

**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

**Schedule TO**

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

**LIMITED BRANDS, INC.**

(Name of Issuer)

**LIMITED BRANDS, INC. (Issuer)**

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

**Common Stock, \$0.50 Par Value**

(Title of Class of Securities)

**532716107**

(CUSIP Number of Class of Securities)

**Samuel P. Fried**

**Senior Vice President, General Counsel and Secretary**

**Limited Brands, Inc.**

**Three Limited Parkway**

**P.O. Box 16000**

**Columbus, Ohio 43216**

**Telephone (614) 415-7000**

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

*Copy to:*

**Dennis S. Hersch**

**David L. Caplan**

**Davis Polk & Wardwell**

**450 Lexington Avenue**

**New York, New York 10017**

**Telephone: (212) 450-4000**

**CALCULATION OF FILING FEE**

Transaction Valuation*	Amount of Filing Fee**
\$1 billion	\$ 126,700

\* Calculated solely for the purpose of determining the amount of the filing fee. This amount is based upon the purchase of 44,444,000 outstanding shares of Common Stock at the maximum tender offer price of \$22.50 per share.

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

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

Amount Previously Paid:           N/A          

Filing Party:           N/A          

Form of Registration No.:           N/A          

Date Filed:           N/A          

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

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

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

issuer tender offer subject to Rule 13e-4

going-private transaction subject to Rule 13e-3

amendment to Schedule 13D under Rule 13d-2

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

## SCHEDULE TO

This Tender Offer Statement on Schedule TO relates to the offer by Limited Brands, Inc., a Delaware corporation (“Limited Brands” or the “Company”), to purchase up to 44,444,000 shares of its common stock, \$0.50 par value per share (the “Shares”), or such lesser number of Shares as is properly tendered and not properly withdrawn, at prices between \$19.75 and \$22.50 per share, net to the seller in cash, without interest. Limited Brands’ offer is being made upon the terms and subject to the conditions set forth in the Offer to Purchase dated February 27, 2004 (the “Offer to Purchase”), and in the related Letter of Transmittal, copies of which are attached to this Schedule TO as Exhibits (a)(1)(i) and (a)(1)(ii), respectively (which together, as amended or supplemented from time to time, constitute the “Offer”). The information contained in the Offer is incorporated herein by reference in response to all of the items of this Schedule TO as more particularly described below. This Schedule TO is intended to satisfy the reporting requirements of Rule 13e-4(c)(2) of the Securities Exchange Act of 1934, as amended.

### **Item 1. Summary Term Sheet.**

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

### **Item 2. Subject Company Information.**

(a) The name of the issuer is Limited Brands, Inc. The address and telephone number of Limited Brands is set forth under Item 3.

(b) The information set forth under “Introduction” in the Offer to Purchase is incorporated herein by reference.

(c) The information set forth in the Offer to Purchase under Section 8 (“Price Range of Shares; Dividends”) is incorporated herein by reference.

### **Item 3. Identity and Background of Filing Person.**

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

### **Item 4. Terms of the Transaction.**

(a) The following information set forth in the Offer to Purchase is incorporated herein by reference:

- Summary Term Sheet;
- Section 1 (“Number of Shares; Proration”);
- Section 2 (“Purpose of the Tender Offer; Certain Effects of the Tender Offer”);
- Section 3 (“Procedures for Tendering Shares”);
- Section 4 (“Withdrawal Rights”);
- Section 5 (“Purchase of Shares and Payment of Purchase Price”);
- Section 11 (“Interest of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares”);

- Section 13 (“United States Federal Income Tax Consequences”); and
- Section 14 (“Extension of the Tender Offer; Termination; Amendment”).

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

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

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

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

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

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

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

(b) None.

(d) Not applicable.

**Item 8. Interest in Securities of the Subject Company.**

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

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

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

**Item 10. Financial Statements.**

(a) Not applicable. Notwithstanding that financial statements are not required pursuant to the Instructions to Item 10, the Company has provided a summary of the Company’s press release dated February 26, 2004, and has incorporated by reference certain documents filed with the Securities and Exchange Commission in Section 10 (“Certain Information Concerning Us”) of the Offer to Purchase.

(b) Not applicable. Notwithstanding that pro forma financial information is not required pursuant to the Instructions to Item 10, the Company describes the pro forma impact of the tender offer on the Company’s financial results for fiscal year 2003 in Section 10 (“Certain Information Concerning Us”) of the Offer to Purchase.

**Item 11. Additional Information.**

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

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

**Item 12. Exhibits.**

- (a)(1)(i) Offer to Purchase dated February 27, 2004.
- (a)(1)(ii) Letter of Transmittal (including Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9).
- (a)(1)(iii) Notice of Guaranteed Delivery.
- (a)(1)(iv) Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees dated February 27, 2004.
- (a)(1)(v) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees dated February 27, 2004.
- (a)(1)(vi) Letter to Stockholders dated February 27, 2004.
- (a)(1)(vii) Letter from Savings and Retirement Plan Administrative Committee, including Letter and Notice of Instructions, to all Participants in the Savings and Retirement Plan of Limited Brands, Inc. dated February 27, 2004.
- (a)(1)(viii) Letter from Savings and Retirement Plan Administrative Committee to Participants in the Savings and Retirement Plan who are subject to Section 16 of the Securities and Exchange Act of 1934, as amended, dated February 27, 2004.
- (a)(1)(ix) Letter from Computershare Trust Co., Inc. to all Participants in the Stock Purchase Plan of Limited Brands, Inc. dated February 27, 2004.
- (a)(1)(x) Notice to Holders of Vested Stock Options dated February 27, 2004.
- (a)(2) None.
- (a)(3) Not applicable.
- (a)(4) Not applicable.
- (a)(5)(i) Form of summary advertisement dated February 27, 2004.
- (a)(5)(ii) Limited Brands Stock Tender Offer—Questions and Answers.
- (b) None.
- (d)(1) Employment Agreement of Daniel P. Finkelman dated as of July 27, 1998, incorporated by reference to Exhibit 10.18 to the Company's Annual Report on Form 10-K for fiscal year ended February 1, 2002.
- (d)(2) Amendment to Employment Agreement of Daniel P. Finkelman dated as of May 19, 2003.
- (d)(3) Employment Agreement of Mark A. Giresi dated as of August 15, 2002, incorporated by reference to Exhibit 10.22 to the Company's Annual Report on Form 10-K for fiscal year ended February 1, 2003.
- (d)(4) Amendment to Employment Agreement of Mark A. Giresi dated as of May 19, 2003.
- (d)(5) Employment Agreement of Leonard A. Schlesinger dated as of July 31, 2003, incorporated by reference to Exhibit 10 to the Company Quarterly Report on Form 10-Q for quarterly period ended August 2, 2003.
- (d)(6) Employment Agreement of V. Ann Hailey dated as of January 2, 2004.
- (d)(7) Limited Brands Stock Award and Deferred Compensation Plan for Non-Associate Directors, incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-8 filed November 13, 2003.
- (d)(8) Limited Brands 1993 Stock Option and Performance Incentive Plan (2003 Restatement), incorporated by reference to Exhibit 4.2 to the Company's Registration Statement on Form S-8 filed November 13, 2003.
- (d)(9) Intimate Brands 1995 Stock Option and Performance Incentive Plan (1997 Restatement), incorporated by reference to Exhibit B to the Company's Proxy Statement on Form 14A dated April 14, 1997.
- (g) Not applicable.
- (h) Not applicable.

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**Item 13. Information Required by Schedule 13E-3**

Not applicable.

**SIGNATURE**

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

LIMITED BRANDS, INC.

By: /s/ Timothy J. Faber

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Name: Timothy J. Faber

Title: Vice President, Treasury/Mergers &  
Acquisitions

Dated: February 27, 2004

## EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
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(a)(1)(iii)	Notice of Guaranteed Delivery.
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(d)(9)	Intimate Brands 1995 Stock Option and Performance Incentive Plan (1997 Restatement), incorporated by reference to Exhibit B to the Company's Proxy on Form 14A dated April 14, 1997.

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

of  
**Up to 44,444,000 Shares of its Common Stock At a Purchase Price of Not Greater Than \$22.50 Nor Less Than \$19.75 Per Share**

**THE TENDER OFFER, THE PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, MARCH 25, 2004, UNLESS THE TENDER OFFER IS EXTENDED.**

Limited Brands, Inc., a Delaware corporation (“Limited Brands” or the “Company”), invites its stockholders to tender up to 44,444,000 shares of its common stock, \$0.50 par value per share, for purchase by us at a price not greater than \$22.50 nor less than \$19.75 per share, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in this Offer to Purchase and in the related Letter of Transmittal (which together, as they may be amended or supplemented from time to time, constitute the tender offer). We will select the lowest purchase price that will allow us to purchase 44,444,000 shares or, if a lesser number of shares are properly tendered, all shares that are properly tendered and not withdrawn. All shares acquired in the tender offer will be acquired at the same purchase price regardless of whether the stockholder tendered at a lower price. However, because of the “odd lot” priority, proration and conditional tender provisions described in this Offer to Purchase, all of the shares tendered at or below the purchase price may not be purchased if more than the number of shares we seek are properly tendered. Shares tendered but not purchased in the tender offer will be returned to the tendering stockholders at our expense promptly after the expiration of the tender offer. See Section 1.

In the event the final purchase price is less than the maximum price of \$22.50 per share and more than 44,444,000 shares are tendered in the tender offer at or below the purchase price, we intend to exercise our right to purchase up to an additional 2% of our outstanding shares without extending the tender offer so that we repurchase up to \$1 billion of our shares. We also expressly reserve the right, in our sole discretion, to purchase additional shares subject to applicable legal requirements. See Section 1.

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

The shares are listed and traded on the New York Stock Exchange (the “NYSE”) under the trading symbol “LTD”. On February 25, 2004, the last full trading day before the announcement of the tender offer, the last reported sale price of the shares was \$20.20 per share. You are urged to obtain current market quotations for the shares. See Section 8.

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

The Dealer Managers for the Tender Offer are:

**Banc of America Securities LLC**

**JPMorgan**

Offer to Purchase dated February 27, 2004



**IMPORTANT**

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

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

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

**TO TENDER SHARES PROPERLY, OTHER THAN SHARES YOU HOLD IN THE SAVINGS AND RETIREMENT PLAN OR THE STOCK PURCHASE PLAN, YOU MUST PROPERLY COMPLETE AND DULY EXECUTE THE LETTER OF TRANSMITTAL, INCLUDING THE SECTION RELATING TO THE PRICE AT WHICH YOU ARE TENDERING YOUR SHARES.**

If you wish to maximize the chance that your shares will be purchased by us, you should check the box in the section of the Letter of Transmittal captioned “Shares Tendered at Price Determined Pursuant to the Tender Offer”. Note that this election could result in your shares being purchased at the minimum price of \$19.75 per share.

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

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

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

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## SUMMARY TERM SHEET

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

### **Who is offering to purchase my shares?**

We are offering to purchase up to 44,444,000 shares of our outstanding common stock.

### **What will the purchase price for the shares be?**

We are conducting the tender offer through a procedure commonly called a modified “Dutch Auction”. This procedure allows you to select the price (in increments of \$0.25) within a price range specified by us at which you are willing to sell your shares. The price range for this offer is \$19.75 to \$22.50 per share. The purchase price will be the lowest price at which, based on the number of shares tendered and the prices specified by the tendering stockholders, we can purchase 44,444,000 shares, or such lesser number of shares as are properly tendered. All shares we purchase will be purchased at the same price, even if you have selected a lower price, but we will not purchase any shares above the purchase price we determine. We will determine the purchase price for tendered shares promptly after the tender offer expires.

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

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

### **How many shares will Limited Brands purchase?**

We will purchase 44,444,000 shares in the tender offer, or such lesser number of shares as are properly tendered and not withdrawn. The 44,444,000 shares represent approximately 8.6% of our outstanding common stock as of February 20, 2004. If more than 44,444,000 shares are tendered, all shares tendered at or below the purchase price will be purchased on a pro rata basis, except for “odd lots” (lots held by owners of less than 100 shares), which will be purchased on a priority basis. The tender offer is not conditioned on any minimum number of shares being tendered. See Section 7.

In the event the final purchase price is less than the maximum price of \$22.50 per share and more than 44,444,000 shares are tendered in the tender offer at or below the purchase price, we intend to exercise our right to purchase up to an additional 2% of our outstanding shares without extending the tender offer so that we repurchase up to \$1 billion of our shares. We also expressly reserve the right, in our sole discretion, to purchase additional shares subject to applicable legal requirements. See Section 1.

### **How will Limited Brands pay for the shares?**

We will use cash on hand to purchase shares tendered in the tender offer and to pay all related expenses. The tender offer is not subject to the receipt of financing. See Section 9.

**How long do I have to tender my shares?**

You may tender your shares until the tender offer expires. The tender offer will expire on Thursday, March 25, 2004, at 12:00 Midnight, New York City time, unless we extend the tender offer. We may choose to extend the tender offer for any reason. We cannot assure you that the tender offer will be extended or, if extended, for how long. See Section 1 and Section 14. If a broker, dealer, commercial bank, trust company or other nominee holds your shares, it is likely they have an earlier deadline for accepting the tender offer.

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

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

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

We will issue a press release by 9:00 a.m., New York City time, on the business day after the previously scheduled expiration date if we decide to extend the tender offer. We will announce any amendment to the tender offer by making a public announcement of the amendment. See Section 14.

**What is the purpose of the tender offer?**

As of January 31, 2004, we had over \$3 billion in cash on hand. After a thorough evaluation of our capital needs, financial condition, strategies and possible uses of our cash over an extended period of time, our Board of Directors determined that a repurchase of up to \$1 billion of our shares through a tender offer would be a desirable use of a portion of our cash. Our Board of Directors concluded that such a repurchase would be an efficient way to provide value to those stockholders who wanted to receive cash for all or a portion of their shares at a premium over the recent trading prices for the shares. Our Board of Directors determined that such a repurchase would demonstrate our confidence in our business and long-term growth potential. In addition, the tender offer permits stockholders who elect not to tender to retain a greater percentage ownership following the tender offer and thus in our future earnings and assets and bear the attendant risks associated with owning our shares. We believe that, after giving effect to the tender offer, our remaining cash on hand and cash flow from operations should be sufficient to meet our operational needs and to allow us to pursue acquisitions and other opportunities that might arise. See Section 2.

**Are there any conditions to the tender offer?**

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

- No legal action shall have been threatened, pending or taken that challenges or relates to the tender offer or materially and adversely affects our business, condition (financial or otherwise), assets, income, operations or prospects or otherwise materially impairs the contemplated future conduct of our business or our ability to purchase up to 44,444,000 shares in the tender offer.
- No general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-counter markets in the United States or the declaration of a banking moratorium or any suspension of payment in respect of banks in the United States shall have occurred.
- No changes in the general political, market, economic or financial conditions in the United States or abroad that could adversely affect our business, condition (financial or otherwise), income, operations or prospects or otherwise materially impairs the contemplated future conduct of our business.
- No commencement or escalation of war, armed hostilities or other international or national calamity, including, but not limited to, an act of terrorism, shall have occurred.

