SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-K

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the fiscal year ended February 3, 2001

OR

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from _______________ to _______________

Commission file number 1-8344

THE LIMITED, INC.

(Exact name of registrant as specified in its charter)

Delaware	31-1029810
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Three Limited Parkway, P.O. Box 16000, Columbus, Ohio	43216
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (614) 415-7000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $.50 Par Value	The New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to the filing requirements for the past 90 days. Yes X No ___

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. X

Aggregate market value of the registrant's Common Stock held by non-affiliates of the registrant as of March 30, 2001: $5,387,986,739.

Number of shares outstanding of the registrant's Common Stock as of March 30, 2001: 426,401,557.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the registrant's annual report to shareholders for the fiscal year ended February 3, 2001 are incorporated by reference into Part I, Part II and Part IV, and portions of the registrant's proxy statement for the Annual Meeting of Shareholders scheduled for May 21, 2001 are incorporated by reference into Part III.

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

The Company cautions that any forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) contained in this Annual Report on Form 10-K ("Report") or made by management of the Company 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 2001 and beyond to differ materially from those expressed or implied in any forward-looking statements included in this Report or otherwise made by management: changes in consumer spending patterns, consumer preferences and overall economic conditions; 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 and availability of suitable store locations on appropriate terms.

Refer to Exhibit 99.1 for cautionary statements relating to forward-looking information.

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.

PART I

ITEM 1. BUSINESS.

GENERAL.

The Limited, Inc., a Delaware corporation (including its subsidiaries, the "Company"), sells women's and men's apparel, women's intimate apparel and personal care products under various trade names through its 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.

DESCRIPTION OF OPERATIONS.

General.

As of February 3, 2001, the Company conducted its business in two primary segments: (1) the apparel segment, which derives its revenues from the sale of women's and men's apparel; and (2) Intimate Brands, Inc. ("IBI") (a corporation in which the Company holds an 83.9% interest), which derives its revenues from the sale of women's intimate and other apparel, personal care products and accessories.

On February 8, 2001, as part of its multiple-year strategy to create sustained growth of shareholder value, The Limited, Inc. announced its intent to pursue a strategic or financial buyer for Lane Bryant and the integration of Structure into Express as Express Men's. Lane Bryant and Structure are in the Company's apparel segment.

The following chart reflects the retail businesses and the number of stores in operation for each segment at February 3, 2001 and January 29, 2000.

	NUMBER OF STORES	
	February 3, 2001	**January 29, 2000**
Apparel Businesses		
Express	667	688
Lerner New York	560	594
Lane Bryant	653	688
Limited Stores	389	443
Structure	469	499
Total apparel businesses	2,738	2,912
Intimate Brands		
Victoria's Secret Stores	958	896
Bath & Body Works	1,432	1,214
Total Intimate Brands	2,390	2,110
Other		
Henri Bendel	1	1
Total	5,129	5,023

The following table shows the changes in the number of retail stores operated by the Company for the past five fiscal years:

Fiscal Year	Beginning of Year	Acquired	Opened	Closed	Businesses Disposed of or Closed	End of Year
1996	5,298	—	470	(135)	—	5,633
1997	5,633	—	315	(190)	(a) (118)	5,640
1998	5,640	—	251	(350)	(b) (159)	5,382
1999	5,382	—	295	(301)	(c) (353)	5,023
2000	5,023	—	330	(224)	—	5,129

(a) Represents Cacique stores from the January 31, 1998 closure.

(b) Represents A&F stores from the May 19, 1998 split-off.

(c) Represents 18 stores from the third party purchase of a 60% majority interest in Galyan's Trading Co. effective August 31, 1999 and 335 stores from the August 23, 1999 spin-off of Limited Too.

The Company also owns Mast Industries, Inc., a contract manufacturer and apparel importer.

During fiscal year 2000, the Company purchased merchandise from approximately 3,100 suppliers and factories located throughout the world. In addition to purchases through Mast, the Company purchases merchandise directly in foreign markets and in the domestic market, some of which is manufactured overseas. No more than 5% of goods purchased originated from any single manufacturer.

Most of the merchandise and related materials for the Company's stores is shipped to the Company's distribution centers in the Columbus, Ohio area. The Company uses common and contract carriers to distribute merchandise and related materials to its stores. The Company's businesses generally have dedicated distribution facilities and capabilities and no business receives priority over any other business.

The Company's policy is to maintain sufficient quantities of inventory on hand in its retail stores and distribution centers so that it can offer customers an appropriate selection of current merchandise. The Company emphasizes rapid turnover and takes markdowns as required to keep merchandise fresh and current with fashion trends.

The Company views the retail apparel market as having two principal selling seasons, spring and fall. As is generally the case in the retail apparel industry, the Company experiences its peak sales activity during the fall season. This seasonal sales pattern results in increased inventory during the fall and Christmas holiday selling periods. During fiscal year 2000, the highest inventory level was $1.6 billion at November 2000 month-end and the lowest inventory level was $1.1 billion at the February 2000 month-end.

Merchandise sales are paid for with cash, by personal check, and with credit cards issued by third parties or by the Company's 31%-owned credit card processing venture, Alliance Data Systems.

The Company offers its customers a return policy stated as "No Sale is Ever Final." The Company believes that certain of its competitors offer similar service policies.

The following is a brief description of each of the Company's operating businesses, including their respective target markets.

APPAREL BUSINESSES

Express - is a leading specialty retailer of women's sportswear and accessories. Express' strategy is to offer new, international fashion to its base of young, style-driven women. Launched in 1980, Express had net sales of $1.59 billion in 2000 and operated 667 stores in 48 states.

Lerner New York - is a leading mall-based specialty retailer of women's apparel. The business's strategy is to offer competitively priced women's fashion with its New York & Company brand. Originally founded in 1918, Lerner New York was purchased by The Limited in 1985. Lerner New York had net sales of $1.03 billion in 2000 and operated 560 stores in 44 states.

Lane Bryant - is the leading specialty store retailer of women's apparel, offering knit tops, sweaters, pants, jeans and intimate apparel for women size 14-plus. Originally founded in 1900, Lane Bryant was acquired by The Limited in 1982. The business had net sales of $930 million in 2000 and operated 653 stores in 46 states.

Limited Stores - is a mall-based specialty store retailer. The business's strategy is to focus on sophisticated sportswear for modern American women. Founded in 1963, Limited Stores had net sales of $673 million in 2000 and operated 389 stores in 46 states.

Structure - is a leading specialty retailer of men's clothing, offering classically-inspired sportswear with a rugged fashion appeal for men in their 20's and 30's. Structure had net sales of $569 million in 2000 and operated 469 stores in 43 states.

INTIMATE BRANDS

Victoria's Secret Stores - is the leading specialty retailer of women's intimate apparel and related products. Victoria's Secret Stores had net sales of $2.34 billion in 2000 and operated 958 stores nationwide.

Victoria's Secret Beauty - is a leading specialty retailer of high quality beauty products. Victoria's Secret Beauty had net sales of $534 million in 2000 and operated 80 stand-alone stores, 400 side-by-side locations and niches within Victoria's Secret lingerie stores. Victoria's Secret Beauty stores and sales are consolidated within Victoria's Secret Stores in the preceding paragraph and in the 2000 Annual Report.

Victoria's Secret Direct - is a leading catalog and e-commerce retailer of intimate and other women's apparel. Through its web site, www.VictoriasSecret.com, certain of its products may be purchased worldwide. Victoria's Secret Direct mailed approximately 368 million catalogs and had net sales of $962 million in 2000.

Bath & Body Works - is the leading specialty retailer of personal care products. Launched in 1990, Bath & Body Works (including White Barn Candle Company) had net sales of $1.79 billion in 2000 and operated 1,432 stores nationwide.

OTHER

Henri Bendel - operates a single specialty store in New York City which features fashions for sophisticated, higher-income women. The business had net sales of $39 million in 2000.

Additional information about the Company's business, including its revenues and profits for the last three years and selling square footage, is set forth under the caption "Management's Discussion and Analysis" of the 2000 Annual Report and is incorporated herein by reference. For the financial results of the Company's reportable operating segments, see Note 12 of the Notes to the Consolidated Financial Statements included in the 2000 Annual Report, incorporated herein by reference.

COMPETITION.

The sale of intimate and other apparel and personal care products through retail stores is a highly competitive business with numerous competitors, including individual and chain fashion specialty stores, department stores and discount retailers. Brand image, marketing, fashion design, price, service, fashion selection and quality are the principal competitive factors in retail store sales. The Company's direct response business competes with numerous national and regional catalog and e-commerce merchandisers. Brand image, marketing, fashion design, price, service, quality, image presentation and fulfillment are the principal competitive factors in catalog and e-commerce sales.

The Company is unable to estimate the number of competitors or its relative competitive position due to the large number of companies selling apparel and personal care products through retail stores, catalogs and e-commerce.

ASSOCIATE RELATIONS.

On February 3, 2001, the Company employed approximately 123,700 associates, 90,200 of whom were part-time. In addition, temporary associates are hired during peak periods, such as the holiday season.

ITEM 2. PROPERTIES.

The Company's business is principally conducted from office, distribution and shipping facilities located in the Columbus, Ohio area. Additional facilities are located in New York City, New York; Andover, Massachusetts; Kettering, Ohio; Rio Rancho, New Mexico; Hong Kong and London, England.

The distribution and shipping facilities owned by the Company consist of eight buildings located in the Columbus, Ohio area. Excluding office space, these buildings comprise approximately 6.1 million square feet.

Substantially all of the retail stores operated by the Company are located in leased facilities, primarily in shopping centers throughout the continental United States. The leases expire at various dates between 2000 and 2028 and frequently have renewal options.

Typically, when space is leased for a retail store in a shopping center, all improvements, including interior walls, floors, ceilings, fixtures and decorations, are supplied by the tenant. In certain cases, the landlord of the property may provide a construction allowance to fund all or a portion of the cost of improvements. The cost of improvements varies widely, depending on the size and location of the store. Rental terms for new locations usually include a fixed minimum rent plus a percentage of sales in excess of a specified amount. Certain operating costs such as common area maintenance, utilities, insurance and taxes are typically paid by tenants.

ITEM 3. LEGAL PROCEEDINGS.

The Company is a defendant in a variety of lawsuits arising in the ordinary course of business.

On January 13, 1999, two complaints were filed against the Company and its subsidiary, Lane Bryant, Inc., as well as other defendants, including many national retailers. Both complaints relate to labor practices allegedly employed on the island of Saipan, Commonwealth of the Northern Mariana Islands, by apparel manufacturers unrelated to the Company (some of which have sold goods to the Company) and seek injunctions, unspecified monetary damages, and other relief. One complaint, on behalf of a class of unnamed garment workers, filed in the United States District Court for the Central District of California, Western Division, alleges violations of federal statutes, the United States Constitution, and international law. On April 12, 1999, a motion to dismiss that complaint for failure to state a claim upon which relief can be granted was filed, and it remains pending. On September 29, 1999, the United States District Court for the Central District of California, Western Division, transferred the case to the United States District Court for the District of Hawaii. A first amended complaint was filed on April 28, 2000, which added additional defendants but did not otherwise substantively alter either the claims alleged or relief sought. On June 23, 2000, the United States District Court for the District of Hawaii transferred the case to the United States District Court for the District of the Northern Mariana Islands, and on July 7, 2000 denied plaintiffs' motion for reconsideration of the transfer order. Plaintiffs filed a Petition for a Writ of Mandamus challenging the transfer order and Motion for Emergency Stay which was denied by a panel of the U.S. 9th Circuit Court of Appeals on March 22, 2001. Plaintiffs have indicated an intention to seek a rehearing *en banc*. The second complaint, filed by a national labor union and other organizations in the Superior Court of the State of California, San Francisco County, and which alleges unfair business practices under California law, remains pending.

In May and June 1999, purported shareholders of the Company filed three derivative actions in the Court of Chancery of the State of Delaware, naming as defendants the members of the Company's board of directors and the Company, as nominal defendant. The actions thereafter were consolidated. The operative complaint generally alleged that the rescission of the Contingent Stock Redemption Agreement previously entered into by the Company with Leslie H. Wexner and The Wexner Children's Trust (the "Contingent Stock Redemption Agreement") constituted a waste of corporate assets and a breach of the board members' fiduciary duties, and that the issuer tender offer completed on June 3, 1999 was a "wasteful transaction in its own right." On July 30, 1999, all defendants moved to dismiss the complaint, both on the ground that it failed to allege facts showing that demand on the board to institute such an action would be futile and for failure to state a claim. Plaintiffs did not respond to that motion, but on February 16, 2000, plaintiffs filed a first amended consolidated derivative complaint (the "amended complaint"), which makes allegations similar to the first complaint concerning the rescission of the Contingent Stock Redemption Agreement and the 1999 issuer tender offer and adds allegations apparently intended to show that certain directors were not disinterested in those decisions. Defendants moved to dismiss the amended complaint on April 14, 2000. The motion has been fully briefed, oral argument was heard on March 28, 2001 and the motion is now under consideration by the Court.

Although it is not possible to predict with certainty the eventual outcome of any litigation, in the opinion of management, the foregoing proceedings are not expected to have a material adverse effect on the Company's financial position or results of operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

Not applicable.

SUPPLEMENTAL ITEM. EXECUTIVE OFFICERS OF THE REGISTRANT.

Set forth below is certain information regarding the executive officers of the Company.

Leslie H. Wexner, 63, has been Chairman of the Board of Directors of the Company for more than five years and its President and Chief Executive Officer since he founded the Company in 1963.

V. Ann Hailey, 50, was appointed to the Board of Directors of the Company on March 1, 2001 and has been Executive Vice President and Chief Financial Officer of the Company since August 1997. Ms. Hailey was Senior Vice President and Chief Financial Officer for Pillsbury from August 1994 to August 1997.

Martin Trust, 66, has been a member of the Board of Directors of the Company and President and Chief Executive Officer of Mast Industries, Inc., a wholly-owned subsidiary of the Company, for more than five years.

Leonard A. Schlesinger, 48, has been a member of the Board of Directors of the Company since 1996 and has been Executive Vice President and Chief Operating Officer since March 2001. Mr. Schlesinger was Executive Vice President, Organization, Leadership and Human Resources of the Company from October 1999 until March 2001. Mr. Schlesinger was a Professor of Sociology and Public Policy and Senior Vice President for Development at Brown University from 1998 to 1999. He was also Professor of Business Administration at Harvard Business School ("Harvard") from 1988 to 1998 and served as the Senior Associate Dean and Director of External Relations at Harvard from July 1994 until October 1995.

All of the above officers serve at the pleasure of the Board of Directors of the Company.

PART II

ITEM 5. MARKET FOR THE REGISTRANT’S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

Information regarding markets in which the Company’s common stock was traded during fiscal years 2000 and 1999, approximate number of holders of common stock, and quarterly cash dividend per share information of the Company’s common stock for the fiscal years 2000 and 1999 is set forth under the caption "Market Price and Dividend Information" on page 16 of the 2000 Annual Report and is incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA.

Selected financial data is set forth under the caption "Financial Summary" on page 6 of the 2000 Annual Report and is incorporated herein by reference.

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Management’s discussion and analysis of financial condition and results of operations is set forth under the caption "Management’s Discussion and Analysis" on pages 6 through 11 of the 2000 Annual Report and is incorporated herein by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The information required by this item is set forth on pages 10 and 15 of the 2000 Annual Report and is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The Consolidated Financial Statements of the Company and subsidiaries, the Notes to Consolidated Financial Statements and the Report of Independent Accountants are set forth in the 2000 Annual Report and are incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

Information regarding directors of the Company is set forth under the captions "ELECTION OF DIRECTORS - Nominees and directors", "- Information concerning the Board of Directors" , "- Committees of the Board of Directors" and "- Security ownership of directors and management" on pages 4 through 9 of the Company’s proxy statement for the Annual Meeting of Shareholders to be held May 21, 2001 (the "Proxy Statement") and is incorporated herein by reference. Information regarding compliance with Section 16(a) of the Securities Exchange Act of 1934, as amended, is set forth under the caption "EXECUTIVE COMPENSATION - Section 16(a) beneficial ownership reporting compliance" on page 17 of the Proxy Statement and is incorporated herein by reference. Information regarding executive officers is set forth herein under the caption "SUPPLEMENTAL ITEM. EXECUTIVE OFFICERS OF THE REGISTRANT" in Part I.

ITEM 11. EXECUTIVE COMPENSATION.

Information regarding executive compensation is set forth under the caption "EXECUTIVE COMPENSATION" on pages 12 through 17 of the Proxy Statement and is incorporated herein by reference. Such incorporation by reference shall not be deemed to specifically incorporate by reference the information referred to in Item 402(a)(8) of Regulation S-K.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

Information regarding the security ownership of certain beneficial owners and management is set forth under the captions "ELECTION OF DIRECTORS - Security ownership of directors and management" on pages 8 and 9 of the Proxy Statement and "SHARE OWNERSHIP OF PRINCIPAL STOCKHOLDERS" on page 22 of the Proxy Statement and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Information regarding certain relationships and related transactions is set forth under the captions "ELECTION OF DIRECTORS - Nominees and directors" on pages 4 through 6 of the Proxy Statement and is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K.

(a)(1) List of Financial Statements.

The following consolidated financial statements of The Limited, Inc. and Subsidiaries and the related notes are filed as a part of this report pursuant to ITEM 8:

Consolidated Statements of Income for the fiscal years ended February 3, 2001, January 29, 2000 and January 30, 1999.

Consolidated Statements of Shareholders’ Equity for the fiscal years ended February 3, 2001, January 29, 2000 and January 30, 1999.

Consolidated Balance Sheets as of February 3, 2001 and January 29, 2000.

Consolidated Statements of Cash Flows for the fiscal years ended February 3, 2001, January 29, 2000 and January 30, 1999.

Notes to Consolidated Financial Statements.

Report of Independent Accountants.

(a)(2) List of Financial Statement Schedules.

All schedules required to be filed as part of this report pursuant to ITEM 14(d) are omitted because the required information is either presented in the financial statements or notes thereto, or is not applicable, required or material.

(a)(3) List of Exhibits.

3. Articles of Incorporation and Bylaws.

3.1. Certificate of Incorporation of the Company, dated March 8, 1982.

3.2. Certificate of Amendment of Certificate of Incorporation, dated May 19, 1986.

3.3. Certificate of Amendment of Certificate of Incorporation, dated May 19, 1987.

3.4. Restated Bylaws of the Company incorporated by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 1999.

4. Instruments Defining the Rights of Security Holders.

4.1. Copy of the form of Global Security representing the Company's 7 1/2% Debentures due 2023, incorporated by reference to Exhibit 1 to the Company's Current Report on Form 8-K dated March 4, 1993.

4.2. Conformed copy of the Indenture dated as of March 15, 1988 between the Company and The Bank of New York, incorporated by reference to Exhibit 4.1(a) to the Company's Current Report on Form 8-K dated March 21, 1989.

4.3. Not Used.

4.4. Not Used.

4.5. Copy of the form of Global Security representing the Company's 7.80% Notes due May 15, 2002, incorporated by reference to the Company's Current Report on Form 8-K dated February 27, 1992.

4.6. Proposed form of Debt Warrant Agreement for Warrants attached to Debt Securities, with proposed form of Debt Warrant Certificate incorporated by reference to Exhibit 4.2 to the Company's Registration Statement on Form S-3 (File no. 33-53366) originally filed with the Securities and Exchange Commission (the "Commission") on October 16, 1992, as amended by Amendment No. 1 thereto, filed with the Commission on February 23, 1993 (the "1993 Form S-3").

4.7. Proposed form of Debt Warrant Agreement for Warrants not attached to Debt Securities, with proposed form of Debt Warrant Certificate incorporated by reference to Exhibit 4.3 to the 1993 Form S-3.

4.8. Credit Agreement dated as of September 25, 1997 among the Company, Morgan Guaranty Trust Company of New York and the banks listed therein, incorporated by reference to Exhibit 4.8 to the Company's Quarterly Report on Form 10-Q for the quarter ended November 1, 1997.

10. Material Contracts.

10.1. The 1987 Stock Option Plan of The Limited, Inc., incorporated by reference to Exhibit 28(a) to the Company's Registration Statement on Form S-8 (File No. 33-18533).

10.2. Officers' Benefits Plan incorporated by reference to Exhibit 10.4 to the Company's Annual Report on Form 10-K for the fiscal year ended January 28, 1989 (the "1988 Form 10-K").

10.3. The Limited Supplemental Retirement and Deferred Compensation Plan.

10.4. Form of Indemnification Agreement between the Company and the directors and executive officers of the Company by reference to Exhibit 10.4 to the 1998 Form 10-K.

10.5. Supplemental schedule of directors and executive officers who are parties to an Indemnification Agreement by reference to Exhibit 10.5 to the 1998 Form 10-K.

10.6. The 1993 Stock Option and Performance Incentive Plan of the Company, incorporated by reference to Exhibit 4 to the Company's Registration Statement on Form S-8 (File No. 33-49871).

10.7. Not Used.

10.8. Not Used.

10.9. The 1997 Restatement of The Limited, Inc. 1993 Stock Option and Performance Incentive Plan incorporated by reference to Exhibit B to the Company's Proxy Statement dated April 14, 1997.

10.10. The Limited, Inc. 1996 Stock Plan for Non-Associate Directors incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended November 2, 1996.

10.11. The Limited, Inc. Incentive Compensation Performance Plan incorporated by reference to Exhibit A to the Company's Proxy Statement dated April 14, 1997.

10.12. Employment Agreement by and between The Limited, Inc. and Kenneth B. Gilman dated as of May 20, 1997 with exhibits, incorporated by reference to Exhibit 10.20 to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1998 (the "1997 Form 10-K").

10.13. Agreement dated as of May 3, 1999 among The Limited, Inc., Leslie H. Wexner and the Wexner Children's Trust, incorporated by reference to Exhibit 99 (c) 1 to the Company's Schedule 13E-4 dated May 4, 1999.

10.14. Employment Agreement by and between The Limited, Inc. and Martin Trust dated as of May 20, 1997 with exhibits, incorporated by reference to Exhibit 10.22 to the 1997 Form 10-K.

10.15. The 1998 Restatement of the Limited, Inc. 1993 Stock Option and Performance Incentive Plan incorporated by reference to Exhibit A to the Company's Proxy Statement dated April 20, 1998.

10.16. Employment Agreement by and between The Limited, Inc. and V. Ann Hailey dated as of July 27, 1998 incorporated by reference to Exhibit 10.19 to the Company's Quarterly Report on Form 10-Q for the quarter ended August 1, 1998.

10.17. Employment Agreement by and between The Limited, Inc. and Leonard A. Schlesinger dated as of October 1, 1999, incorporated by reference to Exhibit 10.17 to the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 2000.

11. Statement re: Computation of Per Share Earnings.

12. Statement re: Computation of Ratio of Earnings to Fixed Charges.

13. Excerpts from the 2000 Annual Report to Shareholders including "Financial Summary," "Management's Discussion and Analysis," "Consolidated Financial Statements and Notes to Consolidated Financial Statements" and "Report of Independent Accountants" on pages 6 through 17.

21. Subsidiaries of the Registrant.

23. Consent of Independent Accountants.

24. Powers of Attorney.

99 Annual Report of The Limited, Inc. Savings and Retirement Plan.

99.1 Cautionary Statements Relating to Forward-Looking Information.

(b) Reports on Form 8-K.

None.

(c) <u>Exhibits.</u>

The exhibits to this report are listed in section (a)(3) of Item 14 above.

(d) <u>Financial Statement Schedule.</u>

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or l5(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: April 24, 2001

THE LIMITED, INC.
(registrant)

By /s/ V. Ann Hailey

V. Ann Hailey,
Executive Vice President and Chief
Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on January 26, 2001:

Signature	Title
/s/ LESLIE H. WEXNER* Leslie H. Wexner	Chairman of the Board of Directors, President and Chief Executive Officer
/s/ ABIGAIL S. WEXNER* Abigail S. Wexner	Director
/s/ MARTIN TRUST* Martin Trust	Director
/s/ EUGENE M. FREEDMAN* Eugene M. Freedman	Director
/s/ E. GORDON GEE* E. Gordon Gee	Director

/s/ DAVID T. KOLLAT*	Director
David T. Kollat	

/s/ ALEX SHUMATE*	Director
Alex Shumate	
/s/ LEONARD A. SCHLESINGER*	Director
Leonard A. Schlesinger	
/s/ DONALD B. SHACKELFORD*	Director
Donald B. Shackelford	
/s/ ALLAN R. TESSLER*	Director
Allan R. Tessler	
/s/ RAYMOND ZIMMERMAN*	Director
Raymond Zimmerman	

*The undersigned, by signing his name hereto, does hereby sign this report on behalf of each of the above-indicated directors of the registrant pursuant to powers of attorney executed by such directors.

