than by reason of the circumstances referred to in the last sentence of this definition) the Applicable Rate shall be determined on the basis of the rating agency that does then have a rating for the Index Debt in effect, (b) if neither Moody's nor S&P has in effect a rating for the Index Debt (other than by reason of the circumstances referred to in the last sentence of this definition) then the Index Debt shall be deemed to be rated in Category 5, (c) the Index Debt shall be deemed to be rated in Category 5 at any time that an Event of Default has occurred and is continuing, (d) if the ratings established or deemed to have been established by Moody's or S&P for the Index Debt are not in the same Category, then the Applicable Rate will be determined by reference to the Category next above that of the lower of the two ratings and (e) if the ratings established or deemed to have been established by Moody's and S&P for the Index Debt shall be changed (other than as a result of a change in the rating system of Moody's or S&P), such change shall be effective as of the date on which it is first announced by the applicable rating agency. Each change in an Applicable Rate shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of Moody's or S&P shall change, or if either such rating agency shall cease to be in the business of rating corporate debt obligations, the Borrower and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system, or the unavailability of ratings from such rating agency and, pending the effectiveness of any such amendment, each Applicable Rate shall be determined by reference to the rating most recently in effect prior to such change or cessation.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 8.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

"Availability Period" means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitments.

“Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Borrower” means Limited Brands, Inc., a Delaware corporation.

“Borrowing” means (a) Revolving Loans of the same Type made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect or (b) a Competitive Loan or group of Competitive Loans of the same Type made on the same date and as to which a single Interest Period is in effect.

“Borrowing Request” means a request by the Borrower for a Revolving Borrowing in accordance with Section 2.03.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, when used in connection with a Eurodollar Loan, the term “Business Day” shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“Change in Control” means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the date hereof) other than the Permitted Holders of shares representing more than 30% of the aggregate ordinary voting power represented by the issued and outstanding capital stock of the Borrower or (b) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Borrower by Persons who were neither (i) nominated by the board of directors of the Borrower nor (ii) appointed by directors so nominated.

“Change in Law” means (a) the adoption of any law, rule or regulation after (i) with respect to any Revolving Loan or the Commitments, the date of this Agreement or (ii) with respect to any Competitive Loan, the date of the related Competitive Bid, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after (i) with respect to any Revolving Loan or the Commitments, the date of this Agreement or (ii) with respect to any Competitive Loan, the date of the related Competitive Bid, or (c) compliance by any Lender or any Issuing Bank (or, for purposes of Section 2.14(b), by any lending office of such Lender or by such Lender’s or such Issuing Bank’s holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any

Governmental Authority made or issued after (i) with respect to any Revolving Loan or the Commitments, the date of this Agreement or (ii) with respect to any Competitive Loan, the date of the related Competitive Bid.

“Class”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans or Competitive Loans.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Commitment” means, with respect to each Lender, the commitment of such Lender to make Revolving Loans and to acquire participations in Letters of Credit hereunder, expressed as an amount representing the maximum aggregate amount of such Lender’s Revolving Credit Exposure hereunder, as such commitment may be (a) reduced or increased from time to time pursuant to Section 2.08 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 8.04. The initial amount of each Lender’s Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Commitment, as applicable. The initial aggregate amount of the Lenders’ Commitments is \$1,000,000,000.

“Competitive Bid” means an offer by a Lender to make a Competitive Loan in accordance with Section 2.04.

“Competitive Bid Rate” means, with respect to any Competitive Bid, the Margin or the Fixed Rate, as applicable, offered by the Lender making such Competitive Bid.

“Competitive Bid Request” means a request by the Borrower for Competitive Bids in accordance with Section 2.04.

“Competitive Loan” means a Loan made pursuant to Section 2.04.

“Consolidated Debt” means, at any date of determination, the sum, without duplication, of (a) the total Indebtedness of the Borrower and the Consolidated Subsidiaries at such date (excluding, whether or not Easton Town Center, LLC is a Consolidated Subsidiary, any Non-Recourse ETC Debt), (b) an amount equal to six times the fixed minimum store rent commitments (less related sublease income) of the Borrower and the Consolidated Subsidiaries for the then current Fiscal Year, as reflected in the footnotes to the most recent audited financial statements of the Borrower, and (c) an amount equal to six times the fixed minimum store rent commitments (less related sublease income) for the then current Fiscal Year of any Person other than the Borrower or a Consolidated Subsidiary under a lease in respect of any store to the extent that such lease is Guaranteed or has been assumed by the Borrower or any Consolidated Subsidiary, if the Borrower or a Consolidated Subsidiary has made any payments in respect of any such store rent commitments of such Person (or any subsidiary of such Person) under such lease in respect of such store within the period of four consecutive

fiscal quarters ended on or prior to such date of determination, all determined on a consolidated basis in accordance with GAAP; provided that, for the purposes of calculating the fixed minimum store rent commitments referred to in clause (b) or (c) above, if on or prior to the applicable date of determination an acquisition or disposition outside of the ordinary course of business has occurred that has the effect of increasing or decreasing any such fixed minimum store rent commitments, then such fixed minimum store rent commitments shall be determined on a pro forma basis to give effect to such acquisition or disposition as if such acquisition or disposition had occurred immediately prior to the commencement of the then current Fiscal Year.

“Consolidated EBITDA” means, for any period, Consolidated Net Income for such period (adjusted (i) to exclude any non-cash items deducted or included in determining Consolidated Net Income for such period attributable to FAS 133 – Accounting for Derivative Instruments and Hedging Activities, FAS 142 – Goodwill and Other Intangible Assets, or stock options and other equity-linked compensation to officers, directors and employees, and (ii) to deduct cash payments made during such period in respect of Hedging Agreements (or other items subject to FAS 133 – Accounting for Derivative Instruments and Hedging Activities) to the extent not otherwise deducted in determining Consolidated Net Income for such period) plus (a) without duplication and to the extent deducted in determining such Consolidated Net Income, the sum of (i) consolidated interest expense for such period, (ii) consolidated income tax expense for such period, (iii) all amounts attributable to depreciation and amortization for such period and (iv) any extraordinary or nonrecurring charges for such period, and minus (b) without duplication and to the extent included in determining such Consolidated Net Income, any extraordinary or nonrecurring gains for such period, all determined on a consolidated basis in accordance with GAAP; provided that regardless of whether Easton Town Center, LLC is a Consolidated Subsidiary, its results shall be included in Consolidated EBITDA to the extent (and only to the extent) actually distributed by Easton Town Center, LLC to the Borrower or another Consolidated Subsidiary.

“Consolidated EBITDAR” means, for any period, Consolidated EBITDA for such period plus, without duplication and to the extent deducted in the determination of such Consolidated EBITDA, consolidated fixed minimum store rental expense for such period, all determined on a consolidated basis in accordance with GAAP; provided that, if on or prior to the applicable date of determination of Consolidated EBITDAR, an acquisition or disposition outside of the ordinary course of business has occurred that has the effect of increasing or decreasing Consolidated EBITDAR, then Consolidated EBITDAR shall be determined on a pro forma basis to give effect to such acquisition or disposition as if such acquisition or disposition had occurred immediately prior to the commencement of the period for which Consolidated EBITDAR is to be determined.

“Consolidated Fixed Charges” means, for any period, the sum of (a) consolidated interest expense, both expensed and capitalized (including the interest component in respect of Capital Lease Obligations but excluding any interest expense in respect of Indebtedness of Easton Town Center, LLC, except to the extent actually paid by the Borrower or a Consolidated Subsidiary other than, if it is a Consolidated

Subsidiary, Easton Town Center, LLC), of the Borrower and the Consolidated Subsidiaries for such period, plus (b) consolidated fixed minimum store rental expense of the Borrower and the Consolidated Subsidiaries for such period, all determined on a consolidated basis in accordance with GAAP; provided that, if on or prior to the applicable date of determination of Consolidated Fixed Charges, an acquisition or disposition outside of the ordinary course of business has occurred that has the effect of increasing or decreasing Consolidated Fixed Charges, then Consolidated Fixed Charges shall be determined on a pro forma basis to give effect to such acquisition or disposition as if such acquisition or disposition had occurred immediately prior to the commencement of the period for which Consolidated Fixed Charges is to be determined.

“Consolidated Net Income” means, for any period, the net income or loss of the Borrower and the Consolidated Subsidiaries for such period determined on a consolidated basis in accordance with GAAP.

“Consolidated Subsidiary” means any Subsidiary (other than an Unrestricted Subsidiary), the accounts of which are, or are required to be, consolidated with those of the Borrower in the Borrower’s periodic reports filed under the Securities Exchange Act of 1934.

“Control” means, with respect to a specified Person, the possession, directly or indirectly, of the power to direct, or cause the direction of, the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have correlative meanings.

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Disclosed Matters” means the actions, suits and proceedings and the environmental matters disclosed in Schedule 3.05.

“dollars” or “\$” refers to lawful money of the United States of America.

“Effective Date” means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 8.02).

“Environmental Laws” means all applicable laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions or binding agreements issued, promulgated or entered into by any Governmental Authority, relating to the environment, preservation or reclamation of natural resources or the management, release or threatened release of any Hazardous Material.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Consolidated Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials,

(c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“Eurodollar”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to a LIBO Rate.

“Event of Default” has the meaning assigned to such term in Article VI.

“Excluded Taxes” means, with respect to the Administrative Agent, any Lender, any Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, (b) income, franchise or similar taxes imposed by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, or which are imposed by reason of any present or former connection between such Lender and the jurisdiction imposing such taxes, other than solely as a result of this Agreement or any Loan or transaction contemplated hereby, (c) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction described in clause (a) or (b) above and (d) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 2.18(b)), any withholding tax that (i) is in effect and would apply to amounts payable to such Foreign Lender under applicable law at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, under applicable law at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to any withholding tax pursuant to Section 2.16(a), or (ii) is attributable to such Foreign Lender’s failure to comply with Section 2.16(e).

“Federal Funds Effective Rate” means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by

Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

“Financial Officer” means the chief financial officer, principal accounting officer, treasurer or controller of the Borrower.

“Fiscal Year” means the fiscal year of the Borrower which shall commence on the Sunday following the Saturday on or nearest (whether following or preceding) January 31 of one calendar year and end on the Saturday on or nearest (whether following or preceding) January 31 of the following calendar year.

“Fixed Rate” means, with respect to any Competitive Loan (other than a Eurodollar Competitive Loan), the fixed rate of interest per annum specified by the Lender making such Competitive Loan in its related Competitive Bid.

“Fixed Rate Loan” means a Competitive Loan bearing interest at a Fixed Rate.

“Foreign Lender” means any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“GAAP” means generally accepted accounting principles in the United States of America.

“Governmental Authority” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Guarantee” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes in each case which are regulated pursuant to any Environmental Law.

“Hedging Agreement” means any interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement.

“Indebtedness” of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person in respect of the deferred purchase price of property (other than inventory) or services (excluding accruals and trade accounts payable arising in the ordinary course of business), (d) all Indebtedness of others secured by any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (e) all Guarantees by such Person of Indebtedness of others, (f) all Capital Lease Obligations of such Person and (g) all obligations, contingent or otherwise, of such Person in respect of bankers’ acceptances.

“Indemnified Taxes” means Taxes other than Excluded Taxes and Other Taxes.

“Index Debt” means senior, unsecured, long-term indebtedness for borrowed money of the Borrower that is not guaranteed by any other Person or subject to any other credit enhancement.

“Information Memorandum” means the Confidential Information Memorandum to be prepared in connection with the syndication of the credit facility provided for in this Agreement relating to the Borrower and the Transactions.

“Interest Election Request” means a request by the Borrower to convert or continue a Revolving Borrowing in accordance with Section 2.07.

“Interest Payment Date” means (a) with respect to any ABR Loan, the last day of each March, June, September and December, (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at intervals of three months’ duration after the first day of such Interest Period and (c) with respect to any Fixed Rate Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Fixed Rate Borrowing with an Interest Period of more than 90 days’ duration (unless otherwise specified in the applicable Competitive Bid Request), each day prior to the last day of such Interest

Period that occurs at intervals of 90 days' duration after the first day of such Interest Period, and any other dates that are specified in the applicable Competitive Bid Request as Interest Payment Dates with respect to such Borrowing.

“Interest Period” means (a) with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on (i) the date that is one or two weeks thereafter or (ii) the numerically corresponding day in the calendar month that is one, two, three or six months thereafter or, if available from all participating Lenders, nine or 12 months thereafter, in each case as the Borrower may elect and (b) with respect to any Fixed Rate Borrowing, the period (which shall not be less than seven days or more than 180 days) commencing on the date of such Borrowing and ending on the date specified in the applicable Competitive Bid Request; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Borrowing with an Interest Period of an integral number of months only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any Interest Period pertaining to a Eurodollar Borrowing with an Interest Period of an integral number of months that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period and (iii) any Interest Period that would otherwise end after the Maturity Date will end on the Maturity Date. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and, in the case of a Revolving Borrowing, thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Issuing Bank” means, as applicable, (a) JPMorgan Chase Bank, in its capacity as the issuer of Letters of Credit hereunder, (b) any other Lender or Affiliate of a Lender designated by the Borrower (with such Lender's consent) as an Issuing Bank in a written notice to the Administrative Agent and (c) their respective successors in such capacity as provided in Section 2.05(i). Any Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Bank, in which case the term “Issuing Bank” shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

“LC Disbursement” means a payment made by any Issuing Bank pursuant to a Letter of Credit.

“LC Exposure” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time.

“Lenders” means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto (i) pursuant to an accession agreement as

contemplated in Section 2.08(d) or (ii) pursuant to an Assignment and Assumption as contemplated in Section 8.04(b), other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

“Letter of Credit” means any letter of credit issued pursuant to this Agreement.

“LIBO Rate” means, with respect to any Eurodollar Borrowing for any Interest Period, the rate appearing on Page 3750 of the Dow Jones Market Service (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the “LIBO Rate” with respect to such Eurodollar Borrowing for such Interest Period shall be the rate at which dollar deposits of \$5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

“Lien” means, with respect to any asset, any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset.

“Loans” means the loans made by the Lenders to the Borrower pursuant to this Agreement.

“Margin” means, with respect to any Competitive Loan bearing interest at a rate based on a LIBO Rate, the marginal rate of interest, if any, to be added to or subtracted from a LIBO Rate to determine the rate of interest applicable to such Loan, as specified by the Lender making such Loan in its related Competitive Bid.

“Material Adverse Effect” means a material adverse effect on (a) the business, financial position or results of operations of the Borrower and the Consolidated Subsidiaries, taken as a whole, (b) the ability of the Borrower to perform any of its obligations under this Agreement or (c) the rights of or benefits available to the Lenders under this Agreement.

“Material Indebtedness” means Indebtedness (other than the Loans and Letters of Credit), or obligations in respect of one or more Hedging Agreements, of any one or more of the Borrower and its Consolidated Subsidiaries in an aggregate principal amount exceeding \$100,000,000. For purposes of determining Material Indebtedness, the “principal amount” of the obligations of the Borrower or any Consolidated Subsidiary in respect of any Hedging Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Borrower or such Consolidated Subsidiary would be required to pay if such Hedging Agreement were terminated at such time.

“Maturity Date” means the date that is five years after the Effective Date.

“Minority Interest Disposition” means a sale, transfer or other disposition by the Borrower or any of the Subsidiaries (including the issuer thereof) of up to 20% of the Equity Interests in any Subsidiary of the Borrower.

“Moody’s” means Moody’s Investors Service, Inc.

“Multiemployer Plan” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“Non-Recourse ETC Debt” means any Indebtedness of Easton Town Center, LLC, except to the extent such Indebtedness is Guaranteed by, or otherwise recourse to, the Borrower or any other Subsidiary.

“Other Taxes” means any and all present or future recording, stamp, documentary, excise, property or similar taxes, charges or levies imposed by the United States of America or any political subdivision thereof arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement.

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Permitted Encumbrances” means:

(a) Liens imposed by law for taxes that are not yet due;

(b) carriers’, warehousemen’s, mechanics’, materialmen’s, repairmen’s, landlord’s and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days;

(c) pledges and deposits made in the ordinary course of business in compliance with workers’ compensation, unemployment insurance and other social security laws or regulations;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under clause (j) of Section 6.01;

(f) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower or any Subsidiary;

(g) Liens in favor of sellers of goods arising under Article 2 of the New York Uniform Commercial Code or similar provisions of applicable law in the ordinary course of business, covering only the goods sold and securing only the unpaid purchase price for such goods and related expenses; and

(h) Liens securing obligations in respect of trade letters of credit, provided that such Liens do not extend to any property other than the goods financed or paid for with such letters of credit, documents of title in respect thereof and proceeds thereof;

provided that the term “Permitted Encumbrances” shall not include any Lien securing Indebtedness.

“Permitted Holders” means Leslie H. Wexner, all descendants of any of his grandparents, any spouse or former spouse of any of the foregoing, any descendant of any such spouse or former spouse, the estate of any of the foregoing, any trust for the benefit, in whole or in part, of one or more of the foregoing and any corporation, limited liability company, partnership or other entity Controlled by one or more of the foregoing.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Prime Rate” means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

“Register” has the meaning set forth in Section 8.04.

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Required Lenders” means, at any time, Lenders having Revolving Credit Exposures and unused Commitments representing more than 50% of the sum of the total Revolving Credit Exposures and unused Commitments at such time; provided that, for purposes of declaring the Loans to be due and payable pursuant to Article VI, and for all purposes after the Loans become due and payable pursuant to Article VI or the

Commitments expire or terminate, the outstanding Competitive Loans of the Lenders shall be included in their respective Revolving Credit Exposures in determining the Required Lenders.

“Revolving Credit Exposure” means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender’s Revolving Loans and its LC Exposure at such time.

“Revolving Loan” means a Loan made pursuant to Section 2.03.

“S&P” means Standard & Poor’s Ratings Services.

“Statutory Reserve Percentage” means for any day the percentage (expressed as a decimal) that is in effect on such day, as prescribed by the Board, for determining the maximum reserve requirement for a member bank of the Federal Reserve System for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Board). Such reserve percentage shall include those imposed pursuant to such Regulation D. The Statutory Reserve Percentage shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“subsidiary” means, with respect to any Person (the “parent”) at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

“Subsidiary” means any subsidiary of the Borrower.

“Taxes” means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

“Test Date” means, if at the time the rating of either Moody’s or S&P with respect to the Index Debt shall be less than BBB– or Baa3 and the rating of the other such rating agency with respect to the Index Debt shall not be at least BBB– or Baa3 (with, in the case of a rating of BBB– or Baa3, stable outlook), or if there shall not be a rating in effect from such other rating agency of the Index Debt, the date of any Borrowing hereunder (other than a Borrowing made hereunder solely for the purpose of paying maturing commercial paper of the Borrower) or the date of any issuance, amendment, renewal or extension of any Letter of Credit.

“Transactions” means the execution, delivery and performance by the Borrower of this Agreement, the borrowing of Loans, the use of the proceeds thereof and the issuance of Letters of Credit hereunder.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the LIBO Rate, the Alternate Base Rate or a Fixed Rate.

“Unfunded Liabilities” means, with respect to any Plan at any time, the amount (if any) by which (a) the present value of all benefits under such Plan exceeds (b) the fair market value of all Plan assets allocable to such benefits, all determined as of the then most recent valuation date for such Plan, but only (i) to the extent that such excess represents a potential liability of the Borrower or any ERISA Affiliate to the PBGC or any other Person under Title IV of ERISA or (ii) with respect to a Plan which is a Multiemployer Plan as described in Section 4001(a)(3) of ERISA, to the extent of the Unfunded Liabilities of such Plan allocable to the Borrower or any ERISA Affiliate under Section 4212 of ERISA.

“Unrestricted Subsidiary” means any Subsidiary designated as an Unrestricted Subsidiary in a written notice sent at any time after the date of this Agreement by the Borrower to the Administrative Agent which is engaged (a) primarily in the business of making or discounting loans, making advances, extending credit or providing financial accommodation to, or purchasing the obligations of, others; (b) primarily in the business of insuring property against loss and subject to regulation as an insurance company by any Governmental Authority; (c) exclusively in the business of owning or leasing, and operating, aircraft and/or trucks; (d) primarily in the ownership, management, leasing or operation of real estate, other than parcels of real estate with respect to which 51% or more of the rentable space is used by the Borrower or a Consolidated Subsidiary in the normal course of business; or (e) primarily as a carrier transporting goods in both intrastate and interstate commerce, provided that (i) the Borrower may by notice to the Administrative Agent change the designation of any Subsidiary described in subparagraphs (a) through (e) above, but may do so only once during the term of this Agreement, (ii) the designation of a Subsidiary as an Unrestricted Subsidiary more than 30 days after the creation or acquisition of such Subsidiary where such Subsidiary was not specifically so designated within such 30 days shall be deemed to be the only permitted change in designation and (iii) immediately after the Borrower designates any Subsidiary whether now owned or hereafter acquired or created as an Unrestricted Subsidiary or changes the designation of a Subsidiary from an Unrestricted Subsidiary to a Consolidated Subsidiary, the Borrower and all Consolidated Subsidiaries would be in compliance with all of the provisions of this Agreement.

“Value” means, when used in Section 6.01(e) with respect to investments in and advances to a Consolidated Subsidiary, the book value thereof immediately before the relevant event or events referred to in Section 6.01(e) occurred with respect to such Consolidated Subsidiary.

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a “Revolving Loan”) or by Type (e.g., a “Eurodollar Loan”) or by Class and Type (e.g., a “Eurodollar Revolving Loan”). Borrowings also may be classified and referred to by Class (e.g., a “Revolving Borrowing”) or by Type (e.g., a “Eurodollar Borrowing”) or by Class and Type (e.g., a “Eurodollar Revolving Borrowing”).

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

ARTICLE II

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, each Lender agrees to make Revolving Loans to the Borrower from time to time during the Availability Period in an aggregate principal amount that (after giving effect to the making of such Revolving Loans and any concurrent repayment of Loans and reimbursement of LC Disbursements) will not result in (a) such Lender's Revolving Credit Exposure exceeding such Lender's Commitment or (b) the sum of the total Revolving Credit Exposures plus the aggregate principal amount of outstanding Competitive Loans exceeding the total Commitments. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Revolving Loans.

SECTION 2.02. Loans and Borrowings. (a) Each Revolving Loan shall be made as part of a Borrowing consisting of Revolving Loans made by the Lenders ratably in accordance with their respective Commitments. Each Competitive Loan shall be made in accordance with the procedures set forth in Section 2.04. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments and Competitive Bids of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.13, (i) each Revolving Borrowing shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower may request in accordance herewith, and (ii) each Competitive Borrowing shall be comprised entirely of Eurodollar Loans or Fixed Rate Loans as the Borrower may request in accordance herewith. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurodollar Revolving Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$20,000,000. At the time that each ABR Revolving Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$20,000,000; provided that an ABR Revolving Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.05(e). Each Competitive Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$20,000,000. Borrowings of more than one Type and Class may be outstanding at the same time; provided that there shall not at any time be more than a total of 12 Eurodollar Revolving Borrowings outstanding.

SECTION 2.03. Requests for Revolving Borrowings. To request a Revolving Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone (a) in the case of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of the proposed Borrowing and (b) in the case of an ABR Borrowing, not later than 11:00 a.m., New York City time, on the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

- (i) the aggregate amount of the requested Borrowing;
- (ii) the date of such Borrowing, which shall be a Business Day;
- (iii) whether such Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing;
- (iv) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and
- (v) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.06.

If no election as to the Type of Revolving Borrowing is specified, then the requested Revolving Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Revolving Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

SECTION 2.04. Competitive Bid Procedure. (a) Subject to the terms and conditions set forth herein, from time to time during the Availability Period the Borrower may request Competitive Bids and may (but shall not have any obligation to) accept Competitive Bids and borrow Competitive Loans; provided that the sum of the total Revolving Credit Exposures plus the aggregate principal amount of outstanding Competitive Loans at any time (after giving effect to the borrowing of such Competitive Loans and any concurrent repayment of Loans and reimbursement of LC Disbursements) shall not exceed the total Commitments. To request Competitive Bids, the Borrower shall notify the Administrative Agent of such request by telephone, (a) in the case of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, four Business Days before the date of the proposed Borrowing and (b) in the case of a Fixed Rate Borrowing, not later than 10:00 a.m., New York City time, one Business Day before the date of the proposed Borrowing; provided that the Borrower may submit up to (but not

more than) five Competitive Bid Requests on the same day, but a Competitive Bid Request shall not be made within three Business Days after the date of any previous Competitive Bid Request, unless any and all such previous Competitive Bid Requests shall have been withdrawn or all Competitive Bids received in response thereto rejected. Each such telephonic Competitive Bid Request shall be confirmed promptly by hand delivery or teletype to the Administrative Agent of a written Competitive Bid Request in a form approved by the Administrative Agent and signed by the Borrower. Each such telephonic and written Competitive Bid Request shall specify the following information in compliance with Section 2.02:

- (i) the aggregate amount of the requested Borrowing;
- (ii) the date of such Borrowing, which shall be a Business Day;
- (iii) whether such Borrowing is to be a Eurodollar Borrowing or a Fixed Rate Borrowing;
- (iv) the Interest Period to be applicable to such Borrowing, which shall be a period contemplated by the definition of the term "Interest Period"; and
- (v) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.06.

Promptly following receipt of a Competitive Bid Request in accordance with this Section, the Administrative Agent shall notify the Lenders of the details thereof by teletype, inviting the Lenders to submit Competitive Bids.

(b) Each Lender may (but shall not have any obligation to) make one or more Competitive Bids to the Borrower in response to a Competitive Bid Request. Each Competitive Bid by a Lender must be in a form approved by the Administrative Agent and must be received by the Administrative Agent by teletype, (x) in the case of a Eurodollar Competitive Borrowing, not later than 9:30 a.m., New York City time, three Business Days before the proposed date of such Competitive Borrowing and (y) in the case of a Fixed Rate Borrowing, not later than 9:30 a.m., New York City time, on the proposed date of such Competitive Borrowing. Competitive Bids that do not conform substantially to the form approved by the Administrative Agent may be rejected by the Administrative Agent, and the Administrative Agent shall notify the applicable Lender as promptly as practicable. Each Competitive Bid shall specify (i) the principal amount (which shall be a minimum of \$5,000,000 and an integral multiple of \$1,000,000 and which may equal the entire principal amount of the Competitive Borrowing requested by the Borrower) of the Competitive Loan or Loans that the Lender is willing to make, (ii) the Competitive Bid Rate or Rates at which the Lender is prepared to make such Loan or Loans (expressed as a percentage rate per annum in the form of a decimal to no more than four decimal places) and (iii) the Interest Period applicable to each such Loan and the last day thereof.