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- No decrease of more than 15% in the market price for the shares or in the Dow Jones Industrial Average, New York Stock Exchange Index, Nasdaq Composite Index or the Standard and Poor's 500 Composite Index measured from the close of trading on February 25, 2004 shall have occurred.
- No person shall have made a tender or exchange offer for our shares (other than this tender offer), nor shall we have entered into a definitive agreement or an agreement in principle with any person with respect to a merger, business combination or other similar transaction, other than in the ordinary course of business.
- No person (including certain groups) shall acquire, or propose to acquire, beneficial ownership of more than 5% of our outstanding common stock other than as publicly disclosed in a filing with the Securities and Exchange Commission (the "Commission") prior to February 25, 2004. No person or group which has made such a filing prior to February 25, 2004 shall acquire, or propose to acquire, an additional 2% or more of our outstanding common stock. In addition, no new group shall have been formed that beneficially owns more than 5% of our outstanding common stock.
- No material adverse change in our and our subsidiaries' business, condition (financial or otherwise), assets, income, operations or prospects, shall have occurred or been threatened.

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

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

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

### **How do I tender my shares?**

To tender your shares, prior to 12:00 Midnight, New York City time, on Thursday, March 25, 2004, unless the offer is extended:

- you must deliver your share certificate(s) (unless you plan to cause the shares to be delivered by book-entry transfer to the Depository's account at the Depository Trust Company or you deliver shares through Limited Brands' Direct Registration System or the Dividend Reinvestment Plan) and a properly completed and duly executed Letter of Transmittal to Wachovia Bank, N.A., the Depository, at the address appearing on the back cover page of this Offer to Purchase; or
- the Depository must receive a confirmation of receipt of your shares by book-entry transfer and a properly completed and duly executed Letter of Transmittal or an agent's message, in the case of a book-entry transfer; or
- you must comply with the guaranteed delivery procedure outlined in Section 3.

If you wish to maximize the chance that your shares will be purchased by us, you should check the box in the section of the Letter of Transmittal captioned "Shares Tendered at Price Determined Pursuant to the Tender Offer". Note that this election could result in your shares being purchased at the minimum price of \$19.75 per share. You may also contact the Information Agent or the Dealer Managers or your broker for assistance. See Section 1, Section 3 and the instructions to the Letter of Transmittal.

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

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

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Plan and wish to have the agent for the plan tender some or all shares held in the plan, you must complete, execute and return to the agent the separate election form included in the notice sent to the participants. Participants are urged to read the separate election forms and related materials carefully. See Section 3.

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

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

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

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

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

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

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

Yes. You may withdraw any shares you have tendered at any time before the expiration of the tender offer, which will occur at 12:00 Midnight, New York City time, on Thursday, March 25, 2004, unless we extend it. You may withdraw any shares held in the Savings and Retirement Plan or the Stock Purchase Plan you have tendered at any time before three days prior to the expiration of the tender offer, which will be 12:00 Midnight, New York City time, Monday March 22, 2004, unless we extend the tender offer. If we have not accepted for payment the shares you have tendered to us, you may also withdraw your shares after 12:00 Midnight, New York City time, on Thursday April 22, 2004. See Section 4.

### **How do I withdraw shares I previously tendered?**

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

### **In what order will you purchase the tendered shares?**

We will purchase shares:

- first, from all stockholders of "odd lots" (persons who own less than 100 shares) who properly tender all of their shares at or below the purchase price selected by us and do not properly withdraw them before the expiration of the tender offer;
- second, subject to the conditional tender provisions described in Section 6, on a pro rata basis from all other stockholders who properly tender shares at or below the purchase price selected by us; and

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- third, only if necessary to permit us to purchase 44,444,000 shares (or such greater number of shares as we may elect to purchase, subject to applicable law) from holders who have tendered shares conditionally (for which the condition was not initially satisfied) by random lot, to the extent feasible. To be eligible for purchase by random lot, stockholders whose shares are conditionally tendered must have tendered all of their shares. See Section 6.

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

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

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

### **Will Limited Brands' directors and officers tender shares in the tender offer?**

Leslie H. Wexner, our Chairman and Chief Executive Officer, his immediate family members and affiliated entities will not tender any shares pursuant to the tender offer. Our other directors and executive officers have advised us that they have not determined whether to tender any shares in the tender offer. See Section 11.

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

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

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

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

### **What is the recent market price for the shares?**

On February 25, 2004, the last full trading day before announcement of the tender offer, the last reported sale price per share on the New York Stock Exchange was \$20.20 per share. You are urged to obtain current market quotations for the shares. See Section 8.

### **If I tender my shares, will I receive the March quarterly dividend on those shares?**

Yes. The quarterly dividend of \$0.12 per share announced on February 26, 2004 will be payable on all shares you hold of record on March 5, 2004 whether or not you tender shares in the tender offer.

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

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

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

Generally, you will be subject to United States federal income taxation when you receive cash from us in exchange for the shares you tender. The receipt of cash for your tendered shares will generally be treated for United States federal income tax purposes either as (1) a sale or exchange eligible for capital gain or loss treatment or (2) a dividend. See Section 13.

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

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

**Who can I talk to if I have questions?**

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



## FORWARD-LOOKING STATEMENTS

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

- changes in consumer spending patterns;
- consumer preferences and overall economic conditions;
- the potential impact of national and international security concerns on the retail environment, including any possible military action, terrorist attacks or other hostilities;
- the impact of competition and pricing;
- changes in weather patterns;
- political stability;
- postal rate increases and charges;
- paper and printing costs;
- risks associated with the seasonality of the retail industry;
- risks related to consumer acceptance of our products and our ability to develop new merchandise;
- the ability to retain, hire and train key personnel;
- risks associated with the possible inability of our manufacturers to deliver products in a timely manner;
- risks associated with relying on foreign sources of production; and
- risks associated with the possible lack of availability of suitable store locations on appropriate terms.

In addition, please refer to Exhibit 99.1 to our Annual Report on Form 10-K for the year ended February 1, 2003, as well as our other filings with the Commission, for a more detailed discussion of these risks and uncertainties and other factors. We are not under any obligation and do not undertake to make publicly available any update or other revision to any of these forward-looking statements to reflect circumstances existing after the date of this Offer to Purchase or to reflect the occurrence of future events even if experience or future changes make it clear that any projected results expressed or implied herein or in any other document will not be realized.

## INTRODUCTION

### To the Holders of our Common Stock:

We invite our stockholders to tender shares of our common stock, \$0.50 par value per share, for purchase by us. Upon the terms and subject to the conditions set forth in this Offer to Purchase and in the related Letter of Transmittal, we are offering to purchase up to 44,444,000 shares at a price not greater than \$22.50 nor less than \$19.75 per share, net to the seller in cash, without interest.

The tender offer will expire at 12:00 Midnight, New York City time, on Thursday, March 25, 2004, unless extended (such date and time, as the same may be extended, the "Expiration Date"). We may, in our sole discretion, extend the period of time in which the offer will remain open.

We will select the lowest purchase price that will allow us to buy 44,444,000 shares or, if a lesser number of shares are properly tendered, all shares that are properly tendered and not withdrawn. All shares acquired in the tender offer will be acquired at the same purchase price regardless of whether the stockholder tendered at a lower price. However, because of the "odd lot" priority, proration and conditional tender provisions described in this Offer to Purchase, all of the shares tendered at or below the purchase price may not be purchased if more than the number of shares we seek are properly tendered. Shares not purchased in the tender offer will be returned to the tendering stockholders at our expense promptly after the expiration of the tender offer. See Section 1.

In the event the final purchase price is less than the maximum price of \$22.50 per share and more than 44,444,000 shares are tendered in the tender offer at or below the purchase price, we intend to exercise our right to purchase up to an additional 2% of our outstanding shares without extending the tender offer so that we repurchase up to \$1 billion of our shares. Such a purchase of additional shares will not require us to extend the tender offer. We also expressly reserve the right, in our sole discretion, to purchase additional shares subject to applicable legal requirements. See Section 1.

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

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

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

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

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If, at the Expiration Date more than 44,444,000 shares (or such greater number of shares as we may elect to purchase, subject to applicable law) are properly tendered at or below the purchase price and not properly withdrawn, we will buy shares:

- first, from all holders of “odd lots” (holders of less than 100 shares) who properly tender all their shares at or below the purchase price selected by us and do not properly withdraw them before the Expiration Date;
- second, on a pro rata basis from all other stockholders who properly tender shares at or below the purchase price selected by us, other than stockholders who tender conditionally and whose conditions are not satisfied; and
- third, only if necessary to permit us to purchase 44,444,000 shares (or such greater number of shares as we may elect to purchase, subject to applicable law) from holders who have tendered shares subject to the condition that a specified minimum number of the holder’s shares be purchased if any of the holder’s shares are purchased in the tender offer (for which the condition was not initially satisfied) at or below the purchase price by random lot, to the extent feasible. To be eligible for purchase by random lot, stockholders whose shares are conditionally tendered must have tendered all of their shares.

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

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

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

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

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

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

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

As of February 20, 2004, we had issued and outstanding 518,527,895 shares. The 44,444,000 shares that we are offering to purchase represent approximately 8.6% of the shares then outstanding. The shares are listed and traded on the NYSE. On February 25, 2004, the last full day of trading prior to announcement of the tender offer, the last reported sale price of the shares on the NYSE was \$20.20 per share. See Section 8. Stockholders are urged to obtain current market quotations for the shares.

The quarterly dividend of \$0.12 per share announced on February 26, 2004 will be payable on March 16, 2004. Stockholders will be entitled to receive this dividend payment on all of their shares held of record on March 5, 2004, whether or not the shares are tendered in the tender offer.

### **THE TENDER OFFER**

#### **1. Number of Shares; Proration.**

*General.* Upon the terms and subject to the conditions of the tender offer, we will purchase 44,444,000 shares of our common stock, or such lesser number of shares as are properly tendered and not properly withdrawn in accordance with Section 4, before the Expiration Date of the tender offer at prices not greater than \$22.50 nor less than \$19.75 per share, net to the seller in cash, without interest.

See Section 14 for a description of our right to extend, delay, terminate or amend the tender offer. In the event the final purchase price is less than the maximum price of \$22.50 per share and more than 44,444,000 shares are tendered in the tender offer at or below the purchase price, we intend to exercise our right to purchase up to an additional 2% of our outstanding shares without extending the tender offer so that we repurchase up to \$1 billion of our shares. Such a purchase of additional shares will not require us to extend the tender offer. We also expressly reserve the right, in our sole discretion, to purchase additional shares subject to applicable legal requirements.

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

If we

- increase the price to be paid for shares above \$22.50 per share or decrease the price to be paid for shares below \$19.75 per share,
- increase the number of shares being sought in the tender offer and such increase in the number of shares being sought exceeds 2% of our outstanding shares, or
- decrease the number of shares being sought, and

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

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

In accordance with Instruction 5 of the Letter of Transmittal, stockholders desiring to tender shares must specify the price or prices, not greater than \$22.50 nor less than \$19.75 per share, at which they are willing to sell their shares to us in the tender offer. Alternatively, stockholders desiring to tender shares can choose to not specify a price and, instead, specify that they will sell their shares at the purchase price ultimately paid for shares properly tendered in the tender offer, which could result in the tendering stockholder receiving a price per share as low as \$19.75. If tendering stockholders wish to maximize the chance that their shares will be purchased, they should check the box in the section of the Letter of Transmittal captioned "Shares Tendered at Price Determined Pursuant to the Tender Offer". Note that this election could result in the tendered shares being purchased at the minimum price of \$19.75 per share.

Promptly following the Expiration Date, we will, in our sole discretion, determine the purchase price that we will pay for shares properly tendered and not properly withdrawn, taking into account the number of shares tendered and the prices specified by tendering stockholders. We will select the lowest purchase price, not greater than \$22.50 nor less than \$19.75 per share net in cash, without interest, that will enable us to purchase 44,444,000 shares, or such lesser number of shares as are properly tendered, pursuant to the tender offer. Shares properly tendered pursuant to the tender offer at or below the purchase price and not properly withdrawn will be purchased at the purchase price, upon the terms and subject to the conditions of the tender offer, including the proration provisions.

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

If the number of shares properly tendered at or below the purchase price and not properly withdrawn prior to the Expiration Date is less than or equal to 44,444,000 shares, or such greater number of shares as we may elect to purchase, subject to applicable law, we will, upon the terms and subject to the conditions of the tender offer, purchase all shares so tendered at the purchase price.

*Priority of Purchases.* Upon the terms and subject to the conditions of the tender offer, if more than 44,444,000 shares (or such greater number of shares as we may elect to purchase, subject to applicable law) have been properly tendered at prices at or below the purchase price selected by us and not properly withdrawn, we will purchase properly tendered shares on the basis set forth below:

- first, we will purchase all shares tendered by all holders of "odd lots" (as defined below) who:
  - (1) tender all shares owned beneficially or of record at a price at or below the purchase price selected by us (partial tenders will not qualify for this preference); and
  - (2) complete the section entitled "Odd Lots" in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery.

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- second, subject to the conditional tender provisions described in Section 6, we will purchase all other shares tendered at prices at or below the purchase price selected by us on a pro rata basis with appropriate adjustments to avoid purchases of fractional shares, as described below.
- third, only if necessary to permit us to purchase 44,444,000 shares (or such greater number of shares as we may elect to purchase, subject to applicable law), shares conditionally tendered (for which the condition was not initially satisfied) at or below the purchase price selected by us, will, to the extent feasible, be selected for purchase by random lot. To be eligible for purchase by random lot, stockholders whose shares are conditionally tendered must have tendered all of their shares.

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

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

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

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

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

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

*Purpose of the Tender Offer.* As of January 31, 2004, we had over \$3 billion in cash on hand. After a thorough evaluation of our capital needs, financial condition, strategies and possible uses of our cash over an extended period of time, our Board of Directors determined that a repurchase of up to \$1 billion of our shares through a modified “Dutch Auction” tender offer would be a desirable use of a portion of our cash. Our Board of Directors determined that such a repurchase would be an efficient way to provide value to those stockholders who wanted to receive cash for all or a portion of their shares at a premium of up to approximately 11% over the last reported sales price of \$20.20 per share, as of February 25, 2004, the last full trading day prior to the date of the announcement of the tender offer.

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In addition, the tender offer permits stockholders who elect not to tender to retain a greater percentage ownership following the tender offer and thus in our future earnings and assets and bear the attendant risks associated with owning our shares. Our Board of Directors also determined that such a repurchase would demonstrate our confidence in our business and long-term growth potential. In addition, where shares are tendered by the registered owner of the stock directly to the Depository, the sale of these shares in the tender offer will permit the sellers to avoid the usual transaction costs associated with open market sales, including brokerage fees and commissions and, with respect to odd lot holders, any applicable odd lot discounts. We believe that after giving effect to the tender offer, our remaining cash on hand and cash flow from operations should be sufficient to meet our operational needs and allow us to pursue acquisitions and other opportunities that might arise.