By /s/ V. Ann Hailey

V. Ann Hailey
Attorney-in-fact

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF

THE SECURITIES EXCHANGE ACT OF 1934

THE LIMITED, INC.
(exact name of Registrant as specified in its charter)

EXHIBITS

EXHIBIT INDEX

Exhibit No.	Document
3.1	Certificate of Incorporation of the Company, dated March 8, 1982.
3.2	Certificate of Amendment of Certificate of Incorporation, dated May 19, 1986.
3.3	Certificate of Amendment of Certificate of Incorporation, dated May 19, 1987.
10.3	The Limited Supplemental Retirement and Deferred Compensation Plan.
11	Statement re: Computation of Per Share Earnings.
12	Statement re: Computation of Ratio of Earnings to Fixed Charges.
13	Excerpts from the 2000 Annual Report to Shareholders including “Financial Summary,” “Management’s Discussion and Analysis,” “Consolidated Financial Statements and Notes to Consolidated Financial Statements” and “Report of Independent Accountants” on pages 6 through 17.
21	Subsidiaries of the Registrant.
23	Consent of Independent Accountants.
24	Powers of Attorney.
99	Annual Report of The Limited, Inc. Savings and Retirement Plan.
99.1	Cautionary Statements Related to Forward-Looking Information.

Exhibit 3.1

CERTIFICATE OF INCORPORATION

THE LIMITED, INC.

FIRST. The name of the Corporation is:

THE LIMITED, INC.

SECOND. The address of the registered office of the Corporation in the State of Delaware is 100 West Tenth Street in the City of Wilmington, County of New Castle, and the name of its registered agent at that address is The Corporation Trust Company.

THIRD. The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH.

Section 1. Capital Stock. The Corporation shall be authorized to issue two classes of stock to be designated, respectively, "Preferred Stock" and "Common Stock"; the total number of shares which the Corporation shall have authority to issue is Fifty-five Million (55,000,000); the total number of shares of Preferred Stock shall be Five Million (5,000,000) and each such share shall have a par value of One Dollar ($1.00); and the total number of shares of Common Stock shall be Fifty Million (50,000,000) and each such share shall have a par value of Fifty Cents ($.50).

Section 2. Preferred Stock.

2.1. Series and Limits of Variations between Series. Any unissued or treasury shares of the Preferred Stock may be issued from time to time in one or more series for such consideration as may be fixed from time to time by the Board of Directors and each share of a series shall be identical in all respects with the other shares of such series, except that, if the dividends thereon are cumulative, the date from which they shall be cumulative may differ. Before any shares of Preferred Stock of any particular series shall be issued, a certificate shall be filed with the Secretary of State of Delaware setting forth the designation, rights, privileges, restrictions, and conditions to be attached to the Preferred stock of such series and such other matters as may be required, and the Board of Directors shall fix and determine, and is hereby expressly empowered to fix and determine, in the manner provided by law, the particulars of the shares of such series (so far as not inconsistent with the provisions of this Article applicable to all series of Preferred Stock), including, but not limited to, the following:

2.1.1 the distinctive designation of such series and the number of shares which shall constitute such series, which number may be increased (except where otherwise provided by the Board of Directors in creating such series) or decreased (but not below the number of shares thereof then outstanding) from time to time by like action of the Board of Directors;

2.1.2 the annual rate of dividends payable on shares of such series, the conditions upon which such dividends shall be payable and the date from which dividends shall be cumulative in the event the Board of Directors determines that dividends shall be cumulative;

2.1.3 whether such series shall have voting rights, in addition to the voting rights provided by law and, if so, the terms of such voting rights;

2.1.4 whether such series shall have conversion privileges and, if so, the terms and conditions of such conversion, including, but not limited to, provision for adjustment of the conversion rate upon such events and in such manner as the Board of Directors shall determine;

2.1.5 whether or not the shares of such series shall be redeemable and, if so, the terms and conditions of such redemption, including the date or dates upon or after which they shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;

2.1.6 whether such series shall have a sinking fund for the redemption or purchase of shares of that series and, if so, the terms and amount of such sinking fund;

2.1.7 the rights of the shares of such series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Corporation, and the relative rights of priority, if any, of payment of shares of that series; and

2.1.8 any other relative rights, preferences and limitations of such series.

Section 3. Common Stock.

3.1. Issuance and Consideration. Any unissued or treasury shares of the Common Stock may be issued for such consideration as may be fixed in accordance with applicable law from time to time by the Board of Directors.

3.2. Voting Rights. At every meeting of the stockholders every holder of Common Stock shall be entitled to one vote, in person or by proxy, for each share of Common Stock standing in the name of such stockholder on the books of the Corporation, on each matter on which the Common Stock is entitled to vote.

3.3. Dividends. Subject to the rights of holders of the Preferred Stock, the holders of the Common Stock shall be entitled to receive, when and as declared by the Board of Directors, out of the assets of the Corporation which are by law available therefor, dividends payable either in cash, in property, or in shares of stock and the holders of the Preferred Stock shall not be entitled to participate in any such dividends (unless otherwise provided by the Board of Directors in any resolution providing for the issue of a series of Preferred Stock).

3.4. Rights in Event of Dissolution. In the event of any dissolution, liquidation or winding up of the affairs of the Corporation, either voluntarily or involuntarily, the holders of the Common Stock shall be entitled, after payment or provision for payment of the debts and other liabilities of the Corporation and the amounts to which the holders of the Preferred Stock shall be entitled, to share ratably in the remaining assets of the Corporation to the exclusion of the Preferred Stock (unless otherwise provided by the Board of Directors in any resolution providing for the issue of a series of Preferred Stock). Neither the merger or consolidation of the Corporation, nor the sale, lease or conveyance of all or part of its assets, shall be deemed to be a liquidation, dissolution or winding up of the affairs of the Corporation within the meaning of this Section 3.4.

Section 4. No Preemptive Rights. No holder of shares of this Corporation of any class shall be entitled, as such, as a matter of right, to subscribe for or purchase shares of any class now or hereafter authorized, or to purchase or subscribe for securities convertible into or exchangeable for shares of the Corporation or to which there shall be attached or appertain any warrants or rights entitling the holders thereof to purchase or subscribe for shares.

FIFTH.

Section 1. Amendment of Bylaws by Directors. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, repeal, alter, amend and rescind the bylaws of the Corporation.

Section 2. Amendment of Bylaws by the Stockholders. The bylaws shall not be made, repealed, altered, amended or rescinded by the stockholders of the Corporation except by the vote of the holders of not less than 75 percent of the outstanding shares of the

Corporation entitled to vote thereon. Any amendment to the Certificate of Incorporation which shall contravene any bylaw in existence on the record date of the stockholders meeting at which such amendment is to be voted upon by the stockholders shall require the vote of the holders of not less than 75 percent of the outstanding shares entitled to vote thereon.

SIXTH

Section 1. Classified Board. Effective immediately upon the issuance of more than 1,000 shares of Common Stock of the Corporation, the Board of Directors (exclusive of directors to be elected by the holders of any one or more series of Preferred Stock voting separately as a class or classes) shall be divided into three classes, Class A, Class B, and Class C. The number of directors in each class shall be the whole number contained in the quotient arrived at by dividing the authorized number of directors by three, and if a fraction is also contained in such quotient, then if such fraction is one-third, the extra director shall be a member of Class A and if the fraction is two-thirds, one of the extra directors shall be a member of Class A and the other shall be a member of Class B. Each director shall serve for a term ending on the date of the third annual meeting following the annual meeting at which such director was elected; provided, however, that the directors first elected to Class A shall serve for a term ending on the date of the annual meeting next following the end of the calendar year 1982, the directors first elected to Class B shall serve for a term ending on the date of the second annual meeting next following the end of the calendar year 1982, and the directors first elected to Class C shall serve for a term ending on the date of the third annual meeting next following the end of the calendar year 1982. Notwithstanding the foregoing formula provisions, in the event that, as a result of any change in the authorized number of directors, the number of directors in any class would differ from the number allocated to that class under the formula provided in this Article immediately prior to such change, the following rules shall govern:

(a) each director then serving as such shall nevertheless continue as a director of the class of which he is a member until the expiration of his current term, or his prior death, resignation or removal;

(b) at each subsequent election of directors, even if the number of directors in the class whose term of office then expires is less than the number then allocated to that class under said formula, the number of directors then elected for membership in that class shall not be greater than the number of directors in that class whose term of office then expires, unless and to the extent that the aggregate number of directors then elected plus the number of directors in all classes then duly continuing in office does not exceed the then authorized number of directors of the Corporation;

(c) at each subsequent election of directors, if the number of directors in the class whose term of office then expires exceeds the number then allocated to that class under said formula, the Board of Directors shall designate one or more of the directorships then being elected as directors of another class or classes in which the number of directors then serving is less than the number then allocated to such other class or classes under said formula;

(d) in the event of the death, resignation or removal of any director who is a member of a class in which the number of directors serving immediately preceding the creation of such vacancy exceeded the number then allocated to that class under said formula, the Board of Directors shall designate the vacancy thus created as a vacancy in another class in which the number of directors then serving is less than the number then allocated to such other class under said formula;

(e) in the event of any increase in the authorized number of directors, the newly created directorships resulting from such increase shall be apportioned by the Board of Directors to such class or classes as shall, so far as possible, bring the composition of each of the classes into conformity with the formula in this Article, as it applies to the number of directors authorized immediately following such increase; and

(f) designation of directorships or vacancies into other classes and apportionments of newly created directorships to classes by the Board of Directors under the foregoing items (c), (d) and (e) shall, so far as possible, be effected so that the class whose term of office is due to expire next following such designation or apportionment shall contain the full number of directors then allocated to said class under said formula.

Notwithstanding any of the foregoing provisions of this Article, each director shall serve until this successor is elected and qualified or until his death, resignation or removal.

Section 2. Election by Holders of Preferred Stock. During any period when the holders of any Preferred Stock or any one or more series thereof, voting as a class, shall be entitled to elect a specified number of directors, by reason of divided arrearages or other provisions giving them the right to do so, then and during such time as such right continues (i) the then otherwise authorized number of directors shall be increased by such specified number of directors, and the holders of such Preferred Stock or such series thereof, voting as a class, shall be entitled to elect the additional directors so provided for, pursuant to the provisions of such Preferred Stock or series; (ii) each such additional director shall serve for such term, and have such voting powers, as shall be stated in the provisions pertaining to such Preferred Stock or series; and (iii) whenever the holders of any such Preferred Stock or series thereof are divested of such rights to elect a specified number of directors, voting as a class, pursuant to the provisions of such Preferred Stock or series, the terms of office of all directors elected by the holders of such Preferred Stock or series, voting as a class pursuant to such provisions or elected to fill any vacancies resulting from the death, resignation or removal of directors so elected by the holders of such Preferred Stock or series, shall forthwith terminate and the authorized number of directors shall be reduced accordingly.

Section 3. Ballots. Elections of directors at an annual or special meeting of stockholders need not be by written ballot unless the bylaws of the Corporation shall provide otherwise.

Section 4. Initial Directors. The directors of the Corporation shall initially be Leslie H. Wexner, One Limited Parkway, P.O. Box 16528, Columbus, Ohio 43216, who shall initially be a Class A director and Robert H. Morosky, One Limited Parkway, P.O. Box 16528, Columbus, Ohio 43216, who shall initially be a Class B director.

SEVENTH. After the issuance of more than 1,000 shares of Common Stock of the Corporation, no action shall be taken by the Stockholders except at an annual or special meeting of stockholders.

EIGHTH. The affirmative vote of the holders of not less than 75 percent of the outstanding shares of the Corporation entitled to vote thereon shall be required for the approval of any proposal that (1) the Corporation merge or consolidate with any other corporation or any affiliate of such other corporation if such other corporation and its affiliates singly or in the aggregate are directly or indirectly the beneficial owners of more than five percent of the outstanding shares of any class of stock of the Corporation entitled to vote in the election of directors (such other corporation and any affiliate thereof being herein referred to as a "Related Corporation"), or (2) the Corporation sell, lease or exchange all or substantially all of its assets or business to or with such Related Corporation, or (3) the Corporation issue or deliver any stock or other securities of its issue in exchange or payment for any properties or assets of any such Related Corporation or securities issued by any such Related Corporation or in a merger of any affiliate of the Corporation with or into any such Related Corporation, or (4) the Corporation dissolve, and to effect such transaction the approval of stockholders of the Corporation is required by law or by any agreement between the Corporation and any national securities exchange; provided, however, that the foregoing clauses (1), (2), (3) and (4) shall not apply (i) to any such merger, consolidation, sale, lease, or exchange, or issuance or delivery of assets or other securities which was approved by resolution of the Board of Directors of the Corporation prior to the acquisition of the beneficial ownership of more than five percent of such transaction solely between the Corporation and another corporation 50 percent or more of the voting power of which is owned by the Corporation provided that the Certificate of Incorporation of the surviving corporation contains provisions substantially similar to those provided in Articles FIFTH, SIXTH, Section 1, SEVENTH, EIGHTH, NINTH, TENTH, and ELEVENTH, (iii) to any transaction between this Corporation and either (a) any stockholder who owned in excess of 10 percent of the Common Stock of the Corporation immediately after the merger of Limited Interim, Ohio, Inc., an Ohio corporation, into The Limited Stores, Inc. an Ohio corporation or (b) any affiliate from time to time organized, established, or incorporated of a stockholder referred to in (iii) (a) above. For the purposes hereof, an "affiliate" is any person (including a corporation, partnership, association, trust, business entity, estate or individual) who directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified; "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise; and in computing the percentage of outstanding Common Stock beneficially owned by any person, the shares outstanding and the shares owned shall be determined as of the record date fixed to determine the stockholders entitled to vote or express consent with respect to such proposal. The stockholder vote, if any, required for mergers, consolidations, sales, leases, or exchanges of assets or issuances of stock or other securities not expressly provided for in this Article, shall be such as may be required by applicable law.

NINTH. The Board of Directors of the Corporation, when evaluating any offer of another party to (1) make a tender or exchange offer for any equity security of the Corporation, (2) merge or consolidate the Corporation with another corporation, or (3) purchase or otherwise acquire all or substantially all of the properties and assets of the Corporation, shall in connection with the exercise of its judgment in determining what is in the best interests of the Corporation and its stockholders, give due consideration to all relevant factors, including without limitation the social and economic effects on the employees, customers, suppliers and other constituents of the Corporation and its subsidiaries and on the communities in which the Corporation and its subsidiaries operate or are located.

TENTH. Any director may be removed at any annual or special stockholders' meeting upon the affirmative vote of the holders of not less than 75 percent of the outstanding shares of voting stock of the Corporation at that time entitled to vote thereon; provided, however, that such director may be removed only for cause and shall receive a copy of the charges against him, delivered to him personally or by mail at his last known address at least 10 days prior to the date of the stockholders' meeting; provided further, that directors who shall have been elected by the holders of a series or class of Preferred Stock, voting separately as a class, shall be removed only pursuant to the provisions establishing the rights of such series or class to elect such directors.

ELEVENTH.

Section 1. Amendment of Certain Articles. The provisions set forth in this Article ELEVENTH and in Article FIFTH (dealing with the amendment of bylaws), SIXTH, Section 1 (dealing with the classified Board), SEVENTH (dealing with the prohibition against stockholder action without meetings), EIGHTH (dealing with the 75 percent vote of stockholders required for certain reorganizations), NINTH (dealing with certain matters to be considered by the Board in evaluating certain offers), and TENTH (dealing with the removal of any director) may not be amended, altered, changed, or repealed in any respect unless such repeal or amendment is approved by the affirmative vote of the holders of not less than 75 percent of the outstanding shares of the Corporation entitled to vote thereon.

Section 2. Amendments Generally. Subject to the provisions of Section 1 of this Article ELEVENTH, the Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statue, and all rights conferred on stockholders herein are granted subject to this reservation.

TWELFTH. The name and mailing address of the incorporator of the Corporation are:

Name	Address
Robert H. Morosky	One Limited Parkway P.O. Box 16528 Columbus, Ohio 43216

THE UNDERSIGNED, being the incorporator hereinbefore named, for the purpose of forming a corporation to do business both within and without the State of Delaware and in pursuance of the Delaware General Corporation Law, does make and file this Certificate hereby declaring and certifying that the facts herein stated are true, and accordingly has hereunto set his hand this 8th day of March, 1982.

/s/ Robert H. Morosky

Robert H. Morosky

STATE OF OHIO
COUNTY OF FRANKLIN, SS:

Be it remembered that on this 8th day of March, 1982, personally came before me, the subscriber, a Notary Public for the State and County aforesaid, Robert H. Morosky, known to me personally to be such person, and acknowledged the said Certificate of Incorporation to be his act and deed and that the facts therein stated are truly set forth.

Given under my hand and seal of office the day and year aforesaid.

/s/ James S. Graham

Notary Public

JAMES S. GRAHAM
NOTARY PUBLIC, FRANKLIN COUNTY, OHIO
MY COMMISSION EXPIRES DECEMBER 26, 1982

0594B
3/4/82

EXHIBIT 3.2

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

The Limited, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "GCL"), DOES HEREBY CERTIFY that the following amendment to Section 1 of Article FOURTH of its certificate of incorporation has been duly adopted in accordance with the provisions of Section 242 of the GCL and amends such Section 1 in its entirety to read as follows:

> "Section 1. Capital Stock. The Corporation shall be authorized to issue two classes of stock to be designated, respectively, "Preferred Stock" and "Common Stock"; the total number of shares which the Corporation shall have authority to issue is Five Hundred Ten Million (510,000,000); the total number of shares of Preferred Stock shall be Ten Million (10,000,000) and each such share shall have a par value of One Dollar ($1.00); and the total number of shares of Common Stock shall be Five Hundred Million (500,000,000) and each such share shall have a par value of Fifty Cents ($.50)."

IN WITNESS WHEREOF, The Limited, Inc. has caused this certificate to be signed by Leslie H. Wexner, its Chairman of the Board, and attested by Robert H. Morosky, its Assistant Secretary, this 19th day of May, 1986.

THE LIMITED, INC.

By /s/ Leslie H. Wexner

Leslie H. Wexner, Chairman of the Board

ATTEST:

/s/ Robert H. Morosky

Robert H. Morosky
Assistant Secretary

Exhibit 3.3

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

The Limited, Inc., a corporation organized and existing under and by the General Corporation Law of the State of Delaware, DOES HERBY CERTIFY:

First: That at a meeting of the Board of Directors of said corporation, resolutions were duly adopted setting forth proposed amendments to the Certificate of Incorporation of said corporation, declaring said amendments to be advisable and calling a meeting of stockholders for consideration thereof. The resolutions setting forth the proposed amendments are as follows:

> RESOLVED, that a new Section 5 be added to Article Sixth of the Certificate of Incorporation and approved to read in its entirety as follows:
>
> Section 5. Elimination of Certain Personal Liability of Directors. A director of this Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of any fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the General Corporation Law of the State of Delaware or (iv) for any transaction from which the director derives an improper personal benefit. If the General Corporation Law of the State of Delaware is amended after approval by the stockholders of this Section to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law of the State of Delaware, as so amended. The foregoing limitation on liability shall not apply to acts or omissions occurring prior to the effective date of this Section.
>
> RESOLVED, that Article Thirteenth of the Certificate of Incorporation be added and approved to read in its entirety as follows:

THIRTEENTH.

Section 1. Vote Required for Certain Business Combinations. The affirmative vote of the holders of not less than 75 percent of the outstanding shares of "Voting Stock" (as hereinafter defined) held by stockholders other than an "Interested Person" (as hereinafter defined) shall be required for the approval or authorization of any "Business Combination" (as hereinafter defined) of the Corporation with any Interested Person; provided, however, that the 75 percent voting requirement shall not be applicable if:

(a) the "Continuing Directors" (as hereinafter defined) of the Corporation by at least a two-thirds vote (i) have expressly approved in advance the acquisition of the outstanding shares of Voting Stock that caused such Interested Person to become an Interested Person, or (ii) have expressly approved such Business Combination either in advance of or subsequent to such Interested Person's having become an Interested Person; or

(b) the cash or fair market value (as determined by at least two-thirds of the Continuing Directors) of the property, securities or "Other Consideration to be Received" (as hereinafter defined) per share by holders of Voting Stock of the Corporation in the Business Combination is not less than the "Fair Price" (as hereinafter defined) paid by the Interested Person in acquiring any of its holdings of the Corporation's Voting Stock.

Section 2. Definitions. Certain words and terms as used in this Article THIRTEENTH shall have the meanings given to them by the definitions and descriptions in this Section.

2.1. Business Combination. The term "Business Combination" shall mean (a) any merger or consolidation of the Corporation or a subsidiary of the Corporation with or into an Interested Person, (b) any sale, lease, exchange, transfer or other disposition, including without limitation, a mortgage or any other security device, of all or any "Substantial Part" (as hereinafter defined) of the assets either of the Corporation (including without limitation, any voting securities of a subsidiary) or of a subsidiary of the Corporation to an Interested Person, (c) any merger or consolidation of an Interested Person, with or into the Corporation or a subsidiary of the Corporation, (d) any sale, lease, exchange, transfer or other disposition, including without limitation, a mortgage or other security device, of all or any Substantial Part of the assets of an Interested Person to the Corporation or a subsidiary of the Corporation, (e) the issuance or transfer by the Corporation or any subsidiary of any securities of the Corporation or a subsidiary of the Corporation to an Interested Person, (f) any reclassification of securities, recapitalization or other comparable transaction involving the Corporation that would have the effect of increasing the Voting power of any Interested Person with respect to Voting Stock of the Corporation, and (g) any agreement, contract or other arrangement providing for any of the transactions described in this definition of Business Combination.

2.2. Interested Person. The term "Interested Person" shall mean and include any individual, corporation, partnership or other person or entity which, together with its "Affiliates" and "Associates" (as defined in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934 as in effect at the date of the adoption of this Article THIRTEENTH by the stockholders of the Corporation), "Beneficially Owns" (as defined in Rule 13d-3 of the General Rules and Regulations under the Securities Exchange Act of 1934 as in effect at the date of the adoption of this Article THIRTEENTH by the stockholders of the Corporation) in the aggregate 20 percent or more of the outstanding Voting Stock of the Corporation, and any Affiliate or Associate of any such individual, corporation, partnership or other person or entity. Without limitation, any share of Voting Stock of the Corporation that any Interested Person has the right to acquire at any time (notwithstanding that Rule 13d-3 deems such shares to be beneficially owned only if such right may be exercised within 60 days) pursuant to any agreement, or upon exercise of conversion rights, warrants or options, or otherwise, shall be deemed to be Beneficially Owned by the Interested Person and to be outstanding for purposes of this definition. An Interested

Person shall be deemed to have acquired a share of the Voting Stock of the Corporation at the time when such Interested Person became the Beneficial Owner thereof. With respect to the shares owned by Affiliates, Associates or other persons whose ownership is attributed to an Interested Person under the foregoing definition of Interested Person, if the price paid by such Interested Person for such shares is not determinable by two-thirds of the Continuing Directors, the price so paid shall be deemed to be the higher of (a) the price paid upon the acquisition thereof by the Affiliate, Associate or other person or (b) the market price of the shares in question at the time when the Interested Person became the Beneficial Owner thereof.

2.3 Voting Stock. The term "Voting Stock" shall mean all of the outstanding shares of Common Stock of the Corporation and any outstanding shares of Preferred Stock entitled to vote on each matter on which the holders of record of Common Stock shall be entitled to vote, and each reference to a proportion of Shares of Voting Stock shall refer to such proportion of the votes entitled to be cast by such shares.

2.4 Continuing Director. The term "Continuing Director" shall mean a Director who was a member of the Board of Directors of the Corporation immediately prior to the time that the Interested Person involved in a Business Combination became an interested Person, or a Director who was elected or appointed to fill a vacancy after the date the Interested Person became an Interested Person by a majority of the then-current Continuing Directors.

2.5 Fair Price. The term "Fair Price" shall mean the following: If there is only one class of capital stock of the Corporation issued and outstanding, the Fair Price shall mean the highest price that can be determined by a majority of the Continuing Directors to have been paid at any time by the Interested Person for any share or shares of that class of capital stock. If there is more than one class of capital stock of the Corporation issued and outstanding, the Fair Price shall mean with respect to each class and series of capital stock of the Corporation, the amount determined by a majority of the

Continuing Directors to be the highest per share price equivalent of the highest price that can be determined to have been paid at any time by the Interested Person for any share or shares of any class or series of capital stock of the Corporation. In determining the Fair Price, all purchases by the Interested Person shall be taken into account regardless of whether the shares were purchased before or after the Interested Person became an Interested Person. Also, the Fair Price shall include any brokerage commissions, transfer taxes and soliciting dealers' fees paid by the Interested Person with respect to the shares of capital stock of the Corporation acquired by the Interested Person. In the case of any Business Combination with an Interested Person, a majority of the Continuing Directors shall determine the Fair Price for each class and series of the capital stock of the Corporation. The Fair Price shall also include interest compounded annually from the date an Interested Person became an Interested Person through the date the Business Combination is consummated at the publicly announced base rate of interest of Morgan Guaranty Trust Company of New York less the aggregate amount of any cash dividends paid, and the fair market value of any dividends paid in other than cash, on each share of capital stock in the same time period, in an amount up to but not exceeding the amount of interest so payable per share of capital stock.

2.6. Substantial Part. The term "Substantial Part" shall mean more than 20 percent of the fair market value as determined by two-thirds of the Continuing Directors of the total consolidated assets of the Corporation and its subsidiaries taken as a whole as of the end of its most recent fiscal year ended prior to the time the determination is being made.

2.7. Other Consideration to be Received. The term "Other Consideration to be Received" shall include, without limitation, Common Stock or other capital stock of the Corporation retained by its existing stockholders other than Interested Persons or other parties to such Business Combination in the event of a Business Combination in which the Corporation is the surviving corporation.