(c) The Administrative Agent shall promptly notify the Borrower by teletype of the Competitive Bid Rate and the principal amount specified in each Competitive Bid and the identity of the Lender that shall have made such Competitive Bid.

(d) Subject only to the provisions of this paragraph, the Borrower may accept or reject any Competitive Bid. The Borrower shall notify the Administrative Agent by telephone, confirmed by telecopy in a form approved by the Administrative Agent, whether and to what extent it has decided to accept or reject each Competitive Bid, (x) in the case of a Eurodollar Competitive Borrowing, not later than 10:30 a.m., New York City time, three Business Days before the date of the proposed Competitive Borrowing and (y) in the case of a Fixed Rate Borrowing, not later than 10:30 a.m., New York City time, on the proposed date of the Competitive Borrowing; provided that (i) the failure of the Borrower to give such notice shall be deemed to be a rejection of each Competitive Bid, (ii) the Borrower shall not accept a Competitive Bid made at a particular Competitive Bid Rate if the Borrower rejects a Competitive Bid made at a lower Competitive Bid Rate, (iii) the aggregate amount of the Competitive Bids accepted by the Borrower shall not exceed the aggregate amount of the requested Competitive Borrowing specified in the related Competitive Bid Request, (iv) to the extent necessary to comply with clause (iii) above, the Borrower may accept Competitive Bids at the same Competitive Bid Rate in part, which acceptance, in the case of multiple Competitive Bids at such Competitive Bid Rate, shall be made pro rata in accordance with the amount of each such Competitive Bid, and (v) except pursuant to clause (iv) above, no Competitive Bid shall be accepted for a Competitive Loan unless such Competitive Loan is in a minimum principal amount of \$5,000,000 and an integral multiple of \$1,000,000; provided further that if a Competitive Loan must be in an amount less than \$5,000,000 because of the provisions of clause (iv) above, such Competitive Loan may be for a minimum of \$1,000,000 or any integral multiple thereof, and in calculating the pro rata allocation of acceptances of portions of multiple Competitive Bids at a particular Competitive Bid Rate pursuant to clause (iv) the amounts shall be rounded to integral multiples of \$1,000,000 in a manner determined by the Borrower. A notice given by the Borrower pursuant to this paragraph shall be irrevocable.

(e) The Administrative Agent shall promptly notify each bidding Lender by telecopy whether or not its Competitive Bid has been accepted (and, if so, the amount and Competitive Bid Rate so accepted), and each successful bidder will thereupon become bound, subject to the terms and conditions hereof, to make the Competitive Loan in respect of which its Competitive Bid has been accepted.

(f) If the Administrative Agent shall elect to submit a Competitive Bid in its capacity as a Lender, it shall submit such Competitive Bid directly to the Borrower at least one quarter of an hour earlier than the time by which the other Lenders are required to submit their Competitive Bids to the Administrative Agent pursuant to paragraph (b) of this Section.

SECTION 2.05. Letters of Credit. (a) General. Subject to the terms and conditions set forth herein, the Borrower may request the issuance of Letters of Credit, in a form reasonably acceptable to the Administrative Agent and any Issuing Bank, at any time and from time to time during the Availability Period. In the event of any

inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, any Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control. The parties hereto acknowledge and agree that (i) Letters of Credit may be issued to support obligations of Subsidiaries of the Borrower as well as the Borrower, (ii) Letters of Credit issued to support obligations of a Subsidiary may state that they are issued for such Subsidiary's account and (iii) regardless of any such statement in any Letter of Credit, the Borrower is the "account party" in respect of all Letters of Credit and will be responsible for reimbursement of LC Disbursements as provided herein.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the relevant Issuing Bank) to the relevant Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the relevant Issuing Bank, the Borrower also shall submit a letter of credit application on such Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the LC Exposure shall not exceed \$500,000,000 and (ii) the sum of the total Revolving Credit Exposures plus the aggregate principal amount of outstanding Competitive Loans shall not exceed the total Commitments.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension); provided that a Letter of Credit may be subject to customary "evergreen" provisions pursuant to which the expiration date thereof shall be automatically extended for a period of up to one year (subject to clause (ii) of this sentence) unless notice to the contrary shall have been given by the Issuing Bank in respect thereof by a specified date, and (ii) the date that is five Business Days prior to the Maturity Date.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the relevant Issuing Bank or the Lenders, such Issuing Bank hereby grants to each Lender, and each Lender hereby acquires from such Issuing Bank, a participation in such

Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of such Issuing Bank, such Lender's Applicable Percentage of each LC Disbursement made by such Issuing Bank and not reimbursed by the Borrower on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Borrower for any reason. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If any Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent an amount equal to such LC Disbursement not later than 12:00 noon, New York City time, on the next Business Day after the date that such LC Disbursement is made, if the Borrower shall have received notice of such LC Disbursement prior to 10:00 a.m., New York City time, on such date, or, if such notice has not been received by the Borrower prior to such time on such date, then not later than 12:00 noon, New York City time, on (i) the Business Day that the Borrower receives such notice, if such notice is received prior to 10:00 a.m., New York City time, on the day of receipt, or (ii) the Business Day immediately following the day that the Borrower receives such notice, if such notice is not received prior to such time on the day of receipt; provided that the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 that such payment be financed with an ABR Revolving Borrowing in an equivalent amount and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Revolving Borrowing. If the Borrower fails to make such payment when due, the Administrative Agent shall notify each Lender of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof and such Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Lender shall pay to the Administrative Agent its Applicable Percentage of the payment then due from the Borrower, in the same manner as provided in Section 2.06 with respect to Loans made by such Lender (and Section 2.06 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay such Issuing Bank the amounts so received by it from the Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to such Issuing Bank or, to the extent that Lenders have made payments pursuant to this paragraph to reimburse such Issuing Bank, then to such Lenders and such Issuing Bank as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse such Issuing Bank for any LC Disbursement (other than the funding of ABR Revolving Loans as contemplated above) shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement.

(f) Obligations Absolute. The Borrower's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or any other term or provision in this Agreement, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by any Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder. Neither the Administrative Agent, the Lenders nor any Issuing Bank, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of any Issuing Bank; provided that the foregoing shall not be construed to excuse any Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by such Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof or such Issuing Bank's failure to make an LC Disbursement under a Letter of Credit upon presentation to it of documents strictly complying with such Letter of Credit. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of any Issuing Bank (as finally determined by a court of competent jurisdiction), such Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, such Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. Any Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. Such Issuing Bank shall promptly notify the Administrative Agent and the Borrower by telephone (confirmed by telecopy) of such demand for payment and whether such Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse such Issuing Bank and the Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If any Issuing Bank shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full on the later of (i) the date when such LC Disbursement is made and (ii) the date upon which the Borrower receives notice of such LC Disbursement pursuant to paragraph (g) above (such later date, the “Interest Commencement Date”), the unpaid amount thereof shall bear interest, for each day from and including the Interest Commencement Date to but excluding the date that reimbursement of such LC Distribution is due pursuant to paragraph (e) of this Section at the rate provided in Section 2.12(a) and, if not so reimbursed on the date due pursuant to such paragraph (e), then from and including such date so due to but excluding the date that the Borrower reimburses such LC Disbursement, at the rate provided in Section 2.12(d). Interest accrued pursuant to this paragraph shall be for the account of such Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to paragraph (e) of this Section, to reimburse such Issuing Bank shall be for the account of such Lender to the extent of such payment.

(i) Replacement of an Issuing Bank. Any Issuing Bank may be replaced at any time by written agreement among the Borrower and the successor Issuing Bank. The Borrower shall notify the Administrative Agent, the replaced Issuing Bank and the Lenders of any such replacement of any Issuing Bank. At the time any such replacement shall become effective, the Borrower shall pay all unpaid fees payable by the Borrower that have accrued for the account of any replaced Issuing Bank pursuant to Section 2.11(b). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term “Issuing Bank” shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of any Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(j) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the Borrower receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with LC Exposure representing greater than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Lenders, an amount in cash equal to the LC Exposure as of such date plus any accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in clause (e) of Section 6.01. Such deposit shall be held by the Administrative

Agent as collateral for the payment and performance of the obligations of the Borrower under this Agreement. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse any Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with LC Exposure representing greater than 50% of the total LC Exposure), be applied to satisfy other obligations of the Borrower under this Agreement. If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrower within three Business Days after all Events of Default have been cured or waived.

SECTION 2.06. Funding of Borrowings. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 noon, New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with the Administrative Agent in New York City and designated by the Borrower in the applicable Borrowing Request or Competitive Bid Request; provided that ABR Revolving Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.05(e) shall be remitted by the Administrative Agent to the applicable Issuing Bank.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the greater of the interest rate applicable to the Loans of the other Lenders included in the applicable Borrowing and a rate determined by the Administrative Agent to equal its cost of funds for funding such amount. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.07. Interest Elections. (a) Each Revolving Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Revolving Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Revolving Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Competitive Borrowings, which may not be converted or continued.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Revolving Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the Borrower.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is to be a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Revolving Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing.

SECTION 2.08. Termination, Reduction and Increase of Commitments. (a) Unless previously terminated, the Commitments shall terminate on the Maturity Date.

(b) The Borrower may at any time terminate, or from time to time reduce, the Commitments; provided that (i) each reduction of the Commitments shall be in an amount that is an integral multiple of \$1,000,000 and not less than \$25,000,000 and (ii) the Borrower shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.10 and reimbursement of LC Disbursements in accordance with Section 2.05(c), the sum of the Revolving Credit Exposures plus the aggregate principal amount of outstanding Competitive Loans would exceed the total Commitments.

(c) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination of the Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

(d) The Borrower may, by written notice to the Administrative Agent, executed by the Borrower and one or more financial institutions (any such financial institution referred to in this Section being called an "Increasing Lender"), which may include any Lender, cause Commitments of the Increasing Lenders to become effective (or, in the case of an Increasing Lender that is an existing Lender, cause its Commitment to be increased, as the case may be) in an amount for each Increasing Lender set forth in such notice; provided that (i) the aggregate amount of all new Commitments and increases in existing Commitments pursuant to this paragraph during the term of this Agreement shall not exceed \$250,000,000, (ii) each Increasing Lender, if not

already a Lender hereunder, shall be subject to the approval of the Administrative Agent (which approval shall not be unreasonably withheld) and (iii) each Increasing Lender, if not already a Lender hereunder, shall become a party to this Agreement by completing and delivering to the Administrative Agent a duly executed accession agreement in a form satisfactory to the Administrative Agent and the Borrower. New Commitments and increases in Commitments pursuant to this Section shall become effective on the date specified in the applicable notices delivered pursuant to this Section. Following any extension of a new Commitment or increase of a Lender's Commitment pursuant to this paragraph, any Revolving Loans outstanding prior to the effectiveness of such increase or extension shall continue outstanding until the ends of the respective Interest Periods applicable thereto, and shall then be repaid or refinanced with new Revolving Loans made pursuant to Section 2.01. Following any increase in the Commitments pursuant to this paragraph, the Borrower will use its reasonable best effort to ensure that, to the extent there are outstanding Revolving Loans, each Lender's outstanding Revolving Loans will be in accordance with such Lender's pro rata portion of the Commitments.

SECTION 2.09. Repayment of Loans; Evidence of Indebtedness. (a) The Borrower hereby unconditionally promises to pay (i) to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Revolving Loan on the Maturity Date and (ii) to the Administrative Agent for the account of each Lender that shall have made any Competitive Loan the then unpaid principal amount of each Competitive Loan of such Lender on the last day of the Interest Period applicable to such Loan.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Class and Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 8.04) be

represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.10. Prepayment of Loans. (a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with paragraph (b) of this Section; provided that the Borrower shall not have the right to prepay any Competitive Loan without the prior consent of the Lender thereof.

(b) The Borrower shall notify the Administrative Agent by telephone (confirmed by teletype) of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Revolving Borrowing, not later than 11:00 a.m., New York City time, one Business Day before the date of prepayment and (ii) in the case of prepayment of an ABR Revolving Borrowing, not later than 11:00 a.m., New York City time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.08, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.08. Promptly following receipt of any such notice relating to a Revolving Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Revolving Borrowing shall be in an amount that would be permitted in the case of an advance of a Revolving Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Revolving Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.12.

SECTION 2.11. Fees. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a facility fee, which shall accrue at the Applicable Rate on the daily amount of the Commitment of such Lender (whether used or unused) during the period from and including the Effective Date to but excluding the date on which such Commitment terminates; provided that, if such Lender continues to have any Revolving Credit Exposure after its Commitment terminates, then such facility fee shall continue to accrue on the daily amount of such Lender's Revolving Credit Exposure from and including the date on which its Commitment terminates to but excluding the date on which such Lender ceases to have any Revolving Credit Exposure. Accrued facility fees shall be payable in arrears on the last day of March, June, September and December of each year and on the Maturity Date, commencing on the first such date to occur after the date hereof; provided that any facility fees accruing after the Maturity Date shall be payable on demand. All facility fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Borrower agrees to pay (i) to the Administrative Agent for the account of each Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the Applicable Rate on the daily amount of the LC Exposure

(excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date on which such Lender's Commitment terminates and the date on which such Lender ceases to have any LC Exposure, and (ii) to the relevant Issuing Bank a fronting fee, which shall accrue at the rate or rates per annum separately agreed upon between the Borrower and such Issuing Bank on the daily amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date of termination of the Commitments and the date on which there ceases to be any LC Exposure, as well as such Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the third Business Day following such last day, commencing on the first such date to occur after the Effective Date, provided that all such fees shall be payable on the date on which the Commitments terminate and any such fees accruing after the date on which the Commitments terminate shall be payable on demand. Any other fees payable by the Borrower to any Issuing Bank pursuant to this paragraph shall be payable within 10 days after demand. All participation and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). In addition to the fees referred to above, each Issuing Bank (i) may collect customary drawing fees from beneficiaries of Letters of Credit issued by it and (ii) may require that Letters of Credit issued by it contain customary provisions for such drawing fees.

(c) The Borrower agrees to pay to the Administrative Agent, for its own account and for the account of the initial Lenders, fees in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(d) All fees payable by the Borrower hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent (or to the relevant Issuing Bank, in the case of fees payable by the Borrower to it) for distribution to the parties entitled thereto. Fees paid by the Borrower shall not be refundable under any circumstances.

SECTION 2.12. Interest. (a) The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest (i) in the case of a Eurodollar Revolving Loan, at the LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate, or (ii) in the case of a Eurodollar Competitive Loan, at the LIBO Rate for the Interest Period in effect for such Borrowing plus (or minus, as applicable) the Margin applicable to such Loan.

(c) Each Fixed Rate Loan shall bear interest at the Fixed Rate applicable to such Loan.

(d) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(e) (i) For so long as any Lender maintains reserves against "Eurocurrency liabilities" (or any other category of liabilities which includes deposits by reference to which the interest rate on Eurodollar Revolving Loans is determined or any category of extensions of credit or other assets which includes loans by a non-United States office of any Lender to United States residents), and as a result the cost to such Lender (or its lending office for Eurodollar Revolving Loans) of making or maintaining its Eurodollar Revolving Loans is increased, then such Lender may require the Borrower to pay, contemporaneously with each payment of interest on any Eurodollar Revolving Loan of such Lender, additional interest on such Eurodollar Revolving Loan for the Interest Period of such Eurodollar Revolving Loan at a rate per annum up to but not exceeding the excess of (A)(x) the applicable LIBO Rate divided by (y) one minus the Statutory Reserve Percentage over (B) the rate specified in the preceding clause (x).

(ii) Any Lender wishing to require payment of additional interest (x) shall so notify the Borrower and the Administrative Agent, in which case such additional interest on the Eurodollar Revolving Loans of such Lender shall be payable to such Lender at the place indicated in such notice with respect to each Interest Period commencing at least three Business Days after the giving of such notice and (y) shall furnish to the Borrower at least five Business Days prior to each date on which interest is payable on the Eurodollar Revolving Loans an officer's certificate setting forth the amount to which such Lender is then entitled under this Section (which shall be consistent with such Lender's good faith estimate of the level at which the related reserves are maintained by it). Each such certificate shall be accompanied by such information as the Borrower may reasonably request as to the computation set forth therein.

(f) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and, in the case of Revolving Loans, upon termination of the Commitments; provided that (i) interest accrued pursuant to paragraph (d) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurodollar Revolving Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(g) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.13. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the LIBO Rate for such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders (or, in the case of a Eurodollar Competitive Loan, the Lender that is required to make such Loan) that the LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or telecopy as promptly as practicable thereafter, but not later than 10:00 A.M. (New York City time) on the first day of such Interest Period, and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Revolving Borrowing to, or continuation of any Revolving Borrowing as, a Eurodollar Borrowing shall be ineffective, (ii) if any Borrowing Request requests a Eurodollar Revolving Borrowing, then, unless the Borrower notifies the Administrative Agent by 12:00 noon (New York City time) on the date of such Borrowing that it elects not to borrow on such date, such Borrowing shall be made as an ABR Borrowing and (iii) any request by the Borrower for a Eurodollar Competitive Borrowing shall be ineffective; provided that if the circumstances giving rise to such notice do not affect all the Lenders, then requests by the Borrower for Eurodollar Competitive Borrowings may be made to Lenders that are not affected thereby.

SECTION 2.14. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Statutory Reserve Percentage) or any Issuing Bank; or

(ii) impose on any Lender or any Issuing Bank or the London interbank market any other condition affecting this Agreement or Eurodollar Loans made by such Lender or any Letter of Credit or participation therein (other than an imposition or change in Taxes, Other Taxes or Excluded Taxes, or any Change in Law relating to capital requirements or the rate of return on capital, with respect to which Section 2.16 and paragraph (b) of this Section, respectively, shall apply);

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining, or reduce the amount receivable by any Lender with respect to, any Eurodollar Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender or such Issuing Bank of participating in, issuing or maintaining any Letter of Credit, then the Borrower will pay to such Lender or such Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Bank, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or any Issuing Bank determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or such Issuing Bank's capital or on the capital of such Lender's or such Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such Issuing Bank, to a level below that which such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such Issuing Bank's policies and the policies of such Lender's or such Issuing Bank's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender or such Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Lender or an Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or such Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender or such Issuing Bank, as the case may be, the amount shown as due on any such certificate within 15 days after receipt thereof.

(d) Failure or delay on the part of any Lender or any Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or such Issuing Bank's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender or an Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender or such Issuing Bank, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or such Issuing Bank's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

(e) Notwithstanding the foregoing provisions of this Section, a Lender shall not be entitled to compensation pursuant to this Section in respect of any

Competitive Loan if the Change in Law that would otherwise entitle it to such compensation shall have been publicly announced prior to submission of the Competitive Bid pursuant to which such Loan was made.

SECTION 2.15. Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan or Fixed Rate Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurodollar Revolving Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.10(b) and is revoked in accordance therewith), (d) the failure to borrow any Competitive Loan after accepting the Competitive Bid to make such Loan, or (e) the assignment of any Eurodollar Loan or Fixed Rate Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.18, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event which, in the reasonable judgment of such Lender, such Lender (or an existing or prospective participant in a related Loan) incurred, including any loss incurred in obtaining, liquidating or employing deposits from third parties, but excluding loss of margin for the period after any such payment. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 15 days after receipt thereof.

SECTION 2.16. Taxes. (a) Any and all payments by or on account of any obligation of the Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if the Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent, Lender or Issuing Bank (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify the Administrative Agent, each Lender and any Issuing Bank, within 15 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent, such Lender or such Issuing Bank, as the case may be, on or with respect to any payment by or on account of any obligation of the Borrower hereunder (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with

respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; provided, that the Borrower shall not be obligated to make payment to such Lender or Administrative Agent for penalties, interest or expenses attributable to the gross negligence or willful misconduct of such Lender or Administrative Agent. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or an Issuing Bank, or by the Administrative Agent on its own behalf or on behalf of a Lender or an Issuing Bank, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law or reasonably requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate, provided that such Foreign Lender has received written notice from the Borrower advising it of the availability of such exemption or reduction and containing all applicable documentation.

(f) If the Administrative Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section, it shall pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that the Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This Section shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower or any other Person.

SECTION 2.17. Payments Generally; Pro Rata Treatment; Sharing of Set-offs. (a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of

amounts payable under Section 2.14, 2.15 or 2.16, or otherwise) on the date when due, in immediately available funds, without set-off or counterclaim, and the Borrower agrees to instruct its bank which will be transmitting such funds with respect to such payments not later than 10:00 A.M. (New York City time) on the date when due. All such payments shall be made to the Administrative Agent at its offices at 270 Park Avenue, New York, New York, except payments to be made directly to an Issuing Bank as expressly provided herein and except that payments pursuant to Sections 2.14, 2.15, 2.16 and 8.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due from the Borrower hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due from the Borrower hereunder, ratably among the parties entitled thereto in accordance with the amounts of such interest and fees then due to such parties, and (ii) second, towards payment of principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Revolving Loans or participations in LC Disbursements resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Revolving Loans and participations in LC Disbursements and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Revolving Loans and participations in LC Disbursements of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Revolving Loans and participations in LC Disbursements; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or any Issuing Bank hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or such Issuing Bank, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or such Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or such Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.05(d) or (e), 2.06(b) or 2.17(d), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

SECTION 2.18. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Section 2.14, or additional interest under Section 2.12(e) or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.14, 2.12(e) or 2.16, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender requests compensation under Section 2.15, or additional interest under Section 2.12(e), or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, or if any Lender defaults in its obligation to fund Loans hereunder, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 8.04), all its interests, rights and obligations under this Agreement (other than any outstanding Competitive

Loans held by it) to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent (and, if a Commitment is being assigned, the relevant Issuing Bank), which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans (other than Competitive Loans) and participations in LC Disbursements, accrued interest thereon, accrued fees and all other amounts, in each case payable to it by the Borrower hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15, additional interest under Section 2.12(e) or payments required to be made pursuant to Section 2.17, such assignment will result in a material reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

(c) In connection with any proposed amendment, modification or waiver of or with respect to any provision of this Agreement (a "Proposed Change") requiring the consent of all Lenders, if the consent of the Required Lenders to such Proposed Change is obtained, but the consent to such Proposed Change of other Lenders whose consent is required is not obtained (any such Lender whose consent is not obtained as described in this Section 2.18(c) being referred to as a "Non-Consenting Lender"), then the Borrower may, at its sole expense and effort, upon notice to each Non-Consenting Lender and the Administrative Agent, require each Non-Consenting Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 8.04) all its interests, rights and obligations under this Agreement (other than any outstanding Competitive Loans held by it) to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not be unreasonably withheld, (ii) such Non-Consenting Lender shall have received payment of an amount equal to the outstanding principal of its Loans (other than Competitive Loans), accrued interest thereon, accrued fees and all other amounts, in each case payable to it by the Borrower hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) the Borrower shall not be permitted to require any Non-Consenting Lender to make any such assignment unless all Non-Consenting Lenders are required to make such assignments and, as a result thereof, the Proposed Change will become effective.

ARTICLE III

Representations and Warranties

The Borrower represents and warrants to the Lenders that:

SECTION 3.01. Corporate Existence and Power. The Borrower is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has all corporate power and authority required to carry on its business as now conducted.

SECTION 3.02. Corporate and Governmental Authorization; No Contravention. The execution, delivery and performance by the Borrower of this Agreement and the Transactions are within the Borrower's corporate power, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any governmental body, agency or official (other than the filing of reports with the Securities and Exchange Commission) and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the certificate of incorporation or bylaws of the Borrower or of any agreement, judgment, injunction, order, decree or other instrument binding upon the Borrower.

SECTION 3.03. Binding Effect. This Agreement has been duly executed and delivered by the Borrower and constitutes a valid and binding obligation of the Borrower, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.04. Financial Information. (a) The consolidated balance sheet of the Borrower and the Subsidiaries and the related consolidated statements of income, shareholders' equity and cash flows as of and for (i) Fiscal Year 2003, reported on by Ernst & Young LLP and set forth in the Borrower's Annual Report on Form 10-K for Fiscal Year 2003, a copy of which has been delivered to each of the Lenders, and (ii) the second fiscal quarter of Fiscal Year 2004, certified by a Financial Officer, in each case fairly present, in conformity with GAAP (except, in the case of the financial statements referred to in clause (ii) above, for normal year-end adjustments and the absence of footnotes), the consolidated financial position of the Borrower and the Subsidiaries as of such date and their consolidated results of operations and cash flows for such Fiscal Year or portion of such Fiscal Year, as applicable.

(b) From January 31, 2004 to the date hereof or any Test Date, there has been no material adverse change in the business, financial position or results of operations of the Borrower and the Consolidated Subsidiaries, considered as a whole.

SECTION 3.05. Litigation and Environmental Matters. (a) There is no action, suit or proceeding pending against, or to the knowledge of the Borrower threatened against or affecting, the Borrower or any Consolidated Subsidiaries before any

court or arbitrator or any governmental body, agency or official in which there is, in the good faith judgment of the Borrower (which shall be conclusive), a reasonable possibility of an adverse decision which could materially adversely affect the business, consolidated financial position or consolidated results of operations of the Borrower and the Consolidated Subsidiaries considered as a whole, or which in any manner draws into question the validity or enforceability of this Agreement.

(b) Except for the Disclosed Matters and except with respect to any other matters that, individually or in the aggregate, are not reasonably expected in the good faith judgment of the Borrower (which shall be conclusive) to materially adversely affect the business, financial position or results of operations of the Borrower and the Consolidated Subsidiaries considered as a whole, neither the Borrower nor any of the Consolidated Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

(c) Since the date of this Agreement, there has been no change in the status of the Disclosed Matters that, individually or in the aggregate in the good faith judgment of the Borrower (which shall be conclusive), has resulted in a material adverse effect on the business, financial position or results of operations of the Borrower and the Consolidated Subsidiaries considered as a whole.