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

Our Board of Directors was cognizant of the desirability of satisfactorily addressing the claims asserted in the pending litigation in the Delaware Court of Chancery styled In re The Limited, Inc. Shareholders Litigation and the fact that the tender offer would facilitate settlement of that litigation. In this regard, the Board discussed the potential impact of the tender offer on the settlement on several occasions, including receipt of a briefing from the Special Litigation Committee of the Board, the Special Litigation Committee's independent outside counsel and the Company's outside counsel. See Section 11.

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

*Certain Effects of the Tender Offer.* The tender offer will reduce the number of shares that might otherwise trade publicly and is likely to reduce the number of our stockholders. These reductions may reduce the volume of trading in our shares and may result in lower stock prices and reduced liquidity in the trading of our shares following completion of the tender offer. As of February 20, 2004, we had issued and outstanding 518,527,895 shares. The 44,444,000 shares that we are offering to purchase pursuant to the tender offer represent approximately 8.6% of the shares outstanding as of that date. Stockholders may be able to sell non-tendered shares in the future on the NYSE or otherwise, at a net price higher or lower than the purchase price in the tender offer. We can give no assurance, however, as to the price at which a stockholder may be able to sell such shares in the future.

Based on the published guidelines of the NYSE and the conditions of the tender offer, our purchase of 44,444,000 shares pursuant to the tender offer will not result in delisting of the remaining shares on the NYSE. The shares are registered under the Exchange Act, which requires, among other things, that we furnish certain information to our stockholders and the Commission and comply with the Commission's proxy rules in connection with

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meetings of our stockholders. We believe that our purchase of shares pursuant to the tender offer will not result in the shares becoming eligible for termination of registration under the Exchange Act. The tender offer is conditioned upon our having determined that the consummation of the tender offer will not cause the shares to be delisted from the NYSE or eligible for deregistration under the Exchange Act.

Upon the completion of the tender offer, non-tendering stockholders will realize a proportionate increase in their relative ownership interest in the Company. In particular, the tender offer would increase the proportional holdings of certain significant stockholders and of our directors and executive officers if they determine not to tender any of their shares in the tender offer. Leslie H. Wexner, our Chairman and Chief Executive Officer, certain members of Mr. Wexner's immediate family and certain affiliated entities currently beneficially own in the aggregate approximately 11.8% of our outstanding shares as of February 20, 2004. Mr. Wexner, his immediate family members and affiliated entities will not tender any shares pursuant to the tender offer.

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

We may, in the future, decide to purchase shares. Any such purchases may be on the same terms as, or on terms which are more or less favorable to stockholders than, the terms of the tender offer. Rule 13e-4 under the Exchange Act, however, prohibits us and our affiliates from purchasing any shares, other than pursuant to the tender offer, until at least ten business days after the Expiration Date.

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

Holders of record of shares as of March 5, 2004 will be entitled to receive the quarterly dividend payment of \$0.12 per share, announced on February 26, 2004, whether or not the shares are tendered in the tender offer.

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

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



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

### **3. Procedures for Tendering Shares.**

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

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

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

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

If tendering stockholders wish to maximize the chance that their shares will be purchased, they should check the box in the section of the Letter of Transmittal captioned "Shares Tendered at Price Determined Pursuant to the Tender Offer". Note that this election could result in the tendered shares being purchased at the minimum price of \$19.75 per share. A stockholder who wishes to indicate a specific price (in increments of \$0.25) at which such stockholder's shares are being tendered must check a box under the section captioned "Shares Tendered at Price Determined by Stockholder". A stockholder who wishes to tender shares at more than one price must complete a separate Letter of Transmittal for each price at which shares are being tendered. The same shares may not be tendered at more than one price unless such shares are previously withdrawn according to the terms of the tender offer.

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

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

*Book Entry Delivery.* The Depository will establish an account with respect to the shares at The Depository Trust Company (referred to as the "Book-Entry Transfer Facility") for purposes of the tender offer within two business days after the date of this Offer to Purchase, and any financial institution that is a participant in the

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

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

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

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

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

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

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

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

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

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

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

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

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

Gross proceeds payable pursuant to the tender offer to a foreign stockholder or his or her agent will be subject to withholding of federal income tax at a rate of 30%, unless we determine that a reduced rate of withholding is applicable pursuant to a tax treaty or that an exemption from withholding is applicable because such gross proceeds are effectively connected with the conduct of a trade or business within the United States. For this purpose, a foreign stockholder is any stockholder that is not (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or (iii) an estate or trust the income of which is subject to United States federal income taxation regardless of its source. A foreign stockholder may be eligible to file for a refund of such tax or a portion of such tax if such stockholder meets the “complete redemption”, “substantially disproportionate” or “not essentially equivalent to a dividend” tests described in Section 13 or if such stockholder is entitled to a reduced rate of withholding pursuant

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

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

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

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

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

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

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

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

#### **4. Withdrawal Rights.**

Tenders of shares made pursuant to the tender offer may be withdrawn at any time prior to the Expiration Date. Thereafter, such tenders are irrevocable, except that they may be withdrawn after 12:00 Midnight, New York City time, on Thursday, April 22, 2004 unless theretofore accepted for payment as provided in this Offer to Purchase. If we extend the period of time during which the tender offer is open, are delayed in accepting for payment or paying for shares or are unable to accept for payment or pay for shares pursuant to the tender offer for any reason, then, without prejudice to our rights under the tender offer, the Depository may, on our behalf, retain all shares tendered, and such shares may not be withdrawn except as otherwise provided in this Section 4, subject to Rule 13e-4(f)(5) under the Exchange Act, which provides that the issuer making the tender offer shall either pay the consideration offered, or return the tendered securities, promptly after the termination or withdrawal of the tender offer.

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

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

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

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

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

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

### **5. Purchase of Shares and Payment of Purchase Price.**

Upon the terms and subject to the conditions of the tender offer, promptly following the Expiration Date, we (1) will determine the purchase price we will pay for shares properly tendered and not properly withdrawn before the Expiration Date, taking into account the number of shares so tendered and the prices specified by tendering stockholders, and (2) will accept for payment and pay for, and thereby purchase, up to 44,444,000 shares properly tendered at prices at or below the purchase price and not properly withdrawn before the Expiration Date.

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

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

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

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

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

## **6. Conditional Tender of Shares.**

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

After the Expiration Date, if more than 44,444,000 shares (or such greater number of shares as we may elect to purchase, subject to applicable law) are properly tendered and not properly withdrawn, so that we must prorate our acceptance of and payment for tendered shares, we will calculate a preliminary proration percentage based upon all shares properly tendered, conditionally or unconditionally. If the effect of this preliminary proration would be to reduce the number of shares to be purchased from any stockholder tendered pursuant to a Letter of Transmittal below the minimum number specified, the shares conditionally tendered will automatically be regarded as withdrawn (except as provided in the next paragraph). All shares tendered by a stockholder subject to a conditional tender and that are withdrawn as a result of proration will be returned at our expense to the tendering stockholder.

After giving effect to these withdrawals, we will accept the remaining shares properly tendered, conditionally or unconditionally, on a pro rata basis, if necessary. If conditional tenders that would otherwise be regarded as withdrawn would cause the total number of shares to be purchased to fall below 44,444,000 (or such greater number of shares as we may elect to purchase, subject to applicable law) then, to the extent feasible, we will select enough of the shares conditionally tendered that would otherwise have been withdrawn to permit us to purchase such number of shares. In selecting among the conditional tenders, we will select by random lot, treating all tenders by a particular taxpayer as a single lot, and will limit our purchase in each case to the designated minimum number of shares to be purchased. To be eligible for purchase by random lot, stockholders whose shares are conditionally tendered must have tendered all of their shares.

## **7. Conditions of the Tender Offer.**

Notwithstanding any other provision of the tender offer, we will not be required to accept for payment or pay for any shares tendered, and may terminate or amend the tender offer or may postpone the acceptance for payment of, and the payment for, shares tendered, subject to the requirements of the Exchange Act for prompt payment for or return of shares, if at any time on or after February 27, 2004 (or such earlier date as may be specified in the relevant condition) and before the Expiration Date any of the following events shall have occurred or are determined by us to have occurred, that, in our reasonable judgment and regardless of the circumstances giving rise to such event, makes it inadvisable to proceed with the tender offer or with acceptance for payment or payment:

(1) there shall have been threatened, instituted or pending any action or proceeding by any government or governmental, regulatory or administrative agency, authority or tribunal or any other person, domestic or foreign, before any court, authority, agency or tribunal that directly or indirectly (i) challenges the making of the tender offer or the acquisition of some or all of the shares pursuant to the tender offer or otherwise relates in any manner to the tender offer or (ii) in our reasonable judgment, could materially and adversely affect our and our subsidiaries' business, condition (financial or otherwise), income, operations or prospects, taken as a whole, or otherwise materially impairs in any way the contemplated future conduct of the business of us and our subsidiaries, taken as a whole, or materially impair our ability to purchase up to 44,444,000 shares in the tender offer;

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

(3) there shall have occurred (i) any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-counter market in the United States, (ii) the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States, (iii) the commencement or escalation of a war, armed hostilities or other international or national calamity directly or indirectly involving the United States or any of its territories, including, but not limited to, an act of terrorism, (iv) any change in the general political, market, economic or financial conditions in the United States or abroad that could, in our reasonable judgment, have a material adverse effect on our and our subsidiaries' business, condition (financial or otherwise), assets, income, operations or prospects, taken as a whole, (v) in the case of any of the foregoing existing at the time of the commencement of the tender offer, a material acceleration or worsening thereof or (vi) any decrease of more than 15% in the market price for the shares or in the Dow Jones Industrial Average, New York Stock Exchange Index, Nasdaq Composite Index or the Standard and Poor's 500 Composite Index measured from the close of trading on February 25, 2004;

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

(5) (i) any entity, "group" (as that term is used in Section 13(d)(3) of the Exchange Act) or person shall have acquired or proposed to acquire beneficial ownership of more than 5% of the outstanding shares (other than any such person, entity or group who has filed a Schedule 13D or Schedule 13G with the Commission on or before February 25, 2004), (ii) any such entity, group or person who has filed a Schedule 13D or Schedule 13G with the Commission on or before February 25, 2004 shall have acquired or proposed to acquire beneficial ownership of an additional 2% or more of the outstanding shares or (iii) any new group shall have been formed which beneficially owns more than 5% of the outstanding shares (options for and other rights to acquire shares which are acquired or proposed to be acquired being deemed for purposes of this clause (5) to be immediately exercisable or convertible);

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

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

The foregoing conditions are for our sole benefit and may be asserted by us regardless of the circumstances giving rise to any such condition, and may be waived by us, in whole or in part, at any time in our sole discretion before the Expiration Date. Our failure at any time to exercise any of the foregoing rights will not be deemed a waiver of any such right. Each such right is an ongoing right and may be asserted at any time and from time to time. Any determination or judgment by us concerning the events described above will be final and binding on all parties.



## 8. Price Range of Shares; Dividends.

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

	<u>High</u>	<u>Low</u>	<u>Dividends</u>
<b>Fiscal 2002:</b>			
First Quarter	\$20.00	\$15.95	\$ 0.075
Second Quarter	22.34	15.30	0.075
Third Quarter	17.11	12.53	0.075
Fourth Quarter	18.50	12.11	0.075
<b>Fiscal 2003:</b>			
First Quarter	\$14.88	\$10.88	\$ 0.10
Second Quarter	17.30	13.00	0.10
Third Quarter	17.83	14.82	0.10
Fourth Quarter	18.55	16.68	0.10
<b>Fiscal 2004:</b>			
First Quarter (through February 25, 2004)	\$20.30	\$18.21	—

On February 25, 2004, the last trading day before the date of announcement of the tender offer, the last reported sale price of the shares on the NYSE was \$20.20 per share. **We urge stockholders to obtain current market quotations for the shares before deciding whether and at what purchase price or purchase prices to tender their shares.**

We announced on February 26, 2004 that we expect that the annual dividend will increase 20% to \$0.48 per share of common stock from \$0.40 for 2003.

The quarterly dividend of \$0.12 per share announced on February 26, 2004 will be payable on March 16, 2004. Stockholders will be entitled to receive this dividend payment on all of their shares held of record on March 5, 2004, whether or not the shares are tendered in the tender offer.

## 9. Source and Amount of Funds.

Assuming we purchase 44,444,000 shares pursuant to the tender offer at the maximum price of \$22.50 per share, we expect that the aggregate purchase price, including all related fees and expenses, will be approximately \$1 billion. We expect to fund the purchase of shares tendered in the tender offer and the payment of related fees and expenses from available cash on hand.

The tender offer is not subject to the receipt of financing and we do not have any alternative financing arrangement or alternative financing plans.

## 10. Certain Information Concerning Us.

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

We conduct our business in three primary segments: (1) Victoria's Secret, which derives its revenue from sales of women's intimate and other apparel, personal care products and accessories marketed principally under the Victoria's Secret brand name and sold through its stores and direct response (catalog and e-commerce)

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businesses; (2) Bath & Body Works, which derives its revenue from sales of personal care products and accessories and home fragrance products marketed principally under the Bath & Body Works and White Barn Candle Company brand names; and (3) the Apparel segment, which derives its revenue from sales of women's and men's apparel through Express, Express Men's and Limited Stores. At January 31, 2004, we operated approximately 3,911 specialty stores in the United States.

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

*Recent Developments.* On February 26, 2004, we issued a press release announcing our fourth quarter and full year 2003 financial results and our current view of the 2004 outlook. Among other things, the press release included the following information:

### ***Fourth Quarter Results***

Comparable store sales for the fourth quarter of 2003 increased 8% and net sales of \$3.231 billion increased 9% compared to sales of \$2.966 billion for 2002. On a reported basis, earnings per share were \$0.74 for the fourth quarter of 2003 compared to \$0.66 for the fourth quarter of 2002. Operating income was \$641.5 million compared to \$587.6 million last year, and net income was \$387.6 million compared to \$352.9 million last year. On an adjusted basis, fourth quarter earnings per share were \$0.74 compared to \$0.67 last year, operating income was \$641.5 million compared to \$587.6 million last year, and net income was \$387.6 million compared to \$357.3 million last year.

### ***Full Year Results***

Comparable store sales for the year increased 4% and net sales of \$8.934 billion increased 6% compared to sales of \$8.445 billion last year. On a reported basis, earnings per share for the full year ended January 31, 2004 were \$1.36 per share compared to \$0.96 for 2002. Operating income was \$963.1 million compared to \$837.9 million last year, and net income was \$716.8 million compared to \$501.7 million last year. On an adjusted basis, earnings per share for the year ended January 31, 2004 increased 12%, to \$1.11 per share compared to \$0.99 per share last year. Operating income was \$963.1 million compared to \$871.7 million last year, and net income was \$583.8 million compared to \$528.2 million last year.

### ***Adjusted Results***

The adjusted income information provides non-GAAP financial measures and gives effect to certain significant transactions and events that impact the comparability of our results in 2003 and 2002. The following tables adjust net income for such transactions and events (as described below) to determine the adjusted results, and reconcile the adjusted results to net income reported in accordance with accounting principles generally accepted in the United States of America.

The gain on investee's stock in 2003 resulted from transactions that do not relate to the performance of the Company's core business. The Intimate Brands, Inc. ("IBI") recombination and sale of Lerner New York ("Lerner") are transactions that occurred in prior periods and, therefore, affect the comparability of current period results and also do not relate to the core performance of our business.