Section 3. Determinations by the Continuing Directors. In making any determinations, the Continuing Directors may engage such persons, including investment banking firms and the independent accountants who have reported on the most recent financial statements of the Corporation, and utilize employees and agents of the Corporation, who will, in the judgment of the Continuing Directors, be of assistance to the Continuing Directors. Any determinations made by the Continuing Directors, acting in good faith on the basis of such information and assistance as was then reasonably available for such purposes, shall be conclusive and binding upon the Corporation and its stockholders, including any Interested Person.

RESOLVED, that Article Fourteenth of the Certificate of Incorporation be added and approved to read in its entirety as follows:

FOURTEENTH. The provisions set forth in Article THIRTEENTH and in this Article FOURTEENTH may not be amended, altered, changed or repealed in any respect unless such action is approved by the affirmative vote of the holders of not less than 75 percent of the outstanding shares of Voting Stock (as defined in Article THIRTEENTH) of the Corporation at a meeting of the stockholders duly called for the consideration of such amendment, alteration, change or repeal; provided, however, that if there is an Interested Person (as defined in Article THIRTEENTH), such action must also be approved by the affirmative vote of the holders of not less than 75 percent of the outstanding shares of Voting Stock held by the stockholders other than the Interested Person.

SECOND: That thereafter, pursuant to resolution of its Board of Directors, an annual meeting of the stockholders of said corporation was duly called and held, upon notice and in accordance with Section 222 of the General Corporation Law of the State of Delaware, at which meeting the necessary number of shares as required by statute were voted in favor of the amendments.

THIRD: That the aforesaid amendments were duly adopted in accordance with the applicable provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, The Limited, Inc. has caused this certificate to be signed by Leslie H. Wexner, its Chairman of the Board, and attested by Robert H. Morosky, its Assistant Secretary, this 19th day of May, 1987.

THE LIMITED, INC.

By /s/ Leslie H. Wexner

Leslie H. Wexner, Chairman of the Board

ATTEST:

By /s/ Robert H. Morosky

Robert H. Morosky,
Assistant Secretary

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05/26/87

Exhibit 10.3

THE LIMITED SUPPLEMENTAL RETIREMENT AND DEFERRED COMPENSATION PLAN (Effective January 1, 2000)

ARTICLE I

Introduction

1.1. Limited Service Corporation, a Delaware corporation (the "Company"), previously established The Limited Supplemental Retirement Plan (the "Plan") in order to provide eligible associates of the Company and its Affiliates with certain benefits that could not be provided to such associates under The Limited, Inc. Savings and Retirement Plan ("SARP") because of the limitations imposed by Sections 401(a)(17) and 415 of the Internal Revenue Code. The Company also previously established The Limited Deferred Compensation Plan (the "Deferred Compensation Plan") in order to provide an opportunity for income deferral to certain associates of the Company and its Affiliates who were excluded from eligibility to make pre-tax deferrals under the SARP in order to enable the SARP to satisfy the nondiscrimination requirements imposed by Sections 401(k) and 401(m) of the Code. The Company hereby combines the Supplemental Retirement Plan and the Deferred Compensation Plan into a single plan, effective as of January 1, 2000. All benefits earned by participants in the Supplemental Retirement Plan and/or the Deferred Compensation Plan prior to January 1, 2000, will be paid to such participants pursuant to the provisions of this Supplemental Retirement and Deferred Compensation Plan.

1.2. The Company intends for the Plan to be an unfunded deferred compensation plan for a select group of management and highly compensated associates within the meaning of United States Department of Labor regulations Section 2520.104-23.

1.3. For purposes of communicating with Plan Participants, those provisions of this Plan which govern Deferral Credits and Matching Credits may be referred to as the "Alternative Savings Plan" and those provisions governing Supplemental Credits and Discretionary Credits may be referred to as the "Supplemental Retirement Plan" or "SERP."

ARTICLE II

Definitions

Whenever the following words and phrases are used in this document, they shall have the meanings stated below unless a different meaning is plainly required by the context:

2.1. "Account" means the account maintained by the Committee and the Employer reflecting the accrued benefit of a Participant under the Plan. With respect to Participants who were participants in the Supplemental Retirement Plan and/or the Deferred Compensation Plan as of December 31, 1999, the Account of each such Participant shall be credited with all amounts credited to such Participant's accounts under the Supplemental Retirement Plan and the Deferred Compensation Plan as of such date.

2.2. "Affiliate" means (i) any corporation that is a member of a controlled group of corporations, as defined in Section 414(b) of the Code, of which the Company is a member; (ii) any other trade or business (whether or not incorporated) that is under common control, as defined in Section 414(c) of the Code, with the Company; and (iii) any business that is a member of an affiliated service group, as defined in Section 414(m) of the Code, of which the Company is a member.

2.3. "Beneficiary" means the person or persons designated by a Participant as his or her beneficiary or beneficiaries under the SARP.

2.4. "Code" means the Internal Revenue Code of 1986, as now existing or hereinafter amended, and regulations issued thereunder.

2.5. "Committee" means the Administrative Committee under the SARP.

2.6. "Company" means Limited Service Corporation, a Delaware corporation, and its successors.

2.7. "Compensation" means compensation subject to deferral under the SARP without taking into account the limitations of Code Section 401(a)(17).

2.8. "Compensation Committee" means the Compensation Committee of the Company's Board of Directors. No Participant may serve as a member of the Compensation Committee.

2.9. "Deferral Account" means the portion of a Participant's Account derived from Deferral Credits.

2.10. "Deferral Agreement" means an agreement, in a form prescribed by the Committee, by which a Participant may elect to defer receipt of a portion of his or her Compensation pursuant to Section 4.1

2.11. "Deferral Credits" means the amounts credited to a Participant's Account pursuant to Section 5.2.

2.12. "Discretionary Account" means the portion of a Participant's Account derived from Discretionary Credits.

2.13. "Discretionary Credits" means the amounts credited to a Participant's Account pursuant to Section 5.5.

2.14. "Effective Date" means January 1, 2000, the effective date of the Plan as set forth herein.

2.15. "Employer" means the Company and each Affiliate that is a participating employer under the SARP and that elects to participate in the Plan by action of its board of directors.

2.16. "Matching Account" means the portion of a Participant's Account derived from Matching Credits.

2.17. "Matching Contributions" means the matching contributions made by the Employer for the benefit of Participants in accordance with the terms of the SARP.

2.18. "Matching Credits" means the amounts credited to a Participant's Account pursuant to Section 5.3.

2.19. "Participant" means an associate of the Employer who is eligible to receive Supplemental, Deferred, Matching or Discretionary Credits pursuant to Section 3.1 of the Plan.

2.20. "Plan" means The Limited Supplemental Retirement and Deferred Compensation Plan, as set forth herein and as amended from time to time.

2.21. "Plan Year" means the calendar year.

2.22. "Retirement Contributions" means the retirement contributions made by the Employer for the benefit of Participants in accordance with the terms of the SARP.

2.23. "SARP" means The Limited, Inc. Savings and Retirement Plan.

2.24. "SARP Limitations" means the limitations imposed by Sections 401(a)(17) and 415 of the Code on the amount that may be contributed by an Employer to the SARP on behalf of a Participant.

2.25. "Supplementary Account" means the portion of a Participant's Account derived from Supplementary Credits.

2.26. "Supplementary Credits" means the amounts credited to a Participant's Account pursuant to Section 5.4.

2.27. "Termination of Employment" means the termination of a Participant's employment with the Company and its Affiliates for any reason.

ARTICLE III

Participation

3.1. Participation. An associate of the Employer who is eligible to participate in the SARP will automatically become a Participant in the Plan for purpose of receiving Supplemental Credits if the amount of Retirement Contributions made on behalf of such associate under the SARP is limited by the SARP Limitations. The Committee, in its sole discretion, may from time to time designate certain other management and highly compensated associates of the Employer, including associates who are not participants in the SARP, as eligible to participate in the Plan for purposes of receiving Supplemental Credits. The Committee, in its sole discretion, shall designate which associates of the Company and its Affiliates are eligible to participate in the Plan for purposes of receiving Deferral Credits, Matching Credits and Discretionary Credits.

3.2. Duration of Participation. An associate eligible to participate in the Plan shall continue to be a Participant until the Committee revokes such designation or the associate incurs a Termination of Employment.

ARTICLE IV

Deferral of Compensation

4.1. Election to Defer. A Participant who is eligible to receive Deferral Credits may elect to defer a portion of the Compensation otherwise payable to him or her by filing a Deferral Agreement with the Employer. The Deferral Agreement must be filed with the Employer prior to the first day of the Plan Year to which it relates. If an associate first becomes a Participant after the first day of a Plan Year, he or she must file a Deferral Agreement with the Employer within thirty (30) days after the date on which he or she first became a Participant in order to defer a portion of his or her Compensation during such Plan Year. A Deferral Agreement shall only apply to Compensation earned after the date on which the Deferral Agreement is filed with the Employer. Notwithstanding the foregoing, an associate who is notified of his or her right to participate in the Plan for purposes of electing Deferral Credits but does not file a Deferral Agreement with the Employer (or otherwise inform the Employer in writing of his or her desire not to elect Deferral Credits) prior to the date specified in this Section 4.1, shall be deemed to have elected to defer the maximum amount permitted by Section 4.2.

4.2. <u>Amount of Deferral.</u> The portion of Compensation payment of which may be deferred pursuant to the Plan must be in whole percentage points of Compensation, and shall not exceed three percent (3%) of the Compensation of the Participant.

4.3. <u>Modification of Deferral Agreement.</u> A Deferral Agreement shall remain in full force and effect until modified or terminated by the filing of a new Deferral Agreement with the Employer. A new Deferral Agreement shall only apply to Compensation earned by the Participant after the end of the Plan Year in which such Deferral Agreement is filed with the Employer. In the event a Participant terminates his or her Deferral Agreement, the Participant may resume deferrals under the Plan by completing a new Deferral Agreement to be effective as of the first day of the next Plan Year.

ARTICLE V

Maintenance of Accounts

5.1. <u>Accounts.</u> The Employer and the Committee shall maintain on the Employer's books and records an Account for each Participant that shall be adjusted to reflect credits under this Article V and payments and forfeitures under Articles VI and VII. In the event that the Company establishes a reserve pursuant to Section 9.5, the Company may, in its discretion, adjust the Accounts of Participants as of each Valuation Date to reflect the investment performance of such reserve. Such adjustment shall be made on a pro-rata basis by assuming that an equal percentage of each Account under the Plan is invested in the reserve. The Employer or the Committee may, from time to time, assess reasonable service charges against all or any portion of the Accounts to defray costs associated with the implementation and administration of the Plan. Payments under the Plan shall be charged against Accounts on the date on which the payments are made and forfeitures shall be charged on the date of Termination of Employment.

5.2. <u>Deferral Credits.</u> As of the last day of each calendar month, the Deferral Account of each Participant eligible to receive Deferral Credits shall be credited with Deferral Credits equal to the amount of Compensation deferred by the Participant for such month under Article IV.

5.3. <u>Matching Credits.</u> As of the last day of each calendar month, the Account of each Participant for whom a Deferral Credit is made shall be credited with a Matching Credit in an amount equal to two (2) times the Participant's Deferral Credit for such month or such greater or lesser amounts as the Employer shall determine prior to the date on which the Compensation to which the related Deferral Credit is deferred.

5.4. Supplementary Credits. As of the last day of each Plan Year, the Supplementary Account of each Participant who is still a Participant on such date shall be credited with a Supplementary Credit equal to the amount of Retirement Contributions not credited to the Participant under the SARP because of the SARP Limitations.

5.5. Discretionary Credits. As of the last day of each Plan Year, and as of such other dates as the Compensation Committee may determine, the Discretionary Account of a Participant may be credited with Discretionary Credits. The determination as to which Participants, if any, shall be entitled to receive Discretionary Credits, and the amount of such Discretionary Credits, shall be made by the Compensation Committee in its sole discretion.

5.6. Earnings Credited. The Committee shall establish a rate of return to be applied to each Participant's Account. The Committee may establish different rates to apply to the portion of a Participant's Account attributable to Deferral Credits, Matching Credits, Supplementary Credits and Discretionary Credits and may establish different rates for different portions of the Plan Year. The rates established by the Committee shall be based on such interest rate related factors or indicia as the Committee deems appropriate, including but not limited to the Employer's cost of funds or cost of borrowing. Such rate or rates shall be applied as of the last day of each Plan Year to the Account balance at the beginning of the Plan Year less the amount of any payments and forfeitures from the Account during such Plan year.

5.7. Participant Statements. A written statement indicating the total amount credited to a Participant's Account shall be furnished by the Committee to the Participant not more than ninety (90) days after the end of each Plan Year. All statements shall be based on the net value of the Accounts as of the last day of the Plan Year, to the extent such values are available to the Committee.

ARTICLE VI

Vesting

6.1. Vested Percentage. A Participant shall at all times be 100 percent vested in his or her Deferral Account. A Participant's vested percentage in his or her Matching Account, Supplementary Account and Discretionary Account shall be equal to the Participant's vested percentage in his or her Retirement Account and Matching Account under the SARP, determined as of the date any payment is to be made. The portion of a Participant's Account that is not fully vested shall be forfeited on the date of the Participant's Termination of Employment.

6.2. Acceleration of Vesting. The Committee, in its sole discretion, shall have the power to accelerate the rate of vesting of all or any portion of any Account to such extent and at such times as may be in the best interest of the Employer and the Participant.

ARTICLE VII

Payments

7.1. Termination of Employment. The vested portion of the Account of a Participant shall be paid by the Employer to the Participant in a single lump sum cash distribution no earlier than thirty (30) days and no later than ninety (90) days following the Participant's Termination of Employment.

7.2. Right of Company to Offset and Withhold. If the Employer determines that a Participant is for any reason indebted to the Employer or any Affiliate, the Employer may offset such indebtedness, including any interest accruing thereon, against payments otherwise due under the Plan to such Participant or such Participant's Beneficiary. The Employer shall also have the right to withhold from any payments due under the Plan the amount of any federal, state or local taxes required by law to be withheld from such payments.

ARTICLE VIII

Administration and Claims

8.1. Membership; Procedures; Authority and Responsibilities The Committee shall operate under the same rules and procedures as the administrative committee under the SARP. The Committee may assign all or some of its duties hereunder to officers or other associates of the Company. The Committee shall have, in addition to the powers and responsibilities specifically provided for in this Plan, all of the powers and responsibilities granted to the administrative committee under the SARP that are applicable to the administration and operation of this Plan, including the authority to interpret the Plan, to adopt and revise rules and regulations relating to the Plan, and to make any other determinations which it believes to be necessary or advisable for the administration of the Plan. Determinations and decisions by the Committee shall be final and binding on associates, Participants and all other persons except that denied claims for benefits shall be subject to review pursuant to Section 8.2. Any determination under the SARP that is relevant to the administration of this Plan shall be effective under this Plan as well as under the SARP. No Participant shall have any responsibility or authority with respect to the administration of the Plan, and the Committee may not assign any of its duties to anyone who is a Participant in the Plan.

8.2. Claims Procedures All claims for benefits must be made under the rules and procedures then if effect under the SARP, including the SARP's procedures with respect to review of denied claims.

8.3. Incorporation by Reference. The provisions of the SARP related to its administrative committee, administrative procedures and claims procedures are hereby incorporated by reference in this Plan.

8.4. Suspension of Payments in Event of Dispute. If the Committee is in doubt concerning the entitlement of any person to any payment claimed to be due under the Plan, the Committee may direct the Employer to suspend any such payment until satisfied as to the entitlement of such person to such payment. The Committee or the Employer may file or cause to be filed in any court of competent jurisdiction an appropriate legal action or process in such form as the Committee or the Employer deems appropriate, including an interpleader action or an action for declaratory judgment, for a legal determination of the entitlement of any person to any payment claimed to be due under the Plan. The Committee and the Employer shall comply with any final order of the court in any such suit, subject to appellate review, and the Participant and Beneficiaries shall be similarly bound thereby.

ARTICLE IX

Miscellaneous

9.1. Amendment and Termination. The Company may at any time and from time to time amend, suspend or terminate this Plan with or without the consent of any Participant or Beneficiary, provided that no such amendment, suspension or termination shall reduce the balance in any Participant's Account. Such amendment, suspension or termination may be authorized by the Company's Board of Directors or by action of such officer or officers of the Company as the Board of Directors may designate. Upon the suspension or termination of the Plan, the Company may, in its discretion, direct early payment of the vested portion of any or all Accounts.

9.2. No Contract of Employment. The establishment of the Plan, any modification thereof, the creation of one or more Accounts, and/or the making of any payments under the Plan, shall not give any associate the right to remain in the service of any Employer, and all Participants and other associates shall remain subject to discharge to the same extent as if the Plan had never been adopted.

9.3. Tax Effects. None of the Company, any other Employer, the Committee or any other person, represents or guarantees that any particular federal, state or local tax consequences shall occur as a result of any Participant's participation in this Plan. Each Participant is encouraged to consult with his or her own advisors regarding the tax consequences of participation in this Plan.

9.4. Nonalienation of Benefits. None of the payments, benefits, or rights of any Participant or Beneficiary shall be subject to any claim of any creditor of such Participant or Beneficiary and, to the fullest extent permitted by law, all such payments, benefits and rights shall be free from attachment, garnishment or any other legal or equitable process available to any creditor of such Participant or Beneficiary. No Participant or Beneficiary shall have the right to alienate, commute, pledge, encumber or assign any of the benefits or payments which the Participant or Beneficiary may expect to receive, contingently or otherwise, under the Plan, except the right of a Participant to designate a Beneficiary.

9.5. Participants' Rights Unsecured. The Plan shall at all times be entirely unfunded and, except as provided in the following paragraph, no provision of this Plan shall at any time be made with respect to segregating any assets of the Company or any other Employer for payment of any benefits hereunder. Participants and Beneficiaries shall at all times have the status of general unsecured creditors of the Employers, and neither Participants nor Beneficiaries shall have any rights in or against any specific assets of the Employers. The Plan constitutes a mere promise by the Employers to make benefit payments in the future.

The Company may establish a reserve of assets to provide funds for the payment of benefits under the Plan. Such reserve may be through a trust account and such reserve shall, at all times, be subject to the claims of general creditors of the Employers and shall otherwise be on such terms and conditions as shall prevent taxation to Participants and Beneficiaries of any amounts held in the reserve or credited to an account prior to the time payments are made. No Participant or Beneficiary shall have any ownership rights in or to any reserve.

9.6. Limitation of Liability. The liability of the Employer and the Committee under this Plan shall be limited to the obligations expressly set forth in the Plan, and no term or provision of this Plan may be construed to impose any further or additional duties, obligations or costs on the Employer or the Committee not expressly set forth in the Plan.

9.7. Payments to Minors, etc. Any amount payable to or for the benefit of a minor, an incompetent person or any other person incapable of receipting therefor may be paid to such person's guardian, to any trustee or guardian holding assets for the benefit of such person, or to any person providing, or reasonably appearing to provide, for the care of such person, and such payment shall fully discharge the Committee and the Employer with respect thereto.

9.8. Notices. Notices under the Plan shall be deemed to be sufficiently given if sent by first class, registered or certified mail addressed (i) to a Participant or Beneficiary at such person's last known address as set forth in the books and records of the Employer, or (i) to the Employer or the Committee at the principal offices of the Company.

9.9. Headings and Captions. The headings and captions in the Plan are provided for convenience only and shall not be employed in the construction of the Plan.

9.10. Entire Agreement. This Plan and any subsequently adopted amendments thereto shall constitute the entire agreement or contract between the Employer and the

Participants and Beneficiaries regarding the Plan. No oral statement regarding the Plan may be relied upon by any Participant or Beneficiary.

9.11. Corporate Successors. The Plan shall not be automatically terminated by a transfer or sale of the assets of the Company or any Employer or by the merger or consolidation of the Company or any Employer into or with any other corporation or other entity, but the Plan shall be continued after such sale, merger or consolidation only if and to the extent that the transferee, purchaser or successor entity agrees to continue the Plan. In the event that the Plan is not continued by the transferee, purchaser or successor entity, then the Plan shall terminate subject to the provisions of Section 9.1.

9.12. Severability. If any term or provision of this Plan shall be held invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the remaining terms and provisions hereof, and this Plan shall be construed and enforced as if such provision had not been included.

9.13. Third Parties. Nothing expressed or implied in this Plan is may be construed to give any person other than Participants and Beneficiaries any rights or remedies under the Plan.

9.14. Governing Law. The laws of the State of Ohio applicable to agreements to be performed in the State of Ohio shall apply in determining the construction and validity of the Plan and all rights and obligations under the Plan, except to the extent such laws are preempted by federal law.

IN WITNESS WHEREOF, the Company has caused this Plan to be executed by its duly authorized officers this 28th day of February, 2001.

LIMITED SERVICE CORPORATION

By /s/ Leonard Schlesinger

Its Executive Vice President and
Chief Operating Officer

ATTEST:

____
Its______________________

EXHIBIT 11

THE LIMITED, INC. AND SUBSIDIARIES
COMPUTATION OF PER SHARE EARNINGS

(Thousands except per share amounts)

	Quarter Ended	
	February 3, 2001	January 29, 2000
Net income	$238,151	$316,464
Less: impact of IBI dilutive options and restricted stock on consolidated income*	(1,958)	(3,162)
Adjusted net income	$236,193	$313,302
Common shares outstanding:		
Weighted average basic shares	425,739	429,708
Dilutive effect of stock options and restricted stock	13,548	15,234
Weighted average used to calculate net income per diluted share	439,287	444,942
Net income per diluted share	$0.54	$0.70

	Year Ended	
	February 3, 2001	January 30, 1999
Net income	$427,905	$460,759
Less: impact of IBI dilutive options and restricted stock on consolidated income*	(4,371)	(5,636)
Adjusted net income	$423,534	$455,123
Common shares outstanding:		
Weighted average basic shares	427,604	439,164
Dilutive effect of stock options and restricted stock	15,444	16,400
Weighted average used to calculate net income per diluted share	443,048	455,564
Net income per diluted share	$0.96	$1.00

*Represents the impact of dilutive options and restricted stock at Intimate Brands as a reduction to income.