SECTION 3.06. Subsidiaries. Each of the Consolidated Subsidiaries is a corporation duly incorporated, validly existing and, to the extent applicable, in good standing under the laws of its jurisdiction of incorporation, and has all corporate power and authority required to carry on its business as now conducted except to the extent that the failure of any such Consolidated Subsidiary to be so incorporated, existing or in good standing or to have such power and authority is not reasonably expected by the Borrower to have a material adverse effect on the business, financial position or results of operations of the Borrower and the Consolidated Subsidiaries considered as a whole.

SECTION 3.07. Not an Investment Company. The Borrower is not an “investment company” within the meaning of the Investment Company Act of 1940, as amended.

SECTION 3.08. ERISA. The Borrower and its ERISA Affiliates (a) have fulfilled their material obligations under the minimum funding standards of ERISA and the Code with respect to each Plan, (b) are in compliance in all material respects with the presently applicable provisions of ERISA and the Code and (c) have not incurred any liability in excess of \$100,000,000 to the PBGC or a Plan under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA; provided, that this sentence shall not apply to (i) any ERISA Affiliate as described in Section 414(m) of the Code (other than the Borrower or a Subsidiary) or any Plan maintained by such an ERISA Affiliate or (ii) any Multiemployer Plan. The Borrower and its Subsidiaries have made all material payments to Multiemployer Plans which they have been required to make under the related collective bargaining agreement or applicable law.

SECTION 3.09. Taxes. The Borrower and its Subsidiaries have filed all United States federal income tax returns and all other material tax returns which, in the opinion of the Borrower, are required to be filed by them and have paid all taxes due pursuant to such returns or pursuant to any assessment received by the Borrower or any Subsidiary, except for assessments which are being contested in good faith by appropriate proceedings. The charges, accruals and reserves on the books of the Borrower and its Subsidiaries in respect of taxes or other governmental charges are, in the opinion of the Borrower, adequate.

SECTION 3.10. Disclosure. The Information Memorandum, the financial statements delivered pursuant to Section 5.01(a)(i) and (ii), the registration statements delivered pursuant to Section 5.01(a)(vi) (in each case in the form in which such registration statements were declared effective, as amended by any post-effective amendments thereto) and the reports on Forms 10-K, 10-Q and 8-K delivered pursuant to Section 5.01(a)(vi), do not, taken as a whole and in each case as of the date thereof, contain any material misstatement of fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

ARTICLE IV

Conditions

SECTION 4.01. Effective Date. The obligations of the Lenders to make Loans and of any Issuing Bank to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 8.02):

(a) The Administrative Agent (or its counsel) shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include telecopy transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent shall have received a written opinion (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of each of (i) Samuel P. Fried, Esq., General Counsel of the Borrower, and (ii) Davis Polk & Wardwell, counsel for the Borrower, substantially in the form of Exhibits B-1 and B-2, respectively, and covering such other matters relating to the Borrower, this Agreement or the Transactions as the Required Lenders shall reasonably request. The Borrower hereby requests such counsel to deliver such opinions.

(c) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the Borrower, the authorization of the Transactions and any other legal matters relating to the Borrower, this Agreement or the Transactions, all in form and substance satisfactory to the Administrative Agent and its counsel.

(d) The Administrative Agent shall have received a certificate, dated the Effective Date and signed by the President, a Vice President or a Financial Officer of the Borrower, confirming compliance with the conditions set forth in paragraphs (a) and (b) of Section 4.02.

(e) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder.

(f) The Administrative Agent shall have received evidence satisfactory to it of the termination of lending commitments under, and the payment of all amounts outstanding under, the Credit Agreement dated as of July 13, 2001, among the Borrower, the banks party thereto and JPMorgan Chase Bank (as successor to The Chase Manhattan Bank), as administrative agent.

(g) The Administrative Agent shall have received all documentation and other information reasonably requested by it to satisfy the requirements of bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the USA Patriot Act.

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding. Notwithstanding the foregoing, the obligations of the Lenders to make Loans and of any Issuing Bank to issue Letters of Credit hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 8.02) at or prior to 3:00 p.m., New York City time, on December 30, 2004 (and, in the event such conditions are not so satisfied or waived, the Commitments shall terminate at such time).

SECTION 4.02. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of any Issuing Bank to issue, amend, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Borrower set forth in this Agreement shall be true and correct on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable (except to the extent that any such representation or warranty expressly relates to a specified date or dates, in which case such representation or warranty shall be true and correct as of such specified date or dates).

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default shall have occurred and be continuing.

Each Borrowing and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

ARTICLE V

Covenants

The Borrower agrees that, so long as any Lender has any Commitment hereunder or any amount payable hereunder remains unpaid:

SECTION 5.01. Information. (a) The Borrower will deliver to the Administrative Agent and each of the Lenders:

(i) as soon as available and in any event within 120 days after the end of each Fiscal Year, the Annual Report of the Borrower on Form 10-K for such Fiscal Year, containing financial statements reported on in a manner acceptable to the Securities and Exchange Commission by Ernst & Young LLP or other independent public accountants of nationally recognized standing selected by the Borrower;

(ii) as soon as available and in any event within 60 days after the end of each of the first three quarters of each Fiscal Year, a copy of the Borrower's report on Form 10-Q for such quarter with the financial statements therein contained to be certified (subject to normal year end adjustments) as to fairness of presentation, generally accepted accounting principles (except footnotes) and consistency, by a Financial Officer;

(iii) simultaneously with the delivery of each set of financial statements referred to in clauses (a) and (b) above, a certificate of a Financial Officer (1) setting forth in reasonable detail the calculations required to establish whether the Borrower was in compliance with the requirements of Sections 5.06 and 5.07 on the date of such financial statements and (2) stating whether, to the best knowledge of such Financial Officer, any Default exists on the date of such certificate and, if any Default then exists, setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(iv) simultaneously with the delivery of each set of financial statements referred to in clause (a) above, a statement of the firm of independent public accountants which reported on such statements whether anything has come to their attention to cause them to believe that any Default existed on the date of such statements (insofar as such pertains to accounting matters);

(v) promptly upon the mailing thereof to the stockholders of the Borrower generally, copies of all financial statements, reports and proxy statements so mailed;

(vi) promptly upon the filing thereof, copies of all registration statements (other than the exhibits, thereto and any registration statements on Form S-8 or its equivalent) and reports on Forms 10-K, 10-Q and 8-K (or their equivalents) which the Borrower shall have filed with the Securities and Exchange Commission;

(vii) within four Business Days of any executive officer of the Borrower or any Financial Officer obtaining knowledge of any condition or event recognized by such officer to be a Default, a certificate of a Financial Officer setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(viii) if and when any executive officer of the Borrower or any Financial Officer obtains knowledge that any ERISA Affiliate (1) has given or is required to give notice to the PBGC of any “reportable event” (as defined in Section 4043 of ERISA) with respect to any Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that the plan administrator of any Plan has given or is required to give notice of any such reportable event, a copy of the notice of such reportable event given or required to be given to the PBGC, (2) has received notice of complete or partial withdrawal liability under Title IV of ERISA, a copy of such notice or (3) has received notice from the PBGC under Title IV of ERISA of an intent to terminate or appoint a trustee to administer any Plan, a copy of such notice; and

(ix) from time to time such additional information regarding the financial position or business of the Borrower and Subsidiaries as the Administrative Agent, at the request of any Lender, may reasonably request.

(b) Certificates delivered pursuant to this Section shall be signed manually or shall be copies of a manually signed certificate.

SECTION 5.02. Maintenance of Properties. The Borrower will, and will cause each Consolidated Subsidiary to, maintain and keep in good condition, repair and working order all properties used or useful in the conduct of its business and supply such properties with all necessary equipment and make all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Borrower may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided that nothing in this Section shall prevent the Borrower or any Consolidated Subsidiary from discontinuing the operation and maintenance of any of such properties if such discontinuance is, in the judgment of the Borrower, desirable in the conduct of the business of the Borrower or such Consolidated Subsidiary, as the case may be, and not disadvantageous in any material respect to the Lenders.

SECTION 5.03. Maintenance of Insurance. The Borrower will, and will cause each Consolidated Subsidiary to, insure and keep insured, with reputable insurance companies, so much of its properties and such of its liabilities for bodily injury or property damage, to such an extent and against such risks (including fire), as companies engaged in similar businesses customarily insure properties and liabilities of a similar character; or, in lieu thereof, the Borrower will maintain, or cause each Consolidated Subsidiary to maintain, a system or systems of self-insurance which will be in accord with the customary practices of companies engaged in similar businesses in maintaining such systems.

SECTION 5.04. Preservation of Corporate Existence. The Borrower shall preserve and maintain its corporate existence, rights, franchises and privileges in the State of Delaware or in any other State of the United States which it shall select as its jurisdiction of incorporation, and qualify and remain qualified as a foreign corporation in each jurisdiction in which such qualification is necessary, except such jurisdictions, if any, where the failure to preserve and maintain its corporate existence, rights, franchises and privileges, or qualify or remain qualified will not have a material adverse effect on the business or property of the Borrower.

SECTION 5.05. Inspection of Property, Books and Records. The Borrower will, and will cause each Consolidated Subsidiary to, make and keep books, records and accounts in which transactions are recorded as necessary to (a) permit preparation of the Borrower's consolidated financial statements in accordance with generally accepted accounting principles and (b) otherwise comply with the requirements of Section 13(b)(2) of the Securities Exchange Act of 1934 as in effect from time to time. At any reasonable time during normal business hours and from time to time, the Borrower will permit the Administrative Agent or any of the Lenders or any agents or representatives thereof at their expense (to the extent not in violation of applicable law) to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Borrower and any Consolidated Subsidiaries and to discuss the affairs, finances and accounts of the Borrower and any Consolidated Subsidiaries with any of their respective officers or directors. Any information obtained pursuant to this Section or Section 5.01(a) shall be subject to Section 8.12.

SECTION 5.06. Fixed Charge Coverage Ratio. The Borrower will not permit the ratio of Consolidated EBITDAR to Consolidated Fixed Charges for any period of four consecutive fiscal quarters to be less than 1.75 to 1.00.

SECTION 5.07. Debt to Consolidated EBITDAR. The Borrower will not permit the ratio of Consolidated Debt as of any date to Consolidated EBITDAR for the period of four consecutive fiscal quarters ended on such date (or, if such date is not the last day of a fiscal quarter of the Borrower, then for the period of four consecutive fiscal quarters of the Borrower most recently ended prior to such date) to exceed 4.00 to 1.

SECTION 5.08. Limitations on Liens. The Borrower will not, and will not permit any Consolidated Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

- (a) Permitted Encumbrances;

(b) any Lien on any property or asset of the Borrower or any Consolidated Subsidiary existing on the date hereof and set forth in Schedule 5.08; provided that (i) such Lien shall not apply to any other property or asset of the Borrower or any Consolidated Subsidiary and (ii) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(c) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Consolidated Subsidiary or existing on any property or asset of any Person that becomes a Consolidated Subsidiary after the date hereof prior to the time such Person becomes a Consolidated Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Consolidated Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Borrower or any Consolidated Subsidiary and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Consolidated Subsidiary, as the case may be, and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(d) Liens on fixed or capital assets acquired, constructed or improved by the Borrower or any Consolidated Subsidiary; provided that (i) with respect to a Consolidated Subsidiary, such security interests secure Indebtedness permitted by Section 5.10, (ii) such security interests and the Indebtedness secured thereby are incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement (or are incurred to extend, renew or replace security interests and Indebtedness previously incurred in compliance with this clause), (iii) the Indebtedness secured thereby does not exceed the cost of acquiring, constructing or improving such fixed or capital assets and (iv) such security interests shall not apply to any other property or assets of the Borrower or any Consolidated Subsidiary; and

(e) other Liens securing obligations in an aggregate principal amount not exceeding \$400,000,000.

SECTION 5.09. Compliance with Laws. The Borrower will, and will cause each Consolidated Subsidiary to, comply in all material respects with all applicable laws, ordinances, rules, regulations, and requirements of governmental authorities (including ERISA and the rules and regulations thereunder), except to the extent that (a) the necessity of compliance therewith is contested in good faith by appropriate proceedings or (b) the failure to so comply would not result in any material adverse effect on the business, financial condition or results of operations of the Borrower and Consolidated Subsidiaries taken as a whole.

SECTION 5.10. Limitations on Subsidiary Indebtedness. The Borrower will not permit any Consolidated Subsidiary to create, incur, assume or suffer to exist any Indebtedness except:

(a) Indebtedness of any Consolidated Subsidiary which is, or the direct or indirect parent of which is, acquired by the Borrower or any other Consolidated Subsidiary after the Effective Date, which Indebtedness is in existence at the time such Consolidated Subsidiary (or parent) is so acquired; provided such Indebtedness was not created at the request or with the consent of the Borrower or any Subsidiary, and such Indebtedness may not be extended other than pursuant to the terms thereof as in existence at the time such Consolidated Subsidiary (or parent) was acquired; and

(b) other Indebtedness in an aggregate principal amount for all Consolidated Subsidiaries (excluding any Non-Recourse ETC Debt) not exceeding \$225,000,000.

SECTION 5.11. Transactions with Affiliates. The Borrower will not, and will not permit any of its Consolidated Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) at prices and on terms and conditions not less favorable to the Borrower or such Consolidated Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) any transaction determined by a majority of the disinterested directors of the Borrower's board of directors to be fair to the Borrower and its Subsidiaries, (c) transactions between or among the Borrower and its Consolidated Subsidiaries not involving any other Affiliate and (d) any transaction with respect to which neither the fair market value of the related property or assets, nor the consideration therefor, exceeds \$5,000,000.

SECTION 5.12. Consolidations, Mergers and Sales of Assets. The Borrower will not (a) consolidate or merge with or into any other Person, (b) liquidate or dissolve or (c) sell, lease or otherwise transfer all or any substantial part of the assets of the Borrower and its Consolidated Subsidiaries, taken as a whole, to any other Person; provided that the Borrower may merge with another Person if (i) the corporation surviving the merger is the Borrower or a corporation organized under the laws of a State of the United States into which the Borrower desires to merge for the purpose of becoming incorporated in such State (in which case such corporation shall assume all of the Borrower's obligations under this Agreement by an agreement satisfactory to the Required Lenders (and the Required Lenders shall not unreasonably withhold their consent to the form of such agreement) and shall deliver to the Administrative Agent and the Lenders such legal opinions and other documents as the Administrative Agent may reasonably request to evidence the due authorization, validity and binding effect thereof) and (ii) immediately after giving effect to such merger, no Default shall have occurred

and be continuing; and provided further that the foregoing shall not be construed to prohibit any Minority Interest Disposition or any other sale, lease or other transfer of assets (including by means of dividends, share repurchases or recapitalizations) that does not involve all or any substantial part of the assets of the Borrower and its Consolidated Subsidiaries taken as a whole.

SECTION 5.13. Use of Proceeds. The Borrower will use the proceeds of the Loans for general corporate purposes (including, without limitation, repurchases of, and dividends on, its equity securities).

ARTICLE VI

Events of Default and Remedies

SECTION 6.01. Events of Default. Any of the following shall be an “Event of Default”:

(a) The Borrower shall fail to make any payment of principal of or interest on any Loan or any obligation in respect of any LC Disbursement when due or to pay any fees or other amounts payable by it hereunder when due, and such failure remains unremedied for three Business Days after the Borrower’s actual receipt of notice of such failure from the Administrative Agent at the request of any Lender;

(b) Any statement of fact or representation made or deemed to be made by the Borrower in this Agreement or by the Borrower or any of its officers in any certificate delivered pursuant to this Agreement shall prove to have been incorrect in any material respect when made or deemed made, and, if the consequences of such representation or statement being incorrect shall be susceptible of remedy in all material respects, such consequences shall not be remedied in all material respects within 30 days after any executive officer of the Borrower or any Financial Officer first becomes aware of or is advised that such representation or statement was incorrect in a material respect;

(c) The Borrower shall fail to comply with any of the provisions of Sections 5.06 or 5.07 and, if the consequences of such failure shall be susceptible of remedy in all material respects, such consequences shall not be remedied in all material respects within 20 days after any executive officer of the Borrower or any Financial Officer first becomes aware or is advised of such failure to comply;

(d) (i) The Borrower or any Consolidated Subsidiary shall fail to pay principal of or interest on any Material Indebtedness and the longer of any periods within which the Borrower or such Consolidated Subsidiary shall be allowed to cure such nonpayment shall have elapsed, or 10 days shall have passed since such failure, in either case without curing such nonpayment or (ii) any event or condition shall occur which enables the holder of any Material Indebtedness or any Person acting on such holder’s behalf to accelerate the maturity thereof, and the longer of any periods within which the Borrower or such Consolidated Subsidiary shall be allowed to cure such condition or event shall have elapsed, or

10 days shall have passed since the occurrence of such event or condition, in either case without curing such event or condition, provided no Default under this clause (d) shall be deemed to occur if (1) at the time the relevant event or condition described in this clause (d) occurs, the Borrower's Index Debt is rated (A) Baa3 or better by Moody's and BBB- or better by S&P, if both Moody's and S&P shall have in effect a rating for the Borrower's Index Debt, or (B) Baa3 or better by Moody's or BBB- or better by S&P, if both Moody's and S&P shall not have in effect a rating for the Borrower's Index Debt, (2) the Borrower's Index Debt does not cease to have the ratings described in clause (1) above for reasons attributable to the relevant event or condition described in this clause (d), and (3) all Material Indebtedness that is affected by any event or condition described in this clause (d) is either (A) owed by a Consolidated Subsidiary not incorporated under the laws of any State of the United States, the District of Columbia or Canada or any province thereof, or (B) permitted under clause (a) of Section 5.10;

(e) The Borrower or any Consolidated Subsidiary shall (i) make a general assignment for the benefit of creditors, (ii) apply for or consent (by admission of material allegations of a petition or otherwise) to the appointment of a receiver, custodian, trustee or liquidator of the Borrower or any Consolidated Subsidiary or any substantial part of the properties of the Borrower or any Consolidated Subsidiary or authorize such application or consent, or proceedings seeking such appointment shall be commenced without such authorization, consent or application against the Borrower or any Consolidated Subsidiary and continue undismissed for 30 days (or if such dismissal of such unauthorized proceedings cannot reasonably be obtained within such 30 day period, the Borrower or any Consolidated Subsidiary shall fail either to proceed with due diligence to seek to obtain dismissal within such 30 day period or to obtain dismissal within 60 days), (iii) authorize or file a voluntary petition in bankruptcy, suffer an order for relief under any federal bankruptcy law, or apply for or consent (by admission of material allegations of a petition or otherwise) to the application of any bankruptcy, reorganization, arrangement, readjustment of debt, insolvency, dissolution, liquidation or other similar law of any jurisdiction, or authorize such application or consent, or proceedings to such end shall be instituted against the Borrower or any Consolidated Subsidiary without such authorization, application or consent which are not vacated within 30 days from the date thereof (or if such vacation cannot reasonably be obtained within such 30 day period, the Borrower shall fail either to proceed with due diligence to seek to obtain vacation within such 30 day period or to obtain vacation within 60 days), (iv) permit or suffer all or any substantial part of its properties to be sequestered, attached, or subjected to a Lien (other than a Lien expressly permitted by the exceptions to Section 5.08) through any legal proceeding or distraint which is not vacated within 30 days from the date thereof (or if such vacation cannot reasonably be obtained within such 30 day period, the Borrower shall fail either to proceed with due diligence to seek to obtain vacation within such 30 day period or to obtain vacation within 60 days), (v) generally not pay its debts as such debts become due or admit in writing its inability to do so, or (vi) conceal, remove, or permit to be concealed or removed, any material part of its property, with intent to hinder, delay or defraud

its creditors or any of them; provided, however, that the foregoing events will not constitute an Event of Default if such events occur with respect to any Subsidiary which is: (1) a Consolidated Subsidiary not incorporated under the laws of any State of the United States, the District of Columbia or Canada or any province thereof and not engaged in the retail business, if the aggregate Value of the Borrower's and all Consolidated Subsidiaries' investments in and advances to such Consolidated Subsidiary and all such other Consolidated Subsidiaries to which these tests are being applied within a period of 18 months ending on the date of determination, does not exceed \$100,000,000, or (2) a Consolidated Subsidiary incorporated under the laws of any State of the United States, the District of Columbia or Canada or any province thereof and not engaged in the retail business, if (A) at the time the relevant event or condition described in this clause (e) occurs, the Borrower's Index Debt is rated (x) Baa3 or better by Moody's and BBB- or better by S&P, if both Moody's and S&P shall have in effect a rating for the Borrower's Index Debt, or (y) Baa3 or better by Moody's or BBB- or better by S&P, if both Moody's and S&P shall not have in effect a rating for the Index Debt, (B) the Borrower's Index Debt does not cease to have the rankings described in clause (A) above for reasons attributable to the relevant event or condition described in this clause (e) and (C) the aggregate Value of the Borrower's and all Consolidated Subsidiaries' investments and advances to such Consolidated Subsidiary and all other such Consolidated Subsidiaries to which these tests are being applied within a period of 18 months ending on the date of determination, does not exceed \$50,000,000;

(f) The Borrower or any ERISA Affiliate shall fail to pay when due an amount or amounts aggregating in excess of \$50,000,000 which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA; or notice of intent to terminate a Plan or Plans having aggregate Unfunded Liabilities in excess of \$100,000,000 (collectively a "Material Plan") shall be filed under Title IV of ERISA by the Borrower or any ERISA Affiliate, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate or to cause a trustee to be appointed to administer any Material Plan or a proceeding shall be instituted by a fiduciary of any Material Plan against the Borrower or any ERISA Affiliate to enforce Section 515 or 4219(c)(5) of ERISA and such proceeding shall not have been dismissed within 30 days thereafter; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated;

(g) The Borrower shall fail to perform or observe in any material respect any other term, covenant or agreement contained in this Agreement (including without limitation Section 5.01) on its part to be performed or observed and any such failure remains unremedied for 30 days after the Borrower shall have received written notice thereof from the Administrative Agent at the request of any Lender;

(h) a Change in Control shall occur; or

(i) one or more judgments for the payment of money in an aggregate amount in excess of \$100,000,000, exclusive of amounts covered by third party insurance, shall be rendered against the Borrower, any Consolidated Subsidiary or any combination thereof and the same shall remain undischarged for a period of 60 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or any Consolidated Subsidiary to enforce any such judgment; provided that in calculating the amounts covered by third party insurance, amounts covered by third party insurance shall not include amounts for which the third party insurer has denied liability.

SECTION 6.02. Remedies. If any Event of Default shall occur and be continuing, the Administrative Agent shall (a) if requested by the Required Lenders, by notice to the Borrower terminate the Commitments and they shall thereupon terminate, and (b) if requested by Lenders holding more than 50% of the aggregate unpaid principal amount of the Loans, by notice to the Borrower declare the Loans (together with accrued interest thereon and all other amounts payable by the Borrower hereunder) to be, and the Loans (together with accrued interest thereon and all other amounts payable by the Borrower hereunder) shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; provided that in the case of any of the bankruptcy Events of Default specified in Section 6.01(e) with respect to the Borrower, without any notice to the Borrower or any other act by the Administrative Agent or the Lenders, the Commitments shall thereupon terminate and the Loans (together with accrued interest thereon and all other amounts payable by the Borrower hereunder) shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

SECTION 6.03. Notice of Default. The Administrative Agent shall give notice to the Borrower under Section 6.01(a) or 6.01(g) promptly upon being requested to do so by any Lender and shall thereupon notify all the Lenders thereof.

ARTICLE VII

The Administrative Agent

Each of the Lenders and any Issuing Bank hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto.

The bank serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Administrative Agent is required to exercise in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 8.02), and (c) except as expressly set forth herein, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 8.02) or in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such

sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders, any Issuing Bank and the Borrower. Upon any such resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders and any Issuing Bank, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 8.03 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder. The Joint Lead Arrangers and Joint Bookrunners and Co-Syndication Agents (each as identified on the cover page of this Agreement), in their capacities as such, shall have no rights, powers, duties, liabilities, fiduciary relationships or obligations under this Agreement or any of the other documents related hereto.

ARTICLE VIII

Miscellaneous

SECTION 8.01. Notices. Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to the last paragraph of this section), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(a) if to the Borrower, to it at Three Limited Parkway, P.O. Box 16000, Columbus, Ohio 43216, Attention of Assistant Treasurer (Telecopy No. (614) 415-7060);

(b) if to the Administrative Agent, to JPMorgan Chase Bank, Loan and Agency Services Group, 1111 Fannin Street, Houston, Texas 77002, Attention of Cherry Arnaez (Telecopy No. (713) 750-2782), with a copy to JPMorgan Chase Bank, 270 Park Avenue, New York, New York 10017, Attention of Ruby Tulloch (Telecopy No. (212) 270-6937);

(c) if to an Issuing Bank, as applicable, to it at JPMorgan Chase Bank, Attention of Mary McCormack (Telecopy No. (212) 552-5650) or to it at its address (or telecopy number) specified in writing to the Borrower and the Administrative Agent in accordance with this Section 8.01; and

(d) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

SECTION 8.02. Waivers; Amendments. (a) No failure or delay by the Administrative Agent, any Issuing Bank or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, any Issuing Bank and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable by the Borrower hereunder, without the written consent of each Lender affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any interest thereon, or any fees payable by the Borrower hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby, (iv) change Section 2.17(b) or (c) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, or (v) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent or any Issuing Bank hereunder without the prior written consent of the Administrative Agent or any Issuing Bank, as the case may be. Notwithstanding the foregoing, any provision of this Agreement may be amended by an agreement in writing entered into by the Borrower, the Required Lenders and the Administrative Agent (and, if their rights or obligations are affected thereby, any Issuing Bank) if (i) by the terms of such agreement the Commitment of each Lender not consenting to the amendment provided for therein shall terminate upon the effectiveness of such amendment and (ii) at the time such amendment becomes effective, each Lender not consenting thereto receives payment in full of the principal of and interest accrued on each Loan made by it and all other amounts owing to it or accrued for its account under this Agreement.