Management believes that the adjusted results provide useful information as to our underlying business performance and assessment of ongoing operations. The adjusted income information should not be construed as

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an alternative to the reported results determined in accordance with generally accepted accounting principles. Further, our definition of adjusted income information may differ from similarly titled measures used by other companies.

**Adjusted Income Information**

(Thousands except per share amounts)

	Thirteen Weeks Ended			
	January 31, 2004	February 1, 2003		
		Reported	Adjustments	Adjusted
Net sales	\$3,230,918	\$2,965,966	—	\$2,965,966
Gross income	1,341,103	1,234,734	—	1,234,734
General, administrative and store operating expenses	(699,611)	(647,164)	—	(647,164)
Operating income	641,492	587,570	—	587,570
Interest expense	(11,733)	(7,731)	—	(7,731)
Interest income	8,637	8,985	\$ 625(A)	9,610
Other income (loss)	(3,749)	3,836	—	3,836
Income from continuing operations before income taxes	634,647	592,660	625	593,285
Provision for income taxes	247,000	236,000	—	236,000
Net income from continuing operations	387,647	356,660	625	357,285
Loss from discontinued operations (including loss on disposal of \$3.5 million in 2002), net of tax	—	(3,801)	3,801(A)	—
Net income	\$ 387,647	\$ 352,859	\$ 4,426	\$ 357,285
Income per share:				
Continuing operations	\$ 0.74	\$ 0.67		\$ 0.67
Discontinued operations	—	(0.01)		—
Net income per share	\$ 0.74	\$ 0.66		\$ 0.67
Weighted average shares outstanding	525,165	530,833		530,833

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	Fiscal Year Ended					
	January 31, 2004			February 1, 2003		
	Reported	Adjustments	Adjusted	Reported	Adjustments	Adjusted
Net sales	\$ 8,934,091	—	\$ 8,934,091	\$ 8,444,654	—	\$ 8,444,654
Gross income	3,250,843	—	3,250,843	3,093,519	—	3,093,519
General, administrative and store operating expenses	(2,287,761)	—	(2,287,761)	(2,221,785)	—	(2,221,785)
Special items	—	—	—	(33,808)	33,808 (C)	—
Operating income	963,082	—	963,082	837,926	33,808	871,734
Interest expense	(61,818)	—	(61,818)	(29,559)	—	(29,559)
Interest income	62,754	—	62,754	28,653	6,250 (A)	34,903
Other income (loss)	(6,250)	—	(6,250)	102	—	102
Minority interest	—	—	—	(6,063)	6,063 (D)	—
Gains on investees' stock	208,042	\$ (208,042)(B)	—	6,124	(6,124)(B)	—
Income from continuing operations before income taxes	1,165,810	(208,042)	957,768	837,183	39,997	877,180
Income tax expense	449,000	(75,000)	374,000	341,000	8,000	349,000
Net income from continuing operations	716,810	(133,042)	583,768	496,183	31,997	528,180
Income from discontinued operations (including loss on disposal of \$3.5 million in 2002), net of tax	—	—	—	5,556	(5,556)(A)	—
Net income	\$ 716,810	\$ (133,042)	\$ 583,768	\$ 501,739	\$ 26,441	\$ 528,180
Income per share:						
Continuing operations	\$ 1.36		\$ 1.11	\$ 0.95		\$ 0.99
Discontinued operations	—		—	0.01		—
Net income per share	\$ 1.36		\$ 1.11	\$ 0.96		\$ 0.99
Weighted average shares outstanding	525,731	—	525,731	521,502	11,818 (D)	533,320

**Notes to Adjusted Income Information:**
**(A) Excluded business:**

As a result of its sale on November 27, 2002, Lerner's results have been reflected in discontinued operations and were excluded in determining adjusted results for 2002. In addition, the adjusted results reflect the addition of interest income on the \$75 million note received from Lerner, which would have been earned in 2002 had the business been sold at the beginning of 2002.

**(B) Gain on investees' stock:**

- The 2003 adjusted results exclude a \$208 million pretax, non-operating gain resulting from the sale of the Company's investment in Alliance Data Systems Corporation.
- The 2002 adjusted results exclude a \$6 million pretax, non-operating gain resulting from the sale of Charming Shoppes, Inc. common stock.

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(C) Special item:

The 2002 adjusted results exclude a \$34 million non-cash charge for vested stock awards related to the IBI recombination.

(D) Offer and merger:

On March 21, 2002, the Company completed a tender offer and merger that resulted in the acquisition of the IBI minority interest. The adjusted results:

- Eliminate the minority interest in earnings of Intimate Brands, Inc.; and
- Increase total weighted average Class A common stock outstanding, using the exchange rate of 1.1 shares of Limited Brands common stock for each share of IBI Class A common stock.

A copy of the press release announcing the financial results was filed as an exhibit to our Current Report on Form 8-K filed with the Commission on February 26, 2004. You are urged to read the press release in its entirety.

### **2004 Outlook**

We expect the annual dividend will increase 20% to \$0.48 per share of common stock from \$0.40. The quarterly dividend of \$0.12 per share is payable on March 16, 2004 to shareholders of record at the close of business on March 5, 2004.

With respect to 2004, we expect spring season earnings per share to increase 15% to 25% versus last year, with flat earnings per share in the first quarter. Reported earnings per share in 2003 were \$1.36; excluding the gain from the sale of Alliance Data Systems stock, 2003 adjusted earnings per share were \$1.11. For the year 2004, the Company anticipates an earnings per share increase of 13% to 15% versus 2003's \$1.11 adjusted result, including the impact of the \$1 billion share repurchase, which will be approximately \$0.08 accretive to earnings per share in 2004.

The outlook above was prepared by our management for internal planning purposes only and not with a view to public disclosure or compliance with published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants regarding projections or forecasts. The outlook described above is not fact and should not be relied upon as being indicative of future results, and you are cautioned not to place undue reliance on it.

The outlook constitutes forward-looking statements that are subject to various risks and uncertainties that could cause actual results to differ materially from the outlook and should be read with caution. The outlook is subjective in many respects and thus susceptible to interpretations and periodic revisions based on actual experience and recent developments. See "Forward Looking Statements". The outlook is based upon a variety of assumptions relating to our business. These assumptions involve judgments with respect to the impact of general economic and business conditions, the competitive environment in which we operate and other factors, all of which are difficult or impossible to predict accurately and that are beyond the control of the management. We cannot assure you that the assumptions made in preparing the outlook will prove accurate, and actual results may be materially greater or less than those contained in the outlook.

You should understand that many important factors could cause our results to differ materially from those expressed in forward looking statements and may cause the outlook or the underlying assumptions for each to be inaccurate. For these reasons, you should not regard our inclusion of the outlook in this Offer to Purchase as an indication that we consider that the outlook is or will prove to be correct, and should not be relied on as such. We are not under any obligation and do not intend to make publicly available any update or other revisions to the outlook to reflect circumstances existing after the date of preparation of such outlook or to reflect the occurrence of future events even in the event that any or all of the assumptions underlying any of the outlook are shown to be in error.

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*Additional Financial Information.* The following pro forma information gives effect to the tender offer for fiscal year 2003 for the purchase of approximately 47.1 million shares at the approximate mid-point of the price range of \$21.25 per share. The pro forma information is based on our historical financial information for the year ended January 31, 2004 and gives effect to the tender offer as if the tender offer was completed on February 2, 2003. The pro forma information is intended for informational purposes only and does not purport to be indicative of the results that would actually have been obtained if the tender offer had been completed at the date indicated or that may be obtained in the future.

If the tender offer had occurred on February 2, 2003, reported net income for the year ended January 31, 2004 of \$716.8 million would have decreased to \$706.8 million and diluted earnings per share of \$1.36 would have increased to \$1.48. On an adjusted basis, if the tender offer had occurred on February 2, 2003, net income for the year ended January 31, 2004 of \$583.8 million would have decreased to \$573.8 million and diluted earnings per share of \$1.11 would have increased to \$1.20. The above impact of the tender offer reflects: (1) a reduction in pretax interest income of \$15.0 million based on an investment rate of 1.50% on the cash to purchase shares under the tender offer and (2) a decrease in weighted average shares outstanding of 47.1 million shares, representing the assumed number of shares to be purchased in the tender offer.

If the transaction had occurred on January 31, 2004, cash and shareholders' equity as of January 31, 2004 would have decreased from \$3.129 billion to \$2.125 billion and \$5.266 billion to \$4.262 billion, respectively. These decreases reflect the use of \$1 billion of cash to purchase the shares in the tender offer and \$4 million of estimated transaction costs paid in connection with the tender offer.

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

You may also request a copy of these filings, at no cost, by writing or telephoning us at our principal executive offices at the following address: Investor Relations, Limited Brands, Inc., Three Limited Parkway, P.O. Box 16000, Columbus, Ohio 43216, (614) 415-7076. Please be sure to include your complete name and address in the request.

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<u>SEC Filings</u>	<u>Period or Date Filed</u>
Item 6. "Selected Financial Data", Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Item 8. "Financial Statements and Supplementary Data" contained in Annual Report on Form 10-K	Year ended February 1, 2003
Part I: Item 1. "Financial Statements" and Item 2. "Management's Discussion and Analysis of Results of Operations and Financial Condition" contained in Quarterly Reports on Form 10-Q	Quarter ended November 1, 2003 Quarter ended August 2, 2003 Quarter ended May 3, 2003
Current Report on Form 8-K	Dated and Filed February 26, 2004

You can obtain the documents described under "Additional Information" and any of the documents incorporated by reference in this document from us or from the Commission's web site at the Commission's website described above. You can obtain the documents described under "Additional Information" and documents incorporated by reference in this Offer to Purchase from us, without charge, by requesting them in writing or by telephone from us at Investor Relations, Limited Brands, Inc., Three Limited Parkway, P.O. Box 16000, Columbus, Ohio 43216, (614) 415-7076. Please be sure to include your complete name and address in the request. If you request any incorporated documents, we will mail them by first class mail, or another equally prompt means, promptly after we receive the request.

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

As of February 20, 2004, we had 518,527,895 issued and outstanding shares. The 44,444,000 shares we are offering to purchase pursuant to the tender offer represent approximately 8.6% of the shares outstanding as of February 20, 2004. As of February 20, 2004, our directors and executive officers as a group (14 persons) beneficially owned an aggregate of 63,979,244 shares of our common stock, representing approximately 12.3% of outstanding shares. Our directors and executive officers are entitled to participate in the tender offer on the same basis as all other stockholders. Mr. Wexner, his immediate family members and affiliated entities will not tender any shares pursuant to the tender offer. Our other directors and executive officers have advised us that they have not determined whether to tender any shares in the tender offer.

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The following table shows, as of February 20, 2004, the aggregate number and percentage of our securities that were beneficially owned by our directors and executive officers. Assuming we purchase 44,444,000 shares and that no director or executive officer tenders any shares pursuant to the tender offer, then after the tender offer, the directors and executive officers as a group will beneficially own approximately 13.5% of the outstanding shares. The business address of each of our directors and executive officers is Three Limited Parkway, P.O. Box 16000, Columbus, Ohio 43216.

Name	Number of Shares of Common Stock Beneficially Owned (a)(b)	Percent of Class	Percent of Class After Tender Offer (Assuming We Purchase 44,444,000 Shares and No Director or Executive Officer Tenders)
Daniel P. Finkelman	561,144(c)	*	*
Eugene M. Freedman	28,517(c)	*	*
E. Gordon Gee	38,184(c)	*	*
Mark A. Giresi	131,600(c)	*	*
V. Ann Hailey	853,245(c)(d)	*	*
James L. Heskett	11,212(e)	*	*
Donna A. James	4,625(e)	*	*
David T. Kollat	211,773(c)	*	*
Leonard A. Schlesinger	658,389(c)	*	*
Donald B. Shackelford	188,371(c)(e)(f)	*	*
Allan R. Tessler	84,153(c)	*	*
Abigail S. Wexner	10,115,019(c)(g)	2.0%	2.1%
Leslie H. Wexner	61,170,607(c)(d)(h)	11.8%	12.9%
Raymond Zimmerman	37,424(c)(e)(i)	*	*
All directors and executive officers as a group	63,979,244(c)(d)(e)(j)	12.3%	13.5%

\* Less than 1%.

- (a) Unless otherwise indicated, each named person has voting and investment power over the listed shares and such voting and investment power is exercised solely by the named person or shared with a spouse. However, each named person has investment but not voting power over the listed shares held in the Limited Brands Savings and Retirement Plan.
- (b) Reflects beneficial ownership of shares of common stock as of February 28, 2003.
- (c) Includes the following number of shares issuable within 60 days upon the exercise of outstanding stock options: Mr. Finkelman, 527,542; Mr. Freedman, 11,804; Dr. Gee, 11,804; Mr. Giresi, 127,200; Ms. Hailey, 639,200; Dr. Kollat, 11,804; Mr. Schlesinger, 538,897; Mr. Shackelford, 11,804; Mr. Tessler, 11,804; Mrs. Wexner, 7,508; Mr. Wexner, 4,989,200 (does not include the 7,508 shares attributable to Mrs. Wexner); Mr. Zimmerman, 11,804; and all directors and executive officers as a group, 6,967,043.
- (d) Includes the following number of shares held in an employee benefit plan, over which the participant has the power to dispose or withdraw shares: Ms. Hailey, 4,400; Mr. Wexner, 1,176,805; and all directors and executive officers as a group, 1,181,205.
- (e) Includes the following number of deferred stock units credited to directors' accounts under the 2003 Stock Award and Deferred Compensation Plan for Non-Associate Directors that would be convertible into common stock within 60 days after termination from the Board: Mr. Heskett, 982; Ms. James, 1,889; Mr. Shackelford, 641; Mr. Zimmerman, 2,266.
- (f) Includes the following number of shares owned by family members, as to which beneficial ownership is disclaimed: Mr. Shackelford, 39,241.



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- (g) Excludes 400,000 shares held by a trust of which Mrs. Wexner is the beneficiary. Mrs. Wexner disclaims beneficial ownership of these shares. Includes 2,498,670 shares held by The Birthday Trust. Excludes 57,055,588 shares beneficially owned by Mr. Wexner as to which Mrs. Wexner disclaims beneficial ownership.
- (h) Includes 7,049,856 shares held by the Abigail Trust, 3,500,000 shares held by The Wexner Children's Trust II and 15,000,000 shares held by the H.R.E.I. Trust. Mr. Wexner shares voting and investment power with others with respect to shares held by The Abigail Trust, The Wexner Children's Trust II and the H.R.E.I. Trust. Includes 4,892,608 shares held by Mr. Wexner as the sole stockholder, director and officer of Wexner Personal Holdings Corporation. Excludes 400,000 shares held in a trust of which Mrs. Wexner is a beneficiary and as to which Mr. Wexner disclaims beneficial ownership. Includes 10,115,019 shares beneficially owned by Mrs. Wexner as to which Mr. Wexner may be deemed to share voting and investment power.
- (i) Includes 2,400 shares which are Mr. Zimmerman's pro rata share of 7,200 shares owned by a corporation of which Mr. Zimmerman is president and a 33% stockholder plus 4,000 shares held by a partnership which is 45% owned by Mr. Zimmerman and 45% owned by his wife.
- (j) Includes 39,241 shares as to which beneficial ownership is disclaimed.