EXHIBIT 12

THE LIMITED, INC. AND SUBSIDIARIES
RATIO OF EARNINGS TO FIXED CHARGES
(Thousands)

	Year Ended				
	February 3, 2001	January 29, 2000	January 30, 1999	January 31, 1998	February 1, 1997
Adjusted Earnings					
Pretax earnings	$758,905	$831,759	$2,351,494	$390,653	$675,088
Portion of minimum rent ($653,820 in 2000, $671,960 in 1999, $689,240 in 1998, $738,487 in 1997, and $712,258 in 1996) representative of interest	217,940	223,987	229,747	246,162	237,419
Interest on indebtedness	58,244	78,297	68,528	68,728	75,363
Minority interest	69,345	72,623	63,616	55,610	45,466
Total earnings as adjusted	$1,104,434	$1,206,666	$2,713,385	$761,153	$1,033,336
Fixed Charges					
Portion of minimum rent representative of interest	$217,940	$223,987	$229,747	$246,162	$237,419
Interest on indebtedness	58,244	78,297	68,528	68,728	75,363
Total fixed charges	$276,184	$302,284	$298,275	$314,890	$312,782
Ratio of earnings to fixed charges	4.00x	3.99x	9.10x	2.42x	3.30x

Exhibit 13

6 FINANCIAL SUMMARY
(Millions except per share amounts, ratios and store and associate data)

Summary of Operations	@ 2000	* 1999	* 1998	1997	1996	*+@ 1995	1994
Net sales	$ 10,105	$ 9,766	$ 9,365	$ 9,200	$ 8,652	$ 7,893	$ 7,321
Gross income	$ 3,437	$ 3,323	$ 2,940	$ 2,736	$ 2,424	$ 2,033	$ 2,108
Operating income	# $ 866	# $ 931	# $ 2,424	# $ 469	# $ 636	# $ 612	$ 796
Operating income as a percentage of sales	# 8.6%	# 9.5%	# 25.9%	# 5.1%	# 7.4%	# 7.8%	10.9%
Net income	/\ $ 428	/\ $ 461	/\ $ 2,046	/\ $ 212	/\ $ 434	/\ $ 961	$ 447
Net income as a percentage of sales	/\ 4.2%	/\ 4.7%	/\ 21.9%	/\ 2.3%	/\ 5.0%	/\ 12.2%	6.1%
Per Share Results							
Basic net income	/\ $ 1.00	/\ $ 1.05	/\ $ 4.25	/\ $ 0.39	/\ $ 0.78	/\ $ 1.35	$ 0.63
Diluted net income	/\ $ 0.96	/\ $ 1.00	/\ $ 4.15	/\ $ 0.39	/\ $ 0.77	/\ $ 1.34	$ 0.63
Dividends	$ 0.30	$ 0.30	$ 0.26	$ 0.24	$ 0.20	$ 0.20	$ 0.18
Book value	$ 5.44	$ 5.00	$ 4.78	$ 3.64	$ 3.45	$ 4.43	$ 3.78
Weighted average diluted shares outstanding	443	456	493	549	564	717	717
Other Financial Information							
Total assets	$ 4,088	$ 4,126	$ 4,550	$ 4,301	$ 4,120	$ 5,267	$ 4,570
Return on average assets	/\ 10%	/\ 11%	/\ 46%	/\ 5%	/\ 9%	/\ 20%	10%
Working capital	$ 1,068	$ 1,049	$ 1,127	$ 1,001	$ 712	$ 1,962	$ 1,694
Current ratio	2.1	1.8	2.0	2.0	1.9	3.3	3.0
Capital expenditures	$446	$ 375	$ 347	$ 363	$ 361	$ 374	$ 320
Long-term debt	$400	$ 400	$ 550	$ 650	$ 650	$ 650	$ 650
Debt-to-equity ratio	17%	19%	25%	33%	35%	21%	24%
Shareholders' equity	$ 2,316	$ 2,147	$ 2,167	$ 1,986	$ 1,869	$ 3,148	$ 2,705
Return on average shareholders' equity	/\ 19%	/\ 21%	/\ 99%	/\ 11%	/\ 17%	/\ 33%	17%
Comparable store sales increase (decrease)	5%	9%	6%	0%	3%	(2%)	(3%)
Stores and Associates at End of Year							
Total number of stores open	5,129	5,023	5,382	5,640	5,633	5,298	4,867
Selling square feet	23,224	23,592	26,316	28,400	28,405	27,403	25,627
Number of associates	123,700	114,600	126,800	131,000	123,100	106,900	105,600

Summary of Operations	* 1993	1992	+ 1991	1990
Net sales	$ 7,245	$ 6,944	$ 6,149	$ 5,254
Gross income	$ 1,959	$ 1,991	$ 1,794	$ 1,630
Operating income	# $702	$ 789	$ 713	$ 698
Operating income as a percentage of sales	# 9.7%	11.4%	11.6%	13.3%
Net income	/\ $ 391	/\ $ 455	$ 403	$ 398
Net income as a percentage of sales	/\ 5.4%	/\ 6.6%	6.6%	7.6%
Per Share Results				
Basic net income	/\ $ 0.55	/\ $ 0.63	$ 0.56	$ 0.56
Diluted net income	/\ $ 0.54	/\ $ 0.63	$ 0.56	$ 0.55
Dividends	$ 0.18	$ 0.14	$ 0.14	$ 0.12
Book value	$ 3.41	$ 3.13	$ 2.60	$ 2.17
Weighted average diluted shares outstanding	726	727	727	724
Other Financial Information				
Total assets	$ 4,135	$ 3,846	$ 3,419	$ 2,872
Return on average assets	/\ 10%	/\ 13%	13%	15%
Working capital	$ 1,513	$ 1,063	$ 1,084	$ 884
Current ratio	3.1	2.5	3.1	2.8
Capital expenditures	$ 296	$ 430	$ 523	$ 429
Long-term debt	$ 650	$ 542	$ 714	$ 540
Debt-to-equity ratio	27%	24%	38%	35%
Shareholders' equity	$ 2,441	$ 2,268	$1,877	$ 1,560
Return on average shareholders' equity	/\ 17%	/\ 22%	23%	28%
Comparable store sales increase (decrease)	(1%)	2%	3%	3%
Stores and Associates at End of Year				
Total number of stores open	4,623	4,425	4,194	3,760
Selling square feet	24,426	22,863	20,355	17,008
Number of associates	97,500	100,700	83,800	72,500

@ Fifty-three-week fiscal year.

* Includes the results of the following companies disposed of up to their separation date: 1) Galyan's Trading Co. ("Galyan's") effective August 31, 1999; 2) Limited Too ("TOO") effective August 23, 1999; 3) Abercrombie & Fitch ("A&F") effective May 19, 1998; 4) Alliance Data Systems effective January 31, 1996; and 5) Brylane, Inc. effective August 31, 1993.

\+ Includes the results of Galyan's and Gryphon subsequent to their acquisitions on July 2, 1995 and June 1, 1991.

\# Operating income includes the net effect of special and nonrecurring items of ($9.9) million in 2000, $23.5 million in 1999 and $1.740 billion in 1998 (see Note 2 to the Consolidated Financial Statements), ($213.2) million in 1997, ($12.0) million in 1996, $1.3 million in 1995 and $2.6 million in 1993. Inventory liquidation charges of ($13.0) million related to Henri Bendel store closings are also included in 1997.

/\ In addition to the items discussed in C above, net income includes the effect of the following gains: 1) $11.0 million related to Galyan's in 1999; 2) $8.6 million related to Brylane, Inc. in 1997; 3) $118.2 million related to A&F in 1996; 4) $649.5 million related to Intimate Brands, Inc. in 1995; and 5) $9.1 million related to United Retail Group in 1992.

Note: Amounts for fiscal years 1995-1999 reflect the reclassification of catalog shipping and handling revenues and costs and associate discounts (see Note 1 to the Consolidated Financial Statements).

MANAGEMENT'S DISCUSSION AND ANALYSIS

Results of Operations

Net sales for the fourteen-week fourth quarter of 2000 were $3.522 billion, a 7% increase from $3.296 billion for the thirteen-week fourth quarter of 1999. Comparable store sales increased 2% for the quarter. Gross income decreased 1% to $1.277 billion in the fourth quarter of 2000 from $1.291 billion in 1999 and operating income decreased 23% to $477.5 million from $619.1 million in 1999. Net income was $238.1 million in the fourth quarter of 2000 versus $316.5 million in 1999, and earnings per share were $0.54 versus $0.70 in 1999.

Net sales for the fifty-three-week year ended February 3, 2001 were $10.105 billion, a 3% increase from $9.766 billion for the fifty-two-week year ended January 29, 2000. Gross income increased 3% to $3.437 billion in 2000 from $3.323 billion in 1999 and operating income was $866.1 million in 2000 versus $930.8 million in 1999. Net income for 2000 was $427.9 million, or $0.96 per share, compared to $460.8 million, or $1.00 per share, last year.

There were a number of items in 2000 and 1999 that impacted the comparability of the Company's reported financial results. See the "Special and Nonrecurring Items" and "Other Data" sections herein for a discussion of these items.

The following summarized financial data compares reported 2000 results to the comparable periods for 1999 and 1998 (millions):

				% Change	
Net Sales	* 2000	1999	1998	2000-1999	1999-1998
Express	$ 1,594	$ 1,367	$ 1,322	17%	3%
Lerner New York	1,025	1,001	929	2%	8%
Lane Bryant	930	922	922	1%	-
Limited Stores	673	704	746	(4%)	(6%)
Structure	569	607	599	(6%)	1%
Other (principally Mast)	158	108	71	46%	52%
Total apparel businesses	$ 4,949	$ 4,709	$ 4,589	5%	3%
Victoria's Secret Stores	2,339	2,122	1,816	10%	17%
Bath & Body Works	1,785	1,530	1,254	17%	22%
Victoria's Secret Direct	962	956	894	1%	7%
Other	31	24	25	29%	(4%)
Total Intimate Brands	$ 5,117	$ 4,632	$ 3,989	10%	16%
Henri Bendel	39	38	39	3%	(3%)
Galyan's (through August 31,1999)	-	165	220	nm	nm
TOO (through August 23, 1999)	-	222	375	nm	nm
A&F (through May 19, 1998)	-	-	153	nm	nm
Total net sales	$ 10,105	$ 9,766	$ 9,365	3%	4%

Operating Income					
Apparel businesses	$ 123	$ 132	$ (45)	(7%)	393%
Intimate Brands	754	794	671	(5%)	18%
Other	(1)	(19)	58	nm	nm
Subtotal	876	907	684	(3%)	33%
Special and nonrecurring items @	(10)	24	1,740		
Total operating income	$ 866	$ 931	$ 2,424		

* Fifty-three-week fiscal year.

@ Special and nonrecurring items--
2000: a $9.9 million charge for Intimate Brands to close Bath & Body Works'

nine stores in the United Kingdom.
1999: 1) a $13.1 million charge for transaction costs related to the TOO spin-off; and 2) the reversal of a $36.6 million liability related to downsizing costs for Henri Bendel. These special items relate to the "Other" category.
1998: 1) a $1.651 billion tax-free gain on the split-off of A&F; 2) a $93.7 million gain from the sale of the Company's remaining interest in Brylane; and 3) a $5.1 million charge for severance and other associate termination costs related to the closing of Henri Bendel stores. These special items relate to the "Other" category.

nm not meaningful

The following summarized financial data compares reported 2000 results to the comparable periods for 1999 and 1998:

Comparable Store Sales	2000	1999	1998
Express	15%	5%	16%
Lerner New York	4%	12%	5%
Lane Bryant	2%	5%	5%
Limited Stores	5%	5%	1%
Structure	(4%)	4%	(8%)
Total apparel businesses	6%	6%	5%
Victoria's Secret Stores	5%	12%	4%
Bath & Body Works	1%	11%	7%
Total Intimate Brands	4%	12%	5%
Henri Bendel	(1%)	7%	(12%)
Galyan's (through August 31, 1999)	-	9%	5%
TOO (through August 23, 1999)	-	9%	15%
A&F (through May 19, 1998)	-	-	48%
Total comparable store sales	5%	9%	6%

				% Change	
Store Data	2000	1999	1998	2000-1999	1999-1998
Retail sales increase (decrease) due to net new (closed) and remodeled stores					
Apparel businesses	(4%)	(4%)	(3%)		
Intimate Brands	7%	7%	7%		
Retail sales per average selling square foot					
Apparel businesses	$ 290	$ 258	$ 234	12%	10%
Intimate Brands	$ 601	$ 596	$ 552	1%	8%
Retail sales per average store (thousands)					
Apparel businesses	$ 1,696	$ 1,516	$1,368	12%	11%
Intimate Brands	$ 1,833	$ 1,826	$1,705	-	7%
Average store size at end of year (selling square feet)					
Apparel businesses	5,823	5,869	5,864	(1%)	-
Intimate Brands	3,032	3,064	3,066	(1%)	-
Selling square feet at end of year (thousands)					
Apparel businesses	15,943	17,091	18,517	(7%)	(8%)
Intimate Brands	7,246	6,466	5,794	12%	12%

	Apparel and Other Businesses			Intimate Brands		
Number of Stores	2000	1999	1998	2000	1999	1998
Beginning of year	2,913	3,492	3,930	2,110	1,890	1,710
Opened	25	54	50	305	241	201
Closed	(199)	(280)	(329)	(25)	(21)	(21)
Businesses disposed of						
Galyan's	-	(18)	-	-	-	-
TOO	-	(335)	-	-	-	-
A&F	-	-	(159)	-	-	-
End of year	2,739	2,913	3,492	2,390	2,110	1,890

Net Sales

Fourth Quarter

Net sales for the fourteen-week fourth quarter of 2000 increased 7% to $3.522 billion from $3.296 billion for the thirteen-week fourth quarter of 1999. The increase was due to the net addition of 106 stores in fiscal year 2000, the inclusion of sales for the fourteenth week and a comparable store sales increase of 2%.

At Intimate Brands ("IBI"), net sales for the fourth quarter of 2000 increased 5% to $1.938 billion from $1.838 billion in 1999. The increase was due to the net addition of 280 new stores in fiscal year 2000 and the inclusion of sales for the fourteenth week. These factors were partially offset by a 3% decrease in comparable store sales and a 9% decrease in sales at Victoria's Secret Direct. These declines were the result of a difficult holiday season and a promotional retail environment. At the apparel retail businesses, net sales for the fourth quarter of 2000 increased 8% to $1.524 billion from $1.407 billion in 1999. The increase was due to a 7% increase in comparable store sales and the inclusion of sales for the fourteenth week, partially offset by the net closure of 174 stores in fiscal year 2000.

Net sales of $3.296 billion for the fourth quarter of 1999 increased 1% over

1998. A comparable store sales increase of 5% was partially offset by the loss of sales from Galyan's Trading Co. ("Galyan's") following the third party purchase of a 60% majority interest effective August 31, 1999, and from the loss of Limited Too ("TOO") sales after its August 23, 1999 spin-off.

At IBI, net sales for the fourth quarter of 1999 increased 18% to $1.838 billion from $1.558 billion in 1998. The increase was due to an 11% increase in comparable store sales, the net addition of 220 new stores in fiscal year 1999 and a 14% increase in sales at Victoria's Secret Direct. At the apparel retail businesses, net sales for the fourth quarter of 1999 decreased 3% to $1.407 billion from $1.454 billion in 1998. The decrease was due to the net closure of 246 stores in fiscal year 1999, partially offset by a 1% increase in comparable store sales.

Full Year

Net sales for the fifty-three-week fiscal year 2000 were $10.105 billion compared to $9.766 billion for the fifty-two-week fiscal year 1999. Sales increased due to a 5% comparable store sales increase, the net addition of 106 new stores and, to a small extent, the inclusion of sales for the fifty-third week. These gains were partially offset by the loss of sales from Galyan's and TOO.

In 2000, IBI sales increased 10% to $5.117 billion from $4.632 billion in 1999. The increase was primarily due to the net addition of 280 new stores and a 4% increase in comparable store sales. Bath & Body Works led IBI with sales increasing 17% to $1.785 billion from $1.530 billion in 1999, primarily due to the net addition of 218 new stores (549,000 selling square feet). Victoria's Secret Stores' sales increased 10% to $2.339 billion from $2.122 billion in 1999. The sales increase was primarily due to a 5% increase in comparable store sales and the net addition of 62 new stores (231,000 selling square feet). Sales at Victoria's Secret Direct increased 1% to $962.4 million from $956.0 million in 1999.

The apparel businesses reported a retail sales increase of 4% to $4.791 billion from $4.601 billion in 1999. The sales increase was primarily due to a 6% comparable store sales increase, partially offset by the net closure of 174 stores (1.1 million selling square feet).

Net sales for the year were $9.766 billion in 1999 compared to $9.365 billion in 1998. The increase was due to a 9% comparable store sales increase that was partially offset by the net closure of stores in the apparel segment and the loss of sales from Galyan's, TOO and Abercrombie & Fitch ("A&F") subsequent to its May 19, 1998 split-off.

In 1999, IBI sales increased 16% to $4.632 billion from $3.989 billion in 1998, due to a 12% increase in comparable store sales, the net addition of 220 new stores and a 7% increase in sales at Victoria's Secret Direct. Bath & Body Works led IBI with a 22% sales increase to $1.530 billion. The sales increase was primarily due to the net addition of 153 new stores (398,000 selling square feet), as well as an 11% increase in comparable store sales. Victoria's Secret Stores' sales increased 17% to $2.122 billion. The sales increase was primarily due to a 12% increase in comparable store sales and the net addition of 67 new stores (274,000 selling square feet). Sales at Victoria's Secret Direct increased 7% to $956.0 million in 1999. The sales increase was due to an increased response rate, higher sales per catalog page and increased e-commerce sales through www.VictoriasSecret.com.

In 1999, the apparel businesses reported a retail sales increase of 2% to $4.601 billion from $4.517 billion in 1998. The sales increase was primarily due to a 6% comparable store sales increase. All apparel businesses reported comparable store sales increases, led by Lerner New York, which reported an increase of 12%. The effect of these increases on total sales was partially offset by the net closure of 246 apparel stores (1.4 million selling square feet).

Gross Income
Fourth Quarter

For the fourth quarter of 2000, the gross income rate (expressed as a percentage of sales) decreased to 36.3% from 39.2% for the same period in 1999. The rate decrease was primarily due to a decrease in the merchandise margin rate as a result of higher markdowns to clear slower selling inventory assortments during and after a highly promotional holiday season. Additionally, a slight increase in the buying and occupancy expense rate resulted from an increase at IBI that was partially offset by the positive impact of closing underperforming stores at the apparel businesses.

For the fourth quarter of 1999, the gross income rate increased to 39.2% from 35.3% for the same period in 1998. The rate increase was principally due to an increase in the merchandise margin rate and a slight decrease in the buying and occupancy expense rate. The increase in the merchandise margin rate was primarily due to improved inventory management and merchandising strategies. The buying and occupancy expense rate decrease was a result of sales leverage at IBI and the positive impact of closing underperforming stores at the apparel businesses.

Full Year

In 2000, the gross income rate was 34.0%, unchanged from 1999, as a decrease in the merchandise margin rate was offset by an improvement in the buying and occupancy expense rate. The decrease in the merchandise margin rate was primarily due to higher markdowns, principally in the fourth quarter. The overall buying and occupancy expense rate improvement was a result of the benefit from store closings at the apparel businesses, which more than offset a slight increase in the buying and occupancy expense rate at IBI.

In 1999, the gross income rate increased to 34.0% from 31.4% in 1998. The rate increase was due to an increase in the merchandise margin rate and a decrease in the buying and occupancy expense rate. The increase in the merchandise margin rate was primarily due to improved inventory management and merchandising strategies at the apparel businesses. The buying and occupancy expense rate decrease was a result of sales leverage at IBI and the benefit from store closings at the apparel businesses.

General, Administrative and Store Operating Expenses
Fourth Quarter

For the fourth quarter of 2000, the general, administrative and store operating expense rate (expressed as a percentage of sales) increased to 22.5% from 21.5% in 1999. The increase was primarily due to a rate increase at IBI from increased investments in store selling at Bath & Body Works and Victoria's Secret Stores in anticipation of the normal holiday sales peak. These investments were not fully leveraged due to a 3% decrease in comparable store sales. The IBI rate increase was offset by sales leverage at the apparel businesses from a 7% comparable store sales increase.

For the fourth quarter of 1999, the general, administrative and store operating expense rate of 21.5% was essentially flat compared to 1998. Improved expense leverage at IBI was offset by a lack of sales leverage and investments in brand building activities at the apparel businesses.

Full Year

In 2000, the general, administrative and store operating expense rate increased to 25.3% from 24.7% in 1999. The increase was primarily due to a rate increase at IBI due to increased investments in store selling at Bath & Body Works and Victoria's Secret Stores. These investments were not fully leveraged in large part due to the difficult fourth quarter that resulted in a full year comparable store sales increase of only 4%. Additionally, Bath & Body Works has continued to expand into highly profitable non-mall locations, which typically have higher payroll costs as a percentage of sales.

In 1999, the general, administrative and store operating expense rate increased to 24.7% from 24.1% in 1998. The increase was primarily due to a rate increase at IBI due to: 1) investments in national advertising for Victoria's Secret, additional store staffing for product extensions, and new initiatives at Victoria's Secret Stores; and 2) a lack of sales leverage and investments in brand building activities at the apparel businesses.

Special and Nonrecurring Items

During the fourth quarter of 2000, the Company recorded a $9.9 million special and nonrecurring charge to close Bath & Body Works' United Kingdom stores. All nine stores are scheduled to close during the first quarter of 2001. The charge consisted of store and other asset write-offs of $4.9 million and accruals for lease termination and other costs of $5.0 million.

In 1999, the Company recognized a $13.1 million charge for transaction costs related to the TOO spin-off and a reversal of a $36.6 million liability related to downsizing costs for Henri Bendel, initially recognized as a special and nonrecurring charge to operating income in 1997. The execution of the plan to downsize the remaining Henri Bendel store in New York was primarily based on negotiations with the original landlord. However, a change in landlords ultimately resulted in the termination of negotiations during the fourth quarter of 1999, which prevented the completion of the original plan. As a result, the Company reversed the $36.6 million liability through the special and nonrecurring items classification.

On May 19, 1998, the Company completed a tax-free exchange offer to establish A&F as an independent company. A total of 94.2 million shares of The Limited's common stock were exchanged at a ratio of 0.86 of a share of A&F common stock for each Limited share tendered. In connection with the exchange, the Company recorded a $1.651 billion tax-free gain. This gain was measured based on the $21.81 per share market value of the A&F common stock at the expiration date of the exchange offer. The remaining 6.2 million A&F shares were distributed through a pro rata spin-off to Limited shareholders.

Also during 1998, the Company recognized a gain of $93.7 million from the sale of its remaining interest in Brylane. This gain was partially offset by a $5.1 million charge for severance and other associate termination costs related to the closing of five of six Henri Bendel stores. The severance charge was paid in 1998.

Operating Income
Fourth Quarter

The operating income rate in the fourth quarter of 2000 (expressed as a percentage of sales) decreased to 13.6% from 18.8% in 1999. Excluding special and nonrecurring items in 2000 and 1999, the fourth quarter operating income rate decreased to 13.8% in 2000 from 17.7% in 1999. The rate decrease was due to a 2.9% decline in the gross income rate and a 1.0% increase in the general, administrative and store operating expense rate.

The operating income rate in the fourth quarter of 1999 increased to 18.8% from 13.6% in 1998. Excluding the special and nonrecurring item in 1999, the fourth quarter operating income rate increased to 17.7% in 1999 from 13.6% in 1998. The rate increase was due to a 3.9% improvement in the gross margin rate, primarily driven by improvement at the apparel businesses.

Full Year

In 2000, the operating income rate was 8.6% versus 9.5% in 1999. Excluding special and nonrecurring items in both years, the operating income rate was 8.7% in 2000 versus 9.3% in 1999. The rate decrease was driven by a 0.6% increase in the general, administrative and store operating expense rate.

In 1999, the operating income rate was 9.5% versus 25.9% in 1998. Excluding special and nonrecurring items in both years, the operating income rate was 9.3% in 1999 versus 7.3% in 1998. The rate improvement was driven by a 2.6% increase in the gross income rate, which more than offset a 0.6% increase in the general, administrative and store operating expense rate.

Interest Expense

In 2000, the Company incurred $16.7 million and $58.2 million in interest expense for the fourth quarter and year, compared to $20.9 million and $78.3 million in 1999 for the same periods. These decreases were primarily the result of lower average borrowings during 2000, due to the maturity of $100 million in term debt in August 1999 and the Company's redemption of $300 million in floating rate notes between November 1999 and February 2000.

	Fourth Quarter		Year		
	2000	1999	2000	1999	1998
Average daily borrowings (millions)	$778	$969	$717	$970	$808
Average effective interest rate	7.6%	8.7%	7.9%	8.1%	8.5%

Other Income, Net

For the fourth quarter of 2000, other income (expense), net, was ($5.0) million versus $3.4 million in 1999. The decrease primarily relates to equity in losses of investees in 2000. For fiscal year 2000, other income was $20.4 million compared to $40.9 million in 1999. The decrease was due equally to a decline in interest income because of lower average invested cash balances and an increase in the equity in losses of investees. The decrease in average invested cash balances was a result of various financing activities in 2000 and 1999 (see "Liquidity and Capital Resources" section on page 9).

Gain on Sale of Subsidiary Stock

As discussed in Note 1 to the Consolidated Financial Statements, effective August 31, 1999, a third party purchased a 60% majority interest in Galyan's. As a result, the Company recorded a pretax gain on sale of subsidiary stock of $11 million, offset by a $6 million provision for taxes. In addition, the revised tax basis of the Company's remaining investment in Galyan's resulted in an additional $7 million deferred tax expense.

Other Data

The following adjusted income information gives effect to the significant transactions and events in 2000, 1999 and 1998 that impacted the comparability of the Company's results. These items are more fully described in the "Special and Nonrecurring Items" section included herein and in Note 2 to the Consolidated Financial Statements.

Management believes this presentation provides a reasonable basis on which to present the adjusted income information. Although the adjusted income information should not be construed as an alternative to the reported results determined in accordance with generally accepted accounting principles, it is provided to assist in investors' understanding of the Company's results of operations.

Adjusted Income Information
(Millions except per share amounts)

	2000			1999	
	Reported	Adjustments	Adjusted	Reported	Adjustments
Net sales	$ 10,105	-	$ 10,105	$ 9,766	$ (222)
Gross income	3,437	-	3,437	3,323	(74)
General, administrative and store operation expenses	(2,561)	-	(2,561)	(2,416)	67
Special and nonrecurring items, net	(10)	$ 10	-	24	(24)
Operating income	866	10	876	931	(31)
Interest expense	(58)	-	(58)	(78)	-
Other income, net	20	-	20	41	-
Minority interest	(69)	(1)	(70)	(73)	-
Gain on sale of subsidiary stock	-	-	-	11	(11)
Income before income taxes	759	9	768	832	(42)
Provision for income taxes	331	4	335	371	(26)
Net income	$ 428	$ 5	$ 433	$ 461	$ (16)
Net income per share	$ 0.96		$ 0.97	$ 1.00	
Weighted average shares outstanding	443		443	456	

		1998		
	Adjusted	Reported	Adjustments	Adjusted
Net sales	$ 9,544	$ 9,365	$ (528)	$ 8,837
Gross income	3,249	2,940	(177)	2,763
General, administrative and store operation expenses	(2,349)	(2,256)	136	(2,120)
Special and nonrecurring items, net	-	1,740	(1,740)	-
Operating, income	900	2,424	(1,781)	643
Interest expense	(78)	(69)	-	(69)
Other income, net	41	60	-	60
Minority interest	(73)	(64)	2	(62)
Gain on sale of subsidiary stock	-	-	-	-
Income before income taxes	790	2,351	(1,779)	572
Provision for income taxes	345	305	(51)	254
Net income	$ 445	$ 2,046	$ (1,728)	$ 318
Net income per share	$ 0.97	$ 4.15		$ 0.68
Weighted average shares outstanding	456	493		465

Notes to Adjusted Income Information

A) Excluded businesses

TOO and A&F results were excluded in determining adjusted results for 1999 and 1998 as a result of their spin-off on August 23, 1999 (TOO) and split-off on May 19, 1998 (A&F).