SECTION 8.03. Expenses; Indemnity; Damage Waiver. (a) The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of a single counsel for the Administrative Agent, in connection with the syndication of the credit facilities provided for herein, the preparation and administration of this Agreement or any amendments, modifications or waivers of the provisions hereof (whether or not the transactions contemplated hereby or thereby shall be consummated) and (ii) if an Event of Default occurs, all reasonable out-of-pocket expenses incurred by the Administrative Agent, any Issuing Bank or any Lender, including the fees, charges and disbursements of any counsel for the Administrative Agent, any Issuing Bank or any Lender, in connection with the enforcement or protection of its rights in connection with this Agreement.

(b) The Borrower shall indemnify the Administrative Agent, any Issuing Bank and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the

reasonable fees, charges and disbursements of any counsel for any Indemnitee in connection with any investigative, administrative or judicial proceeding, whether or not such Indemnitee shall be designated a party thereto, which may be incurred by any Indemnitee, relating to or arising out of any actual or proposed use of proceeds of Loans hereunder for the purpose of acquiring equity securities of any Person; provided, that no Indemnitee shall have the right to be indemnified hereunder (i) with respect to the acquisition of equity securities of a wholly-owned Subsidiary, or of a Person who prior to such acquisition did not conduct any business, or (ii) for its own gross negligence or willful misconduct.

(c) To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent or any Issuing Bank under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent or such Issuing Bank, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent or such Issuing Bank in its capacity as such.

(d) To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof; provided that the foregoing waiver shall not apply to special, indirect or consequential damages (but shall apply to punitive damages) attributable to the failure of a Lender to fund Loans, when required to do so hereunder, promptly after the receipt of notice of such failure.

(e) All amounts due under this Section shall be payable promptly after written demand therefor.

SECTION 8.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), except that (i) other than pursuant to a merger permitted under Section 5.12, the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, any Issuing Bank and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld) of:

(A) the Borrower; provided that no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee;

(B) the Administrative Agent; and

(C) each Issuing Bank.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$10,000,000 unless each of the Borrower and the Administrative Agent otherwise consents; provided that no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement; provided that this clause shall not apply to rights in respect of outstanding Competitive Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

For purposes of this Section 8.04(b), the term "Approved Fund" has the following meaning:

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by a Lender, an Affiliate of a Lender or an entity or an Affiliate of an entity that administers or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.14, 2.15, 2.16 and 8.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 8.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, the Administrative Agent, any Issuing Bank and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, any Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) (i) Any Lender may, without the consent of the Borrower, the Administrative Agent or any Issuing Bank, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent, any Issuing Bank and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clause (i), (ii), (iii) or (iv) of the first proviso to Section 8.02(b) that affects such Participant. Subject to paragraph (c)(ii) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.14, 2.15 and 2.16 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 8.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.17(c) as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.14 or 2.16 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.16 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.16(e) as though it were a Lender.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 8.05. Survival. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, any Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.14, 2.15, 2.16 and 8.03 and Article VII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

SECTION 8.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and any separate letter agreements with respect to fees payable to the Administrative Agent and the initial Lenders constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 8.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 8.08. Right of Setoff. If any Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of the Borrower against any and all the obligations then due of the Borrower now or hereafter existing under this Agreement held by such Lender. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 8.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees, to the fullest extent permitted under applicable law, that all claims in respect of any such action or proceeding may be heard and determined in such New York State or Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on

the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent, any Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against the Borrower or its properties in the courts of any jurisdiction.

(c) The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 8.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 8.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 8.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 8.12. Confidentiality. Each of the Administrative Agent, any Issuing Bank and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or

the enforcement of rights hereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, (g) with the consent of the Borrower or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent, any Issuing Bank or any Lender on a nonconfidential basis from a source other than the Borrower. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Administrative Agent, any Issuing Bank or any Lender on a nonconfidential basis prior to disclosure by the Borrower. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 8.13. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 8.14. Collateral. Each of the Lenders represents to the Administrative Agent and each of the other Lenders that it in good faith is not relying upon any "margin stock" (as defined in Regulation U of the Board) as collateral in the extension or maintenance of the credit provided for in this Agreement. In addition, the Borrower will not use or permit any proceeds of the Loans to be used in any manner which would violate or cause any Lender to be in violation of Regulation U of the Board.

SECTION 8.15. USA Patriot Act. Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act") it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Patriot Act.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

LIMITED BRANDS, INC.,

by _____

Name: Timothy J. Faber
Title: Vice President-Treasury and M&A

JPMORGAN CHASE BANK, individually and as
Administrative Agent,

by _____

Name:
Title:

BANK OF AMERICA, N.A.,

by _____

Name:
Title:

CITICORP NORTH AMERICA, INC.,

by _____

Name:
Title:

Commitments

<u>Lender</u>	<u>Amount</u>
JPMorgan Chase Bank	\$ 375,000,000
Bank of America, N.A.	\$ 375,000,000
Citicorp North America, Inc.	\$ 250,000,000
	<u>\$ 1,000,000,000</u>

US\$500,000,000

TERM LOAN CREDIT AGREEMENT

dated as of

October 6, 2004

among

LIMITED BRANDS, INC.,

The Lenders Party Hereto

and

JPMORGAN CHASE BANK,
as Administrative Agent

J.P. MORGAN SECURITIES INC., BANC OF AMERICA SECURITIES LLC

and CITIGROUP GLOBAL MARKETS INC.,
as Joint Lead Arrangers and Joint Bookrunners

and

BANK OF AMERICA, N.A. and
CITICORP NORTH AMERICA, INC.,
as Co-Syndication Agents

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The parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“ABR”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

“Administrative Agent” means JPMorgan Chase Bank, in its capacity as administrative agent for the Lenders hereunder.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Alternate Base Rate” means, for any day, a rate per annum equal to the greater of (a) the Prime Rate in effect on such day or (b) the Federal Funds Effective Rate in effect on such day plus $\frac{1}{2}$ of 1%. Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective from and including the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

“Applicable Rate” means, for any day, with respect to any Eurodollar Loan or ABR Loan, the applicable rate per annum set forth below under the caption “Eurodollar Spread” or “ABR Spread”, as the case may be, based upon the ratings by Moody’s and S&P, respectively, applicable on such date to the Index Debt:

<u>Index Debt Ratings:</u>	<u>Eurodollar Spread</u>	<u>ABR Spread</u>
<u>Category 1</u> ≥A-/A3	0.500%	0.000%
<u>Category 2</u> BBB+/Baa1	0.625%	0.000%
<u>Category 3</u> BBB/Baa2	0.750%	0.000%
<u>Category 4</u> BBB-/Baa3	0.875%	0.000%
<u>Category 5</u> Lower	1.125%	0.125%

For purposes of the foregoing, (a) if either Moody’s or S&P shall not have in effect a rating for the Index Debt (other than by reason of the circumstances referred to in the last sentence of this definition) the Applicable Rate shall be determined on the basis of the rating agency that does then have a rating for the Index Debt in effect, (b) if neither Moody’s nor S&P has in effect a rating for the Index Debt (other than by reason of the circumstances referred to in the last sentence of this definition) then the Index Debt shall be deemed to be rated in Category 5, (c) the Index Debt shall be deemed to be rated in Category 5 at any time that an Event of Default has occurred and is continuing, (d) if the ratings established or deemed to have been established by Moody’s or S&P for the Index Debt are not in the same Category, then the Applicable Rate will be determined by reference to the Category next above that of the lower of the two ratings and (e) if the ratings established or deemed to have been established by Moody’s and S&P for the Index Debt shall be changed (other than as a result of a change in the rating system of Moody’s or S&P), such change shall be effective as of the date on which it is first announced by the applicable rating agency. Each change in an Applicable Rate shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of Moody’s or S&P shall change, or if either such rating agency shall cease to be in the business of rating corporate debt obligations, the Borrower and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system, or the unavailability of ratings from such rating agency and, pending the effectiveness of any such amendment, each Applicable Rate shall be determined by reference to the rating most recently in effect prior to such change or cessation.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 8.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

“Availability Period” means the period from and including the Effective Date to but excluding the date that is 90 days after the date hereof.

“Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Borrower” means Limited Brands, Inc., a Delaware corporation.

“Borrowing” means Loans of the same Type made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect.

“Borrowing Date” means the date on which the Borrower makes the Borrowing under this Agreement.

“Borrowing Request” means a request by the Borrower for a Borrowing in accordance with Section 2.03.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, when used in connection with a Eurodollar Loan, the term “Business Day” shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“Change in Control” means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the date hereof) other than the Permitted Holders of shares representing more than 30% of the aggregate ordinary voting power represented by the issued and outstanding capital stock of the Borrower or (b) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Borrower by Persons who were neither (i) nominated by the board of directors of the Borrower nor (ii) appointed by directors so nominated.

“Change in Law” means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement, or (c) compliance by any Lender (or, for purposes of Section 2.12(b), by any lending office of such Lender or by such Lender’s holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“**Commitment**” means, with respect to each Lender, the commitment of such Lender to make Loans hereunder, expressed as an amount representing the maximum aggregate amount of Loans to be made by such Lender hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.06 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 8.04. The initial amount of each Lender’s Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Commitment, as applicable. The initial aggregate amount of the Lenders’ Commitments is \$500,000,000.

“**Consolidated Debt**” means, at any date of determination, the sum, without duplication, of (a) the total Indebtedness of the Borrower and the Consolidated Subsidiaries at such date (excluding, whether or not Easton Town Center, LLC is a Consolidated Subsidiary, any Non-Recourse ETC Debt), (b) an amount equal to six times the fixed minimum store rent commitments (less related sublease income) of the Borrower and the Consolidated Subsidiaries for the then current Fiscal Year, as reflected in the footnotes to the most recent audited financial statements of the Borrower, and (c) an amount equal to six times the fixed minimum store rent commitments (less related sublease income) for the then current Fiscal Year of any Person other than the Borrower or a Consolidated Subsidiary under a lease in respect of any store to the extent that such lease is Guaranteed or has been assumed by the Borrower or any Consolidated Subsidiary, if the Borrower or a Consolidated Subsidiary has made any payments in respect of any such store rent commitments of such Person (or any subsidiary of such Person) under such lease in respect of such store within the period of four consecutive fiscal quarters ended on or prior to such date of determination, all determined on a consolidated basis in accordance with GAAP; provided that, for the purposes of calculating the fixed minimum store rent commitments referred to in clause (b) or (c) above, if on or prior to the applicable date of determination an acquisition or disposition outside of the ordinary course of business has occurred that has the effect of increasing or decreasing any such fixed minimum store rent commitments, then such fixed minimum store rent commitments shall be determined on a pro forma basis to give effect to such acquisition or disposition as if such acquisition or disposition had occurred immediately prior to the commencement of the then current Fiscal Year.

“**Consolidated EBITDA**” means, for any period, Consolidated Net Income for such period (adjusted (i) to exclude any non-cash items deducted or included in determining Consolidated Net Income for such period attributable to FAS 133 – Accounting for Derivative Instruments and Hedging Activities, FAS 142 – Goodwill and Other Intangible Assets or stock options and other equity-linked compensation to officers, directors and employees, and (ii) to deduct cash payments made during such period in respect of Hedging Agreements (or other items subject to FAS 133 – Accounting for Derivative Instruments and Hedging Activities) to the extent not otherwise deducted in determining Consolidated Net Income for such period) plus (a) without duplication and to the extent deducted in determining such Consolidated Net Income, the sum of (i) consolidated interest expense for such period, (ii) consolidated income tax expense for such period, (iii) all amounts attributable to depreciation and amortization for such period and (iv) any extraordinary or nonrecurring charges for such

period, and minus (b) without duplication and to the extent included in determining such Consolidated Net Income, any extraordinary or nonrecurring gains for such period, all determined on a consolidated basis in accordance with GAAP; provided that regardless of whether Easton Town Center, LLC is a Consolidated Subsidiary, its results shall be included in Consolidated EBITDA to the extent actually distributed by Easton Town Center, LLC to the Borrower or a Consolidated Subsidiary.

“Consolidated EBITDAR” means, for any period, Consolidated EBITDA for such period plus, without duplication and to the extent deducted in the determination of such Consolidated EBITDA, consolidated fixed minimum store rental expense for such period, all determined on a consolidated basis in accordance with GAAP; provided that, if on or prior to the applicable date of determination of Consolidated EBITDAR, an acquisition or disposition outside of the ordinary course of business has occurred that has the effect of increasing or decreasing Consolidated EBITDAR, then Consolidated EBITDAR shall be determined on a pro forma basis to give effect to such acquisition or disposition as if such acquisition or disposition had occurred immediately prior to the commencement of the period for which Consolidated EBITDAR is to be determined.

“Consolidated Fixed Charges” means, for any period, the sum of (a) consolidated interest expense, both expensed and capitalized (including the interest component in respect of Capital Lease Obligations but excluding any interest expense in respect of Indebtedness of Easton Town Center, LLC, except to the extent actually paid by the Borrower or a Consolidated Subsidiary other than, if it is a Consolidated Subsidiary, Easton Town Center, LLC), of the Borrower and the Consolidated Subsidiaries for such period, plus (b) consolidated fixed minimum store rental expense of the Borrower and the Consolidated Subsidiaries for such period, all determined on a consolidated basis in accordance with GAAP; provided that, if on or prior to the applicable date of determination of Consolidated Fixed Charges, an acquisition or disposition outside of the ordinary course of business has occurred that has the effect of increasing or decreasing Consolidated Fixed Charges, then Consolidated Fixed Charges shall be determined on a pro forma basis to give effect to such acquisition or disposition as if such acquisition or disposition had occurred immediately prior to the commencement of the period for which Consolidated Fixed Charges is to be determined.

“Consolidated Net Income” means, for any period, the net income or loss of the Borrower and the Consolidated Subsidiaries for such period determined on a consolidated basis in accordance with GAAP.

“Consolidated Subsidiary” means any Subsidiary (other than an Unrestricted Subsidiary), the accounts of which are, or are required to be, consolidated with those of the Borrower in the Borrower’s periodic reports filed under the Securities Exchange Act of 1934.

“Control” means, with respect to a specified Person, the possession, directly or indirectly, of the power to direct, or cause the direction of, the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have correlative meanings.

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Disclosed Matters” means the actions, suits and proceedings and the environmental matters disclosed in Schedule 3.05.

“dollars” or “\$” refers to lawful money of the United States of America.

“Effective Date” means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 8.02).

“Environmental Laws” means all applicable laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions or binding agreements issued, promulgated or entered into by any Governmental Authority, relating to the environment, preservation or reclamation of natural resources or the management, release or threatened release of any Hazardous Material.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Consolidated Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“Eurodollar”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to a LIBO Rate.

“Event of Default” has the meaning assigned to such term in Article VI.

“Excluded Taxes” means, with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any

obligation of the Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, (b) income, franchise or similar taxes imposed by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, or which are imposed by reason of any present or former connection between such Lender and the jurisdiction imposing such taxes, other than solely as a result of this Agreement or any Loan or transaction contemplated hereby, (c) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction described in clause (a) or (b) above and (d) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 2.16(b)), any withholding tax that (i) is in effect and would apply to amounts payable to such Foreign Lender under applicable law at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, under applicable law at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to any withholding tax pursuant to Section 2.14(a), or (ii) is attributable to such Foreign Lender's failure to comply with Section 2.14(e).

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Financial Officer" means the chief financial officer, principal accounting officer, treasurer or controller of the Borrower.

"Fiscal Year" means the fiscal year of the Borrower which shall commence on the Sunday following the Saturday on or nearest (whether following or preceding) January 31 of one calendar year and end on the Saturday on or nearest (whether following or preceding) January 31 of the following calendar year.

"Foreign Lender" means any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"GAAP" means generally accepted accounting principles in the United States of America.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Guarantee” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes in each case which are regulated pursuant to any Environmental Law.

“Hedging Agreement” means any interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement.

“Indebtedness” of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person in respect of the deferred purchase price of property (other than inventory) or services (excluding accruals and trade accounts payable arising in the ordinary course of business), (d) all Indebtedness of others secured by any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (e) all Guarantees by such Person of Indebtedness of others, (f) all Capital Lease Obligations of such Person and (g) all obligations, contingent or otherwise, of such Person in respect of bankers’ acceptances.

“Indemnified Taxes” means Taxes other than Excluded Taxes and Other Taxes.

“Index Debt” means senior, unsecured, long-term indebtedness for borrowed money of the Borrower that is not guaranteed by any other Person or subject to any other credit enhancement.

“Information Memorandum” means the Confidential Information Memorandum to be prepared in connection with the syndication of the credit facility provided for in this Agreement relating to the Borrower and the Transactions.

“Interest Election Request” means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.05.

“Interest Payment Date” means (a) with respect to any ABR Loan, the last day of each March, June, September and December and (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at intervals of three months’ duration after the first day of such Interest Period.

“Interest Period” means, with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on (a) the numerically corresponding day in the calendar month that is one, two, three or six months thereafter or, if available from all Lenders, nine or 12 months thereafter or (b) the next date on which any scheduled payment of principal is due under Section 2.07 (but only if such period is less than six month’s duration and is available from all Lenders), in each case as the Borrower may elect; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Borrowing with an Interest Period of an integral number of months only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any Interest Period pertaining to a Eurodollar Borrowing with an Interest Period of an integral number of months that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period and (iii) any Interest Period that would otherwise end after the Maturity Date will end on the Maturity Date. For purposes hereof, the date of a Eurodollar Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date on which such Borrowing results from the conversion or continuation of another Borrowing.

“Lenders” means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption as contemplated in Section 8.04(b), other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

“LIBO Rate” means, with respect to any Eurodollar Borrowing for any Interest Period, the rate appearing on Page 3750 of the Dow Jones Market Service (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the

London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the “LIBO Rate” with respect to such Eurodollar Borrowing for such Interest Period shall be the rate at which dollar deposits of \$5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

“Lien” means, with respect to any asset, any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset.

“Loans” means the loans made by the Lenders to the Borrower pursuant to this Agreement.

“Material Adverse Effect” means a material adverse effect on (a) the business, financial position or results of operations of the Borrower and the Consolidated Subsidiaries, taken as a whole, (b) the ability of the Borrower to perform any of its obligations under this Agreement or (c) the rights of or benefits available to the Lenders under this Agreement.

“Material Indebtedness” means Indebtedness (other than the Loans), or obligations in respect of one or more Hedging Agreements, of any one or more of the Borrower and its Consolidated Subsidiaries in an aggregate principal amount exceeding \$100,000,000. For purposes of determining Material Indebtedness, the “principal amount” of the obligations of the Borrower or any Consolidated Subsidiary in respect of any Hedging Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Borrower or such Consolidated Subsidiary would be required to pay if such Hedging Agreement were terminated at such time.

“Maturity Date” means the date that is five years after the Borrowing Date.

“Minority Interest Disposition” means a sale, transfer or other disposition by the Borrower or any of the Subsidiaries (including the issuer thereof) of up to 20% of the Equity Interests in any Subsidiary of the Borrower.

“Moody’s” means Moody’s Investors Service, Inc.

“Multiemployer Plan” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“Non-Recourse ETC Debt” means any Indebtedness of Easton Town Center, LLC, except to the extent such Indebtedness is Guaranteed by, or otherwise recourse to, the Borrower or any other Subsidiary.

“Other Taxes” means any and all present or future recording, stamp, documentary, excise, property or similar taxes, charges or levies imposed by the United States of America or any political subdivision thereof arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement.

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Permitted Encumbrances” means:

(a) Liens imposed by law for taxes that are not yet due;

(b) carriers’, warehousemen’s, mechanics’, materialmen’s, repairmen’s, landlord’s and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days;

(c) pledges and deposits made in the ordinary course of business in compliance with workers’ compensation, unemployment insurance and other social security laws or regulations;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under clause (j) of Section 6.01;

(f) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower or any Subsidiary;

(g) Liens in favor of sellers of goods arising under Article 2 of the New York Uniform Commercial Code or similar provisions of applicable law in the ordinary course of business, covering only the goods sold and securing only the unpaid purchase price for such goods and related expenses; and

(h) Liens securing obligations in respect of trade letters of credit, provided that such Liens do not extend to any property other than the goods financed or paid for with such letters of credit, documents of title in respect thereof and proceeds thereof;

provided that the term “Permitted Encumbrances” shall not include any Lien securing Indebtedness.

“Permitted Holders” means Leslie H. Wexner, all descendants of any of his grandparents, any spouse or former spouse of any of the foregoing, any descendant of

any such spouse or former spouse, the estate of any of the foregoing, any trust for the benefit, in whole or in part, of one or more of the foregoing and any corporation, limited liability company, partnership or other entity Controlled by one or more of the foregoing.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Prime Rate” means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

“Register” has the meaning set forth in Section 8.04.

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Required Lenders” means, at any time, Lenders having Loans or Commitments representing more than 50% of the sum of the total Loans or Commitments at such time.

“S&P” means Standard & Poor’s Ratings Services.

“Statutory Reserve Percentage” means for any day the percentage (expressed as a decimal) that is in effect on such day, as prescribed by the Board, for determining the maximum reserve requirement for a member bank of the Federal Reserve System for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Board). Such reserve percentage shall include those imposed pursuant to such Regulation D. The Statutory Reserve Percentage shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“subsidiary” means, with respect to any Person (the “parent”) at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

“Subsidiary” means any subsidiary of the Borrower.

“Taxes” means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

“Test Date” means, if at the time the rating of either Moody’s or S&P with respect to the Index Debt shall be less than BBB– or Baa3 and the rating of the other such rating agency with respect to the Index Debt shall not be at least BBB– or Baa3 (with, in the case of a rating of BBB– or Baa3, stable outlook), or if there shall not be a rating in effect from such other rating agency of the Index Debt, the date of any Borrowing hereunder.

“Transactions” means the execution, delivery and performance by the Borrower of this Agreement, the borrowing of Loans and the use of the proceeds thereof.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the LIBO Rate or the Alternate Base Rate.

“Unfunded Liabilities” means, with respect to any Plan at any time, the amount (if any) by which (a) the present value of all benefits under such Plan exceeds (b) the fair market value of all Plan assets allocable to such benefits, all determined as of the then most recent valuation date for such Plan, but only (i) to the extent that such excess represents a potential liability of the Borrower or any ERISA Affiliate to the PBGC or any other Person under Title IV of ERISA or (ii) with respect to a Plan which is a Multiemployer Plan as described in Section 4001(a)(3) of ERISA, to the extent of the Unfunded Liabilities of such Plan allocable to the Borrower or any ERISA Affiliate under Section 4212 of ERISA.

“Unrestricted Subsidiary” means any Subsidiary designated as an Unrestricted Subsidiary in a written notice sent at any time after the date of this Agreement by the Borrower to the Administrative Agent which is engaged (a) primarily in the business of making or discounting loans, making advances, extending credit or providing financial accommodation to, or purchasing the obligations of, others; (b) primarily in the business of insuring property against loss and subject to regulation as an insurance company by any Governmental Authority; (c) exclusively in the business of owning or leasing, and operating, aircraft and/or trucks; (d) primarily in the ownership, management, leasing or operation of real estate, other than parcels of real estate with respect to which 51% or more of the rentable space is used by the Borrower or a Consolidated Subsidiary in the normal course of business; or (e) primarily as a carrier transporting goods in both intrastate and interstate commerce, provided that (i) the Borrower may by notice to the Administrative Agent change the designation of any Subsidiary described in subparagraphs (a) through (e) above, but may do so only once during the term of this Agreement, (ii) the designation of a Subsidiary as an Unrestricted

Subsidiary more than 30 days after the creation or acquisition of such Subsidiary where such Subsidiary was not specifically so designated within such 30 days shall be deemed to be the only permitted change in designation and (iii) immediately after the Borrower designates any Subsidiary whether now owned or hereafter acquired or created as an Unrestricted Subsidiary or changes the designation of a Subsidiary from an Unrestricted Subsidiary to a Consolidated Subsidiary, the Borrower and all Consolidated Subsidiaries would be in compliance with all of the provisions of this Agreement.

“Value” means, when used in Section 6.01(e) with respect to investments in and advances to a Consolidated Subsidiary, the book value thereof immediately before the relevant event or events referred to in Section 6.01(e) occurred with respect to such Consolidated Subsidiary.

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Type (e.g., a “Eurodollar Loan”). Borrowings also may be classified and referred to by Type (e.g., a “Eurodollar Borrowing”).

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the

Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

ARTICLE II

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, each Lender agrees to make a Loan to the Borrower during the Availability Period in an aggregate principal amount not exceeding such Lender's Commitment; provided that the Lenders shall not be required to make Loans on more than one date during the Availability Period. Amounts repaid in respect of the Loans may not be reborrowed.

SECTION 2.02. Loans and Borrowings. (a) Each Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make the Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.11, the Borrowing made on the Borrowing Date shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower may request in accordance herewith. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurodollar Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$20,000,000; provided that a Eurodollar Borrowing with an Interest Period that ends on the date on which any scheduled payment of principal is due under Section 2.07 may be in the amount of the scheduled payment of principal due on such date. Borrowings of more than one Type may be outstanding at the same time; provided that there shall not at any time be more than a total of five Eurodollar Borrowings outstanding.

SECTION 2.03. Requests for Borrowing. To request the Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone (a) in the case of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of the proposed Borrowing and (b) in the case of an ABR Borrowing, not later than 11:00 a.m., New York City time, on the date of the proposed Borrowing. Such telephonic Borrowing Request shall be irrevocable and shall be

confirmed promptly by hand delivery or teletype to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the Borrower. Such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

- (i) the aggregate amount of the Borrowing;
- (ii) the date of the Borrowing, which shall be a Business Day during the Availability Period;
- (iii) whether the Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing;
- (iv) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and
- (v) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.04.

If no election as to the Type of Borrowing is specified, then the Borrowing shall be a Eurodollar Borrowing. If no Interest Period is specified with respect to the Borrowing, if it is requested (or deemed requested) as a Eurodollar Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the Borrowing.