*Recent Securities Transactions.* Based on our records and on information provided to us by our directors, executive officers and subsidiaries, neither we nor any of our affiliates or subsidiaries nor, to the best of our knowledge, any of our or our subsidiaries' directors and executive officers, nor any associates or subsidiaries of any of the foregoing, has effected any transactions involving shares of our common stock during the 60 days prior to February 27, 2004, except (i) December 31, 2003 gift of 425 shares, and surrender of 24,020 shares to Limited Brands to satisfy tax withholding obligations upon vesting and delivery of restricted stock on February 2, 2004 by V. Ann Hailey and (ii) February 5, 2004 surrender of 1,598 shares to Limited Brands to satisfy tax withholding obligations upon vesting and delivery of restricted stock by Leonard A. Schlesinger. In addition, we granted (i) shares and restricted stock units to directors in lieu of directors fees pursuant to the Director Plan, (ii) options, in the ordinary course, to executive officers pursuant to the Limited Brands 1993 Stock Option and Performance Incentive Plan and (iii) 100,000 shares to V. Ann Hailey upon renewal of her employment agreement.

*Stock-Based Plans.* We maintain three stock plans: the Limited Brands, Inc. Stock Award and Deferred Compensation Plan for Non-Associate Directors, the Limited Brands, Inc. 1993 Stock Option and Performance Incentive Plan (As Amended and Restated Effective May 18, 2003) and the Intimate Brands, Inc. 1995 Stock Option and Performance Incentive Plan. Each of the plans was approved by our stockholders.

The Limited Brands Stock Award and Deferred Compensation Plan for Non-Associate Directors (the "Director Plan") replaced the 1996 Stock Plan for Non-Associate Directors (the "1996 Director Plan"). Under the Director Plan, each non-employee director receives a cash component and stock component of the compensation earned as a director. Each such director is entitled to elect to receive all or a portion of the cash compensation earned as a director ("Election Amount") in the form of shares of common stock or "deferred stock units" and each of the stock compensation in shares or "deferred stock units." Deferred stock units are paid in shares of common stock upon exercise. The shares or "deferred stock units" are issued under the Director Plan in equal quarterly installments (based on the Election Amount), and the actual number of shares of common stock to be received by a non-employee director will be determined based on the fair market value of common stock on the date of grant. A non-employee director will be 100 percent vested under the Director Plan. Up to 500,000 shares of common stock, subject to certain adjustments, have been reserved for issuance under the Director Plan. The Director Plan is administered by the Board of Directors, which has the power to amend the Director Plan, subject to certain limitations. Since commencing the day immediately following the 2003 annual meeting, nine non-employee directors participated in the Director Plan, electing to receive between 0% and 100% of their annual cash compensation as directors in shares of common stock or deferred stock units. As of February 20, 2004, we had issued an aggregate of 104,690 options under the 1996 Director Plan, and 51,755 shares and 6,120 deferred stock units under the Director Plan.

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Under the Limited Brands, Inc. 1993 Stock Option and Performance Incentive Plan, 2003 Restatement (the “LBI Plan”), we reserved an aggregate of 74,727,352 shares (adjusted for stock dividends, stock splits and similar events) for issuance to executive officers and key management associates of Limited Brands and its subsidiaries. The LBI Plan provides for the following types of awards: (i) incentive stock options; (ii) nonstatutory stock options; (iii) stock appreciation rights (“SARs”); (iv) restricted shares; (v) performance shares; (vi) performance units; (vii) shares of unrestricted common stock; and (viii) tax offset payments. No associate may be granted in any calendar year awards covering more than 2,000,000 shares; and no more than 4,230,990 shares may be issued under the LBI Plan other than that pursuant to stock options or SARs. The Compensation Committee of our Board of Directors determines the number and type of awards granted under the LBI Plan. Except in the case of awards issued in connection with the assumption of awards in connection with an acquisition by, or combination involving, Limited Brands, options will be granted at exercise prices that are at least equal to the fair market value of our common stock on the date of grant. Options are generally granted for a term of ten years from the date of grant. As of January 31, 2004, 11,411,484 shares were available for future grants.

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

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

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

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

### ***Agreements, Arrangements or Understandings.***

*Employment Agreements.* In 2003 we entered into an employment agreement with Mr. Schlesinger, pursuant to which he serves as our Executive Vice President and Chief Operating Officer. The initial term of Mr. Schlesinger’s agreement ends on February 6, 2009, with automatic one-year extensions thereafter unless either party gives written notice to the contrary. Mr. Schlesinger’s agreement provides for an initial base salary of \$1 million, life insurance coverage of \$5 million and disability benefits in addition to the benefits available under our disability plans. The agreement notes that Mr. Schlesinger was paid a promotion bonus of \$1 million, and

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provides for the grant in March 2003 of options to acquire 200,000 shares of common stock, 200,000 restricted shares of common stock and 200,000 restricted stock units. Mr. Schlesinger's agreement also provides that, if we fail to extend his agreement or terminate his employment without cause, or if he terminates his employment for good reason, he will continue to receive his base salary for one year after the termination date; provided that if Mr. Schlesinger agrees to execute a general release of us, he will also be entitled to receive an additional year of salary continuation as well as the incentive compensation that he would have otherwise received had he been employed by us during the one year period beginning on his employment termination date. In the event that in connection with a change in control of Limited Brands Mr. Schlesinger's employment is terminated either by us without cause or by him for good reason, he would be entitled to a lump severance benefit equal to two times his base salary and an amount equal to the sum of his four semi-annual payouts he received under our incentive compensation performance plan, together with a pro rata amount for the incentive compensation period in which his employment terminated. In the event any "parachute" excise tax is imposed on Mr. Schlesinger, he will be entitled to tax reimbursement payments.

In 2004 we entered into an employment agreement with Ms. Hailey under which she serves as our Executive Vice President and Chief Financial Officer. The initial term of Ms. Hailey's agreement is six years, with automatic one-year extensions thereafter unless either party gives written notice to the contrary. Ms. Hailey's agreement provides for an initial base salary of \$840,000, life insurance coverage of \$5 million and disability benefits in addition to the benefits available under the Company's disability plans. The agreement also provides for the grant to Ms. Hailey of options to purchase 100,000 shares of common stock and, beginning in the Spring of 2004 subject to her continued performance and changes in applicable rules or practices, for the annual grant of options to purchase 100,000 shares of common stock. Ms. Hailey's agreement also provides that, if we fail to extend her agreement or terminate her employment without cause, or if she terminates her employment for good reason, she will continue to receive her base salary for one year after the termination date; provided that if Ms. Hailey agrees to execute a general release of us, she will also be entitled to receive an additional year of salary continuation as well as the incentive compensation that she would have otherwise received had she been employed by us during the one year period beginning on her employment termination date. In the event that in connection with a change in control of Limited Brands Ms. Hailey's employment is terminated either by us without cause or by her for good reason, she would be entitled to severance benefits equal to two times her base salary and an amount equal to the sum of her four semi-annual payouts she received under our incentive compensation plan, together with a pro rata amount for the incentive compensation performance period in which her employment terminated. In the event any "parachute" excise tax is imposed on Ms. Hailey, she will be entitled to tax reimbursement payments.

In 1998 the Company entered into an employment agreement with Mr. Finkelman, which was amended in 2003, pursuant to which he serves as the Company's Senior Vice President, Brand and Business Planning. The initial term of Mr. Finkelman's agreement is six years, with automatic one-year extensions thereafter unless either party gives written notice to the contrary. Limited Brands and Mr. Finkelman have agreed that his employment agreement will not be extended. Mr. Finkelman's agreement provides for an initial base salary of \$450,000, life insurance coverage of \$2 million and disability benefits in addition to the benefits available under the Company's disability plans. Mr. Finkelman's agreement also provides that, if we fail to extend his agreement or terminate his employment without cause, or if he terminates his employment for good reason, he will continue to receive his base salary for one year after the termination date; provided that if Mr. Finkelman agrees to execute a general release of us, he will also be entitled to receive a pro rata amount under our incentive compensation plan for the performance period in which his employment terminated, an additional year of salary continuation and the amount of the incentive compensation that he would have otherwise received had he been employed by us during the one year period beginning on his employment termination date. In the event that in connection with a change in control of Limited Brands Mr. Finkelman's employment is terminated either by us without cause or by him for good reason, he would be entitled to a severance benefits equal to two times his base salary and an amount equal to the sum of his four semi-annual payouts he received under our incentive compensation plan,

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together with a pro rata amount for the incentive compensation performance period in which his employment terminated. In the event any “parachute” excise tax is imposed on Mr. Finkelman, he will be entitled to tax reimbursement payments.

In 2002 the Company entered into an employment agreement with Mr. Giresi, which was amended in 2003, under which he serves as the Company’s Senior Vice President and Chief Stores Officer. The initial term of Mr. Giresi’s agreement is six years, with automatic one-year extensions thereafter unless either party gives written notice to the contrary. Mr. Giresi’s agreement provides for an initial base salary of \$525,000. Mr. Giresi’s agreement also provides that, if we fail to extend his agreement or terminate his employment without cause, or if he terminates his employment for good reason, he will continue to receive his base salary for one year after the termination date; provided that if Mr. Giresi agrees to execute a general release of us, he will also be entitled to receive a pro rata amount under our incentive compensation plan for the performance period in which his employment terminated, an additional year of salary continuation and the amount of the incentive compensation that he would have otherwise received had he been employed by us during the one year period beginning on his employment termination date. In the event that in connection with a change in control of Limited Brands Mr. Giresi’s employment is terminated either by us without cause or by him for good reason, he would be entitled to severance benefits equal to two times his base salary and an amount equal to the sum of his four semi-annual payouts he received under our incentive compensation plan, together with a pro rata amount for the incentive compensation performance period in which his employment terminated. In the event any “parachute” excise tax is imposed on Mr. Giresi, he will be entitled to tax reimbursement payments.

On February 25, 2004, the parties agreed to a settlement of the litigation pending in the Delaware Court of Chancery styled In re The Limited, Inc. Shareholders Litigation. Under the terms of the settlement, among other things, Mr. Wexner, his immediate family members and affiliated entities have agreed not to tender any shares in the tender offer and not to sell any shares of Limited Brands common stock for a period commencing February 25, 2004 and ending six months after completion of the tender offer. The settlement is subject to several conditions, including approval by the Delaware Court of Chancery.

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

### **12. Legal Matters; Regulatory Approvals.**

We are not aware of any license or regulatory permit that appears material to our business that might be adversely affected by our acquisition of the shares as contemplated by the tender offer or of any approval or other action by any government or governmental, administrative or regulatory authority or agency, domestic, foreign or supranational, that would be required for our acquisition or ownership of the shares as contemplated by the tender offer. Should any such approval or other action be required, we presently contemplate that we will seek that approval or other action. We are unable to predict whether we will be required to delay the acceptance for payment of or payment for shares tendered pursuant to the tender offer pending the outcome of any such matter. There can be no assurance that any such approval or other action, if needed, would be obtained or would be obtained without substantial cost or conditions or that the failure to obtain the approval or other action might not result in adverse consequences to our business and financial condition. Our obligations under the tender offer to accept shares for payment and pay for shares is subject to conditions. See Section 7.

### **13. United States Federal Income Tax Consequences.**

The following describes the material United States federal income tax consequences relevant to the tender offer. This discussion is based upon the Internal Revenue Code of 1986, as amended to the date hereof (the “Code”), existing and proposed Treasury Regulations, administrative pronouncements and judicial decisions,

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changes to which could materially affect the tax consequences described herein and could be made on a retroactive basis.

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

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

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

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

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

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

If a Holder is treated as recognizing gain or loss from the disposition of the shares for cash, such gain or loss will be equal to the difference between the amount of cash received and such Holder’s tax basis in the shares exchanged therefor. Any such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the holding period of the shares exceeds one year as of the date of the exchange.

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

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

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

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

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

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

If we materially change the terms of the tender offer or the information concerning the tender offer, we will extend the tender offer to the extent required by Rules 13e-4(d)(2) and 13e-4(f)(1) promulgated under the Exchange Act. These rules and certain related releases and interpretations of the Commission provide that the minimum period during which a tender offer must remain open following material changes in the terms of the tender offer or information concerning the tender offer (other than a change in price or a change in percentage of securities sought) will depend on the facts and circumstances, including the relative materiality of such terms or

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information. If (1) we increase or decrease the price to be paid for shares or increase or decrease the number of shares being sought in the tender offer and, if an increase in the number of shares being sought exceeds 2% of our outstanding shares and (2) the tender offer is scheduled to expire at any time earlier than the expiration of a period ending on the tenth business day from, and including, the date that such notice of an increase or decrease is first published, sent or given to security holders in the manner specified in this Section 14, the tender offer will be extended until the expiration of such period of ten business days.

### **15. Fees and Expenses.**

We have retained Banc of America Securities LLC and J.P. Morgan Securities Inc. to act as the Dealer Managers in connection with the tender offer and to provide financial advisory services in connection with the tender offer. The Dealer Managers will each receive \$1 million for their services. We have also agreed to reimburse the Dealer Managers for reasonable out-of-pocket expenses incurred by them in connection with the tender offer, including reasonable fees and expenses of counsel, and to indemnify the Dealer Managers against certain liabilities in connection with the tender offer, including liabilities under the federal securities laws. Banc of America Securities LLC and J.P. Morgan Securities Inc. have rendered various investment banking and other services to us in the past and may continue to render such services, for which they have received and may continue to receive customary compensation from us. In the ordinary course of their trading and brokerage activities, Banc of America Securities LLC and J.P. Morgan Securities Inc. and their affiliates may hold positions, for their own accounts or for those of their customers, in our securities.

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

We will not pay any fees or commissions to brokers or dealers (other than fees to the Dealer Managers and the Information Agent as described above) for soliciting tenders of shares pursuant to the tender offer. Stockholders holding shares through brokers or banks are urged to consult the brokers or banks to determine whether transaction costs are applicable if stockholders tender shares through such brokers or banks and not directly to the Depositary. We will, however, upon request, reimburse brokers, dealers, commercial banks and trust companies for customary mailing and handling expenses incurred by them in forwarding the tender offer and related materials to the beneficial owners of shares held by them as a nominee or in a fiduciary capacity. No broker, dealer, commercial bank or trust company has been authorized to act as the agent of us, the Dealer Managers, the Information Agent or the Depositary for purposes of the tender offer. We will pay or cause to be paid all stock transfer taxes, if any, on our purchase of shares except as otherwise provided in this document and Instruction 9 in the Letter of Transmittal.

### **16. Miscellaneous.**

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

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

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

February 27, 2004.