B) Special items

The following special items were excluded in determining adjusted results:

- In 2000, a $9.9 million charge to close Bath & Body Works' nine stores in the United Kingdom.

- In 1999, a $36.6 million reversal of a liability related to downsizing costs for Henri Bendel, an $11.0 million gain from the purchase by a third party of a 60% majority interest in Galyan's and a $13.1 million charge for transaction costs related to the TOO spin-off.

- In 1998, a $1.651 billion tax-free gain on the split-off of A&F, a $93.7 million gain from the sale of the Company's remaining interest in Brylane and a $5.1 million charge for severance and other associate termination costs at Henri Bendel.

C) Provision for income taxes

The tax effect of the adjustments for excluded businesses and special items was calculated using the Company's overall effective rate of 40%. Additionally, in 1999 the Company's $11.0 million pretax gain from the Galyan's transaction described above resulted in a $6.0 million provision for taxes, and the revised tax basis of the Company's remaining investment in Galyan's resulted in an additional $7.0 million deferred tax expense.

D) Weighted average shares outstanding

Total weighted average shares outstanding were reduced as of the beginning of 1998 by the 94.2 million Limited shares tendered in the A&F split-off transaction.

FINANCIAL CONDITION

Liquidity and Capital Resources

Cash provided by operating activities and funds available from commercial paper backed by bank credit agreements provide the resources to support current operations, projected growth, seasonal funding requirements and capital expenditures.

A summary of the Company's working capital position and capitalization follows (millions):

	2000	1999	1998
Cash provided by operating activities	$769	$599	$577
Working capital	$1,068	$1,049	$1,127
Capitalization			
Long-term debt	$400	$400	$550
Shareholders' equity	2,316	2,147	2,167
Total capitalization	$2,716	$2,547	$2,717
Additional amounts available under long-term credit agreements	$1,000	$1,000	$1,000

The Company considers the following to be relevant measures of liquidity and capital resources:

	2000	1999	1998
Debt-to-equity ratio (Long-term debt divided by shareholders' equity)	17%	19%	25%
Debt-to-capitalization ratio (Long-term debt divided by total capitalization)	15%	16%	20%
Interest coverage ratio (Income, excluding special and nonrecurring items and gain on sale of subsidiary stock, before interest expense, income taxes, depreciation and amortization divided by interest expense)	19x	15x	14x
Cash flow to capital investment (Net cash provided by operating activities divided by capital expenditures)	172%	159%	166%

The Company's operations are seasonal in nature and consist of two principal selling seasons: spring (the first and second quarters) and fall (the third and fourth quarters). The fourth quarter, including the holiday season, has accounted for 35%, 34% and 35% of net sales in 2000, 1999 and 1998. Accordingly, cash requirements are highest in the third quarter as the Company's inventory builds in anticipation of the holiday season, which generates a substantial portion of the Company's operating cash flow for the year.

Operating Activities

Net cash provided by operating activities, the Company's primary source of liquidity, was $769 million in 2000, $599 million in 1999 and $577 million in 1998.

The primary differences in cash provided by operating activities between 2000 and 1999 were due to changes in inventories, accounts payable, accrued expenses and income taxes. The cash used for inventories was higher in 2000 than 1999 because of relatively higher inventories at the apparel businesses at February 3, 2001. The net increase in accounts payable and accrued expenses versus 1999 related to higher inventories and timing of payments. The reduction in the change in income tax accruals primarily related to a 1999 payment of $112 million for taxes and interest related to an Internal Revenue Service assessment for previous year's taxes (see Note 6 to the Consolidated Financial Statements).

The primary differences in cash provided by operating activities between 1999 and 1998 were due to significant improvement in net income excluding special and nonrecurring items and changes in inventories and income taxes.

Investing Activities

In 2000, major investing activities included $446 million in capital expenditures (see "Capital Expenditures" section on page 10), and $22 million in net expenditures associated with the Easton project (see "Easton Real Estate Investment" section on page 10).

In 1999, investing activities included the following: 1) $352 million decrease in restricted cash related to the rescission of the Contingent Stock Redemption Agreement; 2) $182 million in proceeds from the third party purchase of a 60% majority interest in Galyan's and the sale of related property; 3) $375 million in capital expenditures; and 4) $11 million in net proceeds associated with the Easton project.

In 1998, major investing activities included $347 million in capital expenditures, $131 million in proceeds from the sale of the Company's remaining investment in Brylane, Inc. and $31 million in net proceeds associated with the Easton project.

Financing Activities

Financing activities in 2000 included repayment of $150 million of term debt, redemption of the $100 million Series C floating rate notes and quarterly dividend payments of $0.075 per share or $128 million for the year. In addition, the Company repurchased 8.7 million shares of its common stock for $200 million. Finally, in 2000, IBI repurchased 8.8 million shares of its common stock for

$198 million, of which 7.4 million shares were repurchased on a proportionate basis from The Limited for $167 million. The repurchase had no net cash flow impact to The Limited and did not change The Limited's 84% ownership interest in IBI.

Noncash financing activities in 2000 included a two-for-one stock split in the form of a stock dividend distributed on May 30, 2000 to shareholders of record on May 12, 2000. Shareholders' equity reflects the reclassification of an amount equal to the par value of the increase in issued common shares ($108 million) from paid-in capital to common stock. Also, in conjunction with the stock split, the Company retired 163.7 million treasury shares, representing $4.3 billion at cost. A noncash charge was made against retained earnings for the excess cost of treasury stock over its par value.

Financing activities in 1999 included proceeds of $300 million from floating rate notes, $200 million of which was repaid during the year, repayment of $100 million of term debt and quarterly dividend payments of $0.075 per share or $130 million for the year. The cash from the rescission of the Contingent Stock Redemption Agreement and other available funds were used to repurchase shares under a self-tender, which was funded June 14, 1999. A total of 30 million shares of the Company's common stock were repurchased at $25 per share, resulting in a cash outflow of $750 million plus transaction costs. Additionally, IBI completed a $500 million stock repurchase program that began in 1998 through the repurchase of 20.4 million shares of its common stock for $404 million, of which 17.2 million shares were repurchased on a proportionate basis from The Limited for $342 million. Financing activities also included a $50 million dividend and a $12 million repayment of advances to TOO in connection with its spin-off.

10 Financing activities in 1998 included three stock repurchases: one by the Company and two by IBI. First, to reduce the impact of dilution from the exercise of stock options, the Company used $43 million of proceeds from stock option exercises to repurchase 3.8 million shares of its common stock. Second, in January 1999, IBI initiated the $500 million stock repurchase program and repurchased 5.5 million shares of its common stock for $96 million, of which 4.6 million shares were repurchased on a proportionate basis from The Limited for $81 million. Finally, under a repurchase program completed in August 1998, IBI repurchased 9.4 million shares of its common stock from its public shareholders for $106 million. These repurchased shares were specifically reserved to cover shares needed for employee benefit plans. Other financing activities in 1998 included quarterly dividend payments of $0.065 per share or $124 million for the year, and the payment of $48 million to settle the A&F intercompany balance at May 19, 1998, the date of its split-off.

The Company has available $1 billion under its long-term credit agreement, none of which was used as of February 3, 2001. Borrowings under the agreement, if any, are due September 28, 2002. The Company also has the ability to offer up to $250 million of additional debt securities under its shelf registration statement.

STORES AND SELLING SQUARE FEET

A summary of stores and selling square feet by business follows:

		End of Year		Change From	
	Plan 2001	2000	1999	2001-2000	2000-1999
Express					
Stores	653	667	688	(14)	(21)
Selling square feet	4,172,000	4,288,000	4,429,000	(116,000)	(141,000)
Lerner New York					
Stores	515	560	594	(45)	(34)
Selling square feet	3,761,000	4,163,000	4,592,000	(402,000)	(429,000)
Lane Bryant					
Stores	652	653	688	(1)	(35)
Selling square feet	3,135,000	3,162,000	3,343,000	(27,000)	(181,000)
Limited Stores					
Stores	374	389	443	(15)	(54)
Selling square feet	2,326,000	2,445,000	2,749,000	(119,000)	(304,000)
Structure					
Stores	446	469	499	(23)	(30)
Selling square feet	1,782,000	1,885,000	1,978,000	(103,000)	(93,000)
Total apparel businesses					
Stores	2,640	2,738	2,912	(98)	(174)
Selling square feet	15,176,000	15,943,000	17,091,000	(767,000)	(1,148,000)
Victoria's Secret Stores					
Stores	1,019	958	896	61	62
Selling square feet	4,610,000	4,207,000	3,976,000	403,000	231,000
Bath & Body Works					
Stores	1,635	1,432	1,214	203	218
Selling square feet	3,544,000	3,039,000	2,490,000	505,000	549,000
Total Intimate Brands					
Stores	2,654	2,390	2,110	264	280
Selling square feet	8,154,000	7,246,000	6,466,000	908,000	780,000
Henri Bendel					
Stores	1	1	1	-	-
Selling square feet	35,000	35,000	35,000	-	-
Total retail businesses					
Stores	5,295	5,129	5,023	166	106
Selling square feet	23,365,000	23,224,000	23,592,000	141,000	(368,000)

Capital Expenditures

Capital expenditures amounted to $446 million, $375 million and $347 million for 2000, 1999 and 1998, of which $324 million, $277 million and $237 million were for new stores and for the remodeling of and improvements to existing stores. Remaining capital expenditures are primarily related to information technology, distribution centers and investments in intellectual property assets.

The Company anticipates spending $470 to $500 million for capital expenditures in 2001, of which $330 to $360 million will be for new stores and for the remodeling of and improvements to existing stores. Remaining capital expenditures are primarily related to information technology and distribution centers. The Company expects that 2001 capital expenditures will be funded principally by net cash provided by operating activities.

The Company expects to increase selling square footage by approximately 140,000 square feet in 2001. It is anticipated that the increase will result from the addition of approximately 300 to 340 stores (primarily within IBI), offset by the closing of approximately 150 stores (primarily within the apparel businesses).

Easton Real Estate Investment

The Company's real estate investments include Easton, a 1,200-acre planned community in Columbus, Ohio, that integrates office, hotel, retail, residential and recreational space. The Company's investments in partnerships, land and infrastructure within the Easton property were $74 million at February 3, 2001 and $54 million at January 29, 2000.

Included in these investments is a non-controlling interest in a partnership that owns and is developing the Easton Town Center, a commercial entertainment and shopping center. During 2000, the Company and its partners modified their agreement and the partnership borrowings in order to develop the "Fashion District" in the Easton Town Center. The partnership's principal funding source is a $189 million secured loan, $126 million of which was outstanding at February 3, 2001. The Company and one of its partners have guaranteed the first $75 million of this loan. The Company does not anticipate that it will be required to advance funds to the Easton Town Center partnership in order for the partnership to meet its debt service costs on these loans. The Company and one of its partners have also guaranteed the completion of the Fashion District and indemnified the lender against any environmental matters related to the Easton Town Center.

In 2000, Company cash expenditures for the Easton development totaled $30 million, including a loan to the partnership of $18 million, and the Company received net sales and other proceeds totaling $8 million. In 1999 and 1998, the Company received net sales and other proceeds of $32 million and $65 million, which exceeded its cash expenditures of $21 million and $34 million.

Recently Issued Accounting Pronouncements

Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities," subsequently amended and clarified by SFAS No. 138, is effective for the Company's 2001 fiscal year. It requires that derivative instruments be recorded at fair value and that changes in their fair value be recognized in current earnings unless specific hedging criteria are met. The Company's use of derivatives is limited, and the adoption of SFAS No. 133 will not have a material impact on its consolidated financial statements.

Emerging Issues Task Force ("EITF") Issue No. 00-14, "Accounting for Certain Sales Incentives," will be effective in the second quarter of 2001 and addresses the accounting and classification of various sales incentives. The Company has determined that adopting the provisions of the EITF Issue will not have a material impact on its consolidated financial statements.

Market Risk

Management believes the Company's exposure to interest rate and market risk associated with financial instruments (such as investments and borrowings) is not material.

Impact of Inflation

The Company's results of operations and financial condition are presented based on historical cost. While it is difficult to accurately measure the impact of inflation due to the imprecise nature of the estimates required, the Company believes the effects of inflation, if any, on the results of operations and financial condition have been minor.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

The Company cautions that any forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) contained in this Report or made by management of the Company 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. 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 2001 and beyond to differ materially from those expressed or implied in any forward-looking statements included in this Report or otherwise made by management: changes in consumer spending patterns, consumer preferences and overall economic conditions, the impact of competition and pricing, changes in weather patterns, political stability, currency and exchange risks and changes in existing or potential duties, tariffs or quotas, postal rate increases and charges, paper and printing costs, the availability of suitable store locations at appropriate terms, the ability to develop new merchandise and the ability to hire and train associates. 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.

CONSOLIDATED STATEMENTS OF INCOME

(Thousands except per share amounts)	2000	1999	1998
Net sales	$10,104,606	$ 9,766,220	$ 9,364,750
Costs of goods sold, buying and occupancy	(6,667,389)	(6,443,063)	(6,424,725)
Gross income	3,437,217	3,323,157	2,940,025
General, administrative and store operating expenses	(2,561,201)	(2,415,849)	(2,256,332)
Special and nonrecurring items, net	(9,900)	23,501	1,740,030
Operating income	866,116	930,809	2,423,723
Interest expense	(58,244)	(78,297)	(68,528)
Other income, net	20,378	40,868	59,915
Minority interest	(69,345)	(72,623)	(63,616)
Gain on sale of subsidiary stock	-	11,002	-
Income before income taxes	758,905	831,759	2,351,494
Provision for income taxes	331,000	371,000	305,000
Net income	$ 427,905	$ 460,759	$ 2,046,494
Net income per share:			
Basic	$ 1.00	$ 1.05	$ 4.25
Diluted	$ 0.96	$ 1.00	$ 4.15

The accompanying Notes are an integral part of the Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(Thousands)	Common Stock Shares Outstanding	Common Stock Par Value	Paid-In Capital	Retained Earnings	Treasury Stock, at Average Cost	Total Shareholders' Equity
Balance, January 31, 1998	545,600	$180,352	$ 148,018	$3,553,982	$(1,896,587)	$ 1,985,765
Net income	-	-	-	2,046,494	-	2,046,494
Cash dividends	-	-	-	(124,203)	-	(124,203)
Repurchase of common stock	(3,780)	-	-	-	(43,095)	(43,095)
Split-off of Abercrombie & Fitch	(94,150)	-	-	(5,584)	(1,766,138)	(1,771,722)
Exercise of stock options and other	5,474	-	9,196	-	64,524	73,720
Balance, January 30, 1999	453,144	$180,352	$ 157,214	$5,470,689	$(3,641,296)	$ 2,166,959
Net income	-	-	-	460,759	-	460,759
Cash dividends	-	-	-	(130,449)	-	(130,449)
Repurchase of common stock, including transaction costs	(30,000)	-	-	-	(752,612)	(752,612)
Spin-off of Limited Too	-	-	-	(24,675)	-	(24,675)
Rescission of contingent stock redemption agreement	-	9,375	7,639	334,586	-	351,600

Exercise of stock options and other	6,784	-	13,521	(1,539)	63,513	75,495
Balance, January 29, 2000	429,928	$189,727	$ 178,374	$ 6,109,371	$(4,330,395)	$ 2,147,077
Net income	-	-	-	427,905	-	427,905
Cash dividends	-	-	-	(127,549)	-	(127,549)
Repurchase of common stock, including transaction costs	(8,746)	-	-	-	(199,985)	(199,985)
Retirement of treasury stock	-	(81,869)	-	(4,241,052)	4,322,921	-
Two-for-one stock split	-	107,858	(107,858)	-	-	-
Exercise of stock options and other	4,761	380	12,987	(806)	56,446	69,007
Balance, February 3, 2001	425,943	$216,096	$ 83,503	$ 2,167,869	$ (151,013)	$ 2,316,455

The accompanying Notes are an integral part of the Consolidated Financial Statement.

12 CONSOLIDATED BALANCE SHEETS

(Thousands)

Assets	February 3, 2001	January 29, 2000
Current assets		
Cash and equivalents	$ 563,547	$ 817,268
Accounts receivable	93,745	108,794
Inventories	1,157,140	1,050,913
Other	253,366	307,780
Total current assets	2,067,798	2,284,755
Property and equipment, net	1,394,619	1,229,612
Deferred income taxes	132,028	125,145
Other assets	493,677	486,655
Total assets	$4,088,122	$4,126,167
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	$ 273,021	$ 256,306
Current portion of long-term debt	-	250,000
Accrued expenses	581,584	538,310
Income taxes	145,580	190,936
Total current liabilities	1,000,185	1,235,552
Long-term debt	400,000	400,000
Other long-term liabilities	228,397	224,530
Minority interest	143,085	119,008
Shareholders' equity		
Common stock	216,096	189,727
Paid-in capital	83,503	178,374
Retained earnings	2,167,869	6,109,371
	2,467,468	6,477,472
Less: treasury stock, at average cost	(151,013)	(4,330,395)
Total shareholders' equity	2,316,455	2,147,077
Total liabilities and shareholders' equity	$4,088,122	$4,126,167

The accompanying Notes are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Thousands)

Operating Activities	2000	1999	1998
Net income	$427,905	$460,759	$2,046,494
Adjustments to reconcile net income to net cash provided by (used for) operating activities:			
Depreciation and amortization	271,146	272,443	286,000
Special and nonrecurring items, net of income taxes	5,900	(13,501)	(1,705,030)
Minority interest, net of dividends paid	47,046	50,517	40,838
Loss on sale of subsidiary stock, net of income taxes	-	2,198	-
Change in Assets and Liabilities			
Accounts receivable	15,049	(36,775)	4,704
Inventories	(106,227)	(54,270)	(153,667)
Accounts payable and accrued expenses	52,989	(20,201)	45,580
Income taxes	(9,761)	(83,637)	25,895
Other assets and liabilities	65,048	21,208	(13,439)
Net cash provided by operating activities	769,095	598,741	577,375
Investing Activities			

Capital expenditures	(446,176)	(375,405)	(347,356)
Net proceeds (expenditures) related to Easton real estate investment	(22,485)	10,635	31,073
Net proceeds from sale of partial interest in subsidiary and investee	-	182,000	131,262
Decrease in restricted cash	-	351,600	-
Net cash provided by (used for) investing activities	(468,661)	168,830	(185,021)
Financing Activities			
Repayment of long-term debt	(250,000)	(300,000)	-
Proceeds from issuance of long-term debt	-	300,000	-
Repurchase of common stock, including transaction costs	(199,985)	(752,612)	(43,095)
Repurchase of Intimate Brands, Inc. common stock	(31,391)	(62,639)	(120,844)
Dividends paid	(127,549)	(130,449)	(124,203)
Dividend received from Limited Too	-	50,000	-
Settlement of Limited Too (1999) and Abercrombie & Fitch (1998) intercompany accounts	-	12,000	(47,649)
Proceeds from exercise of stock options and other	54,770	63,080	67,359
Net cash used for financing activities	(554,155)	(820,620)	(268,432)
Net increase (decrease) in cash and equivalents	(253,721)	(53,049)	123,922
Cash and equivalents, beginning of year	817,268	870,317	746,395
Cash and equivalents, end of year	$563,547	$817,268	$870,317

The accompanying Notes are an integral part of these Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Principles of Consolidation

The Limited, Inc. (the "Company") sells women's and men's apparel, women's intimate apparel and personal care products under various trade names through its specialty retail stores and direct response (catalog and e-commerce) businesses.

The consolidated financial statements include the accounts of the Company and its subsidiaries, including Intimate Brands, Inc. ("IBI"), an 84%-owned subsidiary. All significant intercompany balances and transactions have been eliminated in consolidation. The consolidated financial statements include the results of Galyan's Trading Co. ("Galyan's") through August 31, 1999, when a third party purchased a majority interest; Limited Too ("TOO") through August 23, 1999, when it was established as an independent company; and Abercrombie & Fitch ("A&F") through May 19, 1998, when it was established as an independent company.

Investments in unconsolidated affiliates over which the Company exercises significant influence but does not have control, including Galyan's for periods after August 31, 1999, are accounted for using the equity method The Company's share of the net income or loss of those unconsolidated affiliates is included in other income (expense).

Fiscal Year

The Company's fiscal year ends on the Saturday closest to January 31. Fiscal years are designated in the financial statements and notes by the calendar year in which the fiscal year commences. The results for fiscal year 2000 represent the fifty-three-week period ended February 3, 2001 and results for fiscal years 1999 and 1998 represent the fifty-two-week periods ended January 29, 2000 and January 30, 1999.

Cash and Equivalents

Cash and equivalents include amounts on deposit with financial institutions and money market investments with original maturities of less than 90 days.

Inventories

Inventories are principally valued at the lower of average cost or market, on a first-in first-out basis, using the retail method.

Store Supplies

The initial shipment of selling-related supplies (including, but not limited to, hangers, signage, security tags and packaging) is capitalized at the store opening date. In lieu of amortizing the initial balance, subsequent shipments are expensed, except for new merchandise presentation programs, which are capitalized. Store supplies are periodically adjusted as appropriate for changes in actual quantities or costs.

Direct Response Advertising

Direct response advertising relates primarily to the production and distribution of the Company's catalogs and is amortized over the expected future revenue stream, which is principally three months from the date catalogs are mailed. All other advertising costs are expensed at the time the promotion first appears in media or in the store. Catalog and advertising costs amounted to $359 million,

$324 million and $303 million in 2000, 1999 and 1998.

Long-lived Assets

Depreciation and amortization of property and equipment are computed for financial reporting purposes on a straight-line basis, using service lives ranging principally from 10 to 15 years for building and leasehold improvements, and 3 to 10 years for other property and equipment. The cost of assets sold or retired and the related accumulated depreciation or amortization are removed from the accounts with any resulting gain or loss included in net income. Maintenance and repairs are charged to expense as incurred. Major renewals and betterments that extend service lives are capitalized.

Goodwill is amortized on a straight-line basis over 30 years. Additionally, goodwill related to a 1998 buyback of IBI stock reverses as the shares are reissued to cover shares needed for employee benefit plans. The cost of intellectual property assets is amortized based on the sell-through of the related products, over the shorter of the term of the license agreement or the estimated useful life of the asset, not to exceed 10 years.

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that full recoverability is questionable. Factors used in the valuation include, but are not limited to, management's plans for future operations, brand initiatives, recent operating results and projected cash flows.

Income Taxes

The Company accounts for income taxes using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized based on the difference between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect in the years when those temporary differences are expected to reverse. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date.

Shareholders' Equity

At February 3, 2001, 500 million shares of $0.50 par value common stock were authorized and 432.2 million shares were issued. At February 3, 2001 and January 29, 2000, 425.9 million shares and 429.9 million shares were outstanding. Ten million shares of $1.00 par value preferred stock were authorized, none of which were issued.

On May 2, 2000, the Company declared a two-for-one stock split ("stock split") in the form of a stock dividend distributed on May 30, 2000 to shareholders of record on May 12, 2000. Shareholders' equity reflects the reclassification of an amount equal to the par value of the increase in issued common shares ($107.9 million) from paid-in capital to common stock. In conjunction with the stock split, the Company retired 163.7 million treasury shares with a cost of $4.3 billion. A noncash charge was made against retained earnings for the excess cost of treasury stock over its par value. All share and per share data throughout this report has been restated to reflect the stock split.

Also in 2000, the Company repurchased 8.7 million shares of its common stock for $200 million.

On June 3, 1999, the Company completed an issuer tender offer by purchasing 30 million shares of its common stock at $25 per share and on May 19, 1998, the Company acquired 94.2 million shares of its common stock via a tax-free exchange offer to establish A&F as an independent company (see Note 2).

Revenue Recognition

The Company recognizes sales upon customer receipt of the merchandise. Shipping and handling revenues are included in net sales and the related costs are included in costs of goods sold, buying and occupancy. Revenue for gift certificate sales and store credits is recognized at redemption. A reserve is provided for projected merchandise returns based on prior experience.

The Company's revenue recognition policy is consistent with the guidance contained in the Securities and Exchange Commission's Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements," the adoption of which did not have a material effect on the consolidated financial statements.

Earnings Per Share

Net income per share is computed in accordance with Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings Per Share." Earnings per basic share is computed based on the weighted average number of outstanding common shares. Earnings per diluted share includes the weighted average effect of dilutive options and restricted stock on the weighted average shares outstanding. Additionally, earnings per diluted share includes the impact of the dilutive options and restricted stock at IBI as a reduction to earnings. This resulted in a $0.01 reduction to 2000 and 1999 earnings per diluted share and no impact to 1998 earnings per diluted share.

(Thousands)

Weighted Average Common Shares Outstanding	2000	1999	1998
Basic shares	427,604	439,164	481,814
Effect of dilutive options and restricted stock	15,444	16,400	10,824
Diluted shares	443,048	455,564	492,638

The computation of earnings per diluted share excludes options to purchase 1.1 million, 0.6 million and 4.4 million shares of common stock in 2000, 1999 and 1998, because the options' exercise price was greater than the average market price of the common shares during the year. In addition, shares that were previously subject to the Contingent Stock Redemption Agreement (see Note 8) were excluded from the dilution calculation in 1998 because their redemption would not have had a dilutive effect on earnings per share.

Gains on Sale of Subsidiary Stock

Gains in connection with the sale of subsidiary stock are recognized in the period the transaction is closed.