SECTION 2.04. Funding of Borrowing. (a) Each Lender shall make the Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 noon, New York City time, to the account of the Administrative Agent designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with the Administrative Agent in New York City and designated by the Borrower in the Borrowing Request.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of the Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of the Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the

case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the greater of the interest rate applicable to the Loans of the other Lenders included in the Borrowing and a rate determined by the Administrative Agent to equal its cost of funds for funding such amount. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.05. Interest Elections. (a) The Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the Borrower.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is to be a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be continued as a Eurodollar Borrowing with an Interest Period of one month's duration.

SECTION 2.06. Termination and Reduction of Commitments. (a) Unless previously terminated, the Commitments shall terminate at the end of the Availability Period or upon any earlier date on which Loans are made.

(b) The Borrower may at any time terminate, or from time to time reduce, the Commitments; provided that each reduction of the Commitments shall be in an amount that is an integral multiple of \$1,000,000 and not less than \$25,000,000.

(c) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

SECTION 2.07. Repayment of Loans; Evidence of Indebtedness; Amortization. (a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Loan as provided in paragraph (f) below.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 8.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

(f) (i) Subject to adjustment pursuant to sub-paragraph (iii) of this paragraph, the Borrower shall repay Borrowings on each date set forth below in an aggregate principal amount equal to (A) the aggregate principal amount of the Loans made hereunder during the Availability Period, multiplied by (B) the percentage set forth opposite such date:

<u>Date</u>	<u>Percentage</u>
27 months after the Borrowing Date	5.0%
30 months after the Borrowing Date	5.0%
33 months after the Borrowing Date	5.0%
36 months after the Borrowing Date	5.0%
39 months after the Borrowing Date	5.0%
42 months after the Borrowing Date	5.0%
45 months after the Borrowing Date	5.0%
48 months after the Borrowing Date	5.0%
51 months after the Borrowing Date	15.0%
54 months after the Borrowing Date	15.0%
57 months after the Borrowing Date	15.0%
Maturity Date	15.0%

(ii) To the extent not previously paid, all Loans shall be due and payable on the Maturity Date.

(iii) Any prepayment of a Borrowing shall be applied to reduce the subsequent scheduled repayments of the Borrowings to be made pursuant to subparagraph (i) above in direct chronological order of maturity.

(iv) Each repayment of a Borrowing shall be applied ratably to the Loans included in the repaid Borrowing. Repayment of a Borrowing shall be accompanied by accrued interest on the amount repaid.

(v) The Borrower shall select the Borrowing or Borrowings to be repaid and shall notify the Administrative Agent by telephone (confirmed by telecopy) of such selection not later than 11:00 a.m., New York City time, three Business Day before the scheduled date of such repayment.

SECTION 2.08. Prepayment of Loans. (a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with paragraph (b) of this Section.

(b) The Borrower shall notify the Administrative Agent by telephone (confirmed by telecopy) of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, one Business Day before the date of prepayment and (ii) in the case of prepayment of an ABR Borrowing, not later than 11:00 a.m., New York City time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that a notice of prepayment may state that such notice is conditional upon the receipt of proceeds from another financing, in which case such notice of prepayment may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified prepayment date) if such condition is not satisfied. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.10.

SECTION 2.09. Fees. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue at the rate of 0.150% per annum on the amount of the Commitment of such Lender during the period from and including the Effective Date to but excluding the date on which such Commitment terminates. Accrued commitment fees shall be payable in arrears on the day on which the Commitments terminate. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Borrower agrees to pay to the Administrative Agent, for its own account and for the account of the initial Lenders, fees in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(c) All fees payable by the Borrower hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, to the parties entitled thereto. Fees paid by the Borrower shall not be refundable under any circumstances.

SECTION 2.10. Interest. (a) The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at the LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(d) (i) For so long as any Lender maintains reserves against "Eurocurrency liabilities" (or any other category of liabilities which includes deposits by reference to which the interest rate on Eurodollar Loans is determined or any category of extensions of credit or other assets which includes loans by a non-United States office of any Lender to United States residents), and as a result the cost to such Lender (or its lending office for Eurodollar Loans) of making or maintaining its Eurodollar Loans is increased, then such Lender may require the Borrower to pay, contemporaneously with each payment of interest on any Eurodollar Loan of such Lender, additional interest on such Eurodollar Loan for the Interest Period of such Eurodollar Loan at a rate per annum up to but not exceeding the excess of (A)(x) the applicable LIBO Rate divided by (y) one minus the Statutory Reserve Percentage over (B) the rate specified in the preceding clause (x).

(ii) Any Lender wishing to require payment of additional interest (x) shall so notify the Borrower and the Administrative Agent, in which case such additional interest on the Eurodollar Loans of such Lender shall be payable to such Lender at the place indicated in such notice with respect to each Interest Period commencing at least three Business Days after the giving of such notice and (y) shall furnish to the Borrower at least five Business Days prior to each date on which interest is payable on the Eurodollar Loans an officer's certificate setting forth the amount to which such Lender is then entitled under this Section (which shall be consistent with such Lender's good faith estimate of the level at which the related reserves are maintained by it). Each such certificate shall be accompanied by such information as the Borrower may reasonably request as to the computation set forth therein.

(e) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any

repayment or prepayment of any Loan (other than a prepayment of an ABR Loan prior to the earlier of (x) the date upon which all Loans are paid in full and (y) the Maturity Date), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(f) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.11. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the LIBO Rate for such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders that the LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or telecopy as promptly as practicable thereafter, but not later than 10:00 A.M. (New York City time) on the first day of such Interest Period, and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective and (ii) if the Borrowing Request requests a Eurodollar Borrowing, then, unless the Borrower notifies the Administrative Agent by 12:00 noon (New York City time) on the date of the Borrowing that it elects not to borrow on such date, the Borrowing shall be made as an ABR Borrowing.

SECTION 2.12. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Statutory Reserve Percentage); or

(ii) impose on any Lender or the London interbank market any other condition affecting this Agreement or Eurodollar Loans made by such Lender (other than an imposition or change in Taxes, Other Taxes or Excluded Taxes, or

any Change in Law relating to capital requirements or the rate of return on capital, with respect to which Section 2.14 and paragraph (b) of this Section, respectively, shall apply);

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining, or reduce the amount receivable by any Lender with respect to, any Eurodollar Loan (or of maintaining its obligation to make any such Loan), then the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) If any Lender determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 15 days after receipt thereof.

(d) Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.13. Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurodollar Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.08(b) and is revoked in accordance therewith), or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.16, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event which, in the reasonable judgment of such Lender,

such Lender (or an existing or prospective participant in a related Loan) incurred, including any loss incurred in obtaining, liquidating or employing deposits from third parties, but excluding loss of margin for the period after any such payment. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 15 days after receipt thereof.

SECTION 2.14. Taxes. (a) Any and all payments by or on account of any obligation of the Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if the Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent or Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify the Administrative Agent and each Lender, within 15 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent or such Lender, as the case may be, on or with respect to any payment by or on account of any obligation of the Borrower hereunder (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; provided, that the Borrower shall not be obligated to make payment to such Lender or Administrative Agent for penalties, interest or expenses attributable to the gross negligence or willful misconduct of such Lender or Administrative Agent. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender, or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this

Agreement shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law or reasonably requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate, provided that such Foreign Lender has received written notice from the Borrower advising it of the availability of such exemption or reduction and containing all applicable documentation.

(f) If the Administrative Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section, it shall pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that the Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This Section shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower or any other Person.

SECTION 2.15. Payments Generally; Pro Rata Treatment; Sharing of Set-offs. (a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest or fees, or of amounts payable under Section 2.12, 2.13 or 2.14, or otherwise) on the date when due, in immediately available funds, without set-off or counterclaim, and the Borrower agrees to instruct its bank which will be transmitting such funds with respect to such payments not later than 10:00 A.M. (New York City time) on the date when due. All such payments shall be made to the Administrative Agent at its offices at 270 Park Avenue, New York, New York, except that payments pursuant to Sections 2.12, 2.13, 2.14 and 8.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due from the Borrower hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due from the Borrower hereunder, ratably among the parties entitled thereto in accordance with the amounts of such interest and fees then due to such parties and (ii) second, towards payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(b) or 2.15(d), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

SECTION 2.16. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Section 2.12, or additional interest under

Section 2.10(d) or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.12, 2.10(d) or 2.14, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender requests compensation under Section 2.12, or additional interest under Section 2.10(d), or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14, or if any Lender defaults in its obligation to fund Loans hereunder, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 8.04), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts, in each case payable to it by the Borrower hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.12, additional interest under Section 2.10(d) or payments required to be made pursuant to Section 2.14, such assignment will result in a material reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

(c) In connection with any proposed amendment, modification or waiver of or with respect to any provision of this Agreement (a "Proposed Change") requiring the consent of all Lenders, if the consent of the Required Lenders to such Proposed Change is obtained, but the consent to such Proposed Change of other Lenders whose consent is required is not obtained (any such Lender whose consent is not obtained as described in this Section 2.16(c) being referred to as a "Non-Consenting Lender"), then the Borrower may, at its sole expense and effort, upon notice to each Non-Consenting Lender and the Administrative Agent, require each Non-Consenting Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 8.04) all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior

written consent of the Administrative Agent, which consent shall not be unreasonably withheld, (ii) such Non-Consenting Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts, in each case payable to it by the Borrower hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) the Borrower shall not be permitted to require any Non-Consenting Lender to make any such assignment unless all Non-Consenting Lenders are required to make such assignments and, as a result thereof, the Proposed Change will become effective.

ARTICLE III

Representations and Warranties

The Borrower represents and warrants to the Lenders that:

SECTION 3.01. Corporate Existence and Power. The Borrower is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has all corporate power and authority required to carry on its business as now conducted.

SECTION 3.02. Corporate and Governmental Authorization; No Contravention. The execution, delivery and performance by the Borrower of this Agreement and the Transactions are within the Borrower's corporate power, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any governmental body, agency or official (other than the filing of reports with the Securities and Exchange Commission) and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the certificate of incorporation or bylaws of the Borrower or of any agreement, judgment, injunction, order, decree or other instrument binding upon the Borrower.

SECTION 3.03. Binding Effect. This Agreement has been duly executed and delivered by the Borrower and constitutes a valid and binding obligation of the Borrower, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.04. Financial Information. (a) The consolidated balance sheet of the Borrower and the Subsidiaries and the related consolidated statements of income, shareholders' equity and cash flows as of and for (i) Fiscal Year 2003, reported on by Ernst & Young LLP and set forth in the Borrower's Annual Report on Form 10-K for Fiscal Year 2003, a copy of which has been delivered to each of the Lenders, and (ii) the second fiscal quarter of Fiscal Year 2004, certified by a Financial Officer, in each case fairly present, in conformity with GAAP (except, in the case of the financial statements referred to in clause (ii) above, for normal year-end adjustments and the absence of footnotes), the consolidated financial position of the Borrower and the Subsidiaries as of such date and their consolidated results of operations and cash flows for such Fiscal Year or portion of such Fiscal Year, as applicable.

(b) From January 31, 2004 to the date hereof or any Test Date, there has been no material adverse change in the business, financial position or results of operations of the Borrower and the Consolidated Subsidiaries, considered as a whole.

SECTION 3.05. Litigation and Environmental Matters. (a) There is no action, suit or proceeding pending against, or to the knowledge of the Borrower threatened against or affecting, the Borrower or any Consolidated Subsidiaries before any court or arbitrator or any governmental body, agency or official in which there is, in the good faith judgment of the Borrower (which shall be conclusive), a reasonable possibility of an adverse decision which could materially adversely affect the business, consolidated financial position or consolidated results of operations of the Borrower and the Consolidated Subsidiaries considered as a whole, or which in any manner draws into question the validity or enforceability of this Agreement.

(b) Except for the Disclosed Matters and except with respect to any other matters that, individually or in the aggregate, are not reasonably expected in the good faith judgment of the Borrower (which shall be conclusive) to materially adversely affect the business, financial position or results of operations of the Borrower and the Consolidated Subsidiaries considered as a whole, neither the Borrower nor any of the Consolidated Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

(c) Since the date of this Agreement, there has been no change in the status of the Disclosed Matters that, individually or in the aggregate in the good faith judgment of the Borrower (which shall be conclusive), has resulted in a material adverse effect on the business, financial position or results of operations of the Borrower and the Consolidated Subsidiaries considered as a whole.

SECTION 3.06. Subsidiaries. Each of the Consolidated Subsidiaries is a corporation duly incorporated, validly existing and, to the extent applicable, in good standing under the laws of its jurisdiction of incorporation, and has all corporate power and authority required to carry on its business as now conducted except to the extent that the failure of any such Consolidated Subsidiary to be so incorporated, existing or in good standing or to have such power and authority is not reasonably expected by the Borrower to have a material adverse effect on the business, financial position or results of operations of the Borrower and the Consolidated Subsidiaries considered as a whole.

SECTION 3.07. Not an Investment Company. The Borrower is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

SECTION 3.08. ERISA. The Borrower and its ERISA Affiliates (a) have fulfilled their material obligations under the minimum funding standards of ERISA and the Code with respect to each Plan, (b) are in compliance in all material respects with the presently applicable provisions of ERISA and the Code and (c) have not incurred any liability in excess of \$100,000,000 to the PBGC or a Plan under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA; provided, that this sentence shall not apply to (i) any ERISA Affiliate as described in Section 414(m) of the Code (other than the Borrower or a Subsidiary) or any Plan maintained by such an ERISA Affiliate or (ii) any Multiemployer Plan. The Borrower and its Subsidiaries have made all material payments to Multiemployer Plans which they have been required to make under the related collective bargaining agreement or applicable law.

SECTION 3.09. Taxes. The Borrower and its Subsidiaries have filed all United States federal income tax returns and all other material tax returns which, in the opinion of the Borrower, are required to be filed by them and have paid all taxes due pursuant to such returns or pursuant to any assessment received by the Borrower or any Subsidiary, except for assessments which are being contested in good faith by appropriate proceedings. The charges, accruals and reserves on the books of the Borrower and its Subsidiaries in respect of taxes or other governmental charges are, in the opinion of the Borrower, adequate.

SECTION 3.10. Disclosure. The Information Memorandum, the financial statements delivered pursuant to Section 5.01(a)(i) and (ii), the registration statements delivered pursuant to Section 5.01(a)(vi) (in each case in the form in which such registration statements were declared effective, as amended by any post-effective amendments thereto) and the reports on Forms 10-K, 10-Q and 8-K delivered pursuant to Section 5.01(a)(vi), do not, taken as a whole and in each case as of the date thereof, contain any material misstatement of fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

ARTICLE IV

Conditions

SECTION 4.01. Effective Date. The obligations of the Lenders to make Loans hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 8.02):

(a) The Administrative Agent (or its counsel) shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include telecopy transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent shall have received a written opinion (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of each of (i) Samuel P. Fried, Esq., General Counsel of the Borrower, and (ii) Davis Polk & Wardwell, counsel for the Borrower, substantially in the form of Exhibits B-1 and B-2, respectively, and covering such other matters relating to the Borrower, this Agreement or the Transactions as the Required Lenders shall reasonably request. The Borrower hereby requests such counsel to deliver such opinions.

(c) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the Borrower, the authorization of the Transactions and any other legal matters relating to the Borrower, this Agreement or the Transactions, all in form and substance satisfactory to the Administrative Agent and its counsel.

(d) The Administrative Agent shall have received a certificate, dated the Effective Date and signed by the President, a Vice President or a Financial Officer of the Borrower, confirming compliance with the conditions set forth in paragraphs (a) and (b) of Section 4.02.

(e) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder.

(f) The Administrative Agent shall have received evidence satisfactory to it of the termination of lending commitments under, and the payment of all amounts outstanding under, the Credit Agreement dated as of July 13, 2001, among the Borrower, the banks party thereto and JPMorgan Chase Bank (as successor to The Chase Manhattan Bank), as administrative agent.

(g) The conditions to the effectiveness of the Revolving Credit Agreement, dated as of the date hereof, among the Borrower, the lenders party thereto and JPMorgan Chase Bank, as administrative agent, shall have been satisfied or waived in accordance therewith.

(h) The Administrative Agent shall have received all documentation and other information reasonably requested by it to satisfy the requirements of bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the USA Patriot Act.

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding. Notwithstanding the foregoing, the obligations of the Lenders to make Loans hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 8.02) at or prior to 3:00 p.m., New York City time, on December 30, 2004 (and, in the event such conditions are not so satisfied or waived, the Commitments shall terminate at such time).

SECTION 4.02. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of the Borrowing is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Borrower set forth in this Agreement shall be true and correct on and as of the date of the Borrowing (except to the extent that any such representation or warranty expressly relates to a specified date or dates, in which case such representation or warranty shall be true and correct as of such specified date or dates).

(b) At the time of and immediately after giving effect to such Borrowing, no Default shall have occurred and be continuing.

Each Borrowing shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

ARTICLE V

Covenants

The Borrower agrees that, so long as any Lender has any Commitment hereunder or any amount payable hereunder remains unpaid:

SECTION 5.01. Information. (a) The Borrower will deliver to the Administrative Agent and each of the Lenders:

(i) as soon as available and in any event within 120 days after the end of each Fiscal Year, the Annual Report of the Borrower on Form 10-K for such Fiscal Year, containing financial statements reported on in a manner acceptable to the Securities and Exchange Commission by Ernst & Young LLP or other independent public accountants of nationally recognized standing selected by the Borrower;

(ii) as soon as available and in any event within 60 days after the end of each of the first three quarters of each Fiscal Year, a copy of the Borrower's report on Form 10-Q for such quarter with the financial statements therein contained to be certified (subject to normal year end adjustments) as to fairness of presentation, generally accepted accounting principles (except footnotes) and consistency, by a Financial Officer;

(iii) simultaneously with the delivery of each set of financial statements referred to in clauses (a) and (b) above, a certificate of a Financial Officer (1) setting forth in reasonable detail the calculations required to establish whether the Borrower was in compliance with the requirements of Sections 5.06 and 5.07

on the date of such financial statements and (2) stating whether, to the best knowledge of such Financial Officer, any Default exists on the date of such certificate and, if any Default then exists, setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(iv) simultaneously with the delivery of each set of financial statements referred to in clause (a) above, a statement of the firm of independent public accountants which reported on such statements whether anything has come to their attention to cause them to believe that any Default existed on the date of such statements (insofar as such pertains to accounting matters);

(v) promptly upon the mailing thereof to the stockholders of the Borrower generally, copies of all financial statements, reports and proxy statements so mailed;

(vi) promptly upon the filing thereof, copies of all registration statements (other than the exhibits, thereto and any registration statements on Form S-8 or its equivalent) and reports on Forms 10-K, 10-Q and 8-K (or their equivalents) which the Borrower shall have filed with the Securities and Exchange Commission;

(vii) within four Business Days of any executive officer of the Borrower or any Financial Officer obtaining knowledge of any condition or event recognized by such officer to be a Default, a certificate of a Financial Officer setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(viii) if and when any executive officer of the Borrower or any Financial Officer obtains knowledge that any ERISA Affiliate (1) has given or is required to give notice to the PBGC of any "reportable event" (as defined in Section 4043 of ERISA) with respect to any Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that the plan administrator of any Plan has given or is required to give notice of any such reportable event, a copy of the notice of such reportable event given or required to be given to the PBGC, (2) has received notice of complete or partial withdrawal liability under Title IV of ERISA, a copy of such notice or (3) has received notice from the PBGC under Title IV of ERISA of an intent to terminate or appoint a trustee to administer any Plan, a copy of such notice; and

(ix) from time to time such additional information regarding the financial position or business of the Borrower and Subsidiaries as the Administrative Agent, at the request of any Lender, may reasonably request.

(b) Certificates delivered pursuant to this Section shall be signed manually or shall be copies of a manually signed certificate.

SECTION 5.02. Maintenance of Properties. The Borrower will, and will cause each Consolidated Subsidiary to, maintain and keep in good condition, repair and working order all properties used or useful in the conduct of its business and supply such

properties with all necessary equipment and make all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Borrower may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided that nothing in this Section shall prevent the Borrower or any Consolidated Subsidiary from discontinuing the operation and maintenance of any of such properties if such discontinuance is, in the judgment of the Borrower, desirable in the conduct of the business of the Borrower or such Consolidated Subsidiary, as the case may be, and not disadvantageous in any material respect to the Lenders.

SECTION 5.03. Maintenance of Insurance. The Borrower will, and will cause each Consolidated Subsidiary to, insure and keep insured, with reputable insurance companies, so much of its properties and such of its liabilities for bodily injury or property damage, to such an extent and against such risks (including fire), as companies engaged in similar businesses customarily insure properties and liabilities of a similar character; or, in lieu thereof, the Borrower will maintain, or cause each Consolidated Subsidiary to maintain, a system or systems of self-insurance which will be in accord with the customary practices of companies engaged in similar businesses in maintaining such systems.

SECTION 5.04. Preservation of Corporate Existence. The Borrower shall preserve and maintain its corporate existence, rights, franchises and privileges in the State of Delaware or in any other State of the United States which it shall select as its jurisdiction of incorporation, and qualify and remain qualified as a foreign corporation in each jurisdiction in which such qualification is necessary, except such jurisdictions, if any, where the failure to preserve and maintain its corporate existence, rights, franchises and privileges, or qualify or remain qualified will not have a material adverse effect on the business or property of the Borrower.

SECTION 5.05. Inspection of Property, Books and Records. The Borrower will, and will cause each Consolidated Subsidiary to, make and keep books, records and accounts in which transactions are recorded as necessary to (a) permit preparation of the Borrower's consolidated financial statements in accordance with generally accepted accounting principles and (b) otherwise comply with the requirements of Section 13(b)(2) of the Securities Exchange Act of 1934 as in effect from time to time. At any reasonable time during normal business hours and from time to time, the Borrower will permit the Administrative Agent or any of the Lenders or any agents or representatives thereof at their expense (to the extent not in violation of applicable law) to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Borrower and any Consolidated Subsidiaries and to discuss the affairs, finances and accounts of the Borrower and any Consolidated Subsidiaries with any of their respective officers or directors. Any information obtained pursuant to this Section or Section 5.01(a) shall be subject to Section 8.12.

SECTION 5.06. Fixed Charge Coverage Ratio. The Borrower will not permit the ratio of Consolidated EBITDAR to Consolidated Fixed Charges for any period of four consecutive fiscal quarters to be less than 1.75 to 1.00.

SECTION 5.07. Debt to Consolidated EBITDAR. The Borrower will not permit the ratio of Consolidated Debt as of any date to Consolidated EBITDAR for the period of four consecutive fiscal quarters ended on such date (or, if such date is not the last day of a fiscal quarter of the Borrower, then for the period of four consecutive fiscal quarters of the Borrower most recently ended prior to such date) to exceed 4.00 to 1.

SECTION 5.08. Limitations on Liens. The Borrower will not, and will not permit any Consolidated Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(a) Permitted Encumbrances;

(b) any Lien on any property or asset of the Borrower or any Consolidated Subsidiary existing on the date hereof and set forth in Schedule 5.08; provided that (i) such Lien shall not apply to any other property or asset of the Borrower or any Consolidated Subsidiary and (ii) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(c) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Consolidated Subsidiary or existing on any property or asset of any Person that becomes a Consolidated Subsidiary after the date hereof prior to the time such Person becomes a Consolidated Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Consolidated Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Borrower or any Consolidated Subsidiary and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Consolidated Subsidiary, as the case may be, and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(d) Liens on fixed or capital assets acquired, constructed or improved by the Borrower or any Consolidated Subsidiary; provided that (i) with respect to a Consolidated Subsidiary, such security interests secure Indebtedness permitted by Section 5.10, (ii) such security interests and the Indebtedness secured thereby are incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement (or are incurred to extend, renew or replace security interests and Indebtedness previously incurred in compliance with this clause), (iii) the Indebtedness secured thereby does not exceed the cost of acquiring, constructing or improving such fixed or capital assets and (iv) such security interests shall not apply to any other property or assets of the Borrower or any Consolidated Subsidiary; and

(e) other Liens securing obligations in an aggregate principal amount not exceeding \$400,000,000.

SECTION 5.09. Compliance with Laws. The Borrower will, and will cause each Consolidated Subsidiary to, comply in all material respects with all applicable laws, ordinances, rules, regulations, and requirements of governmental authorities (including ERISA and the rules and regulations thereunder), except to the extent that (a) the necessity of compliance therewith is contested in good faith by appropriate proceedings or (b) the failure to so comply would not result in any material adverse effect on the business, financial condition or results of operations of the Borrower and Consolidated Subsidiaries taken as a whole.

SECTION 5.10. Limitations on Subsidiary Indebtedness. The Borrower will not permit any Consolidated Subsidiary to create, incur, assume or suffer to exist any Indebtedness except:

(a) Indebtedness of any Consolidated Subsidiary which is, or the direct or indirect parent of which is, acquired by the Borrower or any other Consolidated Subsidiary after the Effective Date, which Indebtedness is in existence at the time such Consolidated Subsidiary (or parent) is so acquired; provided such Indebtedness was not created at the request or with the consent of the Borrower or any Subsidiary, and such Indebtedness may not be extended other than pursuant to the terms thereof as in existence at the time such Consolidated Subsidiary (or parent) was acquired; and

(b) other Indebtedness in an aggregate principal amount for all Consolidated Subsidiaries (excluding any Non-Recourse ETC Debt) not exceeding \$225,000,000.

SECTION 5.11. Transactions with Affiliates. The Borrower will not, and will not permit any of its Consolidated Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) at prices and on terms and conditions not less favorable to the Borrower or such Consolidated Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) any transaction determined by a majority of the disinterested directors of the Borrower's board of directors to be fair to the Borrower and its Subsidiaries, (c) transactions between or among the Borrower and its Consolidated Subsidiaries not involving any other Affiliate and (d) any transaction with respect to which neither the fair market value of the related property or assets, nor the consideration therefor, exceeds \$5,000,000.