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

*The Depository for the Tender Offer is:*

**WACHOVIA BANK, N.A.**

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

*By Registered, Certified Mail or First Class Mail:*

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

*By Hand or Courier Delivery:*

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

*By Facsimile Transmission  
(for eligible institutions only):*

(781) 380-3388  
  
For Confirmation Call:  
(800) 829-8432  
(781) 843-1833 ext. 200

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

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

*The Information Agent for the Tender Offer is:*

**D.F. KING & CO., INC.**

48 Wall Street  
New York, NY 10005

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

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

*The Dealer Managers for the Tender Offer are:*

**Banc of America Securities LLC**

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

**J.P. Morgan Securities Inc.**

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



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

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

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

Name(s) of Tendering Stockholder(s) \_\_\_\_\_

Date of Execution of Notice of Guaranteed Delivery \_\_\_\_\_

Name of Institution which Guaranteed Delivery \_\_\_\_\_

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

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

Name of Tendering Institution \_\_\_\_\_

Account No. \_\_\_\_\_

Transaction Code No. \_\_\_\_\_

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

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

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**SHARES TENDERED AT PRICE DETERMINED PURSUANT TO THE TENDER OFFER (SEE INSTRUCTION 5)**

- The undersigned wants to maximize the chance of having Limited Brands purchase all the shares the undersigned is tendering (subject to the possibility of proration). Accordingly, by checking this ONE box INSTEAD OF ONE OF THE PRICE BOXES BELOW, the undersigned hereby tenders shares and is willing to accept the purchase price determined by Limited Brands pursuant to the tender offer. This action will result in receiving a price per share of as low as \$19.75 or as high as \$22.50.

— OR —

**SHARES TENDERED AT PRICE DETERMINED BY STOCKHOLDER (SEE INSTRUCTION 5)**

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

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

<input type="checkbox"/> \$19.75	<input type="checkbox"/> \$20.50	<input type="checkbox"/> \$21.25	<input type="checkbox"/> \$22.00
<input type="checkbox"/> \$20.00	<input type="checkbox"/> \$20.75	<input type="checkbox"/> \$21.50	<input type="checkbox"/> \$22.25
<input type="checkbox"/> \$20.25	<input type="checkbox"/> \$21.00	<input type="checkbox"/> \$21.75	<input type="checkbox"/> \$22.50

**ODD LOTS  
(See Instruction 6)**

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

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

**CONDITIONAL TENDER**  
**(See Instruction 17)**

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

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

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

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

Issue  Check to:

Share certificate(s) to:

Name(s) \_\_\_\_\_

(Please Print)

Address \_\_\_\_\_

(Zip Code)

(Taxpayer Identification No.)

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

Account Number: \_\_\_\_\_

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

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

Deliver  Check to:

Share certificate(s) to:

Name \_\_\_\_\_

(Please Print)

Address \_\_\_\_\_

(Zip Code)

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

\_\_\_\_\_  
\_\_\_\_\_  
Signature(s) of Owner(s)

Name(s) \_\_\_\_\_  
(Please Print)

Capacity (full title) \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Zip Code)

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

Daytime Area Code and Telephone Number \_\_\_\_\_

Dated \_\_\_\_\_, 2004

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

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Name of Firm: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

(Zip Code)

Area Code and Telephone Number: \_\_\_\_\_

Dated: \_\_\_\_\_, 2004

**Part I** Taxpayer Identification No.—For All Accounts

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

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

\_\_\_\_\_  
Social security number  
**OR**  
\_\_\_\_\_  
Employer identification number

Note: If the account is in more than one name, see the chart on page 2 of enclosed *Guidelines* to determine which number to give.

**SUBSTITUTE FORM W-9**

Department of the Treasury  
Internal Revenue Service

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

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

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

**SIGNATURE** \_\_\_\_\_  
**Name (Please Print)**  
**Address (Please Print)**

**DATE:** \_\_\_\_\_, 2004

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

Ladies and Gentlemen:

The undersigned hereby tenders to Limited Brands, Inc., a Delaware corporation ("Limited Brands"), the above-described shares of common stock, \$0.50 par value per share, pursuant to Limited Brands' offer to purchase up to 44,444,000 shares at a price per share indicated in this Letter of Transmittal, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase dated February 27, 2004 (the "Offer to Purchase"), receipt of which is hereby acknowledged, and in this Letter of Transmittal (which together, as amended or supplemented from time to time, constitute the tender offer). In the event the final purchase price is less than the maximum price of \$22.50 per share and more than 44,444,000 shares are tendered in the tender offer at or below the purchase price, Limited Brands intends to exercise its right to purchase up to an additional 2% of its outstanding shares without extending the tender offer so that it repurchases up to \$1 billion of its shares. Limited Brands also expressly reserves the right, in its sole discretion, to purchase additional shares subject to applicable legal requirements.

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

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

The undersigned understands that Limited Brands will determine a single per share price, not greater than \$22.50 nor less than \$19.75 per share, that it will pay for shares validly tendered and not withdrawn pursuant to the tender offer, after taking into account the number of shares so tendered and the prices specified by tendering stockholders. The undersigned understands that Limited Brands will select the lowest purchase price that will allow it to purchase 44,444,000 shares or, if a lesser number of shares are validly tendered and not withdrawn, all such shares that are properly tendered and not withdrawn. All shares properly tendered at prices at or below the purchase price and not properly withdrawn will be purchased, subject to the conditions of the tender offer and the "odd lot" priority, proration and conditional tender provisions described in the Offer to Purchase. The undersigned understands that all stockholders whose shares are purchased by Limited Brands will receive the same purchase price for each share purchased in the tender offer.

The undersigned hereby represents and warrants that the undersigned:

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

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



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

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

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

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

## INSTRUCTIONS

### Forming Part of the Terms and Conditions of the Offer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

By checking the box under “Shares Tendered at Price Determined Pursuant to the Tender Offer” you agree to accept the purchase price resulting from the tender offer process, which may be as low as \$19.75 or as high as \$22.50 per share. By checking a box under “Shares Tendered at Price Determined by Stockholder”, you acknowledge that doing so could result in none of the shares being purchased if the purchase price for the shares is less than the price that you checked.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For further information concerning backup withholding and instructions for completing the Substitute Form W-9 (including how to obtain a taxpayer identification number if you do not have one and how to complete the Substitute Form

W-9 if shares are held in more than one name), consult the enclosed *Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9*.

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

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

Unless Limited Brands determines that a reduced rate of withholding is applicable pursuant to a tax treaty or that an exemption from withholding is applicable because gross proceeds paid pursuant to the tender offer are effectively connected with the conduct of a trade or business within the United States, Limited Brands will be required to withhold federal income tax at a rate of 30% from such gross proceeds paid to a foreign stockholder or his agent. For this purpose, a foreign stockholder is any stockholder that is not (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States, or (iii) any estate or trust the income of which is subject to United States federal income taxation regardless of its source. A foreign stockholder may be eligible to file for a refund of such tax or a portion of such tax if such stockholder meets the “complete redemption”, “substantially disproportionate” or “not essentially equivalent to a dividend” tests described in the Offer to Purchase under the caption “The Tender Offer—13. United States Federal Income Tax Consequences” or if such stockholder is entitled to a reduced rate of withholding pursuant to a treaty and Limited Brands withheld at a higher rate.

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

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

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

**14. Stock Option Plans.** If you hold vested options in any of the Company's stock option plans, then you may exercise such vested options as indicated in the instructions separately sent to you by paying the cash exercise price and receiving shares which you may then tender by following the instructions set forth in the Offer to Purchase and this Letter of Transmittal. You must exercise your options by March 15, 2004 in order to obtain shares to tender by the Expiration Date.

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

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

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

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

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

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

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*The Information Agent for the Offer is:*

**D.F. KING & CO., INC.**

48 Wall Street  
New York, NY 10005

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

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

*The Dealer Managers for the Offer are:*

**Banc of America Securities LLC**

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

**J.P. Morgan Securities Inc.**

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

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

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

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

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

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

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

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

- Payments of interest on obligations issued by individuals.

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

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

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

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

### Penalties

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



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

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

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

**What Name and Number to Give the Requester**

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

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

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

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

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

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

Pursuant to its Offer to Purchase dated February 27, 2004

**THE TENDER OFFER, THE PRORATION PERIOD AND WITHDRAWAL RIGHTS EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, MARCH 25, 2004, UNLESS THE TENDER OFFER IS EXTENDED.**

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

***The Depository for the Tender Offer is:***

**WACHOVIA BANK, N.A.**

*By Registered, Certified Mail or First Class Mail:*

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

*By Hand or Courier Delivery:*

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

*By Facsimile Transmission (for eligible institutions only):*

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

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

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

Ladies and Gentlemen:

The undersigned hereby tenders to Limited Brands, Inc. ("Limited Brands"), upon the terms and subject to the conditions set forth in the Offer to Purchase dated February 27, 2004 (the "Offer to Purchase") and the related Letter of Transmittal (which together, as amended or supplemented, constitute the "tender offer"), receipt of which is hereby acknowledged, the number (indicated below) of shares of common stock, \$0.50 par value per share (such shares, together with all other outstanding shares of common stock of Limited Brands, are herein referred to as the "shares"), of Limited Brands, pursuant to the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase.

NUMBER OF SHARES BEING TENDERED HEREBY: \_\_\_\_\_ SHARES

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

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**SHARES TENDERED AT PRICE DETERMINED PURSUANT TO THE TENDER OFFER (SEE INSTRUCTION 5 OF THE LETTER OF TRANSMITTAL)**

- The undersigned wants to maximize the chance of having Limited Brands purchase all the shares the undersigned is tendering (subject to the possibility of proration). Accordingly, by checking this ONE box INSTEAD OF ONE OF THE PRICE BOXES BELOW, the undersigned hereby tenders shares and is willing to accept the purchase price determined by Limited Brands pursuant to the tender offer. This action will result in receiving a price per Share of as low as \$19.75 or as high as \$22.50.

— OR —

**SHARES TENDERED AT PRICE DETERMINED BY STOCKHOLDER (SEE INSTRUCTION 5 OF THE LETTER OF TRANSMITTAL)**

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

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

<input type="checkbox"/> \$19.75	<input type="checkbox"/> \$20.50	<input type="checkbox"/> \$21.25	<input type="checkbox"/> \$22.00
<input type="checkbox"/> \$20.00	<input type="checkbox"/> \$20.75	<input type="checkbox"/> \$21.50	<input type="checkbox"/> \$22.25
<input type="checkbox"/> \$20.25	<input type="checkbox"/> \$21.00	<input type="checkbox"/> \$21.75	<input type="checkbox"/> \$22.50

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

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

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

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

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

The minimum number of Shares that must be purchased, if any are purchased, is: \_\_\_\_\_ Shares

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

The tendered Shares represent all shares held by the undersigned.

3

Certificate Nos. (if available):

\_\_\_\_\_  
\_\_\_\_\_

If Shares will be tendered by book-entry transfer:

Name of Tendering Institution: \_\_\_\_\_

\_\_\_\_\_  
Account No. \_\_\_\_\_ at

The Depository Trust Company

**SIGN HERE**

\_\_\_\_\_  
\_\_\_\_\_

Signature(s)

Dated: \_\_\_\_\_, 2004

Name(s) of Stockholders:

\_\_\_\_\_  
\_\_\_\_\_

(Please Type or Print)

\_\_\_\_\_  
\_\_\_\_\_

(Address)

\_\_\_\_\_  
\_\_\_\_\_

(Zip Code)

\_\_\_\_\_  
\_\_\_\_\_

(Area Code and Telephone No.)

\_\_\_\_\_  
\_\_\_\_\_

(Taxpayer ID No. or Social Security No.)

**GUARANTEE**  
**(Not to be used for signature guarantee)**

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

\_\_\_\_\_  
(Name of Firm)

\_\_\_\_\_  
(Authorized Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Zip Code)

\_\_\_\_\_  
(Area Code and Telephone No.)

Dated: \_\_\_\_\_, 2004

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

Offer by  
**LIMITED BRANDS, INC.**  
To Purchase For Cash  
Up to 44,444,000 Shares of Its Common Stock  
At a Purchase Price of Not Greater Than \$22.50 Nor Less Than \$19.75 Per Share

**THE TENDER OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME,  
ON THURSDAY, MARCH 25, 2004, UNLESS THE TENDER OFFER IS EXTENDED.**

To Our Clients:

Enclosed for your consideration are the Offer to Purchase dated February 27, 2004 and the related Letter of Transmittal (which, as may be amended or supplemented from time to time, together constitute the "Offer") in connection with the Offer by Limited Brands, Inc., a Delaware corporation (the "Company"), to purchase for cash up to 44,444,000 shares of its common stock, \$0.50 par value (such shares, together with all other outstanding shares of common stock of the Company, are herein referred to as the "Shares"), at a price specified by its stockholders not greater than \$22.50 nor less than \$19.75 per Share, net to the seller in cash, without interest, upon the terms and subject to the conditions of the Offer.

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

The Company will determine a single per Share price (not greater than \$22.50 nor less than \$19.75 per Share) that it will pay for the Shares properly tendered and not properly withdrawn pursuant to the Offer taking into account the number of Shares so tendered and the prices specified by tendering stockholders. The Company will select the purchase price that will allow it to purchase 44,444,000 Shares (or such lesser number as are properly tendered and not properly withdrawn) pursuant to the Offer. The Company will purchase all Shares validly tendered at prices at or below the purchase price and not withdrawn upon the terms and subject to the conditions set forth in the Offer to Purchase and the related Letter of Transmittal, including the provisions relating to "odd lot" tenders, proration and conditional tender described in the Offer to Purchase.

Shares tendered at prices in excess of the purchase price and shares not purchased because of proration or conditional tenders will be returned at the Company's expense to the stockholders who tendered such shares promptly after the Expiration Date (as defined in the Offer to Purchase). As described in the Offer to Purchase, in the event the final purchase price is less than the maximum price of \$22.50 per share and more than 44,444,000 Shares are tendered in the Offer at or below the purchase price, the Company intends to exercise its right to purchase up to an additional 2% of its outstanding Shares without extending the tender offer so that it repurchases up to \$1 billion of its Shares. The Company also expressly reserves the right, in its sole discretion, to purchase additional Shares subject to applicable legal requirements. See Section 1 of the Offer to Purchase.

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

- First, from all stockholders who own beneficially or of record, an aggregate of fewer than 100 Shares ("odd lots") who properly tender and do not properly withdraw all of such Shares at or below the purchase price selected by the Company (partial tenders will not qualify for this preference);

- Second, subject to the conditional tender provisions described in Section 6 of the Offer to Purchase, on a pro rata basis from all other stockholders who properly tender Shares at or below the purchase price selected by the Company; and
- Third, only if necessary to permit the Company to purchase 44,444,000 Shares (or such greater number of Shares as the Company may elect to purchase subject to applicable law) from holders who have tendered Shares conditionally (for which the condition was not initially satisfied) by random lot, to the extent feasible. To be eligible for purchase by random lot, stockholders whose Shares are conditionally tendered must have tendered all of their Shares. See Section 6 of the Offer to Purchase.