Effective August 31, 1999, an affiliate of Freeman, Spogli & Co. (together with Galyan's management) purchased a 60% majority interest in Galyan's, and the Company retained a 40% interest. In addition, the Company sold certain property for $71 million to a third party, which then leased the property to Galyan's under operating leases. The Company received total cash proceeds from these transactions of approximately $182 million, as well as subordinated debt and warrants of $20 million from Galyan's. During the first five years, interest (at 12% to 13%) on the subordinated debt may be paid in kind rather than in cash. The transactions resulted in a third quarter pretax gain on sale of subsidiary stock of $11 million, offset by a $6 million provision for taxes. In addition, the revised tax basis of the Company's remaining investment in Galyan's resulted in an additional $7 million deferred tax expense.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Because actual results may differ from those estimates, the Company revises its estimates and assumptions as new information becomes available.

Reclassifications

In the fourth quarter of 2000, the Company adopted Emerging Issues Task Force ("EITF") Issue No. 00-10, "Accounting for Shipping and Handling Fees and Costs." As a result, the Company reclassified shipping and handling revenues from general, administrative and store operating expenses to net sales. The related shipping costs were reclassified from general, administrative and store operating expenses to costs of goods sold, buying and occupancy. Additionally, the Company has reclassified discounts on sales to associates as a reduction to net sales. Such discounts were previously recorded in general, administrative and store operating expenses. These and certain other prior year amounts have been reclassified to conform to the current year presentation.

2. Special and Nonrecurring Items

During the fourth quarter of 2000, the Company recorded a $9.9 million special and nonrecurring charge to close Bath & Body Works' United Kingdom stores. All nine stores are scheduled to close during the first quarter of 2001. The charge consisted of store and other asset write-offs of $4.9 million and accruals for lease termination and other costs of $5.0 million.

During the fourth quarter of 1999, the Company recognized the reversal of a $36.6 million liability related to downsizing costs for Henri Bendel, initially recognized as a special and nonrecurring charge to operating income in 1997. The execution of the plan to downsize the remaining Henri Bendel store in New York was primarily based on negotiations with the original landlord. However, a change in landlords ultimately resulted in the termination of negotiations during the fourth quarter of 1999, which prevented the completion of the original plan. As a result, the Company reversed the $36.6 million liability through the special and nonrecurring items classification.

On July 15, 1999, the Company's Board of Directors approved a formal plan to spin-off Limited Too. The record date for the spin-off was August 11, 1999, with Limited shareholders receiving one share of Too, Inc. (the successor company to Limited Too) common stock for every seven shares of Limited common stock held on that date. The spin-off was completed on August 23, 1999. The Company recorded the spin-off as a $25 million dividend, which represented the carrying value of the net assets underlying the common stock distributed. As part of the transaction, the Company received total proceeds of $62 million that included a $50 million dividend from TOO and a $12 million repayment of advances to TOO. During the second quarter of 1999, the Company recognized a $13.1 million charge for transaction costs related to the spin-off.

On May 19, 1998, the Company completed a tax-free exchange offer to establish A&F as an independent company. A total of 94.2 million shares of the Company's common stock were exchanged at a ratio of 0.86 of a share of A&F common stock for each Limited share tendered. In connection with the exchange, the Company recorded a $1.651 billion tax-free gain. This gain was measured based on the $21.81 per share market value of the A&F common stock at the expiration date of the exchange offer. In addition, on June 1, 1998, a $5.6 million dividend was effected through a pro rata spin-off to shareholders of the Company's remaining 6.2 million A&F shares. Limited shareholders of record as of the close of trading on May 29, 1998 received .013673 of a share of A&F for each Limited share owned at that time.

During the first quarter of 1998, the Company recognized a gain of $93.7 million from the sale of 2.57 million shares of Brylane at $51 per share, representing its remaining interest in Brylane. This gain was partially offset by a $5.1 million charge for severance and other associate termination costs related to the closing of five of six Henri Bendel stores. The severance charge was paid in 1998.

3. Property and Equipment, Net

(Thousands)

Property and Equipment, at Cost	2000	1999
Land, buildings and improvements	$ 362,997	$ 390,121
Furniture, fixtures and equipment	2,079,567	2,020,651
Leaseholds and improvements	655,736	498,232
Construction in progress	46,748	35,823
Total	3,145,048	2,944,827
Less: accumulated depreciation and amortization	1,750,429	1,715,215
Property and equipment, net	$1,394,619	$1,229,612

4. Leased Facilities, Commitments and Contingencies

Annual store rent consists of a fixed minimum amount and/or contingent rent based on a percentage of sales exceeding a stipulated amount. Store lease terms generally require additional payments covering taxes, common area costs and certain other expenses.

For leases that contain predetermined fixed escalations of the minimum rentals and/or rent abatements, the Company recognizes the related rental expense on a straight-line basis and records the difference between the recognized rental expense and amounts payable under the leases as deferred lease credits, which are included in other long-term liabilities. At February 3, 2001 and January 29, 2000, this liability amounted to $106.9 million and $124.5 million.

(Thousands)

Rent Expense	2000	1999	1998
Store rent			
Fixed minimum	$624,769	$635,543	$666,729
Contingent	57,300	53,371	39,642
Total store rent	682,069	688,914	706,371
Equipment and other	29,051	32,201	22,511
Total rent expense	$711,120	$721,115	$728,882

At February 3, 2001, the Company was committed to noncancelable leases with remaining terms generally from one to twenty years. A substantial portion of these commitments consists of store leases with initial terms ranging from ten to twenty years, with options to renew at varying terms.

(Thousands)

Minimum Rent Commitments Under Noncancelable Leases	
2001	$644,469
2002	611,467
2003	562,669
2004	507,577
2005	441,874
Thereafter	959,268

The Company has a non-controlling interest in a partnership that owns and is developing the Easton Town Center, a commercial entertainment and shopping center in Columbus, Ohio. The partnership's principal funding source is a $189 million secured loan, $126 million of which was outstanding at February 3, 2001. The Company and one of its partners have guaranteed the first $75 million of this loan and completion of the "Fashion District" within the Easton Town Center. The Company and one of its partners have also indemnified the lender against any environmental matters related to the Easton Town Center.

5. Accrued Expenses

(Thousands)

Accrued Expenses	2000	1999
Compensation, payroll taxes and benefits	$ 84,885	$110,803
Deferred revenue	130,729	125,500
Taxes, other than income	56,782	46,878
Interest	10,504	18,053
Other	298,684	237,076
Total	$581,584	$538,310

6. Income Taxes

(Thousands)

Provision for Income Taxes	2000	1999	1998
Currently payable			
Federal	$251,700	$389,000	$194,100
State	27,700	58,000	38,800
Foreign	6,000	2,100	4,500
Total	285,400	449,100	237,400

Deferred			
Federal	16,500	(82,100)	53,100
State	29,100	4,000	14,500
Total	45,600	(78,100)	67,600
Total provision	$331,000	$371,000	$305,000

The foreign component of pretax income, arising principally from overseas sourcing operations, was $69.7 million, $41.5 million and $65.5 million in 2000, 1999 and 1998.

Reconciliation Between the Statutory Federal Income Tax Rate and the Effective Tax Rate	2000	1999	1998
Federal income tax rate	35.0%	35.0%	35.0%
State income taxes, net of Federal income tax effect	4.5%	4.5%	4.5%
Other items, net	0.5%	0.5%	0.4%
Total	40.0%	40.0%	39.9%

The reconciliation between the statutory Federal income tax rate and the effective income tax rate on pretax earnings excludes minority interest and, in 1998, the nontaxable gain from the split-off of A&F.

Income taxes payable included net current deferred tax liabilities of $14.1 million at February 3, 2001. Other current assets included net current deferred tax assets of $38.5 million at January 29, 2000. Income tax payments were $315.5 million, $408.8 million and $241.7 million for 2000, 1999 and 1998.

The Internal Revenue Service has assessed the Company for additional taxes and interest for the years 1992 to 1996 relating to the undistributed earnings of foreign affiliates for which the Company has provided deferred taxes. On September 7, 1999, the United States Tax Court sustained the position of the IRS with respect to the 1992 year. In connection with an appeal of the Tax Court judgment, in 1999 the Company made a $112 million payment of taxes and interest for the years 1992 to 1998 that reduced deferred tax liabilities. Management believes the ultimate resolution of this matter will not have a material adverse effect on the Company's results of operations or financial condition.

(Thousands)

Effect of Temporary Differences That Give Rise to Deferred Income Taxes	2000 Assets	2000 Liabilities	2000 Total	1999 Assets	1999 Liabilities	1999 Total
Tax under book depreciation	$ 3,400	-	$ 3,400	$ 14,800	-	$ 14,800
Undistributed earnings of foreign affiliates	-	$ (34,700)	(34,700)	-	$ (28,100)	(28,100)
Special and nonrecurring items	30,100	-	30,100	37,100	-	37,100
Rent	24,400	-	24,400	54,900	-	54,900
Inventory	25,200	-	25,200	46,300	-	46,300
Investments in unconsolidated affiliates	5,500	-	5,500	-	(3,800)	(3,800)
State income taxes	41,200	-	41,200	34,000	-	34,000
Other, net	22,900	-	22,900	55,200	(46,800)	8,400
Total deferred income taxes	$152,700	$ (34,700)	$ 118,000	$ 242,300	$ (78,700)	$ 163,600

7. Long-term Debt

(Thousands)

Unsecured Long-term Debt	2000	1999
7 1/2% Debentures due March 2023	$250,000	$250,000
7 4/5% Notes due May 2002	150,000	150,000
9 1/8% Notes due February 2001	-	150,000
Floating rate notes	-	100,000
	400,000	650,000
Less: current portion of long-term debt	-	250,000
Total	$400,000	$400,000

The 7 1/2% debentures may be redeemed at the option of the Company, in whole or in part, at any time on or after March 15, 2003, at declining premiums.

The Company maintains a $1 billion unsecured revolving credit agreement (the "Agreement"), established on September 29, 1997. Borrowings outstanding under the Agreement, if any, are due September 28, 2002. However, the revolving term of the Agreement may be extended an additional two years upon notification by the Company on September 29, 2001, subject to the approval of the lending banks. The Agreement has several borrowing options, including interest rates that are based on either the lender's "base rate," as defined, LIBOR, CD-based options or at a rate submitted under a bidding process. Facilities fees payable under the Agreement are based on the Company's long-term credit ratings, and currently approximate 0.1% of the committed amount per annum.

The Agreement supports the Company's commercial paper program, which is used from time to time to fund working capital and other general corporate requirements. No commercial paper or amounts under the Agreement were outstanding at February 3, 2001 and January 29, 2000. The Agreement contains covenants relating to the Company's working capital, debt and net worth.

The Company has a shelf registration statement, under which up to $250 million of debt securities and warrants to purchase debt securities may be issued.

Interest paid was $65.8 million, $81.3 million and $68.6 million in 2000, 1999 and 1998.

8. Contingent Stock Redemption Agreement and Restricted Cash

On May 3, 1999, the Company, Leslie H. Wexner, Chairman and CEO of the Company, and The Wexner Children's Trust (the "Trust") entered into an agreement (the "Rescission

Agreement") rescinding the Contingent Stock Redemption Agreement dated as of January 26, 1996, as amended, among the Company, Mr. Wexner and the Trust. Pursuant to the Rescission Agreement, the rights and obligations of the Company, Mr. Wexner and the Trust under the Contingent Stock Redemption Agreement were terminated, and the Company used the $351.6 million of restricted cash to purchase shares in the Company's tender offer, which expired on June 1, 1999.

The Company earned interest of $4.1 million and $17.9 million in 1999 and 1998 on the restricted cash.

9. Stock Options and Restricted Stock

Under the Company's stock plans, associates may be granted up to a total of 62.9 million restricted shares and options to purchase the Company's common stock at the market price on the date of grant. Options generally vest 25% per year over the first four years of the grant. Of the options granted, 0.6 million in 2000, 5.0 million in 1999 and 4.6 million in 1998 had graduated vesting schedules of six or more years. Options have a maximum term of ten years.

Under separate IBI stock plans, IBI associates may be granted up to a total of 36.8 million restricted shares and options to purchase IBI's common stock at the market price on the date of grant. As of February 3, 2001, options to purchase 14.5 million IBI shares were outstanding, of which 4.6 million options were exercisable. Under these plans, options generally vest over periods from four to six years.

The Company measures compensation expense under APB Opinion No. 25, "Accounting for Stock Issued to Employees," and no compensation expense has been recognized for its stock option plans. In accordance with SFAS No. 123, "Accounting for Stock-Based Compensation," the fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model discussed below. If compensation expense had been determined using the estimated fair value of options under SFAS No. 123, the pro forma effects on net income and earnings per share, including the impact of options issued by IBI, would have been a reduction of approximately $22.3 million or $0.05 per share in 2000, $18.7 million or $0.04 per share in 1999 and $13.9 million or $0.03 per share in 1998.

The weighted average per share fair value of options granted ($5.19, $5.64 and $4.16 during 2000, 1999 and 1998) was used to calculate the pro forma compensation expense. The fair value was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions for 2000, 1999 and 1998: dividend yields of 2.3%, 2.1% and 2.2%; volatility of 36%, 32% and 29%; risk-free interest rates of 5%, 7% and 5%; assumed forfeiture rates of 20%, 20% and 20%; and expected lives of 4.3 years, 5.2 years and 6.3 years.

Restricted Shares

Approximately 41,000, 1,040,000 and 1,716,000 restricted Limited shares were granted in 2000, 1999 and 1998, with market values at date of grant of $0.7 million, $18.5 million and $27.4 million. Restricted shares generally vest either on a graduated scale over four years or 100% at the end of a fixed vesting period, principally five years. In 1999, 100,000 restricted shares were granted with a graduated vesting schedule over six years. Approximately 314,000 restricted shares granted in 1999 include performance requirements, all of which were met.

Additionally, the expense recognized from the issuance of IBI restricted stock grants impacted the Company's consolidated results. IBI granted 59,000, 340,000 and 850,000 restricted shares in 2000, 1999 and 1998. Vesting terms for the IBI restricted shares are similar to those of The Limited. The market value of restricted shares is being amortized as compensation expense over the vesting period, generally four to six years. Compensation expense related to restricted stock awards, including expense related to awards granted at IBI, amounted to $15.0 million in 2000, $28.8 million in 1999 and $31.3 million in 1998.

Stock Options Outstanding at February 3, 2001

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$7-$10	8,649,000	5.8	$ 9	3,889,000	$ 9
$11-$15	10,732,000	6.3	$12	4,232,000	$12
$16-$20	8,990,000	8.4	$16	2,193,000	$16
$21-$27	1,836,000	9.0	$22	160,000	$22
$7-$27	30,207,000	6.9	$13	10,474,000	$12

Stock Option Activity	Number of Shares	Weighted Average Option Price Per Share
1998		
Outstanding at beginning of year	28,140,000	$ 9.85
Granted	7,770,000	13.16
Exercised	(4,878,000)	9.31
Canceled	(1,186,000)	12.13

Outstanding at end of year	29,846,000	$10.71
Options exercisable at end of year	8,908,000	$ 9.79
1999		
Outstanding at beginning of year	29,846,000	$10.71
Granted	10,014,000	17.31
Exercised	(5,348,000)	9.20
Canceled	(1,938,000)	11.95
Outstanding at end of year	32,574,000	$12.03
Options exercisable at end of year	8,114,000	$ 9.68
2000		
Outstanding at beginning of year	32,574,000	$12.03
Granted	4,075,000	17.39
Exercised	(4,157,000)	10.22
Canceled	(2,285,000)	14.03
Outstanding at end of year	30,207,000	$12.86
Options exercisable at end of year	10,474,000	$11.53

10. Retirement Benefits

The Company sponsors a qualified defined contribution retirement plan and a nonqualified supplemental retirement plan. Participation in the qualified plan is available to all associates who have completed 1,000 or more hours of service with the Company during certain 12-month periods and attained the age of 21. Participation in the nonqualified plan is subject to service and compensation requirements. Company contributions to these plans are based on a percentage of associates' eligible annual compensation. The cost of these plans was $57.9 million in 2000, $53.7 million in 1999 and $52.5 million in 1998. The liability for the nonqualified plan at February 3, 2001 and January 29, 2000 amounted to $107.0 million and $87.1 million and is included in other long-term liabilities.

11. Derivatives, Fair Value of Financial Instruments and Concentration of Credit Risk

The Company uses forward contracts on a limited basis, in order to reduce market risk exposure associated with fluctuations in foreign currency rates on a small volume of its merchandise purchases. These financial instruments are designated at inception as hedges, and are monitored to determine their effectiveness as hedges. The Company does not hold or issue financial instruments for trading purposes.

At January 29, 2000, the Company had an interest rate swap that effectively changed the Company's interest rate exposure on $100 million of variable rate debt to a fixed rate of 8.09% through July 2000. There were no interest rate swaps outstanding at February 3, 2001.

Fair Value

The carrying value of cash equivalents, accounts receivable, accounts payable, current portion of long-term debt, and accrued expenses approximates fair value because of their short maturity. The fair value of long-term debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the Company for debt of the same remaining maturities. The estimated fair value of the Company's long-term debt at February 3, 2001 and January 29, 2000 was $396.4 million and $371.8 million compared to the carrying value of $400.0 million in 2000 and 1999.

Concentration of Credit Risk

The Company is subject to concentration of credit risk relating to cash and equivalents. The Company maintains cash and equivalents with various major financial institutions, as well as corporate commercial paper. The Company monitors the relative credit standing of these financial institutions and other entities and limits the amount of credit exposure with any one entity. The Company also monitors the creditworthiness of the entities to which it grants credit terms in the normal course of business.

12. Segment Information

The Company identifies operating segments based on a business's operating characteristics. Reportable segments were determined based on similar economic characteristics, the nature of products and services and the method of distribution. The apparel segment derives its revenues from sales of women's and men's apparel. The Intimate Brands segment derives its revenues from sales of women's intimate and other apparel, and personal care products and accessories. Sales outside the United States were not significant.

The Company and IBI have entered into intercompany agreements for services that include merchandise purchases, capital expenditures, real estate management and leasing, inbound and outbound transportation and corporate services. These agreements specify that identifiable costs be passed through to IBI and that other service-related costs be allocated based on various methods. Costs are passed through and allocated to the apparel businesses in a similar manner. Management believes that the methods of allocation are reasonable.

As a result of its spin-off, the operating results of TOO are included in the "Other" category for all periods presented. The operating results of Galyan's (which were consolidated through August 31, 1999 and accounted for using the equity method thereafter) are also included in the "Other" category.

(Thousands)

Segment Information	Apparel Businesses	Intimate Brands	* Other	Reconciling Items	Total
2000					
Net sales	$4,948,829	$5,117,199	$ 38,578	-	$10,104,606
Intersegment sales	628,766	-	-	+ $ (628,766)	-
Depreciation and amortization	99,109	122,172	49,865	-	271,146
Operating income (loss)	123,477	754,356	(1,817)	**(9,900)	866,116
Total assets	1,160,758	1,457,348	1,356,953	/\ 113,063	4,088,122
Capital expenditures	115,879	245,127	85,170	-	446,176
1999					
Net sales	$4,708,681	$4,632,029	$ 425,510	-	$ 9,766,220
Intersegment sales	570,659	-	-	+ $ (570,659)	-
Depreciation and amortization	107,810	104,625	60,008	-	272,443
Operating income (loss)	131,728	793,516	(17,936)	# 23,501	930,809
Total assets	1,106,072	1,384,432	1,611,922	/\ 23,741	4,126,167
Capital expenditures	118,710	205,516	51,179	-	375,405
1998					
Net sales	$4,588,887	$3,988,594	$ 787,269	-	$ 9,364,750
Intersegment sales	457,204	-	-	+ $ (457,204)	-
Depreciation and amortization	126,438	101,221	58,341	-	286,000
Operating income (loss)	(45,353)	670,849	58,197	@ 1,740,030	2,423,723
Total assets	1,186,243	1,448,077	1,909,528	/\ 5,860	4,549,708
Capital expenditures	68,695	121,543	157,118	-	347,356

* Included in the "Other" category are Henri Bendel, Galyan's (through August 31, 1999), TOO (through August 23, 1999), A&F (through May 19, 1998), non-core real estate, equity investments and corporate. None of the businesses included in "Other" are significant operating segments.

+ Represents intersegment sales elimination.

/\ Represents intersegment receivable/payable elimination.

Special and nonrecurring items--

** 2000: a $9.9 million charge for Intimate Brands to close Bath & Body Works' nine stores in the United Kingdom.

1999: 1) a $13.1 million charge for transaction costs related to the TOO spin-off; and 2) the reversal of a $36.6 million liability related to downsizing costs for Henri Bendel. These special items relate to the "Other" category.

@ 1998: 1) a $1.651 billion tax-free gain on the split-off of A&F; 2) a $93.7 million gain from the sale of the Company's remaining interest in Brylane; and 3) a $5.1 million charge for severance and other associate termination costs related to the closing of Henri Bendel stores. These special items relate to the "Other" category.

13. Quarterly Financial Data (Unaudited)

Summarized quarterly financial results for 2000 and 1999 follow (thousands except per share amounts):

2000 Quarters *	First	Second	Third	Fourth
Net sales	$2,124,986	$2,289,317	$2,168,375	$3,521,928
Gross income	698,047	742,418	719,555	1,277,197
Net income	62,950	77,573	49,231	238,151
Net income per share:				
Basic	$ 0.15	$ 0.18	$ 0.12	$ 0.56
Diluted	0.14	0.17	0.11	0.54
1999 Quarters *				
Net sales	$2,117,068	$2,289,250	$2,064,068	$3,295,834
Gross income	647,036	727,930	656,992	1,291,199
Net income	45,451	57,482	41,362	316,464
Net income per share:				
Basic	$ 0.10	$ 0.13	$ 0.10	$ 0.74
Diluted	0.10	0.12	0.09	0.70

* Net sales and gross income for 1999 and the first three quarters of 2000 reflect the reclassification of shipping and handling revenues and costs and associate discounts (see Note 1).

2000: Special and nonrecurring items included a $9.9 million charge in the fourth quarter to close Bath & Body Works' nine stores in the United Kingdom. 1999: Special and nonrecurring items included a $13.1 million charge in the second quarter for transaction costs related to the TOO spin-off and the reversal of a $36.6 million liability in the fourth quarter related to downsizing costs for Henri Bendel.

MARKET PRICE AND DIVIDEND INFORMATION

The Company's common stock is traded on the New York Stock Exchange ("LTD") and the London Stock Exchange. On February 3, 2001, there were approximately 77,000 shareholders of record. However, when including active associates who participate in the Company's stock purchase plan, associates who own shares through Company-sponsored retirement plans and others holding shares in broker accounts under street names, the Company estimates the shareholder base to be approximately 190,000.

	Market Price		Cash Dividend
Fiscal Year 2000	High	Low	Per Share
4th quarter	$27.78	$14.44	$0.075
3rd quarter	24.92	18.18	0.075
2nd quarter	25.58	20.79	0.075
1st quarter	25.61	14.23	0.075
Fiscal Year 1999			
4th quarter	$21.91	$15.25	$0.075
3rd quarter	* 22.97	18.22	0.075
2nd quarter	25.06	22.09	0.075
1st quarter	22.00	17.13	0.075

* Limited Too was spun off to The Limited shareholders in the form of a dividend valued at approximately $1.18 per share on the date of the spin-off (August 23, 1999).

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and
Shareholders of The Limited, Inc.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, shareholders' equity and cash flows present fairly, in all material respects, the financial position of The Limited, Inc. and its subsidiaries at February 3, 2001 and January 29, 2000, and the results of their operations and their cash flows for each of the three years in the period ended February 3, 2001 (on pages 11-16) in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
Columbus, Ohio
March 1, 2001

EXHIBIT 21

SUBSIDIARIES OF THE REGISTRANT

Subsidiaries (a)	Jurisdiction of Incorporation
Express, LLC (b)	Delaware
Lerner New York, Inc. (c)	Delaware
Lane Bryant, Inc. (d)	Delaware
The Limited Stores, Inc. (e)	Delaware
Henri Bendel, Inc. (f)	Delaware
Structure, Inc. (g)	Delaware
Mast Industries, Inc. (h)	Delaware
Mast Industries (Far East) Limited (i)	Hong Kong
Limited Logistics Services, Inc. (j)	Delaware
Limited Service Corporation (k)	Delaware
Womanco Service Corporation (l)	Delaware
Womanco, Inc. (m)	Delaware
Victoria's Secret Stores, Inc. (n)	Delaware
Victoria's Secret Direct, LLC (o)	Delaware
Bath & Body Works, Inc. (p)	Delaware
Intimate Beauty Corporation (q)	Delaware
Intimate Brands Service Corporation (r)	Delaware
Intimate Brands, Inc. (s)	Delaware

(a) The names of certain subsidiaries are omitted since such unnamed subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary as of February 3, 2001.

(b) Express, LLC is a wholly-owned subsidiary of Womanco, Inc., a Delaware corporation and a wholly-owned subsidiary of the registrant.

(c) Lerner New York, Inc. is a wholly-owned subsidiary of Womanco, Inc., a Delaware corporation and a wholly-owned subsidiary of the registrant.