SECTION 5.12. Consolidations, Mergers and Sales of Assets. The Borrower will not (a) consolidate or merge with or into any other Person, (b) liquidate or dissolve or (c) sell, lease or otherwise transfer all or any substantial part of the assets of the Borrower and its Consolidated Subsidiaries, taken as a whole, to any other Person; provided that the Borrower may merge with another Person if (i) the corporation

surviving the merger is the Borrower or a corporation organized under the laws of a State of the United States into which the Borrower desires to merge for the purpose of becoming incorporated in such State (in which case such corporation shall assume all of the Borrower's obligations under this Agreement by an agreement satisfactory to the Required Lenders (and the Required Lenders shall not unreasonably withhold their consent to the form of such agreement) and shall deliver to the Administrative Agent and the Lenders such legal opinions and other documents as the Administrative Agent may reasonably request to evidence the due authorization, validity and binding effect thereof) and (ii) immediately after giving effect to such merger, no Default shall have occurred and be continuing; and provided further that the foregoing shall not be construed to prohibit any Minority Interest Disposition or any other sale, lease or other transfer of assets (including by means of dividends, share repurchases or recapitalizations) that does not involve all or any substantial part of the assets of the Borrower and its Consolidated Subsidiaries taken as a whole.

SECTION 5.13. Use of Proceeds. The Borrower will use the proceeds of the Loans to finance repurchases of its capital stock, or special dividends thereon (or a combination thereof), and, to the extent of any excess, for general corporate purposes.

ARTICLE VI

Events of Default and Remedies

SECTION 6.01. Events of Default. Any of the following shall be an "Event of Default":

(a) The Borrower shall fail to make any payment of principal of or interest on any Loan when due or to pay any fees or other amounts payable by it hereunder when due, and such failure remains unremedied for three Business Days after the Borrower's actual receipt of notice of such failure from the Administrative Agent at the request of any Lender;

(b) Any statement of fact or representation made or deemed to be made by the Borrower in this Agreement or by the Borrower or any of its officers in any certificate delivered pursuant to this Agreement shall prove to have been incorrect in any material respect when made or deemed made, and, if the consequences of such representation or statement being incorrect shall be susceptible of remedy in all material respects, such consequences shall not be remedied in all material respects within 30 days after any executive officer of the Borrower or any Financial Officer first becomes aware of or is advised that such representation or statement was incorrect in a material respect;

(c) The Borrower shall fail to comply with any of the provisions of Sections 5.06 or 5.07 and, if the consequences of such failure shall be susceptible of remedy in all material respects, such consequences shall not be remedied in all material respects within 20 days after any executive officer of the Borrower or any Financial Officer first becomes aware or is advised of such failure to comply;

(d) (i) The Borrower or any Consolidated Subsidiary shall fail to pay principal of or interest on any Material Indebtedness and the longer of any periods within which the Borrower or such Consolidated Subsidiary shall be allowed to cure such nonpayment shall have elapsed, or 10 days shall have passed since such failure, in either case without curing such nonpayment or (ii) any event or condition shall occur which enables the holder of any Material Indebtedness or any Person acting on such holder's behalf to accelerate the maturity thereof, and the longer of any periods within which the Borrower or such Consolidated Subsidiary shall be allowed to cure such condition or event shall have elapsed, or 10 days shall have passed since the occurrence of such event or condition, in either case without curing such event or condition, provided no Default under this clause (d) shall be deemed to occur if (1) at the time the relevant event or condition described in this clause (d) occurs, the Borrower's Index Debt is rated (A) Baa3 or better by Moody's and BBB- or better by S&P, if both Moody's and S&P shall have in effect a rating for the Borrower's Index Debt, or (B) Baa3 or better by Moody's or BBB- or better by S&P, if both Moody's and S&P shall not have in effect a rating for the Borrower's Index Debt, (2) the Borrower's Index Debt does not cease to have the ratings described in clause (1) above for reasons attributable to the relevant event or condition described in this clause (d), and (3) all Material Indebtedness that is affected by any event or condition described in this clause (d) is either (A) owed by a Consolidated Subsidiary not incorporated under the laws of any State of the United States, the District of Columbia or Canada or any province thereof, or (B) permitted under clause (a) of Section 5.10;

(e) The Borrower or any Consolidated Subsidiary shall (i) make a general assignment for the benefit of creditors, (ii) apply for or consent (by admission of material allegations of a petition or otherwise) to the appointment of a receiver, custodian, trustee or liquidator of the Borrower or any Consolidated Subsidiary or any substantial part of the properties of the Borrower or any Consolidated Subsidiary or authorize such application or consent, or proceedings seeking such appointment shall be commenced without such authorization, consent or application against the Borrower or any Consolidated Subsidiary and continue undismissed for 30 days (or if such dismissal of such unauthorized proceedings cannot reasonably be obtained within such 30 day period, the Borrower or any Consolidated Subsidiary shall fail either to proceed with due diligence to seek to obtain dismissal within such 30 day period or to obtain dismissal within 60 days), (iii) authorize or file a voluntary petition in bankruptcy, suffer an order for relief under any federal bankruptcy law, or apply for or consent (by admission of material allegations of a petition or otherwise) to the application of any bankruptcy, reorganization, arrangement, readjustment of debt, insolvency, dissolution, liquidation or other similar law of any jurisdiction, or authorize such application or consent, or proceedings to such end shall be instituted against the Borrower or any Consolidated Subsidiary without such authorization, application or consent which are not vacated within 30 days from the date thereof (or if such vacation cannot reasonably be obtained within such 30 day period, the Borrower shall fail either to proceed with due diligence to seek to obtain vacation within such 30 day period or to obtain vacation within 60 days), (iv) permit or suffer all

or any substantial part of its properties to be sequestered, attached, or subjected to a Lien (other than a Lien expressly permitted by the exceptions to Section 5.08) through any legal proceeding or distraint which is not vacated within 30 days from the date thereof (or if such vacation cannot reasonably be obtained within such 30 day period, the Borrower shall fail either to proceed with due diligence to seek to obtain vacation within such 30 day period or to obtain vacation within 60 days), (v) generally not pay its debts as such debts become due or admit in writing its inability to do so, or (vi) conceal, remove, or permit to be concealed or removed, any material part of its property, with intent to hinder, delay or defraud its creditors or any of them; provided, however, that the foregoing events will not constitute an Event of Default if such events occur with respect to any Subsidiary which is: (1) a Consolidated Subsidiary not incorporated under the laws of any State of the United States, the District of Columbia or Canada or any province thereof and not engaged in the retail business, if the aggregate Value of the Borrower's and all Consolidated Subsidiaries' investments in and advances to such Consolidated Subsidiary and all such other Consolidated Subsidiaries to which these tests are being applied within a period of 18 months ending on the date of determination, does not exceed \$100,000,000, or (2) a Consolidated Subsidiary incorporated under the laws of any State of the United States, the District of Columbia or Canada or any province thereof and not engaged in the retail business, if (A) at the time the relevant event or condition described in this clause (e) occurs, the Borrower's Index Debt is rated (x) Baa3 or better by Moody's and BBB- or better by S&P, if both Moody's and S&P shall have in effect a rating for the Borrower's Index Debt, or (y) Baa3 or better by Moody's or BBB- or better by S&P, if both Moody's and S&P shall not have in effect a rating for the Index Debt, (B) the Borrower's Index Debt does not cease to have the rankings described in clause (A) above for reasons attributable to the relevant event or condition described in this clause (e) and (C) the aggregate Value of the Borrower's and all Consolidated Subsidiaries' investments and advances to such Consolidated Subsidiary and all other such Consolidated Subsidiaries to which these tests are being applied within a period of 18 months ending on the date of determination, does not exceed \$50,000,000;

(f) The Borrower or any ERISA Affiliate shall fail to pay when due an amount or amounts aggregating in excess of \$50,000,000 which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA; or notice of intent to terminate a Plan or Plans having aggregate Unfunded Liabilities in excess of \$100,000,000 (collectively a "Material Plan") shall be filed under Title IV of ERISA by the Borrower or any ERISA Affiliate, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate or to cause a trustee to be appointed to administer any Material Plan or a proceeding shall be instituted by a fiduciary of any Material Plan against the Borrower or any ERISA Affiliate to enforce Section 515 or 4219(c)(5) of ERISA and such proceeding shall not have been dismissed within 30 days thereafter; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated;

(g) The Borrower shall fail to perform or observe in any material respect any other term, covenant or agreement contained in this Agreement (including without limitation Section 5.01) on its part to be performed or observed and any such failure remains unremedied for 30 days after the Borrower shall have received written notice thereof from the Administrative Agent at the request of any Lender;

(h) a Change in Control shall occur; or

(i) one or more judgments for the payment of money in an aggregate amount in excess of \$100,000,000, exclusive of amounts covered by third party insurance, shall be rendered against the Borrower, any Consolidated Subsidiary or any combination thereof and the same shall remain undischarged for a period of 60 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or any Consolidated Subsidiary to enforce any such judgment; provided that in calculating the amounts covered by third party insurance, amounts covered by third party insurance shall not include amounts for which the third party insurer has denied liability.

SECTION 6.02. Remedies. If any Event of Default shall occur and be continuing, the Administrative Agent shall (a) if requested by the Required Lenders, by notice to the Borrower terminate the Commitments and they shall thereupon terminate, and (b) if requested by Lenders holding more than 50% of the aggregate unpaid principal amount of the Loans, by notice to the Borrower declare the Loans (together with accrued interest thereon and all other amounts payable by the Borrower hereunder) to be, and the Loans (together with accrued interest thereon and all other amounts payable by the Borrower hereunder) shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; provided that in the case of any of the bankruptcy Events of Default specified in Section 6.01(e) with respect to the Borrower, without any notice to the Borrower or any other act by the Administrative Agent or the Lenders, the Commitments shall thereupon terminate and the Loans (together with accrued interest thereon and all other amounts payable by the Borrower hereunder) shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

SECTION 6.03. Notice of Default. The Administrative Agent shall give notice to the Borrower under Section 6.01(a) or 6.01(g) promptly upon being requested to do so by any Lender and shall thereupon notify all the Lenders thereof.

ARTICLE VII

The Administrative Agent

Each of the Lenders hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto.

The bank serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Administrative Agent is required to exercise in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 8.02), and (c) except as expressly set forth herein, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 8.02) or in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders and the Borrower. Upon any such resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 8.03 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder. The Joint Lead Arrangers and Joint Bookrunners and Co-Syndication Agents (each as identified on the cover page of this Agreement), in their capacities as such, shall have no rights, powers, duties, liabilities, fiduciary relationships or obligations under this Agreement or any of the other documents related hereto.

ARTICLE VIII

Miscellaneous

SECTION 8.01. Notices. Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to the last paragraph of this section), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(a) if to the Borrower, to it at Three Limited Parkway, P.O. Box 16000, Columbus, Ohio 43216, Attention of Assistant Treasurer (Telecopy No. (614) 415-7060);

(b) if to the Administrative Agent, to JPMorgan Chase Bank, Loan and Agency Services Group, 1111 Fannin Street, Houston, Texas 77002, Attention of Cherry Arnaez (Telecopy No. (713) 750-2782), with a copy to JPMorgan Chase Bank, 270 Park Avenue, New York, New York 10017, Attention of Ruby Tulloch (Telecopy No. (212) 270-6937); and

(c) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

SECTION 8.02. Waivers; Amendments. (a) No failure or delay by the Administrative Agent or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent or any Lender may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or reduce the rate of interest thereon, or reduce any fees payable by the Borrower hereunder, without the written consent of each Lender affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan, or any interest thereon, or any fees payable by the Borrower hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby, (iv) change Section 2.15(b) or (c) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, or (v) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent hereunder without the prior written consent of the Administrative Agent. Notwithstanding the foregoing, any provision of this Agreement may be amended by an agreement in writing entered into by the Borrower, the Required Lenders and the Administrative Agent if (i) by the terms of such agreement the Commitment of each Lender not consenting to the amendment provided for therein shall terminate upon the effectiveness of such amendment and (ii) at the time such amendment becomes effective, each Lender not consenting thereto receives payment in full of the principal of and interest accrued on each Loan made by it and all other amounts owing to it or accrued for its account under this Agreement.

SECTION 8.03. Expenses; Indemnity; Damage Waiver. (a) The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of a single counsel for the Administrative Agent, in connection with the syndication of the credit facilities provided for herein, the preparation and administration of this Agreement or any amendments, modifications or waivers of the provisions hereof (whether or not the transactions contemplated hereby or thereby shall be consummated) and (ii) if an Event of Default occurs, all reasonable out-of-pocket expenses incurred by the Administrative Agent or any Lender, including the fees, charges and disbursements of any counsel for the Administrative Agent or any Lender, in connection with the enforcement or protection of its rights in connection with this Agreement.

(b) The Borrower shall indemnify the Administrative Agent and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable fees,

charges and disbursements of any counsel for any Indemnitee in connection with any investigative, administrative or judicial proceeding, whether or not such Indemnitee shall be designated a party thereto, which may be incurred by any Indemnitee, relating to or arising out of any actual or proposed use of proceeds of Loans hereunder for the purpose of acquiring equity securities of any Person; provided, that no Indemnitee shall have the right to be indemnified hereunder (i) with respect to the acquisition of equity securities of a wholly-owned Subsidiary, or of a Person who prior to such acquisition did not conduct any business, or (ii) for its own gross negligence or willful misconduct.

(c) To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent such Lender's ratable share (determined in accordance with such Lender's share of the total Commitments or Loans outstanding as of the time that the applicable unreimbursed expense or indemnity payment is sought or, if the Commitments are terminated and no Loans shall remain outstanding, determined in accordance with such Lender's share of the Loans outstanding at the time of repayment) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent in its capacity as such.

(d) To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan or the use of the proceeds thereof; provided that the foregoing waiver shall not apply to special, indirect or consequential damages (but shall apply to punitive damages) attributable to the failure of a Lender to fund Loans, when required to do so hereunder, promptly after the receipt of notice of such failure.

(e) All amounts due under this Section shall be payable promptly after written demand therefor.

SECTION 8.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) other than pursuant to a merger permitted under Section 5.12, the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld) of:

(A) the Borrower; provided that no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee; and

(B) the Administrative Agent.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$10,000,000 unless each of the Borrower and the Administrative Agent otherwise consents; provided that no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

For purposes of this Section 8.04(b), the term "Approved Fund" has the following meaning:

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by a Lender, an Affiliate of a Lender or an entity or an Affiliate of an entity that administers or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the

extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.12, 2.13, 2.14 and 8.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 8.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) (i) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not,

without the consent of the Participant, agree to any amendment, modification or waiver described in clause (i), (ii), (iii) or (iv) of the first proviso to Section 8.02(b) that affects such Participant. Subject to paragraph (c)(ii) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.12, 2.13 and 2.14 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 8.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.15(c) as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.12 or 2.14 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.14 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.14(e) as though it were a Lender.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 8.05. Survival. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid and so long as the Commitments have not expired or terminated. The provisions of Sections 2.12, 2.13, 2.14 and 8.03 and Article VII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

SECTION 8.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and any separate letter agreements with respect to fees payable to the Administrative Agent and the initial

Lenders constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 8.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 8.08. Right of Setoff. If any Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of the Borrower against any and all the obligations then due of the Borrower now or hereafter existing under this Agreement held by such Lender. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 8.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees, to the fullest extent permitted under applicable law, that all claims in respect of any such action or proceeding may be heard and determined in such New York State or Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against the Borrower or its properties in the courts of any jurisdiction.

(c) The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 8.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 8.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 8.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 8.12. Confidentiality. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, (g) with the consent of the Borrower or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or

(ii) becomes available to the Administrative Agent or any Lender on a nonconfidential basis from a source other than the Borrower. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 8.13. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 8.14. Collateral. Each of the Lenders represents to the Administrative Agent and each of the other Lenders that it in good faith is not relying upon any "margin stock" (as defined in Regulation U of the Board) as collateral in the extension or maintenance of the credit provided for in this Agreement. In addition, the Borrower will not use or permit any proceeds of the Loans to be used in any manner which would violate or cause any Lender to be in violation of Regulation U of the Board.

SECTION 8.15. USA Patriot Act. Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act") it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Patriot Act.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

LIMITED BRANDS, INC.,

by _____

Name: Timothy J. Faber
Title: Vice President-Treasury and M&A

JPMORGAN CHASE BANK, individually and as
Administrative Agent,

by _____

Name:
Title:

BANK OF AMERICA, N.A.,

by _____

Name:
Title:

CITICORP NORTH AMERICA, INC.,

by _____

Name:
Title:

Commitments

<u>Lender</u>	<u>Amount</u>
JPMorgan Chase Bank	\$ 187,500,000
Bank of America, N.A.	\$ 187,500,000
Citicorp North America, Inc.	\$ 125,000,000
	<u>\$ 500,000,000</u>

US\$500,000,000
BRIDGE CREDIT AGREEMENT

dated as of

October 6, 2004

among

LIMITED BRANDS, INC.,

The Lenders Party Hereto

and

JPMORGAN CHASE BANK,
as Administrative Agent

J.P. MORGAN SECURITIES INC., BANC OF AMERICA SECURITIES LLC

and CITIGROUP GLOBAL MARKETS INC.,
as Joint Lead Arrangers and Joint Bookrunners

and

BANK OF AMERICA, N.A. and
CITICORP NORTH AMERICA, INC.,
as Co-Syndication Agents

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EXHIBITS:

Exhibit A — Form of Assignment and Assumption
Exhibit B-1 — Form of Opinion of Borrower’s Counsel
Exhibit B-2 — Form of Opinion of General Counsel

The parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“ABR”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

“Administrative Agent” means JPMorgan Chase Bank, in its capacity as administrative agent for the Lenders hereunder.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Alternate Base Rate” means, for any day, a rate per annum equal to the greater of (a) the Prime Rate in effect on such day or (b) the Federal Funds Effective Rate in effect on such day plus ½ of 1%. Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective from and including the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

“Applicable Rate” means, for any day, with respect to any Eurodollar Loan, (i) 0.75% during the period from the Effective Date to but excluding the date that is six months after the date hereof or (ii) 0.875% on and after the date that is six months after the date hereof.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 8.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

“Availability Period” means the period from and including the Effective Date to but excluding the date that is 90 days after the date hereof.

“Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Borrower” means Limited Brands, Inc., a Delaware corporation.

“Borrowing” means Loans of the same Type made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect.

“Borrowing Request” means a request by the Borrower for a Borrowing in accordance with Section 2.03.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, when used in connection with a Eurodollar Loan, the term “Business Day” shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“Change in Control” means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the date hereof) other than the Permitted Holders of shares representing more than 30% of the aggregate ordinary voting power represented by the issued and outstanding capital stock of the Borrower or (b) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Borrower by Persons who were neither (i) nominated by the board of directors of the Borrower nor (ii) appointed by directors so nominated.

“Change in Law” means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement, or (c) compliance by any Lender (or, for purposes of Section 2.12(b), by any lending office of such Lender or by such Lender’s holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Commitment” means, with respect to each Lender, the commitment of such Lender to make Loans hereunder, expressed as an amount representing the

maximum aggregate amount of Loans to be made by such Lender hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.06 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 8.04. The initial amount of each Lender's Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Commitment, as applicable. The initial aggregate amount of the Lenders' Commitments is \$500,000,000.

"Consolidated Debt" means, at any date of determination, the sum, without duplication, of (a) the total Indebtedness of the Borrower and the Consolidated Subsidiaries at such date (excluding, whether or not Easton Town Center, LLC is a Consolidated Subsidiary, any Non-Recourse ETC Debt), (b) an amount equal to six times the fixed minimum store rent commitments (less related sublease income) of the Borrower and the Consolidated Subsidiaries for the then current Fiscal Year, as reflected in the footnotes to the most recent audited financial statements of the Borrower, and (c) an amount equal to six times the fixed minimum store rent commitments (less related sublease income) for the then current Fiscal Year of any Person other than the Borrower or a Consolidated Subsidiary under a lease in respect of any store to the extent that such lease is Guaranteed or has been assumed by the Borrower or any Consolidated Subsidiary, if the Borrower or a Consolidated Subsidiary has made any payments in respect of any such store rent commitments of such Person (or any subsidiary of such Person) under such lease in respect of such store within the period of four consecutive fiscal quarters ended on or prior to such date of determination, all determined on a consolidated basis in accordance with GAAP; provided that, for the purposes of calculating the fixed minimum store rent commitments referred to in clause (b) or (c) above, if on or prior to the applicable date of determination an acquisition or disposition outside of the ordinary course of business has occurred that has the effect of increasing or decreasing any such fixed minimum store rent commitments, then such fixed minimum store rent commitments shall be determined on a pro forma basis to give effect to such acquisition or disposition as if such acquisition or disposition had occurred immediately prior to the commencement of the then current Fiscal Year.

"Consolidated EBITDA" means, for any period, Consolidated Net Income for such period (adjusted (i) to exclude any non-cash items deducted or included in determining Consolidated Net Income for such period attributable to FAS 133 – Accounting for Derivative Instruments and Hedging Activities, FAS 142 – Goodwill and Other Intangible Assets or stock options and other equity-linked compensation to officers, directors and employees, and (ii) to deduct cash payments made during such period in respect of Hedging Agreements (or other items subject to FAS 133 – Accounting for Derivative Instruments and Hedging Activities) to the extent not otherwise deducted in determining Consolidated Net Income for such period) plus (a) without duplication and to the extent deducted in determining such Consolidated Net Income, the sum of (i) consolidated interest expense for such period, (ii) consolidated income tax expense for such period, (iii) all amounts attributable to depreciation and amortization for such period and (iv) any extraordinary or nonrecurring charges for such period, and minus (b) without duplication and to the extent included in determining such Consolidated Net Income, any extraordinary or nonrecurring gains for such period, all

determined on a consolidated basis in accordance with GAAP; provided that regardless of whether Easton Town Center, LLC is a Consolidated Subsidiary, its results shall be included in Consolidated EBITDA to the extent actually distributed by Easton Town Center, LLC to the Borrower or a Consolidated Subsidiary.

“Consolidated EBITDAR” means, for any period, Consolidated EBITDA for such period plus, without duplication and to the extent deducted in the determination of such Consolidated EBITDA, consolidated fixed minimum store rental expense for such period, all determined on a consolidated basis in accordance with GAAP; provided that, if on or prior to the applicable date of determination of Consolidated EBITDAR, an acquisition or disposition outside of the ordinary course of business has occurred that has the effect of increasing or decreasing Consolidated EBITDAR, then Consolidated EBITDAR shall be determined on a pro forma basis to give effect to such acquisition or disposition as if such acquisition or disposition had occurred immediately prior to the commencement of the period for which Consolidated EBITDAR is to be determined.

“Consolidated Fixed Charges” means, for any period, the sum of (a) consolidated interest expense, both expensed and capitalized (including the interest component in respect of Capital Lease Obligations but excluding any interest expense in respect of Indebtedness of Easton Town Center, LLC, except to the extent actually paid by the Borrower or a Consolidated Subsidiary other than, if it is a Consolidated Subsidiary, Easton Town Center, LLC), of the Borrower and the Consolidated Subsidiaries for such period, plus (b) consolidated fixed minimum store rental expense of the Borrower and the Consolidated Subsidiaries for such period, all determined on a consolidated basis in accordance with GAAP; provided that, if on or prior to the applicable date of determination of Consolidated Fixed Charges, an acquisition or disposition outside of the ordinary course of business has occurred that has the effect of increasing or decreasing Consolidated Fixed Charges, then Consolidated Fixed Charges shall be determined on a pro forma basis to give effect to such acquisition or disposition as if such acquisition or disposition had occurred immediately prior to the commencement of the period for which Consolidated Fixed Charges is to be determined.

“Consolidated Net Income” means, for any period, the net income or loss of the Borrower and the Consolidated Subsidiaries for such period determined on a consolidated basis in accordance with GAAP.

“Consolidated Subsidiary” means any Subsidiary (other than an Unrestricted Subsidiary), the accounts of which are, or are required to be, consolidated with those of the Borrower in the Borrower’s periodic reports filed under the Securities Exchange Act of 1934.

“Control” means, with respect to a specified Person, the possession, directly or indirectly, of the power to direct, or cause the direction of, the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have correlative meanings.

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Disclosed Matters” means the actions, suits and proceedings and the environmental matters disclosed in Schedule 3.05.

“dollars” or “\$” refers to lawful money of the United States of America.

“Effective Date” means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 8.02).

“Environmental Laws” means all applicable laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions or binding agreements issued, promulgated or entered into by any Governmental Authority, relating to the environment, preservation or reclamation of natural resources or the management, release or threatened release of any Hazardous Material.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Consolidated Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“Eurodollar”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to a LIBO Rate.

“Event of Default” has the meaning assigned to such term in Article VI.

“Excluded Taxes” means, with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any

obligation of the Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, (b) income, franchise or similar taxes imposed by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, or which are imposed by reason of any present or former connection between such Lender and the jurisdiction imposing such taxes, other than solely as a result of this Agreement or any Loan or transaction contemplated hereby, (c) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction described in clause (a) or (b) above and (d) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 2.16(b)), any withholding tax that (i) is in effect and would apply to amounts payable to such Foreign Lender under applicable law at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, under applicable law at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to any withholding tax pursuant to Section 2.14(a), or (ii) is attributable to such Foreign Lender's failure to comply with Section 2.14(e).

“Federal Funds Effective Rate” means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

“Financial Officer” means the chief financial officer, principal accounting officer, treasurer or controller of the Borrower.

“Fiscal Year” means the fiscal year of the Borrower which shall commence on the Sunday following the Saturday on or nearest (whether following or preceding) January 31 of one calendar year and end on the Saturday on or nearest (whether following or preceding) January 31 of the following calendar year.

“Foreign Lender” means any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“GAAP” means generally accepted accounting principles in the United States of America.

“Governmental Authority” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Guarantee” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes in each case which are regulated pursuant to any Environmental Law.

“Hedging Agreement” means any interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement.

“Indebtedness” of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person in respect of the deferred purchase price of property (other than inventory) or services (excluding accruals and trade accounts payable arising in the ordinary course of business), (d) all Indebtedness of others secured by any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (e) all Guarantees by such Person of Indebtedness of others, (f) all Capital Lease Obligations of such Person and (g) all obligations, contingent or otherwise, of such Person in respect of bankers’ acceptances.

“Indemnified Taxes” means Taxes other than Excluded Taxes and Other Taxes.

“Index Debt” means senior, unsecured, long-term indebtedness for borrowed money of the Borrower that is not guaranteed by any other Person or subject to any other credit enhancement.