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

Please note carefully the following:

1. You may tender Shares at a price not greater than \$22.50 nor less than \$19.75 per Share, as indicated in the attached Instruction Form, net to you in cash.
  2. The Offer, the proration period and withdrawal rights expire at 12:00 Midnight, New York City time, on Thursday, March 25, 2004 unless the Offer is extended by the Company.
  3. The Offer is not conditioned upon any minimum number of Shares being tendered. The Offer is, however, subject to certain other conditions set forth in the Offer to Purchase. See Section 7 of the Offer to Purchase.
  4. The Offer is for 44,444,000 Shares, constituting approximately 8.6% of our outstanding shares as of February 20, 2004.
  5. Tendering stockholders who are registered stockholders or who tender their shares directly to Wachovia Bank, N.A., the Depositary, will not be obligated to pay any brokerage commissions or fees to the Company or the Dealer Managers, solicitation fees, or, except as set forth in the Offer to Purchase and the Letter of Transmittal, stock transfer taxes on the Company's purchase of Shares pursuant to the Offer.
  6. If you wish to tender portions of your Shares at different prices, you must complete a separate Instruction Form for each price at which you wish to tender each such portion of your Shares. We must submit separate Letters of Transmittal on your behalf for each price you will accept for each portion tendered.
  7. If you hold beneficially or of record an aggregate of fewer than 100 Shares, and you instruct us to tender on your behalf all such Shares at or below the purchase price before the Expiration Date (as defined in the Offer to Purchase) and check the box captioned "Odd Lots" on the attached Instruction Form, the Company on the terms and subject to the conditions of the Offer, will accept all such Shares for purchase before proration, if any, of the purchase of other Shares properly tendered at or below the purchase price and not properly withdrawn.
  8. If you wish to condition your tender upon the purchase of all Shares tendered or upon the Company's purchase of a specified minimum number of the Shares which you tender, you may elect to do so and thereby avoid possible proration of your tender. The Company's purchase of Shares from all tenders which are so conditioned will be determined by random lot. To elect such a condition complete the section captioned "Conditional Tender" in the attached Instruction Form.
- If you wish to have us tender any or all of your Shares, please so instruct us by completing, executing, detaching and returning to us the Instruction Form on the detachable part hereof. An envelope to return your



instructions to us is enclosed. If you authorize tender of your Shares, all such Shares will be tendered unless otherwise specified on the Instruction Form.

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

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

**INSTRUCTION FORM**  
**With Respect to the Offer by**  
**LIMITED BRANDS, INC.**

**to Purchase for Cash Up to 44,444,000 Shares of its Common Stock**

The undersigned acknowledge(s) receipt of your letter and the enclosed Offer to Purchase dated February 27, 2004 and the related Letter of Transmittal (which together, as amended or supplemented, constitute the "Offer"), in connection with the offer by Limited Brands, Inc. ("Limited Brands") to purchase up to 44,444,000 shares of its common stock, \$0.50 par value (such shares, together with all other outstanding shares of common stock of Limited Brands, are herein referred to as the "Shares"), at a price not greater than \$22.50 nor less than \$19.75 per Share, net to the undersigned in cash, without interest.

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

**NUMBER OF SHARES BEING TENDERED HEREBY:                      SHARES\***

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

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

---

**SHARES TENDERED AT PRICE DETERMINED PURSUANT TO THE OFFER (SEE  
INSTRUCTION 5 OF THE LETTER OF TRANSMITTAL)**

- The undersigned wants to maximize the chance of having Limited Brands purchase all the Shares the undersigned is tendering (subject to the possibility of proration). Accordingly, by checking this ONE box INSTEAD OF ONE OF THE PRICE BOXES BELOW, the undersigned hereby tenders Shares and is willing to accept the purchase price determined by Limited Brands pursuant to the Offer. This action will result in receiving a price per Share of as low as \$19.75 or as high as \$22.50.

— OR —

**SHARES TENDERED AT PRICE DETERMINED BY STOCKHOLDER (SEE INSTRUCTION 5 OF THE LETTER OF TRANSMITTAL)**

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

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

<input type="checkbox"/> \$19.75	<input type="checkbox"/> \$20.50	<input type="checkbox"/> \$21.25	<input type="checkbox"/> \$22.00
<input type="checkbox"/> \$20.00	<input type="checkbox"/> \$20.75	<input type="checkbox"/> \$21.50	<input type="checkbox"/> \$22.25
<input type="checkbox"/> \$20.25	<input type="checkbox"/> \$21.00	<input type="checkbox"/> \$21.75	<input type="checkbox"/> \$22.50

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

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

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

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

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

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

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

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

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

**SIGN HERE**

Signature(s): \_\_\_\_\_

Name(s): \_\_\_\_\_

(PLEASE PRINT)

Taxpayer Identification or Social Security Number: \_\_\_\_\_

Address(es): \_\_\_\_\_

(INCLUDING ZIP CODE)

Area Code/Phone Number: \_\_\_\_\_

Date: \_\_\_\_\_

Offer by  
**LIMITED BRANDS, INC.**  
To Purchase For Cash  
Up to 44,444,000 Shares of Its Common Stock  
At a Purchase Price of Not Greater Than \$22.50 Nor Less Than \$19.75 Per Share

**THE TENDER OFFER, THE PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, MARCH 25, 2004, UNLESS THE TENDER OFFER IS EXTENDED.**

February 27, 2004

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

We have been appointed by Limited Brands, Inc., a Delaware corporation (the "Company"), to act as Dealer Managers in connection with the Company's offer to purchase up to 44,444,000 shares of its common stock, \$0.50 par value (such shares, together with all other outstanding shares of common stock of the Company, are herein referred to as the "Shares"), at a price not greater than \$22.50 nor less than \$19.75 per Share, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in the Company's Offer to Purchase dated February 27, 2004 (the "Offer to Purchase") and the related Letter of Transmittal (which, as may be amended or supplemented from time to time, together constitute the "Offer").

The Company will determine a single per Share price, not greater than \$22.50 nor less than \$19.75 per Share, that it will pay for the Shares properly tendered and not properly withdrawn pursuant to the Offer taking into account the number of Shares so tendered and the prices specified by tendering stockholders. The Company will select the purchase price that will allow it to purchase 44,444,000 Shares (or such lesser number as are properly tendered and not properly withdrawn) pursuant to the Offer. The Company will purchase all Shares validly tendered at prices at or below the purchase price and not withdrawn upon the terms and subject to the conditions set forth in the Offer to Purchase and the related Letter of Transmittal, including the provisions relating to "odd lot" tenders, proration and conditional tender described in the Offer to Purchase.

Shares tendered at prices in excess of the purchase price and Shares not purchased because of proration or conditional tenders will be returned at the Company's expense to the stockholders who tendered such Shares promptly after the Expiration Date (as defined in the Offer to Purchase). As described in the Offer to Purchase, in the event the final purchase price is less than the maximum price of \$22.50 per Share and more than 44,444,000 Shares are tendered in the Offer at or below the purchase price, the Company intends to exercise its right to purchase up to an additional 2% of its outstanding Shares without extending the tender offer so that it repurchases up to \$1 billion of its Shares. The Company also expressly reserves the right, in its sole discretion, to purchase additional Shares subject to applicable legal requirements. See Section 1 of the Offer to Purchase.

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

1. Offer to Purchase dated February 27, 2004;

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

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

4. Letter dated February 27, 2004 from the Company to its stockholders;

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

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

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

**WE URGE YOU TO CONTACT YOUR CLIENTS AS PROMPTLY AS POSSIBLE. THE OFFER, THE PRORATION PERIOD AND WITHDRAWAL RIGHTS EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, MARCH 25, 2004, UNLESS THE OFFER IS EXTENDED.**

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

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

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

Very truly yours,

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

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

## Limitedbrands

February 27, 2004

To Our Stockholders:

Limited Brands, Inc. is offering to purchase up to 44,444,000 shares of its common stock at a purchase price not greater than \$22.50 nor less than \$19.75 per share. The Company is conducting the tender offer through a procedure commonly referred to as a modified "Dutch Auction". This procedure allows you to select the price within the \$19.75 to \$22.50 price range at which you are willing to sell some or all of your shares to the Company. Alternately, this procedure allows you to sell all or a portion of your shares to the Company at a price determined by the Company pursuant to the "Dutch Auction" process.

Based upon the number of shares tendered and the prices specified by tendering stockholders, the Company will determine a single price (the "purchase price") within the \$19.75 to \$22.50 price range that will allow it to buy 44,444,000 shares (or such lesser number of shares as are properly tendered). In the event the final purchase price is less than the maximum price of \$22.50 per share and more than 44,444,000 shares are tendered in the tender offer at or below the purchase price, the Company intends to exercise its right to purchase up to an additional 2% of its outstanding shares without extending the tender offer so that the Company repurchases up to \$1 billion of its shares. Limited Brands will pay tendering stockholders the purchase price in cash, for all of the shares that are properly tendered at prices at or below the purchase price, subject to possible proration and provisions relating to the tender of odd lots and conditional tenders described in the enclosed Offer to Purchase.

If you do not wish to participate in the tender offer, you do not need to take any action.

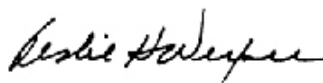
The tender offer is explained in detail in the enclosed Offer to Purchase and related Letter of Transmittal. If you want to tender your shares, the instructions for tendering are also set forth in detail in the enclosed materials. I encourage you to read these materials carefully before making any decision with respect to the tender offer. Neither Limited Brands nor its Board of Directors makes any recommendation to any stockholder whether to tender or to refrain from tendering shares or as to the purchase price or prices at which you may choose to tender your shares. You must make your own decision as to whether or not to tender your shares and, if so, how many shares to tender and the purchase price or prices at which you wish to tender your shares.

Please note that the tender offer is scheduled to expire at 12:00 Midnight, New York City time, on Thursday, March 25, 2004, unless we extend it.

On February 25, 2004, the last trading day prior to the announcement of the tender offer, the last reported sale price of the shares on the NYSE Composite Tape was \$20.20 per share. Any stockholder whose shares are properly tendered directly to Wachovia Bank, N.A., the Depositary for the tender offer, and purchased in the tender offer, will not incur the usual transaction costs associated with open market sales. If you hold shares through a broker or bank, you should consult your broker or bank to determine whether any transaction costs apply.

If you have any questions regarding the tender offer or need assistance in tendering your shares, please contact the information agent for the tender offer, D.F. King & Co., Inc., at (888) 628-8208 (toll free), or either of the dealer managers for the tender offer, Banc of America Securities LLC, at (888) 583-8900, ext. 8537 (toll free), or J.P. Morgan Securities Inc., at (866) 262-0777 (toll free).

Very truly yours,



LESLIE H. WEXNER  
Chairman and Chief Executive Officer

LETTER FROM SAVINGS AND RETIREMENT PLAN  
ADMINISTRATIVE COMMITTEE

February 27, 2004

## Offer to Purchase Common Stock of Limited Brands, Inc.

Dear Savings and Retirement Plan Participant:

We are enclosing materials being sent to all stockholders of Limited Brands, Inc. ("Limited Brands" or the "Company") in connection with its recently announced offer to purchase up to 44,444,000 shares of the Company's common stock, \$0.50 par value per share (such shares, together with all other outstanding shares of common stock of Limited Brands, are herein referred to as the "shares"), at a price not greater than \$22.50 nor less than \$19.75 per share, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase dated February 27, 2004 (the "Offer to Purchase") and in the related Letter of Transmittal, which together, as amended or supplemented, constitute the tender offer.

The Company will, upon the terms and subject to the conditions of the tender offer, determine a single per share price, not greater than \$22.50 nor less than \$19.75 per share, that it will pay for the shares validly tendered pursuant to the tender offer and not validly withdrawn, taking into account the number of shares so tendered and the prices specified by tendering stockholders. The Company will select the lowest purchase price that will allow it to purchase 44,444,000 shares, or, if a lesser number of shares are validly tendered, such lesser number as are validly tendered and not withdrawn. In the event the final purchase price is less than the maximum price of \$22.50 per share and more than 44,444,000 shares are tendered in the tender offer at or below the purchase price, we intend to exercise our right to purchase up to an additional 2% of our outstanding shares without extending the tender offer so that we repurchase up to \$1 billion of our shares. We also expressly reserve the right, in our sole discretion, to purchase additional shares subject to applicable legal requirements. All stockholders whose shares are purchased by the Company will receive the same purchase price for each share purchased in the tender offer. Also enclosed is a brief description of the tender offer in connection with the Company's Savings and Retirement Plan ("Savings and Retirement Plan" or "SARP") and questions and answers describing how the process works.

As a participant in the Savings and Retirement Plan you may elect to direct the Trustee to "tender" (offer to sell) some or all of the shares (excluding fractional shares) currently allocated to your Limited Brands Stock Fund Account in the Savings and Retirement Plan by following the procedures described in the attachments to this letter. PLEASE NOTE THAT, ALTHOUGH THE DEADLINE FOR THE TRUSTEE OF THE SAVINGS AND RETIREMENT PLAN ("TRUSTEE") TO TENDER YOUR SHARES IS MARCH 25, 2004, **YOU MUST SEND YOUR TENDER INSTRUCTION FORM TO THE TRUSTEE FOR RECEIPT BY MARCH 22, 2004.** You also may direct the Trustee to withdraw any tender you have previously directed it to make pursuant to the tender offer, as long as you do so prior to March 22, 2004.

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

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

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

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

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

If more shares are tendered, at or below the purchase price than Limited Brands has offered to purchase, then the Company will only purchase a *pro rata* portion of any shares you direct the Trustee to tender (see Q&A #9).

**IF YOU ELECT TO TENDER SHARES FROM YOUR COMPANY STOCK FUND, THE ENCLOSED YELLOW TENDER INSTRUCTION FORM MUST BE RECEIVED BY THE TRUSTEE BY MARCH 22, 2004. PLEASE USE THE ENCLOSED POSTAGE PAID, PRE-ADDRESSED REPLY ENVELOPE TO RETURN YOUR TENDER INSTRUCTION FORM.**

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

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

ADMINISTRATIVE COMMITTEE

Limited Brands, Inc. Savings  
and Retirement Plan



Upon the terms and subject to the conditions of the tender offer, if more than 44,444,000 shares, or such greater number of shares as the Company may elect to purchase subject to applicable law, have been validly tendered and not properly withdrawn prior to the Expiration Date, at prices at or below the purchase price selected by the Company, the Company will purchase shares on the following basis:

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

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

(c) Third, only if necessary to permit the Company to purchase 44,444,000 shares, (or such greater number of shares as the Company may elect to purchase subject to applicable law), shares conditionally tendered at or below the purchase price (for which the condition was not initially satisfied) and not properly withdrawn before the Expiration Date, will, to the extent feasible, be selected for purchase by random lot. To be eligible for purchase by random lot, stockholders whose shares are conditionally tendered must have tendered all of their shares.