(d) Lane Bryant, Inc. is a wholly-owned subsidiary of Womanco, Inc., a Delaware corporation and a wholly-owned subsidiary of the registrant.

(e) The Limited Stores, Inc. is a wholly-owned subsidiary of Womanco, Inc., a Delaware corporation and a wholly-owned subsidiary of the registrant.

(f) Henri Bendel, Inc. is a wholly-owned subsidiary of Womanco, Inc., a Delaware corporation and a wholly-owned subsidiary of the registrant.

(g) Structure, Inc. is a wholly-owned subsidiary of the registrant.

(h) Mast Industries, Inc. is a wholly-owned subsidiary of Mast Industries (Delaware), Inc., a Delaware corporation and a wholly-owned subsidiary of the registrant.

(i) Mast Industries (Far East) Limited is a wholly-owned subsidiary of Mast Industries (Overseas), Inc., which is a wholly-owned subsidiary of Mast Industries, Inc.

(j) Limited Logistics Services, Inc. is a wholly-owned subsidiary of LTDSP, Inc., a Delaware corporation and a wholly-owned subsidiary of the registrant.

(k) Limited Service Corporation is a majority owned subsidiary of Mast Industries (Overseas), Inc.

(l) Womanco Service Corporation is a wholly-owned subsidiary of Womanco, Inc., a Delaware corporation and a wholly-owned subsidiary of the registrant.

(m) Womanco, Inc. is a wholly-owned subsidiary of the registrant.

(n) Victoria's Secret Stores, Inc. is a wholly-owned subsidiary of Intimate Brands, Inc., a Delaware corporation and a majority owned subsidiary of the registrant.

(o) Victoria's Secret Direct, LLC is a wholly-owned subsidiary of Victoria's Secret Direct Holding LLC, a Delaware limited liability corporation, which is a wholly-owned subsidiary of Intimate Brands, Inc., a Delaware corporation and a majority owned subsidiary of the registrant.

(p) Bath & Body Works, Inc. is a wholly-owned subsidiary of Intimate Brands, Inc., a Delaware corporation and a majority owned subsidiary of the registrant.

(q) Intimate Beauty Corporation is a majority owned subsidiary of Intimate Brands, Inc., a Delaware corporation and a majority owned subsidiary of the registrant.

(r) Intimate Brands Service Corporation is a wholly-owned subsidiary of Intimate Brands, Inc., a Delaware corporation and a majority owned subsidiary of the registrant.

(s) Intimate Brands, Inc. is a majority owned subsidiary of the registrant.

EXHIBIT 23

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos.33-44041, 33-18533, 33-49871, 333-04927 and 333-04941), and the Registration Statements on Form S-3 (Nos. 33-20788, 33-31540, 33-43832 and 33-53366), of The Limited, Inc. of our report dated March 1, 2001 relating to the financial statements, which appears in the Annual Report to Shareholders, which is incorporated in this Annual Report on Form 10-K.

/s/PricewaterhouseCoopers LLP

Columbus, Ohio
April 23, 2001

EXHIBIT 24

POWER OF ATTORNEY
OFFICERS AND DIRECTORS OF
THE LIMITED, INC.

The undersigned officer and/or director of The Limited, Inc., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for its fiscal year ended February 3, 2001 under the provisions of the Securities Exchange Act of 1934 with the Securities and Exchange Commission, Washington, DC, hereby constitutes and appoints Leslie H. Wexner, Kenneth B. Gilman and V. Ann Hailey, and each of them, with full powers of substitution and resubstitution, as attorney to sign for the undersigned in any and all capacities such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 26th day of January, 2001.

/s/ LESLIE H. WEXNER

Leslie H. Wexner

POWER OF ATTORNEY
OFFICERS AND DIRECTORS OF
THE LIMITED, INC.

The undersigned officer and/or director of The Limited, Inc., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for its fiscal year ended February 3, 2001 under the provisions of the Securities Exchange Act of 1934 with the Securities and Exchange Commission, Washington, DC, hereby constitutes and appoints Leslie H. Wexner, Kenneth B. Gilman and V. Ann Hailey, and each of them, with full powers of substitution and resubstitution, as attorney to sign for the undersigned in any and all capacities such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 26th day of January, 2001.

/s/ ABIGAIL S. WEXNER

Abigail S. Wexner

POWER OF ATTORNEY
OFFICERS AND DIRECTORS OF
THE LIMITED, INC.

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EXECUTED as of the 26th day of January, 2001.

/s/ MARTIN TRUST

Martin Trust

POWER OF ATTORNEY
OFFICERS AND DIRECTORS OF
THE LIMITED, INC.

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EXECUTED as of the 26th day of January, 2001.

/s/ EUGENE M. FREEDMAN

Eugene M. Freedman

POWER OF ATTORNEY
OFFICERS AND DIRECTORS OF
THE LIMITED, INC.

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EXECUTED as of the 26th day of January, 2001.

/s/ E. GORDON GEE

E. Gordon Gee

POWER OF ATTORNEY
OFFICERS AND DIRECTORS OF
THE LIMITED, INC.

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EXECUTED as of the 26th day of January, 2001.

/s/ LEONARD A. SCHLESINGER

Leonard A. Schlesinger

POWER OF ATTORNEY
OFFICERS AND DIRECTORS OF
THE LIMITED, INC.

The undersigned officer and/or director of The Limited, Inc., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for its fiscal year ended February 3, 2001 under the provisions of the Securities Exchange Act of 1934 with the Securities and Exchange Commission, Washington, DC, hereby constitutes and appoints Leslie H. Wexner, Kenneth B. Gilman and V. Ann Hailey, and each of them, with full powers of substitution and resubstitution, as attorney to sign for the undersigned in any and all capacities such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 26th day of January, 2001.

/s/ DAVID T. KOLLAT

David T. Kollat

POWER OF ATTORNEY
OFFICERS AND DIRECTORS OF
THE LIMITED, INC.

The undersigned officer and/or director of The Limited, Inc., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for its fiscal year ended February 3, 2001 under the provisions of the Securities Exchange Act of 1934 with the Securities and Exchange Commission, Washington, DC, hereby constitutes and appoints Leslie H. Wexner, Kenneth B. Gilman and V. Ann Hailey, and each of them, with full powers of substitution and resubstitution, as attorney to sign for the undersigned in any and all capacities such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 26th day of January, 2001.

/s/ ALEX SHUMATE

Alex Shumate

POWER OF ATTORNEY
OFFICERS AND DIRECTORS OF
THE LIMITED, INC.

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EXECUTED as of the 26th day of January, 2001.

/s/ DONALD B. SHACKELFORD

Donald B. Shackelford

POWER OF ATTORNEY
OFFICERS AND DIRECTORS OF
THE LIMITED, INC.

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EXECUTED as of the 26th day of January, 2001.

/s/ ALLAN R. TESSLER

Allan R. Tessler

POWER OF ATTORNEY
OFFICERS AND DIRECTORS OF
THE LIMITED, INC.

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EXECUTED as of the 26th day of January, 2001.

/s/ RAYMOND ZIMMERMAN

Raymond Zimmerman

Exhibit 99

The Limited, Inc. Savings and Retirement Plan

Report on Audits of Financial Statements
As of and for the Years Ended December 31, 2000 and 1999
and Supplemental Schedule
As of December 31, 2000

Contents

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors of
The Limited, Inc. and the
Plan Administrator of The Limited, Inc.
Savings and Retirement Plan:

We have audited the accompanying statements of net assets available for benefits of The Limited, Inc. Savings and Retirement Plan as of December 31, 2000 and 1999, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2000 and 1999, and the changes in net assets available for benefits for the years then ended, in conformity with generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of investments held for investment purposes is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/S/ Ary & Roepcke

Columbus, Ohio,
March 28, 2001

THE LIMITED, INC. SAVINGS AND RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2000 AND 1999

	2000	1999
Assets		
Investments	$406,759,271	$454,072,603
Receivable for contributions:		
Employers	25,234,258	28,574,143
Participants	1,600,717	1,709,157
Total receivable contributions	26,834,975	30,283,300
Due from brokers	-	120,275
Accrued interest and dividends	13,863	97,796
Total assets	433,608,109	484,573,974
Liabilities		
Cash overdraft	1,135	-
Administrative fees payable	141,710	27,626
Total liabilities	142,845	27,626
Net assets available for benefits	$433,465,264	$484,546,348

The accompanying notes are an integral part of these financial statements.

THE LIMITED, INC. SAVINGS AND RETIREMENT PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

	2000	1999
Additions		
Investment income:		
Net appreciation (depreciation) in fair value of investments	$(74,624,579)	$ 77,211,144
Mutual funds' earnings	20,084,246	12,083,572
Dividends	1,424,582	1,525,988
Investment contracts' earnings	5,927,208	816,931
Common collective trust's earnings	392,764	484,641
Total investment income (loss)	(46,795,779)	92,122,276
Contributions:		
Employers	34,937,314	39,536,720
Participants	19,584,559	20,097,162
Total contributions	54,521,873	59,633,882
Total additions	7,726,094	151,756,158
Deductions		
Distributions to participants	56,984,295	56,199,313
Administrative expenses	1,822,883	1,061,328
Total deductions	58,807,178	57,260,641
Net increase (decrease) prior to transfers	(51,081,084)	94,495,517
Transfer of net assets available for benefits to plans of former affiliates	-	(18,001,283)
Net increase (decrease)	(51,081,084)	76,494,234
Net assets available for plan benefits		
Beginning of year	484,546,348	408,052,114
End of year	$433,465,264	$484,546,348

The accompanying notes are an integral part of these financial statements.

THE LIMITED, INC. SAVINGS AND RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2000 AND 1999

(1) Description of the plan

General

The Limited, Inc. Savings and Retirement Plan (the "Plan") is a defined contribution plan covering certain employees of The Limited, Inc. and its affiliates (the "Employers") who are at least 21 years of age and have completed 1,000 or more hours of service during their first consecutive twelve months of employment or any calendar year beginning in or after their first consecutive twelve months of employment. Effective January 1, 2000, an employee whose base salary equals or exceeds $100,000 and has met the eligibility requirements, described above, are eligible to receive the non-service related retirement contribution, but may not elect to make voluntary contributions. Certain employees of the Employers, who are covered by a collective bargaining agreement, are not eligible to participate in the Plan.

Effective August 31, 1999, an affiliate of Freeman, Spogli & Co. (together with Galyan's management) purchased a 60% interest in Galyan's. Subsequent to the sale, the net assets available for benefits allocated to the former participants employed by Galyan's were transferred to Galyan's retirement plan.

Effective August 23, 1999, The Limited, Inc. completed the spin-off of Too, Inc. (successor company to Limited Too). Subsequent to the spin-off, the net assets available for benefits allocated to the former participants employed by Limited Too were transferred to the Too, Inc. Savings and Retirement Plan.

During 1999 the plan was amended several times to among other things 1) change the requirement for a participant to be active on the last day of the annual payroll period to a requirement for a participant to be active on the last day of the plan year as it relates to the Employers' service and non-service retirement contribution, and 2) allow for the establishment of unit values for one or more of the investment funds and permit the accounts setting forth each participant's interest in such investment funds to be maintained in terms of units.

Effective January 1, 2000, the Plan was amended to among other things 1) change the eligibility as noted under eligibility above and under participant's voluntary contributions below, and 2) allow forfeitures to be applied to reduce Plan expenses.

The following description of the Plan provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) as amended.

Contributions

Employers' contributions:

The Employers may provide a non-service related retirement contribution of 4% of annual compensation up to the Social Security wage base and 7% of annual compensation thereafter, and a service related retirement contribution of 1% of annual compensation for participants who have completed five or more years of vesting service as of the last day of the Plan year. Participants who complete 500 hours of service during the Plan year and are participants on the last day of the Plan year are eligible. The annual compensation of each participant taken into account under the Plan is limited to the maximum amount permitted under Section 401(a)(17) of the Internal Revenue Code. The annual compensation limit for the Plan year ended December 31, 2000, was $170,000.

The Employers may also provide a matching contribution of 100% of the participant's voluntary contributions (50% for participants who are associates of Galyan's) up to 3% of the participant's total annual compensation.

Participant's voluntary contributions:

A participant may elect to make a voluntary tax-deferred contribution of 1% to 6% of his or her annual compensation up to the maximum permitted under Section 402(g) of the Internal Revenue Code adjusted annually ($10,500 at December 31, 2000). This voluntary tax-deferred contribution may be limited by Section 401(k) of the Internal Revenue Code. Effective January 1, 2000, a participant whose base salary equals or exceeds $100,000 will cease being a participant for purposes of making voluntary contributions, the first day of the plan year following the year in which the $100,000 base salary threshold is met. Instead, such employee will become a participant in the Supplemental Retirement Plan, a non-qualified plan, for purposes of making voluntary contributions.

Investment options

The Limited, Inc. Common Stock Fund - invests primarily in common stock of The Limited, Inc. with up to 3% of the fund being invested in money-market instruments. The goal of the fund is capital growth and dividend income.

Intimate Brands, Inc. Common Stock Fund - invests primarily in common stock of Intimate Brands, Inc., an 84%-owned subsidiary of The Limited, Inc., with up to 3% of the fund being invested in money-market instruments. The goal of the fund is capital growth and dividend income.

SARP Stable Value Fund - invests primarily in investment contracts, stable value contracts and short-term investments. The goal of the fund is preservation of principal and income while maximizing current income. This investment option was not available until October 1, 1999.

Vanguard Retirement Savings Trust Fund - a mutual fund, investing in investment contracts issued by insurance companies and banks. The goal of the fund is to provide preservation of principal and income while maximizing current income. This investment option was not available after September 30, 1999.

Vanguard Institutional Index Fund - a mutual fund, investing in the 500 stocks that comprise the Standard & Poor's 500 Composite Stock Price Index (S&P 500) in proportion to their weighting in the index. The goal of the fund is long-term growth of capital and income from dividends. During 1999 this mutual fund replaced the Vanguard Index Trust 500 Portfolio investment option, whose investment strategy and goals were similar.

Vanguard U.S. Growth Fund - a mutual fund, investing primarily in large-capitalization stocks of seasoned U.S. companies with records of growth. The goal of the fund is long-term capital growth.

Vanguard Wellington Fund - a mutual fund, investing 60-70% in the stocks of well-established companies and 30-40% in long-term maturity corporate bonds, Treasury Bonds and mortgage securities. The goal of the fund is current income and long-term growth of capital. This investment option was not available after September 30, 1999.

Janus Overseas Fund - a mutual fund, investing at least 65% of its total assets in securities of issuers from at least five different countries, excluding the United States. The goal of the fund is long-term capital growth. This investment option was not available until October 1, 1999.

American Century Income & Growth Fund - a mutual fund, investing primarily in common stocks selected from a universe of the 1,500 largest companies traded in the U.S. The goal of the fund is dividend growth, current income, and capital appreciation. This investment option was not available until October 1, 1999.

AIM Balanced Fund (Class A) - a mutual fund, investing primarily in high-yielding securities, including common stocks, preferred stocks, convertible securities and bonds. The goal of the fund is high total return consistent with preservation of capital. This investment option was not available until October 1, 1999.

AXP Selective Fund (Class Y) - a mutual fund, investing primarily in medium-to high-quality corporate bonds and other highly rated debt instruments including government securities and short-term investments. The goal of the fund is current income and preservation of capital. This investment option was not available until October 1, 1999.

American Express Trust Long-Term Horizon (80:20) Fund - a common collective trust, investing in a predetermined mix of growth, growth/income and income investments. The goal of the fund is to create a diversified portfolio with a moderate risk profile designed for individuals with long-term goals. This investment option was not available until October 1, 1999.

American Express Trust Medium-Term Horizon (50:50) Fund - a common collective trust, investing in a predetermined mix of growth, growth/income, income, and money market (cash equivalents) investments. The goal of the fund is to create a diversified portfolio with a conservative risk profile designed for individuals with medium-term goals. This investment option was not available until October 1, 1999.

American Express Trust Short-Term Horizon (25:75) Fund - a common collective trust, investing in a predetermined mix of growth, growth/income, income, and money market (cash equivalents) investments. The goal of the fund is to create a diversified portfolio with a conservative risk profile designed for individuals with short-term goals. This investment option was not available until October 1, 1999.

Self-Directed Brokerage Account - allowing the participant to invest in securities not offered otherwise. This investment option was not available until October 1, 1999.

Vesting

A participant is fully and immediately vested for voluntary and rollover contributions and is credited with a year of vesting service in the Employers' contributions for each Plan year that they are credited with at least 500 hours of service. A summary of vesting percentages in the Employers' contributions follows:

Years of vested service	Percentage
Less than 3 years	0%
3 years	20
4 years	40
5 years	60
6 years	80
7 years	100

Payment of benefits

The full value of participants' accounts becomes payable upon retirement, disability, or death. Upon termination of employment for any other reason, participants' accounts, to the extent vested, become payable. Those participants with vested account balances greater than $5,000 have the option of leaving their accounts invested in the Plan until age 65. All benefits will be paid as a lump-sum distribution. Those participants holding shares of Employer Securities will have the option of receiving such amounts in whole shares of Employer Securities and cash for any fractional shares. Participants have the option of having their benefit paid directly to an eligible retirement plan specified by the participant.

A participant who is fully vested in his or her account and who has participated in the Plan for at least seven years may obtain an in-service withdrawal from their account based on the percentage amounts designated by the Plan. A participant may also request a hardship distribution due to an immediate and heavy financial need based on the terms of the Plan.

Amounts allocated to participants withdrawn from the plan

The vested portion of net assets available for benefits allocated to participants withdrawn from the plan was $1,064,451 and $251,148 as of December 31, 2000 and 1999, respectively.

Forfeitures

Forfeitures are used to reduce the Employers' required contributions, and if so elected by the Employers, to reduce administrative expenses. Forfeitures of $10,405,105 and $4,167,347 were used to reduce contributions for the years ended December 31, 2000 and 1999, respectively. Forfeitures of $769,952 and $405,187 were used to reduce administrative expenses for the years ended December 31, 2000 and 1999, respectively.

Expenses and fees

Expenses of the plan are deducted from participants' accounts as follows, 1) annual participant fee of from $12 to $200 based on their account balance which is deducted on a quarterly basis, 2) a $10 disbursement fee for withdrawals and terminations, 3) a $3 fee for recurring installment disbursements, and 4) a $50 annual fee for a self directed brokerage account. Investments in the Limited, Inc., Intimate Brands, Inc., Too, Inc., and Abercrombie & Fitch Co. stock funds charged an administrative fee of 3 basis points through a reduction in earnings. Investments in the Sarp Stable Value Fund are charged an administrative fee of 30 basis points through a reduction in earnings. The Employers pay administrative expenses incurred in excess of these fees by either direct payment or forfeitures. Expenses and fees excluding those paid directly have been reported in the financial statements as administrative expenses. Prior to October 1, 1999, earnings from investments were reduced by a predetermined amount to pay for administrative expenses with any excess administrative fees being paid by the Employers.

Brokerage fees, transfer taxes, and other expenses incurred in connection with the investment of the Plan's assets will be added to the cost of such investments or deducted from the proceeds thereof, as the case may be.

(2) Summary of accounting policies

Basis of presentation

The accompanying financial statements have been prepared on the accrual basis of accounting, including investment valuation and income recognition.

Estimates

The Plan prepares its financial statements in conformity with generally accepted accounting principles, which requires management to make estimates and assumptions that affect the reported amounts of net assets available for plan benefits at the date of the financial statements and the changes in net assets available for plan benefits during the reporting period and, when applicable, disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from these estimates.

Risks

The plan provides for the various investment options as described in note 1. Any investment is exposed to various risks, such as interest rate, market and credit. These risks could result in a material effect on participants' account balances and the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

Income recognition

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Investment valuation

Mutual funds are stated at fair value as determined by quoted market prices, which represents the net asset value of shares held by the Plan at year-end. Common stocks are valued as determined by quoted market price. The common collective trusts are valued on a daily basis. The value of each unit is determined by subtracting total liabilities from the total value of the assets, including accrued income, and dividing the amount remaining by the number of units outstanding on the valuation date. Investment contracts are recorded at contract value (Note 4).

Net appreciation (depreciation) in fair value of investments

Net realized and unrealized appreciation (depreciation) is recorded in the accompanying statements of changes in net assets available for benefits as net appreciation (depreciation) in fair value of investments.

Benefit Payments

Benefits are recorded when paid.

Reclassification of prior year information

Certain prior year information has been reclassified to conform to current year presentation.

(3) Investments

The Plan's investments are held by the American Express Trust Company, as trustee of the Plan. Prior to October 1, 1999 the Plan's investments were held by The Chase Manhattan Bank, as trustee of the Plan. The following table presents balances for 2000 and 1999 for the Plan's current investment options. Investments that represent 5 percent or more of the Plan's net assets are separately identified.

	2000	1999
Investments at fair value as determined by		
Quoted market price		
Common stock:		
The Limited, Inc.	$ 69,100,258	$ 94,235,093
Other	16,880,923	19,385,157
	85,981,181	113,620,250
Warrants	-	2,594
Mutual funds:		
Vanguard Institutional Index Fund	95,254,571	110,157,390
Vanguard U.S. Growth Portfolio	77,713,075	98,740,931
AIM Balanced Class A Fund	26,356,111	27,398,996
Other	9,451,000	3,702,543
	208,774,757	239,999,860
Total quoted market price	294,755,938	353,622,704
Contract cost		
Investment contracts	93,314,059	74,075,377
Estimated fair value		
Common collective trusts	18,689,274	26,374,522
Total investments at fair value	$406,759,271	$454,072,603

The Plan's investments (including investments bought, sold, and held during the year) appreciation (depreciation) in value for the years ended December 31, 2000 and 1999, is set forth below:

	2000	1999
Investments at fair value as determined by		
Quoted market price		
Common stock	$(23,366,324)	$ 41,273,056
Warrants	(3,135)	(1,330)
Mutual funds	(52,135,638)	35,677,665
	(75,505,097)	76,949,391
Estimated fair value		
Common collective trusts	880,518	261,753
Net appreciation (depreciation) in fair value	$(74,624,579)	$ 77,211,144

(4) Investment contracts

The Plan entered into investment contracts with insurance companies and financial institutions. The contracts are included in the financial statements at contract value, which approximates fair value, as reported to the Plan by the contract issuers. Contract value represents contributions made under the contract, plus earnings, less plan withdrawals and administrative expenses.

These contracts provided a liquidity guarantee by financially responsible third parties of principal and previously accrued interest for liquidations, transfers, or hardship withdrawals initiated by plan participants exercising their rights to withdraw or transfer funds under the terms of the on-going Plan. The average yield on the contracts was 7.26% and 6.88% for the years ended December 31, 2000 and 1999, respectively.

(5) Tax status

The Plan obtained its latest determination letter on January 30, 1995, in which the Internal Revenue Service stated that the Plan, as amended and restated January 1, 1992 was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

(6) Plan administration

A Committee, the members of which are appointed by the Board of Directors of the Employers, administers the Plan.

(7) Plan termination

Although the Employers have not expressed any intent to do so, the Employers have the right under the Plan to discontinue their contributions at any time. The Limited, Inc. has the right at any time, by action of its Board of Directors, to terminate the Plan subject to provisions of ERISA. Upon Plan termination or partial termination, participants will become fully vested in their accounts.

(8) Parties-in-interest

American Express Trust Company, trustee of the Plan, its subsidiaries and affiliates maintain and manage certain of the investments of the Plan for which the Plan is charged.

(9) Reconciliation of financial statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500:

	2000	1999
Net Assets Available for Benefits Per the Financial Statements	$433,465,264	$484,546,348
Amounts Allocated to Withdrawing Participants	(1,064,451)	(251,148)
Net Assets Available for Benefits Per Form 5500	$432,400,813	$484,295,200

The following is a reconciliation of benefits paid to participants per the financial statements to Form 5500:

Benefits Paid to Participants Per the Financial Statements	$ 56,984,295
Amounts Allocated to Withdrawing Participants:	
At December 31, 2000	1,064,451
At December 31, 1999	(251,148)
Benefits Paid to Participants Per Form 5500	$ 57,797,598

Amounts allocated to withdrawing participants are recorded on Form 5500 for benefit claims that have been processed and approved for payment prior to December 31 but not yet paid as of that date.

SCHEDULE I

THE LIMITED, INC. SAVINGS AND RETIREMENT PLAN
EIN #31-1048997 PLAN #002
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT YEAR END
DECEMBER 31, 2000

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) (1) Cost	(e) Current Value
*	Limited, Inc.	Common Stock - 4,049,832 shares		$ 69,100,258
*	Intimate Brands, Inc.	Common Stock - 614,805 shares		9,222,075
	Too, Inc.	Common Stock - 280,294 shares		3,564,199
	Abercrombie & Fitch Co.	Common Stock - 87,626 shares		1,752,520
	EMC Corp.	Common Stock - 3,940 shares		262,010
	Applied Micro Circuits Corp.	Common Stock - 2,400 shares		180,113
	JDS Uniphase Corp.	Common Stock - 2,956 shares		123,227
	PMC-Sierra, Inc.	Common Stock - 1,565 shares		123,048
	Cisco Systems	Common Stock - 2,854 shares		109,165
	NASDAQ Gold TR I Unit	Common Stock - 1,225 shares		71,509
	General Electric	Common Stock - 1,479 shares		70,899
	Triquant Semiconductor	Common Stock - 1,600 shares		69,899
	Nokia Corp.	Common Stock - 1,181 shares		51,374
	Qualcomm, Inc.	Common Stock - 610 shares		50,134
	Ariba, Inc.	Common Stock - 908 shares		48,692
	Laboratory Corporation of America	Common Stock - 250 shares		44,000
	Immunex Corp.	Common Stock - 1,050 shares		42,656
	Network Applicance	Common Stock - 600 shares		38,512
	Wal-Mart Stores	Common Stock - 659 shares		35,009
	Cree, Inc.	Common Stock - 930 shares		33,044
	Sun Microsystems	Common Stock - 1,148 shares		32,001
	SDL, Inc.	Common Stock - 200 shares		29,637
	Broadcom Corp.	Common Stock - 300 shares		25,200
	Ciena Corporation	Common Stock - 300 shares		24,375
	Universal Health Services Class B	Common Stock - 200 shares		22,350
	Impath, Inc.	Common Stock - 325 shares		21,613

* Represents a party in interest

(1) Cost information omitted - investment is part of individual account plan that a participant or beneficiary directed with respect to assets allocated to his or her account.