“Information Memorandum” means the Confidential Information Memorandum to be prepared in connection with the syndication of the credit facility provided for in this Agreement relating to the Borrower and the Transactions.

“Interest Election Request” means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.05.

“Interest Payment Date” means (a) with respect to any ABR Loan, the last day of each March, June, September and December and (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at intervals of three months’ duration after the first day of such Interest Period.

“Interest Period” means, with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter or, if available from all Lenders, nine months thereafter, in each case as the Borrower may elect; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Borrowing with an Interest Period of an integral number of months only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any Interest Period pertaining to a Eurodollar Borrowing with an Interest Period of an integral number of months that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period and (iii) any Interest Period that would otherwise end after the Maturity Date will end on the Maturity Date. For purposes hereof, the date of a Eurodollar Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date on which such Borrowing results from the conversion or continuation of another Borrowing.

“Lenders” means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption as contemplated in Section 8.04(b), other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

“LIBO Rate” means, with respect to any Eurodollar Borrowing for any Interest Period, the rate appearing on Page 3750 of the Dow Jones Market Service (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a

maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the “LIBO Rate” with respect to such Eurodollar Borrowing for such Interest Period shall be the rate at which dollar deposits of \$5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

“Lien” means, with respect to any asset, any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset.

“Loans” means the loans made by the Lenders to the Borrower pursuant to this Agreement.

“Material Adverse Effect” means a material adverse effect on (a) the business, financial position or results of operations of the Borrower and the Consolidated Subsidiaries, taken as a whole, (b) the ability of the Borrower to perform any of its obligations under this Agreement or (c) the rights of or benefits available to the Lenders under this Agreement.

“Material Indebtedness” means Indebtedness (other than the Loans), or obligations in respect of one or more Hedging Agreements, of any one or more of the Borrower and its Consolidated Subsidiaries in an aggregate principal amount exceeding \$100,000,000. For purposes of determining Material Indebtedness, the “principal amount” of the obligations of the Borrower or any Consolidated Subsidiary in respect of any Hedging Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Borrower or such Consolidated Subsidiary would be required to pay if such Hedging Agreement were terminated at such time.

“Maturity Date” means October 5, 2005.

“Minority Interest Disposition” means a sale, transfer or other disposition by the Borrower or any of the Subsidiaries (including the issuer thereof) of up to 20% of the Equity Interests in any Subsidiary of the Borrower.

“Moody’s” means Moody’s Investors Service, Inc.

“Multiemployer Plan” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“Net Proceeds” means, with respect to any event (a) the cash proceeds received by the Borrower or any of its Consolidated Subsidiaries in respect of such event, net of (b) the sum of all fees and out of pocket expenses paid by the Borrower or any of its Consolidated Subsidiaries to third parties in connection with such event.

“Non-Recourse ETC Debt” means any Indebtedness of Easton Town Center LLC, except to the extent such Indebtedness is Guaranteed by, or otherwise recourse to, the Borrower or any other Subsidiary.

“Other Taxes” means any and all present or future recording, stamp, documentary, excise, property or similar taxes, charges or levies imposed by the United States of America or any political subdivision thereof arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement.

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Permitted Encumbrances” means:

(a) Liens imposed by law for taxes that are not yet due;

(b) carriers’, warehousemen’s, mechanics’, materialmen’s, repairmen’s, landlord’s and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days;

(c) pledges and deposits made in the ordinary course of business in compliance with workers’ compensation, unemployment insurance and other social security laws or regulations;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under clause (j) of Section 6.01;

(f) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower or any Subsidiary;

(g) Liens in favor of sellers of goods arising under Article 2 of the New York Uniform Commercial Code or similar provisions of applicable law in the ordinary course of business, covering only the goods sold and securing only the unpaid purchase price for such goods and related expenses; and

(h) Liens securing obligations in respect of trade letters of credit, provided that such Liens do not extend to any property other than the goods financed or paid for with such letters of credit, documents of title in respect thereof and proceeds thereof; provided that the term “Permitted Encumbrances” shall not include any Lien securing Indebtedness.

“Permitted Holders” means Leslie H. Wexner, all descendants of any of his grandparents, any spouse or former spouse of any of the foregoing, any descendant of any such spouse or former spouse, the estate of any of the foregoing, any trust for the benefit, in whole or in part, of one or more of the foregoing and any corporation, limited liability company, partnership or other entity Controlled by one or more of the foregoing.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Prime Rate” means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

“Register” has the meaning set forth in Section 8.04.

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Required Lenders” means, at any time, Lenders having Loans or Commitments representing more than 50% of the sum of the total Loans or Commitments at such time.

“S&P” means Standard & Poor’s Ratings Services.

“Statutory Reserve Percentage” means for any day the percentage (expressed as a decimal) that is in effect on such day, as prescribed by the Board, for determining the maximum reserve requirement for a member bank of the Federal Reserve System for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Board). Such reserve percentage shall include those imposed pursuant to such Regulation D. The Statutory Reserve Percentage shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“subsidiary” means, with respect to any Person (the “parent”) at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

“Subsidiary” means any subsidiary of the Borrower.

“Taxes” means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

“Term Loan Credit Agreement” means the Term Loan Credit Agreement dated as of the date hereof among the Borrower, the lenders party thereto and JPMorgan Chase Bank, as administrative agent.

“Test Date” means, if at the time the rating of either Moody’s or S&P with respect to the Index Debt shall be less than BBB– or Baa3 and the rating of the other such rating agency with respect to the Index Debt shall not be at least BBB– or Baa3 (with, in the case of a rating of BBB- or Baa3, stable outlook), or if there shall not be a rating in effect from such other rating agency of the Index Debt, the date of any Borrowing hereunder.

“Transactions” means the execution, delivery and performance by the Borrower of this Agreement, the borrowing of Loans and the use of the proceeds thereof.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the LIBO Rate or the Alternate Base Rate.

“Unfunded Liabilities” means, with respect to any Plan at any time, the amount (if any) by which (a) the present value of all benefits under such Plan exceeds (b) the fair market value of all Plan assets allocable to such benefits, all determined as of the then most recent valuation date for such Plan, but only (i) to the extent that such excess represents a potential liability of the Borrower or any ERISA Affiliate to the PBGC or any other Person under Title IV of ERISA or (ii) with respect to a Plan which is a Multiemployer Plan as described in Section 4001(a)(3) of ERISA, to the extent of the Unfunded Liabilities of such Plan allocable to the Borrower or any ERISA Affiliate under Section 4212 of ERISA.

“Unrestricted Subsidiary” means any Subsidiary designated as an Unrestricted Subsidiary in a written notice sent at any time after the date of this Agreement by the Borrower to the Administrative Agent which is engaged (a) primarily in the business of making or discounting loans, making advances, extending credit or providing financial accommodation to, or purchasing the obligations of, others; (b) primarily in the business of insuring property against loss and subject to regulation as an insurance company by any Governmental Authority; (c) exclusively in the business of owning or leasing, and operating, aircraft and/or trucks; (d) primarily in the ownership, management, leasing or operation of real estate, other than parcels of real estate with respect to which 51% or more of the rentable space is used by the Borrower or a Consolidated Subsidiary in the normal course of business; or (e) primarily as a carrier transporting goods in both intrastate and interstate commerce, provided that (i) the

Borrower may by notice to the Administrative Agent change the designation of any Subsidiary described in subparagraphs (a) through (e) above, but may do so only once during the term of this Agreement, (ii) the designation of a Subsidiary as an Unrestricted Subsidiary more than 30 days after the creation or acquisition of such Subsidiary where such Subsidiary was not specifically so designated within such 30 days shall be deemed to be the only permitted change in designation and (iii) immediately after the Borrower designates any Subsidiary whether now owned or hereafter acquired or created as an Unrestricted Subsidiary or changes the designation of a Subsidiary from an Unrestricted Subsidiary to a Consolidated Subsidiary, the Borrower and all Consolidated Subsidiaries would be in compliance with all of the provisions of this Agreement.

“Value” means, when used in Section 6.01(e) with respect to investments in and advances to a Consolidated Subsidiary, the book value thereof immediately before the relevant event or events referred to in Section 6.01(e) occurred with respect to such Consolidated Subsidiary.

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Type (e.g., a “Eurodollar Loan”). Borrowings also may be classified and referred to by Type (e.g., a “Eurodollar Borrowing”).

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04 Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the

Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

ARTICLE II

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, each Lender agrees to make a Loan to the Borrower during the Availability Period in an aggregate principal amount not exceeding such Lender's Commitment; provided that the Lenders shall not be required to make Loans on more than one date during the Availability Period. Amounts repaid in respect of the Loans may not be reborrowed.

SECTION 2.02. Loans and Borrowings. (a) Each Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make the Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.11, the Borrowing shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower may request in accordance herewith. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurodollar Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$20,000,000. Borrowings of more than one Type may be outstanding at the same time; provided that there shall not at any time be more than a total of five Eurodollar Borrowings outstanding.

SECTION 2.03. Requests for Borrowing. To request the Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone (a) in the case of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of the proposed Borrowing and (b) in the case of an ABR Borrowing, not later than 11:00 a.m., New York City time, on the date of the proposed Borrowing. Such telephonic Borrowing Request shall be irrevocable and shall be

confirmed promptly by hand delivery or teletype to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the Borrower. Such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

- (i) the aggregate amount of the Borrowing;
- (ii) the date of the Borrowing, which shall be a Business Day during the Availability Period;
- (iii) whether the Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing;
- (iv) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and
- (v) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.04.

If no election as to the Type of Borrowing is specified, then the Borrowing shall be a Eurodollar Borrowing. If no Interest Period is specified with respect to the Borrowing, if it is requested (or deemed requested) as a Eurodollar Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the Borrowing.

SECTION 2.04. Funding of Borrowing. (a) Each Lender shall make the Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 noon, New York City time, to the account of the Administrative Agent designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with the Administrative Agent in New York City and designated by the Borrower in the Borrowing Request.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of the Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of the Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the

case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the greater of the interest rate applicable to the Loans of the other Lenders included in the Borrowing and a rate determined by the Administrative Agent to equal its cost of funds for funding such amount. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.05. Interest Elections. (a) The Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the Borrower.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is to be a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be continued as a Eurodollar Borrowing with an Interest Period of one month's duration.

SECTION 2.06. Termination and Reduction of Commitments. (a) Unless previously terminated, the Commitments shall terminate at the end of the Availability Period or upon any earlier date on which Loans are made.

(b) The Borrower may at any time terminate, or from time to time reduce, the Commitments; provided that each reduction of the Commitments shall be in an amount that is an integral multiple of \$1,000,000 and not less than \$25,000,000. The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under this paragraph (b) at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof.

(c) In the event and on each occasion while the Commitments remain in effect that any Net Proceeds are received by or on behalf of the Borrower or any Consolidated Subsidiary in respect of any issuance of any securities of the Borrower or any Consolidated Subsidiary in the capital markets (excluding, for the avoidance of doubt, any issuance of commercial paper), the Commitments shall be reduced by an amount equal to 100% of such Net Proceeds. The Borrower shall notify the Administrative Agent of any such reduction and the amount thereof on or prior to the date of receipt of the Net Proceeds resulting in such reduction.

(d) Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

SECTION 2.07. Repayment of Loans; Evidence of Indebtedness; Amortization. (a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Loan on the Maturity Date.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 8.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.08. Prepayment of Loans. (a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with paragraph (c) of this Section.

(b) In the event and on each occasion while any Loan is outstanding that any Net Proceeds are received by or on behalf of the Borrower or any Consolidated Subsidiary in respect of any issuance of any securities of the Borrower or any Consolidated Subsidiary in the capital markets (excluding, for the avoidance of doubt, any issuance of commercial paper), the Borrower shall, within three Business Days after such Net Proceeds are so received, prepay Borrowings in an aggregate principal amount equal to 100% of such Net Proceeds.

(c) The Borrower shall notify the Administrative Agent by telephone (confirmed by telecopy) of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, one Business Day before the date of prepayment and (ii) in the case of prepayment of an ABR Borrowing, not later than 11:00 a.m., New York City time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that a notice of prepayment may state that such notice is conditional upon the receipt of proceeds from

another financing, in which case such notice of prepayment may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified prepayment date) if such condition is not satisfied. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Except as necessary to make the full amount of any mandatory prepayment required by paragraph (b) of this Section, each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.10.

SECTION 2.09. Fees. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue at the rate of 0.150% per annum on the amount of the Commitment of such Lender during the period from and including the Effective Date to but excluding the date on which such Commitment terminates. Accrued commitment fees shall be payable in arrears on the day on which the Commitments terminate. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Borrower agrees to pay to the Administrative Agent, for its own account and for the account of the initial Lenders, fees in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(c) All fees payable by the Borrower hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, to the parties entitled thereto. Fees paid by the Borrower shall not be refundable under any circumstances.

SECTION 2.10. Interest. (a) The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at the LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(d) (i) For so long as any Lender maintains reserves against “Eurocurrency liabilities” (or any other category of liabilities which includes deposits by reference to which the interest rate on Eurodollar Loans is determined or any category of extensions of credit or other assets which includes loans by a non-United States office of any Lender to United States residents), and as a result the cost to such Lender (or its lending office for Eurodollar Loans) of making or maintaining its Eurodollar Loans is increased, then such Lender may require the Borrower to pay, contemporaneously with each payment of interest on any Eurodollar Loan of such Lender, additional interest on such Eurodollar Loan for the Interest Period of such Eurodollar Loan at a rate per annum up to but not exceeding the excess of (A)(x) the applicable LIBO Rate divided by (y) one minus the Statutory Reserve Percentage over (B) the rate specified in the preceding clause (x).

(ii) Any Lender wishing to require payment of additional interest (x) shall so notify the Borrower and the Administrative Agent, in which case such additional interest on the Eurodollar Loans of such Lender shall be payable to such Lender at the place indicated in such notice with respect to each Interest Period commencing at least three Business Days after the giving of such notice and (y) shall furnish to the Borrower at least five Business Days prior to each date on which interest is payable on the Eurodollar Loans an officer’s certificate setting forth the amount to which such Lender is then entitled under this Section (which shall be consistent with such Lender’s good faith estimate of the level at which the related reserves are maintained by it). Each such certificate shall be accompanied by such information as the Borrower may reasonably request as to the computation set forth therein.

(e) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Loan prior to the earlier of (x) the date upon which all Loans are paid in full and (y) the Maturity Date), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(f) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.11. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the LIBO Rate for such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders that the LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or telecopy as promptly as practicable thereafter, but not later than 10:00 A.M. (New York City time) on the first day of such Interest Period, and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective and (ii) if the Borrowing Request requests a Eurodollar Borrowing, then, unless the Borrower notifies the Administrative Agent by 12:00 noon (New York City time) on the date of the Borrowing that it elects not to borrow on such date, the Borrowing shall be made as an ABR Borrowing.

SECTION 2.12. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Statutory Reserve Percentage); or

(ii) impose on any Lender or the London interbank market any other condition affecting this Agreement or Eurodollar Loans made by such Lender (other than an imposition or change in Taxes, Other Taxes or Excluded Taxes, or any Change in Law relating to capital requirements or the rate of return on capital, with respect to which Section 2.14 and paragraph (b) of this Section, respectively, shall apply);

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining, or reduce the amount receivable by any Lender with respect to, any Eurodollar Loan (or of maintaining its obligation to make any such Loan), then the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) If any Lender determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement or the Loans made by such Lender, to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 15 days after receipt thereof.

(d) Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.13. Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurodollar Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.08(c) and is revoked in accordance therewith), or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.16, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event which, in the reasonable judgment of such Lender, such Lender (or an existing or prospective participant in a related Loan) incurred, including any loss incurred in obtaining, liquidating or employing deposits from third parties, but excluding loss of margin for the period after any such payment. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 15 days after receipt thereof.

SECTION 2.14. Taxes. (a) Any and all payments by or on account of any obligation of the Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if the Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent or Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify the Administrative Agent and each Lender, within 15 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent or such Lender, as the case may be, on or with respect to any payment by or on account of any obligation of the Borrower hereunder (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; provided, that the Borrower shall not be obligated to make payment to such Lender or Administrative Agent for penalties, interest or expenses attributable to the gross negligence or willful misconduct of such Lender or Administrative Agent. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender, or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law or reasonably requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate, provided that such Foreign Lender has received written notice from the Borrower advising it of the availability of such exemption or reduction and containing all applicable documentation.

(f) If the Administrative Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section, it shall pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that the Borrower, upon the request of the

Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This Section shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower or any other Person.

SECTION 2.15. Payments Generally; Pro Rata Treatment; Sharing of Set-offs. (a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest or fees, or of amounts payable under Section 2.12, 2.13 or 2.14, or otherwise) on the date when due, in immediately available funds, without set-off or counterclaim, and the Borrower agrees to instruct its bank which will be transmitting such funds with respect to such payments not later than 10:00 A.M. (New York City time) on the date when due. All such payments shall be made to the Administrative Agent at its offices at 270 Park Avenue, New York, New York, except that payments pursuant to Sections 2.12, 2.13, 2.14 and 8.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due from the Borrower hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due from the Borrower hereunder, ratably among the parties entitled thereto in accordance with the amounts of such interest and fees then due to such parties and (ii) second, towards payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any

payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(b) or 2.15(d), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

SECTION 2.16. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Section 2.12, or additional interest under Section 2.10(d) or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.12, 2.10(d) or 2.14, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender requests compensation under Section 2.12, or additional interest under Section 2.10(d), or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14, or if any Lender defaults in its obligation to fund Loans

hereunder, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 8.04), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts, in each case payable to it by the Borrower hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.12, additional interest under Section 2.10(d) or payments required to be made pursuant to Section 2.14, such assignment will result in a material reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

(c) In connection with any proposed amendment, modification or waiver of or with respect to any provision of this Agreement (a "Proposed Change") requiring the consent of all Lenders, if the consent of the Required Lenders to such Proposed Change is obtained, but the consent to such Proposed Change of other Lenders whose consent is required is not obtained (any such Lender whose consent is not obtained as described in this Section 2.16(c) being referred to as a "Non-Consenting Lender"), then the Borrower may, at its sole expense and effort, upon notice to each Non-Consenting Lender and the Administrative Agent, require each Non-Consenting Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 8.04) all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not be unreasonably withheld, (ii) such Non-Consenting Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts, in each case payable to it by the Borrower hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) the Borrower shall not be permitted to require any Non-Consenting Lender to make any such assignment unless all Non-Consenting Lenders are required to make such assignments and, as a result thereof, the Proposed Change will become effective.

ARTICLE III

Representations and Warranties

The Borrower represents and warrants to the Lenders that:

SECTION 3.01. Corporate Existence and Power. The Borrower is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has all corporate power and authority required to carry on its business as now conducted.

SECTION 3.02. Corporate and Governmental Authorization; No Contravention. The execution, delivery and performance by the Borrower of this Agreement and the Transactions are within the Borrower's corporate power, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any governmental body, agency or official (other than the filing of reports with the Securities and Exchange Commission) and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the certificate of incorporation or bylaws of the Borrower or of any agreement, judgment, injunction, order, decree or other instrument binding upon the Borrower.

SECTION 3.03. Binding Effect. This Agreement has been duly executed and delivered by the Borrower and constitutes a valid and binding obligation of the Borrower, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.04. Financial Information. (a) The consolidated balance sheet of the Borrower and the Subsidiaries and the related consolidated statements of income, shareholders' equity and cash flows as of and for (i) Fiscal Year 2003, reported on by Ernst & Young LLP and set forth in the Borrower's Annual Report on Form 10-K for Fiscal Year 2003, a copy of which has been delivered to each of the Lenders, and (ii) the second fiscal quarter of Fiscal Year 2004, certified by a Financial Officer, in each case fairly present, in conformity with GAAP (except, in the case of the financial statements referred to in clause (ii) above, for normal year-end adjustments and the absence of footnotes), the consolidated financial position of the Borrower and the Subsidiaries as of such date and their consolidated results of operations and cash flows for such Fiscal Year or portion of such Fiscal Year, as applicable.

(b) From January 31, 2004 to the date hereof or any Test Date, there has been no material adverse change in the business, financial position or results of operations of the Borrower and the Consolidated Subsidiaries, considered as a whole.

SECTION 3.05. Litigation and Environmental Matters. (a) There is no action, suit or proceeding pending against, or to the knowledge of the Borrower threatened against or affecting, the Borrower or any Consolidated Subsidiaries before any court or arbitrator or any governmental body, agency or official in which there is, in the

good faith judgment of the Borrower (which shall be conclusive), a reasonable possibility of an adverse decision which could materially adversely affect the business, consolidated financial position or consolidated results of operations of the Borrower and the Consolidated Subsidiaries considered as a whole, or which in any manner draws into question the validity or enforceability of this Agreement.

(b) Except for the Disclosed Matters and except with respect to any other matters that, individually or in the aggregate, are not reasonably expected in the good faith judgment of the Borrower (which shall be conclusive) to materially adversely affect the business, financial position or results of operations of the Borrower and the Consolidated Subsidiaries considered as a whole, neither the Borrower nor any of the Consolidated Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

(c) Since the date of this Agreement, there has been no change in the status of the Disclosed Matters that, individually or in the aggregate in the good faith judgment of the Borrower (which shall be conclusive), has resulted in a material adverse effect on the business, financial position or results of operations of the Borrower and the Consolidated Subsidiaries considered as a whole.

SECTION 3.06. Subsidiaries. Each of the Consolidated Subsidiaries is a corporation duly incorporated, validly existing and, to the extent applicable, in good standing under the laws of its jurisdiction of incorporation, and has all corporate power and authority required to carry on its business as now conducted except to the extent that the failure of any such Consolidated Subsidiary to be so incorporated, existing or in good standing or to have such power and authority is not reasonably expected by the Borrower to have a material adverse effect on the business, financial position or results of operations of the Borrower and the Consolidated Subsidiaries considered as a whole.

SECTION 3.07. Not an Investment Company. The Borrower is not an “investment company” within the meaning of the Investment Company Act of 1940, as amended.

SECTION 3.08. ERISA. The Borrower and its ERISA Affiliates (a) have fulfilled their material obligations under the minimum funding standards of ERISA and the Code with respect to each Plan, (b) are in compliance in all material respects with the presently applicable provisions of ERISA and the Code and (c) have not incurred any liability in excess of \$100,000,000 to the PBGC or a Plan under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA; provided, that this sentence shall not apply to (i) any ERISA Affiliate as described in Section 414(m) of the Code (other than the Borrower or a Subsidiary) or any Plan maintained by such an ERISA Affiliate or (ii) any Multiemployer Plan. The Borrower and its Subsidiaries have made all material payments to Multiemployer Plans which they have been required to make under the related collective bargaining agreement or applicable law.

SECTION 3.09. Taxes. The Borrower and its Subsidiaries have filed all United States federal income tax returns and all other material tax returns which, in the opinion of the Borrower, are required to be filed by them and have paid all taxes due pursuant to such returns or pursuant to any assessment received by the Borrower or any Subsidiary, except for assessments which are being contested in good faith by appropriate proceedings. The charges, accruals and reserves on the books of the Borrower and its Subsidiaries in respect of taxes or other governmental charges are, in the opinion of the Borrower, adequate.

SECTION 3.10. Disclosure. The Information Memorandum, the financial statements delivered pursuant to Section 5.01(a)(i) and (ii), the registration statements delivered pursuant to Section 5.01(a)(vi) (in each case in the form in which such registration statements were declared effective, as amended by any post-effective amendments thereto) and the reports on Forms 10-K, 10-Q and 8-K delivered pursuant to Section 5.01(a)(vi), do not, taken as a whole and in each case as of the date thereof, contain any material misstatement of fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

ARTICLE IV

Conditions

SECTION 4.01. Effective Date. The obligations of the Lenders to make Loans hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 8.02):

(a) The Administrative Agent (or its counsel) shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include telecopy transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent shall have received a written opinion (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of each of (i) Samuel P. Fried, Esq., General Counsel of the Borrower, and (ii) Davis Polk & Wardwell, counsel for the Borrower, substantially in the form of Exhibits B-1 and B-2, respectively, and covering such other matters relating to the Borrower, this Agreement or the Transactions as the Required Lenders shall reasonably request. The Borrower hereby requests such counsel to deliver such opinions.

(c) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the Borrower, the

authorization of the Transactions and any other legal matters relating to the Borrower, this Agreement or the Transactions, all in form and substance satisfactory to the Administrative Agent and its counsel.

(d) The Administrative Agent shall have received a certificate, dated the Effective Date and signed by the President, a Vice President or a Financial Officer of the Borrower, confirming compliance with the conditions set forth in paragraphs (a) and (b) of Section 4.02.

(e) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder.

(f) The Administrative Agent shall have received evidence satisfactory to it of the termination of lending commitments under, and the payment of all amounts outstanding under, the Credit Agreement dated as of July 13, 2001, among the Borrower, the banks party thereto and JPMorgan Chase Bank (as successor to The Chase Manhattan Bank), as administrative agent.

(g) The conditions to the effectiveness of the Revolving Credit Agreement and the Term Loan Credit Agreement, each dated as of the date hereof, among the Borrower, the lenders party thereto and JPMorgan Chase Bank, as administrative agent, shall have been satisfied or waived in accordance therewith.

(h) The Administrative Agent shall have received all documentation and other information reasonably requested by it to satisfy the requirements of bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the USA Patriot Act.

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding. Notwithstanding the foregoing, the obligations of the Lenders to make Loans hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 8.02) at or prior to 3:00 p.m., New York City time, on December 30, 2004 (and, in the event such conditions are not so satisfied or waived, the Commitments shall terminate at such time).

SECTION 4.02. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of the Borrowing is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Borrower set forth in this Agreement shall be true and correct on and as of the date of the Borrowing (except to the extent that any such representation or warranty expressly relates to a specified date or dates, in which case such representation or warranty shall be true and correct as of such specified date or dates).

(b) At the time of and immediately after giving effect to such Borrowing, no Default shall have occurred and be continuing.

(c) On or prior to the date of any borrowing of Loans hereunder, the Borrower shall have borrowed (or shall concurrently borrow) \$500,000,000 aggregate principal amount of loans under the Term Loan Credit Agreement.

Each Borrowing shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a), (b) and (c) of this Section.

ARTICLE V

Covenants

The Borrower agrees that, so long as any Lender has any Commitment hereunder or any amount payable hereunder remains unpaid:

SECTION 5.01. Information. (a) The Borrower will deliver to the Administrative Agent and each of the Lenders:

(i) as soon as available and in any event within 120 days after the end of each Fiscal Year, the Annual Report of the Borrower on Form 10-K for such Fiscal Year, containing financial statements reported on in a manner acceptable to the Securities and Exchange Commission by Ernst & Young LLP or other independent public accountants of nationally recognized standing selected by the Borrower;

(ii) as soon as available and in any event within 60 days after the end of each of the first three quarters of each Fiscal Year, a copy of the Borrower's report on Form 10-Q for such quarter with the financial statements therein contained to be certified (subject to normal year end adjustments) as to fairness of presentation, generally accepted accounting principles (except footnotes) and consistency, by a Financial Officer;

(iii) simultaneously with the delivery of each set of financial statements referred to in clauses (a) and (b) above, a certificate of a Financial Officer (1) setting forth in reasonable detail the calculations required to establish whether the Borrower was in compliance with the requirements of Sections 5.06 and 5.07 on the date of such financial statements and (2) stating whether, to the best knowledge of such Financial Officer, any Default exists on the date of such certificate and, if any Default then exists, setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(iv) simultaneously with the delivery of each set of financial statements referred to in clause (a) above, a statement of the firm of independent public accountants which reported on such statements whether anything has come to their attention to cause them to believe that any Default existed on the date of such statements (insofar as such pertains to accounting matters);

(v) promptly upon the mailing thereof to the stockholders of the Borrower generally, copies of all financial statements, reports and proxy statements so mailed;

(vi) promptly upon the filing thereof, copies of all registration statements (other than the exhibits, thereto and any registration statements on Form S-8 or its equivalent) and reports on Forms 10-K, 10-Q and 8-K (or their equivalents) which the Borrower shall have filed with the Securities and Exchange Commission;

(vii) within four Business Days of any executive officer of the Borrower or any Financial Officer obtaining knowledge of any condition or event recognized by such officer to be a Default, a certificate of a Financial Officer setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(viii) if and when any executive officer of the Borrower or any Financial Officer obtains knowledge that any ERISA Affiliate (1) has given or is required to give notice to the PBGC of any "reportable event" (as defined in Section 4043 of ERISA) with respect to any Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that the plan administrator of any Plan has given or is required to give notice of any such reportable event, a copy of the notice of such reportable event given or required to be given to the PBGC, (2) has received notice of complete or partial withdrawal liability under Title IV of ERISA, a copy of such notice or (3) has received notice from the PBGC under Title IV of ERISA of an intent to terminate or appoint a trustee to administer any Plan, a copy of such notice; and

(ix) from time to time such additional information regarding the financial position or business of the Borrower and Subsidiaries as the Administrative Agent, at the request of any Lender, may reasonably request.

(b) Certificates delivered pursuant to this Section shall be signed manually or shall be copies of a manually signed certificate.

SECTION 5.02. Maintenance of Properties. The Borrower will, and will cause each Consolidated Subsidiary to, maintain and keep in good condition, repair and working order all properties used or useful in the conduct of its business and supply such properties with all necessary equipment and make all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Borrower may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided that nothing in this Section shall prevent the Borrower or any Consolidated Subsidiary from discontinuing the operation and maintenance of any of such properties if such discontinuance is, in the judgment of the Borrower, desirable in the conduct of the business of the Borrower or such Consolidated Subsidiary, as the case may be, and not disadvantageous in any material respect to the Lenders.

SECTION 5.03. Maintenance of Insurance. The Borrower will, and will cause each Consolidated Subsidiary to, insure and keep insured, with reputable insurance companies, so much of its properties and such of its liabilities for bodily injury or property damage, to such an extent and against such risks (including fire), as companies engaged in similar businesses customarily insure properties and liabilities of a similar character; or, in lieu thereof, the Borrower will maintain, or cause each Consolidated Subsidiary to maintain, a system or systems of self-insurance which will be in accord with the customary practices of companies engaged in similar businesses in maintaining such systems.

SECTION 5.04. Preservation of Corporate Existence. The Borrower shall preserve and maintain its corporate existence, rights, franchises and privileges in the State of Delaware or in any other State of the United States which it shall select as its jurisdiction of incorporation, and qualify and remain qualified as a foreign corporation in each jurisdiction in which such qualification is necessary, except such jurisdictions, if any, where the failure to preserve and maintain its corporate existence, rights, franchises and privileges, or qualify or remain qualified will not have a material adverse effect on the business or property of the Borrower.

SECTION 5.05. Inspection of Property, Books and Records. The Borrower will, and will cause each Consolidated Subsidiary to, make and keep books, records and accounts in which transactions are recorded as necessary to (a) permit preparation of the Borrower's consolidated financial statements in accordance with generally accepted accounting principles and (b) otherwise comply with the requirements of Section 13(b)(2) of the Securities Exchange Act of 1934 as in effect from time to time. At any reasonable time during normal business hours and from time to time, the Borrower will permit the Administrative Agent or any of the Lenders or any agents or representatives thereof at their expense (to the extent not in violation of applicable law) to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Borrower and any Consolidated Subsidiaries and to discuss the affairs, finances and accounts of the Borrower and any Consolidated Subsidiaries with any of their respective officers or directors. Any information obtained pursuant to this Section or Section 5.01(a) shall be subject to Section 8.12.

SECTION 5.06. Fixed Charge Coverage Ratio. The Borrower will not permit the ratio of Consolidated EBITDAR to Consolidated Fixed Charges for any period of four consecutive fiscal quarters to be less than 1.75 to 1.00.

SECTION 5.07. Debt to Consolidated EBITDAR. The Borrower will not permit the ratio of Consolidated Debt as of any date to Consolidated EBITDAR for the period of four consecutive fiscal quarters ended on such date (or, if such date is not the last day of a fiscal quarter of the Borrower, then for the period of four consecutive fiscal quarters of the Borrower most recently ended prior to such date) to exceed 4.00 to 1.

SECTION 5.08. Limitations on Liens. The Borrower will not, and will not permit any Consolidated Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(a) Permitted Encumbrances;

(b) any Lien on any property or asset of the Borrower or any Consolidated Subsidiary existing on the date hereof and set forth in Schedule 5.08; provided that (i) such Lien shall not apply to any other property or asset of the Borrower or any Consolidated Subsidiary and (ii) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(c) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Consolidated Subsidiary or existing on any property or asset of any Person that becomes a Consolidated Subsidiary after the date hereof prior to the time such Person becomes a Consolidated Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Consolidated Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Borrower or any Consolidated Subsidiary and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Consolidated Subsidiary, as the case may be, and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(d) Liens on fixed or capital assets acquired, constructed or improved by the Borrower or any Consolidated Subsidiary; provided that (i) with respect to a Consolidated Subsidiary, such security interests secure Indebtedness permitted by Section 5.10, (ii) such security interests and the Indebtedness secured thereby are incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement (or are incurred to extend, renew or replace security interests and Indebtedness previously incurred in compliance with this clause), (iii) the Indebtedness secured thereby does not exceed the cost of acquiring, constructing or improving such fixed or capital assets and (iv) such security interests shall not apply to any other property or assets of the Borrower or any Consolidated Subsidiary; and

(e) other Liens securing obligations in an aggregate principal amount not exceeding \$400,000,000.

SECTION 5.09. Compliance with Laws. The Borrower will, and will cause each Consolidated Subsidiary to, comply in all material respects with all applicable laws, ordinances, rules, regulations, and requirements of governmental authorities (including ERISA and the rules and regulations thereunder), except to the extent that

(a) the necessity of compliance therewith is contested in good faith by appropriate proceedings or (b) the failure to so comply would not result in any material adverse effect on the business, financial condition or results of operations of the Borrower and Consolidated Subsidiaries taken as a whole.

SECTION 5.10. Limitations on Subsidiary Indebtedness. The Borrower will not permit any Consolidated Subsidiary to create, incur, assume or suffer to exist any Indebtedness except:

(a) Indebtedness of any Consolidated Subsidiary which is, or the direct or indirect parent of which is, acquired by the Borrower or any other Consolidated Subsidiary after the Effective Date, which Indebtedness is in existence at the time such Consolidated Subsidiary (or parent) is so acquired; provided such Indebtedness was not created at the request or with the consent of the Borrower or any Subsidiary, and such Indebtedness may not be extended other than pursuant to the terms thereof as in existence at the time such Consolidated Subsidiary (or parent) was acquired; and

(b) other Indebtedness in an aggregate principal amount for all Consolidated Subsidiaries (excluding any Non-Recourse ETC Debt) not exceeding \$225,000,000.

SECTION 5.11. Transactions with Affiliates. The Borrower will not, and will not permit any of its Consolidated Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) at prices and on terms and conditions not less favorable to the Borrower or such Consolidated Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) any transaction determined by a majority of the disinterested directors of the Borrower's board of directors to be fair to the Borrower and its Subsidiaries, (c) transactions between or among the Borrower and its Consolidated Subsidiaries not involving any other Affiliate and (d) any transaction with respect to which neither the fair market value of the related property or assets, nor the consideration therefor, exceeds \$5,000,000.

SECTION 5.12. Consolidations, Mergers and Sales of Assets. The Borrower will not (a) consolidate or merge with or into any other Person, (b) liquidate or dissolve or (c) sell, lease or otherwise transfer all or any substantial part of the assets of the Borrower and its Consolidated Subsidiaries, taken as a whole, to any other Person; provided that the Borrower may merge with another Person if (i) the corporation surviving the merger is the Borrower or a corporation organized under the laws of a State of the United States into which the Borrower desires to merge for the purpose of becoming incorporated in such State (in which case such corporation shall assume all of the Borrower's obligations under this Agreement by an agreement satisfactory to the Required Lenders (and the Required Lenders shall not unreasonably withhold their consent to the form of such agreement) and shall deliver to the Administrative Agent and the Lenders such legal opinions and other documents as the Administrative Agent may

reasonably request to evidence the due authorization, validity and binding effect thereof) and (ii) immediately after giving effect to such merger, no Default shall have occurred and be continuing; and provided further that the foregoing shall not be construed to prohibit any Minority Interest Disposition or any other sale, lease or other transfer of assets (including by means of dividends, share repurchases or recapitalizations) that does not involve all or any substantial part of the assets of the Borrower and its Consolidated Subsidiaries taken as a whole.

SECTION 5.13. Use of Proceeds. The Borrower will use the proceeds of the Loans to finance repurchases of its capital stock, or special dividends thereon (or a combination thereof), and, to the extent of any excess, for general corporate purposes.

SECTION 5.14. Term Loan Credit Agreement. The Borrower will not (i) reduce or terminate the Commitments under (and as defined in) the Term Loan Credit Agreement prior to termination of the Commitments hereunder or (ii) prepay any Loan under (and as defined in) the Term Loan Credit Agreement until such time as all of the Loans made hereunder are repaid in full.

ARTICLE VI

Events of Default and Remedies

SECTION 6.01. Events of Default. Any of the following shall be an "Event of Default":

(a) The Borrower shall fail to make any payment of principal of or interest on any Loan when due or to pay any fees or other amounts payable by it hereunder when due, and such failure remains unremedied for three Business Days after the Borrower's actual receipt of notice of such failure from the Administrative Agent at the request of any Lender;

(b) Any statement of fact or representation made or deemed to be made by the Borrower in this Agreement or by the Borrower or any of its officers in any certificate delivered pursuant to this Agreement shall prove to have been incorrect in any material respect when made or deemed made, and, if the consequences of such representation or statement being incorrect shall be susceptible of remedy in all material respects, such consequences shall not be remedied in all material respects within 30 days after any executive officer of the Borrower or any Financial Officer first becomes aware of or is advised that such representation or statement was incorrect in a material respect;

(c) The Borrower shall fail to comply with any of the provisions of Sections 5.06 or 5.07 and, if the consequences of such failure shall be susceptible of remedy in all material respects, such consequences shall not be remedied in all material respects within 20 days after any executive officer of the Borrower or any Financial Officer first becomes aware or is advised of such failure to comply;

(d) (i) The Borrower or any Consolidated Subsidiary shall fail to pay principal of or interest on any Material Indebtedness and the longer of any periods within which the Borrower or such Consolidated Subsidiary shall be allowed to cure such nonpayment shall have elapsed, or 10 days shall have passed since such failure, in either case without curing such nonpayment or (ii) any event or condition shall occur which enables the holder of any Material Indebtedness or any Person acting on such holder's behalf to accelerate the maturity thereof, and the longer of any periods within which the Borrower or such Consolidated Subsidiary shall be allowed to cure such condition or event shall have elapsed, or 10 days shall have passed since the occurrence of such event or condition, in either case without curing such event or condition, provided no Default under this clause (d) shall be deemed to occur if (1) at the time the relevant event or condition described in this clause (d) occurs, the Borrower's Index Debt is rated (A) Baa3 or better by Moody's and BBB- or better by S&P, if both Moody's and S&P shall have in effect a rating for the Borrower's Index Debt, or (B) Baa3 or better by Moody's or BBB- or better by S&P, if both Moody's and S&P shall not have in effect a rating for the Borrower's Index Debt, (2) the Borrower's Index Debt does not cease to have the ratings described in clause (1) above for reasons attributable to the relevant event or condition described in this clause (d), and (3) all Material Indebtedness that is affected by any event or condition described in this clause (d) is either (A) owed by a Consolidated Subsidiary not incorporated under the laws of any State of the United States, the District of Columbia or Canada or any province thereof, or (B) permitted under clause (a) of Section 5.10;

(e) The Borrower or any Consolidated Subsidiary shall (i) make a general assignment for the benefit of creditors, (ii) apply for or consent (by admission of material allegations of a petition or otherwise) to the appointment of a receiver, custodian, trustee or liquidator of the Borrower or any Consolidated Subsidiary or any substantial part of the properties of the Borrower or any Consolidated Subsidiary or authorize such application or consent, or proceedings seeking such appointment shall be commenced without such authorization, consent or application against the Borrower or any Consolidated Subsidiary and continue undismissed for 30 days (or if such dismissal of such unauthorized proceedings cannot reasonably be obtained within such 30 day period, the Borrower or any Consolidated Subsidiary shall fail either to proceed with due diligence to seek to obtain dismissal within such 30 day period or to obtain dismissal within 60 days), (iii) authorize or file a voluntary petition in bankruptcy, suffer an order for relief under any federal bankruptcy law, or apply for or consent (by admission of material allegations of a petition or otherwise) to the application of any bankruptcy, reorganization, arrangement, readjustment of debt, insolvency, dissolution, liquidation or other similar law of any jurisdiction, or authorize such application or consent, or proceedings to such end shall be instituted against the Borrower or any Consolidated Subsidiary without such authorization, application or consent which are not vacated within 30 days from the date thereof (or if such vacation cannot reasonably be obtained within such 30 day period, the Borrower shall fail either to proceed with due diligence to seek to obtain vacation within such 30 day period or to obtain vacation within 60 days), (iv) permit or suffer all

or any substantial part of its properties to be sequestered, attached, or subjected to a Lien (other than a Lien expressly permitted by the exceptions to Section 5.08) through any legal proceeding or distraint which is not vacated within 30 days from the date thereof (or if such vacation cannot reasonably be obtained within such 30 day period, the Borrower shall fail either to proceed with due diligence to seek to obtain vacation within such 30 day period or to obtain vacation within 60 days), (v) generally not pay its debts as such debts become due or admit in writing its inability to do so, or (vi) conceal, remove, or permit to be concealed or removed, any material part of its property, with intent to hinder, delay or defraud its creditors or any of them; provided, however, that the foregoing events will not constitute an Event of Default if such events occur with respect to any Subsidiary which is: (1) a Consolidated Subsidiary not incorporated under the laws of any State of the United States, the District of Columbia or Canada or any province thereof and not engaged in the retail business, if the aggregate Value of the Borrower's and all Consolidated Subsidiaries' investments in and advances to such Consolidated Subsidiary and all such other Consolidated Subsidiaries to which these tests are being applied within a period of 18 months ending on the date of determination, does not exceed \$100,000,000, or (2) a Consolidated Subsidiary incorporated under the laws of any State of the United States, the District of Columbia or Canada or any province thereof and not engaged in the retail business, if (A) at the time the relevant event or condition described in this clause (e) occurs, the Borrower's Index Debt is rated (x) Baa3 or better by Moody's and BBB- or better by S&P, if both Moody's and S&P shall have in effect a rating for the Borrower's Index Debt, or (y) Baa3 or better by Moody's or BBB- or better by S&P, if both Moody's and S&P shall not have in effect a rating for the Index Debt, (B) the Borrower's Index Debt does not cease to have the rankings described in clause (A) above for reasons attributable to the relevant event or condition described in this clause (e) and (C) the aggregate Value of the Borrower's and all Consolidated Subsidiaries' investments and advances to such Consolidated Subsidiary and all other such Consolidated Subsidiaries to which these tests are being applied within a period of 18 months ending on the date of determination, does not exceed \$50,000,000;

(f) The Borrower or any ERISA Affiliate shall fail to pay when due an amount or amounts aggregating in excess of \$50,000,000 which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA; or notice of intent to terminate a Plan or Plans having aggregate Unfunded Liabilities in excess of \$100,000,000 (collectively a "Material Plan") shall be filed under Title IV of ERISA by the Borrower or any ERISA Affiliate, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate or to cause a trustee to be appointed to administer any Material Plan or a proceeding shall be instituted by a fiduciary of any Material Plan against the Borrower or any ERISA Affiliate to enforce Section 515 or 4219(c)(5) of ERISA and such proceeding shall not have been dismissed within 30 days thereafter; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated;

(g) The Borrower shall fail to perform or observe in any material respect any other term, covenant or agreement contained in this Agreement (including without limitation Section 5.01) on its part to be performed or observed and any such failure remains unremedied for 30 days after the Borrower shall have received written notice thereof from the Administrative Agent at the request of any Lender;

(h) a Change in Control shall occur; or

(i) one or more judgments for the payment of money in an aggregate amount in excess of \$100,000,000, exclusive of amounts covered by third party insurance, shall be rendered against the Borrower, any Consolidated Subsidiary or any combination thereof and the same shall remain undischarged for a period of 60 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or any Consolidated Subsidiary to enforce any such judgment; provided that in calculating the amounts covered by third party insurance, amounts covered by third party insurance shall not include amounts for which the third party insurer has denied liability.

SECTION 6.02. Remedies. If any Event of Default shall occur and be continuing, the Administrative Agent shall (a) if requested by the Required Lenders, by notice to the Borrower terminate the Commitments and they shall thereupon terminate, and (b) if requested by Lenders holding more than 50% of the aggregate unpaid principal amount of the Loans, by notice to the Borrower declare the Loans (together with accrued interest thereon and all other amounts payable by the Borrower hereunder) to be, and the Loans (together with accrued interest thereon and all other amounts payable by the Borrower hereunder) shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; provided that in the case of any of the bankruptcy Events of Default specified in Section 6.01(e) with respect to the Borrower, without any notice to the Borrower or any other act by the Administrative Agent or the Lenders, the Commitments shall thereupon terminate and the Loans (together with accrued interest thereon and all other amounts payable by the Borrower hereunder) shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

SECTION 6.03. Notice of Default. The Administrative Agent shall give notice to the Borrower under Section 6.01(a) or 6.01(g) promptly upon being requested to do so by any Lender and shall thereupon notify all the Lenders thereof.

ARTICLE VII

The Administrative Agent

Each of the Lenders hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto.

The bank serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Administrative Agent is required to exercise in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 8.02), and (c) except as expressly set forth herein, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 8.02) or in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders and the Borrower. Upon any such resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 8.03 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder. The Joint Lead Arrangers and Joint Bookrunners and Co-Syndication Agents (each as identified on the cover page of this Agreement), in their capacities as such, shall have no rights, powers, duties, liabilities, fiduciary relationships or obligations under this Agreement or any of the other documents related hereto.

ARTICLE VIII

Miscellaneous

SECTION 8.01. Notices. Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to the last paragraph of this section), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(a) if to the Borrower, to it at Three Limited Parkway, P.O. Box 16000, Columbus, Ohio 43216, Attention of Assistant Treasurer (Telecopy No. (614) 415-7060);

(b) if to the Administrative Agent, to JPMorgan Chase Bank, Loan and Agency Services Group, 1111 Fannin Street, Houston, Texas 77002, Attention of Cherry Arnaez (Telecopy No. (713) 750-2782), with a copy to JPMorgan Chase Bank, 270 Park Avenue, New York, New York 10017, Attention of Ruby Tulloch (Telecopy No. (212) 270-6937); and

(c) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

SECTION 8.02. Waivers; Amendments. (a) No failure or delay by the Administrative Agent or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent or any Lender may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or reduce the rate of interest thereon, or reduce any fees payable by the Borrower hereunder, without the written consent of each Lender affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan, or any interest thereon, or any fees payable by the Borrower hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby, (iv) change Section 2.15(b) or (c) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, or (v) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent hereunder without the prior written consent of the Administrative Agent. Notwithstanding the foregoing, any provision of this Agreement may be amended by an agreement in writing entered into by the Borrower, the Required Lenders and the Administrative Agent if (i) by the terms of such agreement the Commitment of each Lender not consenting to the amendment provided for therein shall terminate upon the effectiveness of such amendment and (ii) at the time such amendment becomes effective, each Lender not consenting thereto receives payment in full of the principal of and interest accrued on each Loan made by it and all other amounts owing to it or accrued for its account under this Agreement.

SECTION 8.03. Expenses; Indemnity; Damage Waiver. (a) The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of a single counsel for the Administrative Agent, in connection with the syndication of the credit facilities provided for herein, the preparation and administration of this Agreement or any amendments, modifications or waivers of the provisions hereof (whether or not the transactions contemplated hereby or thereby shall be consummated) and (ii) if an Event of Default occurs, all reasonable out-of-pocket expenses incurred by the Administrative Agent or any Lender, including the fees, charges and disbursements of any counsel for the Administrative Agent or any Lender, in connection with the enforcement or protection of its rights in connection with this Agreement.

(b) The Borrower shall indemnify the Administrative Agent and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable fees,

charges and disbursements of any counsel for any Indemnitee in connection with any investigative, administrative or judicial proceeding, whether or not such Indemnitee shall be designated a party thereto, which may be incurred by any Indemnitee, relating to or arising out of any actual or proposed use of proceeds of Loans hereunder for the purpose of acquiring equity securities of any Person; provided, that no Indemnitee shall have the right to be indemnified hereunder (i) with respect to the acquisition of equity securities of a wholly-owned Subsidiary, or of a Person who prior to such acquisition did not conduct any business, or (ii) for its own gross negligence or willful misconduct.

(c) To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent such Lender's ratable share (determined in accordance with such Lender's share of the total Commitments or Loans outstanding as of the time that the applicable unreimbursed expense or indemnity payment is sought or, if the Commitments are terminated and no Loans shall remain outstanding, determined in accordance with such Lender's share of the Loans outstanding at the time of repayment) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent in its capacity as such.

(d) To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan or the use of the proceeds thereof; provided that the foregoing waiver shall not apply to special, indirect or consequential damages (but shall apply to punitive damages) attributable to the failure of a Lender to fund Loans, when required to do so hereunder, promptly after the receipt of notice of such failure.

(e) All amounts due under this Section shall be payable promptly after written demand therefor.

SECTION 8.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) other than pursuant to a merger permitted under Section 5.12, the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld) of:

(A) the Borrower; provided that no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee; and

(B) the Administrative Agent.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$10,000,000 unless each of the Borrower and the Administrative Agent otherwise consents; provided that no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

For purposes of this Section 8.04(b), the term "Approved Fund" has the following meaning:

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by a Lender, an Affiliate of a Lender or an entity or an Affiliate of an entity that administers or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the

extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.12, 2.13, 2.14 and 8.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 8.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) (i) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not,

without the consent of the Participant, agree to any amendment, modification or waiver described in clause (i), (ii), (iii) or (iv) of the first proviso to Section 8.02(b) that affects such Participant. Subject to paragraph (c)(ii) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.12, 2.13 and 2.14 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 8.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.15(c) as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.12 or 2.14 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.14 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.14(e) as though it were a Lender.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 8.05. Survival. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid and so long as the Commitments have not expired or terminated. The provisions of Sections 2.12, 2.13, 2.14 and 8.03 and Article VII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

SECTION 8.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and any separate letter agreements with respect to fees payable to the Administrative Agent and the initial

Lenders constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 8.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 8.08. Right of Setoff. If any Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of the Borrower against any and all the obligations then due of the Borrower now or hereafter existing under this Agreement held by such Lender. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 8.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees, to the fullest extent permitted under applicable law, that all claims in respect of any such action or proceeding may be heard and determined in such New York State or Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against the Borrower or its properties in the courts of any jurisdiction.

(c) The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 8.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 8.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 8.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 8.12. Confidentiality. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, (g) with the consent of the Borrower or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or

(ii) becomes available to the Administrative Agent or any Lender on a nonconfidential basis from a source other than the Borrower. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 8.13. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 8.14. Collateral. Each of the Lenders represents to the Administrative Agent and each of the other Lenders that it in good faith is not relying upon any "margin stock" (as defined in Regulation U of the Board) as collateral in the extension or maintenance of the credit provided for in this Agreement. In addition, the Borrower will not use or permit any proceeds of the Loans to be used in any manner which would violate or cause any Lender to be in violation of Regulation U of the Board.

SECTION 8.15. USA Patriot Act. Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act") it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Patriot Act.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

LIMITED BRANDS, INC.,

by _____

Name: Timothy J. Faber
Title: Vice President-Treasury and M&A

JPMORGAN CHASE BANK, individually and as
Administrative Agent,

by _____

Name:
Title:

BANK OF AMERICA, N.A.,

by _____

Name:
Title:

CITICORP NORTH AMERICA, INC.,

by _____

Name:
Title:

Commitments

<u>Lender</u>	<u>Amount</u>
JPMorgan Chase Bank	\$ 187,500,000
Bank of America, N.A.	\$ 187,500,000
Citicorp North America, Inc.	\$ 125,000,000
	<u>\$ 500,000,000</u>