SCHEDULE I

THE LIMITED, INC. SAVINGS AND RETIREMENT PLAN
EIN #31-1048997 PLAN #002
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT YEAR END
DECEMBER 31, 2000

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) (1) Cost	(e) Current Value
	KB Home	Common Stock - 600 shares		20,212
	Amerisource Health Corp. Class A	Common Stock - 400 shares		20,200
	Texas Intruments	Common Stock - 426 shares		20,182
	SEI Corp.	Common Stock - 180 shares		20,160
	Standard Pacific Corp.	Common Stock - 860 shares		20,103
	Mitchell Energy & Development	Common Stock - 325 shares		19,906
	Pharmaceutical Product	Common Stock - 395 shares		19,625
	RF Micrio-Devices	Common Stock - 706 shares		19,371
	Oracle Systems	Common Stock - 646 shares		18,774
	Health Management Assoc Class A	Common Stock - 900 shares		18,675
	Walt Disney Co.	Common Stock - 636 shares		18,404
	AOL Time Warner, Inc.	Common Stock - 522 shares		18,166
	CitiGroup, Inc.	Common Stock - 349 shares		17,821
	Microsoft Corp.	Common Stock - 400 shares		17,350
	Motorola, Inc.	Common Stock - 854 shares		17,294
	Intel Corp.	Common Stock - 552 shares		16,594
	International Business Machines	Common Stock - 191 shares		16,235
	Corning, Inc.	Common Stock - 290 shares		15,315
	Webmd Corp.	Common Stock - 1,903 shares		15,104
	Tyco International	Common Stock - 251 shares		13,931
	Jupiter Networks	Common Stock - 107 shares		13,489
	Checkpoint Software	Common Stock - 100 shares		13,356
	Unify	Common Stock - 3,390 shares		13,136
	Alexion Pharmaceutical	Common Stock - 201 shares		13,052
	Lucent Technologies	Common Stock - 926 shares		12,501
	Rambus, Inc.	Common Stock - 330 shares		11,921
	Oak Technology, Inc.	Common Stock - 1,333 shares		11,580
	Dell Computer Corp.	Common Stock - 650 shares		11,334
	Vitesse Corp.	Common Stock - 200 shares		11,062
	Xilinx, Inc.	Common Stock - 237 shares		10,932
	Applied Materials	Common Stock - 268 shares		10,234
	Asia Satellite ADR	Common Stock - 500 shares		10,188
	Siebel Systems	Common Stock - 150 shares		10,144
	Home Depot	Common Stock - 220 shares		10,051
	Verizon Communications	Common Stock - 200 shares		10,025

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THE LIMITED, INC. SAVINGS AND RETIREMENT PLAN
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DECEMBER 31, 2000

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) (1) Cost	(e) Current Value
	CMGI, Inc.	Common Stock - 1,735 shares		9,706
	Sonus Networks	Common Stock - 377 shares		9,519
	Gentex Corp.	Common Stock - 500 shares		9,313
	Worldcom.Inc.	Common Stock - 640 shares		9,000
	Federal National Mortgage	Common Stock - 100 shares		8,675
	Tanox, Inc.	Common Stock - 212 shares		8,308
	Global Crossing LTD	Common Stock - 570 shares		8,158
	Micromuse, Inc.	Common Stock - 132 shares		7,967
	LSI Logic Corp.	Common Stock - 462 shares		7,896
	Franklin Resources	Common Stock - 200 shares		7,620
	Yahoo, Inc.	Common Stock - 212 shares		6,372
	Sungard Data Systems, Inc.	Common Stock - 135 shares		6,362
	Vericalnet, Inc.	Common Stock - 800 shares		5,325
	Comcast Corp.	Common Stock - 125 shares		5,219
	AT&T Wireless Group	Common Stock - 300 shares		5,194
	Exxon Mobil Corp.	Common Stock - 58 shares		5,042
	Echelon Corp.	Common Stock - 300 shares		4,819
	3 Com Corp.	Common Stock - 550 shares		4,675
	Atmel Corp.	Common Stock - 400 shares		4,650
	Pfizer, Inc.	Common Stock - 100 shares		4,600
	Avanex Corporation	Common Stock - 75 shares		4,467
	Finisar Corp.	Common Stock - 150 shares		4,350
	Philip Morris	Common Stock - 97 shares		4,268
	Qwest Communication International	Common Stock - 100 shares		4,088
	Quantum Corp.	Common Stock - 300 shares		3,975
	Entrust Technology	Common Stock - 300 shares		3,900
	Redback Networks	Common Stock - 94 shares		3,854
	Glogic Corp.	Common Stock - 50 shares		3,850
	Nortel Networks Corp	Common Stock - 120 shares		3,847
	Sanmina Corp.	Common Stock - 50 shares		3,831
	GAP, Inc.	Common Stock - 150 shares		3,825
	People Soft	Common Stock - 100 shares		3,719
	Huntington Bancshare	Common Stock - 220 shares		3,561
	Exodus Communication	Common Stock - 175 shares		3,500

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	Compuware	Common Stock - 558 shares		3,488
	Wind River Systems	Common Stock - 100 shares		3,413
	Amazon. Com, Inc.	Common Stock - 208 shares		3,237
	Cortex Pharmaceuticals, Inc.	Common Stock - 2,100 shares		3,215
	Extreme Networks, Inc.	Common Stock - 82 shares		3,208
	Micron Technology	Common Stock - 90 shares		3,195
	Advanced Micro Development	Common Stock - 230 shares		3,177
	Aether Systems, Inc.	Common Stock - 81 shares		3,169
	Sycamore Networks, Inc.	Common Stock - 85 shares		3,166
	Procter & Gamble	Common Stock - 40 shares		3,137
	Coca-Cola Co.	Common Stock - 50 shares		3,047
	Online Power Supply, Inc.	Common Stock - 500 shares		3,000
	Brocade Communications	Common Stock - 32 shares		2,938
	Johnson & Johnson	Common Stock - 27 shares		2,837
	Conseco Co.	Common Stock - 200 shares		2,637
*	American Express	Common Stock - 47 shares		2,582
	Storage Networks, Inc.	Common Stock - 100 shares		2,481
	AT&T Corp.	Common Stock - 139 shares		2,405
	Biogen, Inc.	Common Stock - 40 shares		2,401
	Ford Motor Company	Common Stock - 100 shares		2,344
	Foundry Networks	Common Stock - 140 shares		2,100
	Orchid Biosciences, Inc.	Common Stock - 147 shares		2,058
	Digital Island, Inc.	Common Stock - 500 shares		2,031
	Hewlett Packard	Common Stock - 57 shares		1,799
	Taiwan Semi ADR	Common Stock - 100 shares		1,725
	Agilent Technologies	Common Stock - 30 shares		1,643
	Wireless Facilities	Common Stock - 45 shares		1,631
	Portal Software	Common Stock - 200 shares		1,569
	Stem Cells, Inc.	Common Stock - 600 shares		1,500
	Koala Corp.	Common Stock - 170 shares		1,445
	Priceline.Com, Inc.	Common Stock - 1,099 shares		1,442
	Bio Technology General Corp.	Common Stock - 200 shares		1,412
	Glenayre Technologies, Inc.	Common Stock - 400 shares		1,412
	Warnaco	Common Stock - 800 shares		1,350

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	Genzyme Corp.	Common Stock - 15 shares		1,349
	Power-One, Inc.	Common Stock - 31 shares		1,219
	Microstrategy	Common Stock - 125 shares		1,188
	Cypress Semiconductor	Common Stock - 55 shares		1,083
	Resource Bancshares	Common Stock - 150 shares		1,058
	ONI Systems Corp.	Common Stock - 24 shares		949
	Serviceware Technology, Inc.	Common Stock - 200 shares		947
	General Magic, Inc.	Common Stock - 648 shares		911
	Lanoptics LTD. ORD Shares	Common Stock - 90 shares		866
	Struthers, Inc.	Common Stock - 4,000 shares		800
	Computer Associates International	Common Stock - 40 shares		780
	Koninklijke Philips Electronics	Common Stock - 21 shares		761
	Plaintree Systems, Inc.	Common Stock - 2,000 shares		750
	Razorfish, Inc.	Common Stock - 459 shares		746
	Avaya	Common Stock - 68 shares		701
	Knight Trading Group, Inc.	Common Stock - 50 shares		697
	Bradlees, Inc.	Common Stock - 2,700 shares		591
	Williams Communication	Common Stock - 50 shares		588
	Eagle Wireless International, Inc.	Common Stock - 370 shares		578
	Barnes & Noble.Com, Inc.	Common Stock - 427 shares		560
	ASM Lithography	Common Stock - 24 shares		541
	Inamed Corporation	Common Stock - 25 shares		511
	AK Steel	Common Stock - 50 shares		438
	Pawnbroker.Com, Inc.	Common Stock - 3,375 shares		388
	Citrix Systems, Inc.	Common Stock - 15 shares		338
	Internet Capital Group	Common Stock - 100 shares		328
	Sunday Communication LTD	Common Stock - 160 shares		320
	Barpoint.Com, Inc.	Common Stock - 235 shares		235
	Vasomedical, Inc.	Common Stock - 100 shares		219
	Loudeye Technologies	Common Stock - 150 shares		178
	Conexant Systems, Inc.	Common Stock - 11 shares		169

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	Vertical Computer System, Inc.	Common Stock - 2,732 shares		148
	Novell, Inc.	Common Stock - 25 shares		130
	Pumatech, Inc.	Common Stock - 28 shares		116
	Northpoint Community Group	Common Stock - 300 shares		103
	Verado Holdings, Inc.	Common Stock - 135 shares		89
	Marvel Enterprises, Inc.	Common Stock - 50 shares		72
	Econnect	Common Stock - 145 shares		45
	Calypte Biomedical	Common Stock - 40 shares		42
	Xybernaut Corp.	Common Stock - 20 shares		34
	Compositech LTD	Common Stock - 295 shares		11
	Smart Sources, Inc.	Common Stock - 100 shares		9
*	American Express Trust Income I	Common Collective Trust - 241,876.395 shares		13,179,361
*	American Express Trust Money Market I	Common Collective Trust - 2,823,361.32 shares		2,823,361
*	American Express Trust Horizon Long Term (80:20)	Common Collective Trust - 46,310.643 shares		1,202,967
*	American Express Trust Horizon Medium Term (50:50)	Common Collective Trust - 29,043.111 shares		648,591
*	American Express Trust Money Market II	Common Collective Trust - 465,291.11 shares		465,291
*	American Express Trust Horizon Short Term (25:75)	Common Collective Trust - 20,730.254 shares		369,703
	Vanguard Institutional Index Fund	Mutual Fund - 789,053.765 shares		95,254,571
	Vanguard U.S. Growth Fund	Mutual Fund - 2,810,599.444 shares		77,713,075
	AIM Balanced Fund Class A	Mutual Fund - 875,909.316 shares		26,356,111
	Janus Overseas Fund	Mutual Fund - 236,017.946 shares		6,263,916
	American Century Income & Growth Fund	Mutual Fund - 58,942.651 shares		1,779,479
	Reserve Fund Class A	Mutual Fund - 409,799.61 shares		409,800
	Janus Mercury Fund	Mutual Fund - 4,680.031 shares		138,857

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*	American Express Selective Fund Class Y	Mutual Fund - 28,208.966 shares		246,546
	Invesco Technology Fund	Mutual Fund - 2,193.464 shares		131,103
	Janus Investment Fund	Mutual Fund - 1,572.339 shares		83,759
	Janus Olympus Fund	Mutual Fund - 134.662 shares		55,168
	Janus Worldwide Fund	Mutual Fund - 906.598 shares		51,549
	American Century International Growth Fund	Mutual Fund - 3,690.155 shares		40,333
	Warburg Pincus Emerging Growth Fund	Mutual Fund - 750.036 shares		26,927
	Strong Enterprise Fund	Mutual Fund - 762.758 shares		21,639
	Janus Investor Fund	Mutual Fund - 553.334 shares		19,560
	Value Equity Trust Scudder Select 500	Mutual Fund - 1,486.905 shares		19,003
*	American Express S&P 500 Index Fund	Mutual Fund - 3,436.173 shares		17,628
	Warburg Pincus Cap Fund	Mutual Fund - 696.418 shares		16,470
	Pacific Century	Mutual Fund - 20,000 shares		12,000
	Firsthand Technology Value Fund	Mutual Fund - 132.071 shares		9,817
	PBGH Large Cap 20 Fund	Mutual Fund - 372.043 shares		9,375
	Invesco Telecommunications Fund	Mutual Fund - 224.601 shares		8,149
	Invesco Dynamics Fund	Mutual Fund - 313.964 shares		7,463
	Invesco Sector Health Sciences Fund	Mutual Fund - 124.216 shares		7,375
	Strong Growth 20 Fund	Mutual Fund - 289.825 shares		7,283
	Van Wagoner Technology Fund	Mutual Fund - 127.421 shares		5,335
	Gabelli Global Communications Fund	Mutual Fund - 223.518 shares		3,941
	Janus Global Life Sciences Fund	Mutual Fund - 179.276 shares		3,845
	PBHG Tech & Communications Fund	Mutual Fund - 110.179 shares		3,793
	Invesco Growth Inc.	Mutual Fund - 234.058 shares		3,745
	Janus Fund	Mutual Fund - 105.59 shares		3,515
	SIT Small Cap Growth Fund	Mutual Fund - 90.302 shares		3,175

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	Dresdner RCM Global Technology Fund	Mutual Fund - 68.446 shares		3,428
	Turner Mid Cap Fund	Mutual Fund - 97.448 shares		2,981
	Oak Associates Red Oak Technology Selection Portfolio	Mutual Fund - 131.096 shares		2,855
	Invesco International Fund	Mutual Fund - 158.492 shares		2,821
	Firsthand Technology Leaders Fund	Mutual Fund - 78.17 shares		2,645
	Warburg Pincus Global Telecommunications Fund	Mutual Fund - 59.304 shares		2,500
	Invesco Sector Leisure Fund	Mutual Fund - 66.806 shares		2,440
	SSGA Real Estate Equity Fund	Mutual Fund - 235.268 shares		2,263
	Janus Strategic Value Fund	Mutual Fund - 203.837 shares		2,144
	Strong Mid Cap Growth Fund	Mutual Fund - 99.454 shares		2,010
*	American Express Blue Chip Advantage Fund	Mutual Fund - 181.168 shares		1,772
	Strong Small Cap Value Fund	Mutual Fund - 100.334 shares		1,723
	American Century Twentieth Century Vista Fund	Mutual Fund - 92.238 shares		1,414
	American Century Twentieth Century Heritage	Mutual Fund - 94.072 shares		1,369
	Janus Orion Fund	Mutual Fund - 192.136 shares		1,347
	Mid Cap Fund	Mutual Fund - 49.015 shares		1,304
	Dreyfus Discovery Fund Class F	Mutual Fund - 36.04 shares		1,252
	Warburg Pincus Global Post Venture Cap Fund	Mutual Fund - 53.267 shares		1,209
	Oak Associates Pin Oak Aggressive Stock Portfolio	Mutual Fund - 23.226 shares		1,080

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	Green Century Balanced Fund	Mutual Fund - 53.821 shares		1,008
	TIAA-CREF Growth & Income Fund	Mutual Fund - 63.164 shares		887
	Chase Manhattan	Investment contract - 11,826,343 - 6.97% due 12/31/50		12,885,557
	UBS	Investment contract - 8,968,606 - 7.17% due 12/31/50		9,794,877
	JP Morgan	Investment contract - 9,005,657 - 7.34% due 12/31/50		9,679,931
	CDC	Investment contract - 8,655,491 - 7.02% due 12/31/50		9,441,021
	Bank of America II	Investment contract - 8,412,660 - 6.99% due 12/31/50		9,098,704
	Protective	Investment contract - 5,000,000 - 7.30% due 02/17/04		5,314,630
	GE Life	Investment contract - 5,000,000 - 7.10% due 11/15/04		5,130,402
	Travelers	Investment contract - 5,000,000 - 7.20% due 10/15/03		5,071,945
	Bank of America I	Investment contract - 4,444,308 - 7.19% due 12/31/50		4,847,455
	Travelers	Investment contract - 3,000,000 - 7.80% due 05/15/05		3,201,591
	GE Life	Investment contract - 3,000,000 - 7.79% due 04/15/05		3,200,641
	Protective	Investment contract - 3,000,000 - 7.71% due 04/15/03		3,190,012
	Travelers	Investment contract - 3,000,000 - 7.58% due 06/15/03		3,173,490
	Protective	Investment contract - 3,000,000 - 7.92% due 08/15/05		3,153,288
	Protective	Investment contract - 2,000,000 - 8.24% due 08/15/05		2,099,896
	GE Life	Investment contract - 2,000,000 - 7.28% due 02/15/06		2,019,734
	Hartford	Investment contract - 2,000,000 - 7.07% due 12/14/05		2,010,885

EXHIBIT 99.1

THE LIMITED, INC.
CAUTIONARY STATEMENTS RELATING TO FORWARD-LOOKING INFORMATION

The Company and its representatives may, from time to time, make written or verbal forward-looking statements. Those statements relate to developments, results, conditions, or other events the Company expects or anticipates will occur in the future. Without limiting the foregoing, those statements may relate to future revenues, earnings, store openings, market conditions, and the competitive environment. Forward-looking statements are based on management's then-current views and assumptions and, as a result, are subject to risks and uncertainties, including those described below, which may be outside of the Company's control and that could cause actual results to differ materially from those projected. The following risks are not the only ones facing the Company and additional risks and uncertainties may also develop that impair the Company's business operations.

All forward-looking statements are qualified by the following which, if they develop into actual events, would have a material adverse effect on the Company's business, financial condition or results of operations. In addition, investors in the Company should consider the following risk factors, as well as the other information contained herein.

The Company's revenue and profit results are sensitive to general economic conditions, consumer confidence and spending patterns.

The Company's growth, sales and profitability may be adversely affected by negative local, regional or national economic trends that shake consumer confidence. Purchases of women's and men's apparel, women's intimate apparel, personal care products and accessories often decline during periods when economic or market conditions are unsettled or weak. In such circumstances, the Company may increase the number of promotional sales, which would further adversely affect its profitability.

The Company's net sales, operating income and inventory levels fluctuate on a seasonal basis.

The Company experiences major seasonal fluctuations in its net sales and operating income, with a significant portion of its operating income typically realized during the fourth quarter holiday season. Any decrease in sales or margins during this period could have a disproportionate effect on the Company's financial condition and results of operations.

Seasonal fluctuations also affect the Company's inventory levels, since it usually orders merchandise in advance of peak selling periods and sometimes before new fashion trends are confirmed by customer purchases. The Company must carry a significant amount of inventory, especially before the holiday season selling period.

The Company may be unable to compete favorably in its highly competitive segment of the retail industry.

The sale of intimate and other apparel, personal care products and accessories is highly competitive. Increased competition could result in price reductions, increased marketing expenditures and loss of market share, all of which would have a material adverse effect on the Company's financial condition and results of operations.

The Company competes for sales with a broad range of other retailers, including individual and chain fashion specialty stores and department stores. In addition to the traditional store-based retailers, the Company also competes with direct marketers that sell similar lines of merchandise, who target customers through catalogs and e-commerce. Direct marketers also include traditional store-based retailers like the Company who are competing in the catalog and e-commerce distribution channels. The Company's direct response business competes with numerous national and regional catalog and e-commerce merchandisers. Brand image, marketing, fashion design, price, service, quality image presentation and fulfillment are all competitive factors in catalog and e-commerce sales.

Some of the Company's competitors may have greater financial, marketing and other resources available to them. In many cases, the Company's primary competitors sell their products in department stores that are located in the same shopping malls as the Company's stores. In addition to competing for sales, the Company competes for favorable site locations and lease terms in shopping malls.

The Company may not be able to keep up with fashion trends and may not be able to launch new product lines successfully.

The Company's success depends in part on management's ability to effectively anticipate and respond to changing fashion tastes and consumer demands and to translate market trends into appropriate, saleable product offerings far in advance. Customer tastes and fashion trends change rapidly. If the Company is unable to successfully anticipate, identify or react to changing styles or trends and misjudges the market for its products or any new product lines, the Company's sales will be lower and it may be faced with a significant amount of unsold finished goods inventory. In response, the Company may be forced to increase its marketing promotions or price markdowns, which would have a material adverse effect on its business. The Company's brand image may also suffer if customers believe merchandise misjudgments indicate that the Company is no longer able to offer the latest fashions.

The Company may lose key personnel.

The Company believes that it has benefited substantially from the leadership and experience of its senior executives, including Leslie H. Wexner (its Chairman of the Board of Directors, President and Chief Executive Officer). The loss of the services of any of these individuals would have a material adverse effect on the business and prospects of the Company. The Company's future success will also depend on its ability to recruit, train and retain other qualified personnel. Competition for key personnel in the retail industry is intense.

The Company's unaffiliated manufacturers may be unable to manufacture and deliver products in a timely manner or meet quality standards.

The Company purchases apparel through its wholly owned subsidiary, Mast, a contract manufacturer and apparel importer. Apparel, personal care, fragrance and beauty products are also purchased through other contract manufacturers and importers and directly from unaffiliated manufacturers. Similar to most other specialty retailers, the Company has narrow sales windows for much of its inventory. Factors outside the Company's control, such as manufacturing or shipping delays or quality problems, could disrupt merchandise deliveries and result in lost sales, cancellation charges or excessive markdowns.

The Company relies significantly on foreign sources of production.

The Company purchases apparel merchandise directly in foreign markets and in the domestic market, some of which is manufactured overseas. The Company does not have any long-term merchandise supply contracts and many of its imports are subject to existing or potential duties, tariffs or quotas. The Company competes with other companies for production facilities and import quota capacity.

The Company also faces a variety of other risks generally associated with doing business in foreign markets and importing merchandise from abroad, such as:

- political instability;
- imposition of new legislation relating to import quotas that may limit the quantity of goods which may be imported into the United States from countries in that region;
- imposition of duties, taxes, and other charges on imports;
- currency and exchange risks; and
- local business practice and political issues, including issues relating to compliance with domestic or international labor standards which may result in adverse publicity.

New initiatives may be proposed that may have an impact on the trading status of certain countries and may include retaliatory duties or other trade sanctions which, if enacted, would increase the cost of products purchased from suppliers in such countries. The future performance of the Company will depend upon this and the other factors listed above which are beyond its control. These factors may have a material adverse effect on the business of the Company.

The Company depends on a high volume of mall traffic and the availability of suitable lease space.

Many of the Company's stores are located in shopping malls. Sales at these stores are derived, in part, from the high volume of traffic in those malls. The Company's stores benefit from the ability of the mall's "anchor" tenants, generally large department stores, and other area attractions to generate consumer traffic in the vicinity of its stores and the continuing popularity of malls as shopping destinations. Sales volume and mall traffic may be adversely affected by economic downturns in a particular area, competition from non-mall retailers and other malls where the Company does not have stores and the closing of anchor department stores. In addition, a decline in the desirability of the shopping environment in a particular mall, or a decline in the popularity of mall shopping among the Company's target consumers, would adversely affect its business.

Part of the Company's future growth is significantly dependent on its ability to open new stores in desirable locations with capital investment and lease costs that allow the Company to earn a reasonable return. The Company cannot be sure as to when or whether such desirable locations will become available at reasonable costs.

Increases in costs of mailing, paper and printing.

Postal rate increases and paper and printing costs will affect the cost of the Company's order fulfilment and catalog and promotional mailings. The Company relies on discounts from the basic postal rate structure, such as discounts for bulk mailings and sorting by zip code and carrier routes. The Company is not party to any long-term contracts for the supply of paper and purchases paper from paper mills at specified rates. Future paper and postal rate increases would adversely impact the Company's earnings if it was unable to pass such increases directly onto its customers or offset such increases by raising prices or by implementing more efficient printing, mailing, delivery and order fulfillment systems.

The Company's stock price may be volatile.

The Company's stock price may fluctuate substantially as a result of quarter to quarter variations in the actual or anticipated financial results of the Company or other companies in the retail industry or markets served by the Company. In addition, the stock market has experienced price and volume fluctuations that have affected the market price of many retail stocks and that have often been unrelated or disproportionate to the operating performance of these companies.