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

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

**A. DESCRIPTION OF THE TENDER OFFER**

**1. What is the tender offer?**

On February 27, 2004, Limited Brands offered to purchase up to 44,444,000 shares of its common stock at a price not greater than \$22.50 nor less than \$19.75 per share. This tender offer will be open from Friday, February 27, 2004 until it expires at 12:00 Midnight, New York City time, Thursday, March 25, 2004, unless it is extended by the Company. Savings and Retirement Plan participants who hold shares in the Company Stock Fund ("Plan Shares") may provide for the tender of Plan Shares for purchase pursuant to this tender offer by so indicating on the enclosed yellow Tender Instructions Form and returning it as directed no later than 12:00 midnight, New York City time on Monday, March 22, 2004. The Company will, upon the terms and subject to the conditions of the tender offer, determine a single per share price, not greater than \$22.50 nor less than \$19.75 per share, that it will pay for the shares validly tendered pursuant to the tender offer and not properly withdrawn, taking into account the number of shares so tendered and the prices specified by tendering stockholders. The Company will select the lowest purchase price that will allow it to purchase 44,444,000 shares or, if a lesser number of shares are validly tendered, such lesser number as are validly tendered and not properly withdrawn. In the event the final purchase price is less than the maximum price of \$22.50 per share and more than 44,444,000 shares are tendered in the tender offer at or below the purchase price, Limited Brands intends to exercise its right to purchase up to an additional 2% of its outstanding shares without extending the tender offer so that it repurchases up to \$1 billion of its shares. Limited Brands also expressly reserves the right, in its sole discretion, to purchase additional shares subject to applicable legal requirements. All stockholders whose shares are purchased by Limited Brands will receive the purchase price for each share purchased in the tender offer. This process is known as a "Dutch Auction".

If the number of shares tendered at or below the purchase price selected by the Company exceeds the total number of shares to be purchased, all shares tendered at or below the purchase price selected by the Company would be accepted on a *pro rata* basis. "Pro rata" simply means that each person can sell an equal proportion of the shares offered to the Company. For example, if the number of shares tendered at or below the purchase price (assume, 88,888,000) exceeds the number to be purchased, 44,444,000, the Company would calculate a proration percentage which would equal 50%, the ratio of the total number of shares to be purchased, 44,444,000, divided by the total number of shares tendered at or below the purchase price, 88,888,000. Therefore, if you tendered 1,000 shares at or below the purchase price, the Company would purchase 500 shares at the final purchase price. If the total number of your shares (including those held under Savings and Retirement Plan or the Company's Stock Purchase Plan or otherwise) is less than 100 and you tender all those shares at or below the purchase price, then the proration percentage will not be applied to your tendered shares and the Company will, instead, buy all of your tendered shares. (If you hold fewer than 100 shares you must check the first box on the yellow Tender Instruction Form to avoid proration.)

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

**2. What are my rights under the tender offer?**

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

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

You received the following materials in this mailing:

- Letter from the Company. This announces the tender offer.
- Offer to Purchase dated February 27, 2004. This document (**white**, bound document) describes the tender offer. PLEASE READ IT CAREFULLY.
- Letter of Transmittal. This document (long **blue** document) is part of the tender offer and therefore is being provided to you. However, it does not apply to or provide detailed instructions for tendering Plan Shares. **Do NOT use it to tender Plan Shares or shares held in your name under the Company Stock Purchase Plan.** If you hold shares outside of the Savings and Retirement Plan and the Company Stock Purchase Plan, please refer to this blue Letter of Transmittal for instructions on how to tender those shares.
- Letter from the Savings and Retirement Plan Administrative Committee.
- Notice to Savings and Retirement Plan Participants (**white** document you are reading) which includes Questions and Answers on Savings and Retirement Plan Tender Rights and Procedures, as well as information about the Savings and Retirement Plan and the tender offer.
- Tender Instruction Form (**yellow form**). YOU MUST COMPLETE, SIGN AND MAIL THIS DOCUMENT TO THE TRUSTEE IN THE ENCLOSED ENVELOPE IF YOU WISH TO DIRECT THE TRUSTEE TO TENDER YOUR PLAN SHARES. THIS DOCUMENT MUST BE USED IF YOU WISH TO DIRECT A TENDER OF YOUR PLAN SHARES.
- Reply Envelope. A postage pre-paid, pre-addressed envelope for your reply.

**4. How do I direct the Plan Trustee?**

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

THE YELLOW TENDER INSTRUCTION FORM MUST BE RECEIVED BY THE TRUSTEE BEFORE 12:00 MIDNIGHT, NEW YORK CITY TIME, ON MONDAY, MARCH 22, 2004. YOU MUST SIGN AND COMPLETE THE FORM FOR YOUR TENDER INSTRUCTION TO BE VALID.

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

- INSTRUCTIONS. Read carefully and follow exactly the instructions in the Letter from Savings and Retirement Plan Administrative Committee and the yellow Tender Instruction Form. These will tell you how to direct the Plan Trustee regarding your Plan Shares.
- FORM. Complete the enclosed yellow Tender Instruction Form.
- SHARES. Designate on the yellow Tender Instruction Form the number of Plan Shares (excluding fractional shares) you wish to be tendered. Please call the SARP Line at 1-800-525-7277 (press "1" and hold for a customer representative who will help you determine the number of shares held in your Limited Brands Stock Fund Account).

- **PRICE.** Designate on the yellow Tender Instruction Form the price or prices at which you are willing to tender your Plan Shares. In the alternative, you may maximize the chance of the Company purchasing the Plan Shares you tender by electing to accept whatever purchase price is determined by the Company pursuant to the tender offer process. This action will result in you receiving a price per share as low as \$19.75 or as high as \$22.50.
- **SIGNATURE.** You must sign the yellow Tender Instruction Form to complete your instruction. Unless you sign the yellow Tender Instruction Form, your direction cannot be honored and the yellow Tender Instruction Form will be void.
- **MAILING.** A pre-addressed return envelope has been enclosed with your Tender materials. Use this postage paid envelope to return your completed yellow Tender Instruction Form if you wish to have the Plan Trustee tender your Plan Shares.

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

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

**5. How do I send instructions to the Trustee?**

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

**6. Must I provide directions to the Trustee?**

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

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

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

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

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

**9. Who will know whether I tendered my Plan Shares?**

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

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

Yes, but only if you perform the following steps:

- You must send a signed notice of withdrawal to the Trustee for the Savings and Retirement Plan.
- The notice of withdrawal must be in writing. You may fax your notice of withdrawal to the Trustee for the Savings and Retirement Plan at fax number 612-671-4242.
- The notice of withdrawal must state your name, social security number, the number of Plan Shares that you wish to withdraw from the tender offer and that you are directing the Trustee to withdraw Plan Shares that you previously directed the Plan Trustee to tender on your behalf.
- The notice of withdrawal must be received by the Trustee before 12:00 midnight, New York City time, on Monday, March 22, 2004.

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

Yes. If, after directing the Plan Trustee to withdraw your Plan Shares, you wish to direct the Trustee to re-tender your Plan Shares, you must complete another yellow Tender Instruction Form and return it to the Trustee for receipt by 12:00 midnight, New York City time, on Monday, March 22, 2004. You may obtain another copy of the yellow Tender Instruction Form by faxing your request to 612-671-4242.

**12. Will I still be entitled to receive the forthcoming dividend on the Shares that I tender?**

Yes. Shares which are sold to the Company pursuant to the Offer will be entitled to receive the first quarter dividend.

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

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

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

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

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

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

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

**15. What happens to Limited Brands Stock Fund contributions made after February 27, 2004?**

Contributions made to the Savings and Retirement Plan after February 27, 2004, will be allocated and invested in accordance with the investment elections in effect at the time of the contribution. No transactions in the Limited Brands Stock Fund will take place on the day that Plan Shares are deemed withdrawn from the Fund for purposes of complying with participant directions to participate in the tender offer. These transactions will be processed beginning on the first business day following such deemed withdrawal.

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

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

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

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

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

### D. REINVESTMENT OF TENDER OFFER PROCEEDS

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

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

### E. CERTAIN TAX INFORMATION

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

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

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

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

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

NOTICE TO SAVINGS AND RETIREMENT PLAN PARTICIPANTS

February 27, 2004

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

Limited Brands, Inc. ("Limited Brands" or the "Company") has announced an offer to purchase up to 44,444,000 outstanding shares of its common stock, par value \$0.50 per share (such shares, together with all other outstanding shares of common stock of the Company, are referred to herein as the "shares"), at a price not greater than \$22.50 nor less than \$19.75 per share, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated February 27, 2004 and in the related blue Letter of Transmittal (which together, as amended or supplemented, constitute the tender offer).

The Company will, upon the terms and subject to the conditions of the tender offer, determine a single per share price, not greater than \$22.50 nor less than \$19.75 per share, that it will pay for the shares validly tendered pursuant to the tender offer and not validly withdrawn, taking into account the number of shares so tendered and the prices specified by tendering stockholders. The Company will select the lowest purchase price that will allow it to purchase 44,444,000 shares, or such lesser number as are validly tendered and not validly withdrawn pursuant to the tender offer. In the event the final purchase price is less than the maximum price of \$22.50 per share and more than 44,444,000 shares are tendered in the tender offer at or below the purchase price, Limited Brands intends to exercise its right to purchase up to an additional 2% of its outstanding shares without extending the tender offer so that it repurchases up to \$1 billion of its shares. Limited Brands also expressly reserves the right, in its sole discretion, to purchase additional shares subject to applicable legal requirements. All stockholders whose shares are purchased by the Company will receive the same purchase price for each share purchased in the tender offer. The tender offer became effective on Friday, February 27, 2004, and will expire at 12:00 Midnight, New York City time, on Thursday, March 25, 2004, unless the tender offer is extended by the Company. You, as a Savings and Retirement Plan participant, may participate in this tender offer by instructing the Trustee of the Savings and Retirement Plan (no later than 12:00 midnight, New York City time, on Monday, March 22, 2004) to tender the shares in your Limited Brands Stock Fund Account ("Plan Shares") for purchase by the Company.

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

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

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

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



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

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

TO THE TRUSTEE OF THE SAVINGS AND RETIREMENT PLAN:

I am a participant in the above-referenced Savings and Retirement Plan who has invested all or a portion of my Account in the Limited Brands Stock Fund and, as such, I have received a copy of the Offer to Purchase dated February 27, 2004, (the "Offer to Purchase") and related Letter of Transmittal, as amended or supplemented, relating to the tender offer by Limited Brands, Inc., a Delaware corporation ("Limited Brands" or the "Company"), to purchase up to 44,444,000 outstanding shares of common stock, \$0.50 par value per share, (such shares, together with all other outstanding shares of common stock of Limited Brands, are herein referred to as the "shares") at a price not greater than \$22.50 nor less than \$19.75 per share, net to the seller in cash, without interest.

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

**TENDER INSTRUCTIONS**

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

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

- By checking this box, I represent that I want to maximize the chance of having Limited Brands purchase all of the shares that I am tendering (subject to the possibility of proration). Accordingly, by checking this ONE box INSTEAD OF ONE OF THE PRICE BOXES BELOW, I wish to have the Trustee tender \_\_\_\_\_ % shares of the shares held in my Savings and Retirement Plan Stock Fund Account (please enter the applicable percentage – not to exceed 100%) and I am willing to accept the purchase price determined by Limited Brands pursuant to the tender offer. This action will result in my receiving a price per share of as low as \$19.75 or as high as \$22.50.

- OR -

SHARES TENDERED AT PRICE DETERMINED BY STOCKHOLDER

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

- |                                  |                                  |                                  |                                  |
|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> \$19.75 | <input type="checkbox"/> \$20.50 | <input type="checkbox"/> \$21.25 | <input type="checkbox"/> \$22.00 |
| <input type="checkbox"/> \$20.00 | <input type="checkbox"/> \$20.75 | <input type="checkbox"/> \$21.50 | <input type="checkbox"/> \$22.25 |
| <input type="checkbox"/> \$20.25 | <input type="checkbox"/> \$21.00 | <input type="checkbox"/> \$21.75 | <input type="checkbox"/> \$22.50 |

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

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE OF PARTICIPANT

\_\_\_\_\_  
SOCIAL SECURITY NUMBER

\_\_\_\_\_  
PLEASE PRINT NAME, ADDRESS  
AND TELEPHONE NUMBER HERE

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

NOTE: THIS TENDER INSTRUCTION FORM MUST BE COMPLETED AND SIGNED IF SHARES HELD IN THE SAVINGS AND RETIREMENT PLAN ARE TO BE TENDERED. IF THE FORM IS NOT SIGNED, THE DIRECTIONS INDICATED WILL NOT BE ACCEPTED. PLEASE RETURN THIS TENDER INSTRUCTION FORM TO THE TRUSTEE FOR THE SAVINGS AND RETIREMENT PLAN, USING THE POSTAGE PAID, PRE-ADDRESSED REPLY ENVELOPE PROVIDED WITH YOUR TENDER MATERIALS. YOUR INSTRUCTION FORM MUST BE RECEIVED BY MARCH 22, 2004. IN AN EMERGENCY, YOU MAY OVERNIGHT YOUR TENDER INSTRUCTION FORM TO: AMERICAN EXPRESS TRUST COMPANY, ATTN: LIMITED BRANDS ACCOUNT TEAM, 921 AXP FINANCIAL CENTER, MINNEAPOLIS, MN 55474, OR YOU MAY FAX IT TO THE TRUSTEE AT 612-671-4242.

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

## Letter to Executive Officers

February 27, 2004

## Offer to Purchase Common Stock of Limited Brands, Inc.

NAME/ADDRESS

Dear :

All stockholders of Limited Brands, Inc. ("Limited Brands" or the "Company") have been sent materials in connection with the Company's recently announced offer to purchase up to 44,444,000 outstanding shares of the Company's common stock, \$0.50 par value per share (such shares, together with all other outstanding shares of common stock of Limited Brands, are herein referred to as the "shares") at a price not greater than \$22.50 nor less than \$19.75 per share, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase dated February 27, 2004 (the "Offer to Purchase") and in the related Letter of Transmittal, which together constitute the tender offer. A brief description of the tender offer has also been sent to participants in the Limited Brands Savings and Retirement Plan ("SARP") who hold Company stock in the Limited Brands, Inc. stock fund within the SARP, along with questions and answers describing how the tender offer process will work in connection with the SARP.

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

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

ADMINISTRATIVE COMMITTEE  
Limited Brands, Inc. Savings  
and Retirement Plan

## COMPUTERSHARE TRUST CO., INC.

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

Offer to Purchase for Cash

by

LIMITED BRANDS, INC.

Up to 44,444,000 Shares of its Common Stock

At a Purchase Price of Not Greater Than \$22.50 Nor Less Than \$19.75 Per Share

February 27, 2004

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

Dear Client:

Enclosed for your consideration is the Offer to Purchase, dated February 27, 2004 (the "Offer to Purchase"), and the related Letter of Transmittal (which together, as amended or supplemented, constitute the tender offer), in connection with the tender offer by Limited Brands, Inc., a Delaware corporation ("Limited Brands" or the "Company"), to purchase up to 44,444,000 outstanding shares of its common stock, \$0.50 par value per share (such shares, together with all other outstanding shares of common stock of Limited Brands, are herein referred to as the "shares"), at a price specified by its stockholders not greater than \$22.50 nor less than \$19.75 per share, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase and in the related blue Letter of Transmittal.

The Company will, upon the terms and subject to the conditions of the tender offer, determine a single per share price, not greater than \$22.50 nor less than \$19.75 per share, that it will pay for the shares validly tendered pursuant to the tender offer and not properly withdrawn, taking into account the number of shares so tendered and the prices specified by tendering stockholders. The Company will select the lowest purchase price that will allow it to purchase 44,444,000 shares or, if a lesser number of shares as are validly tendered, such lesser number as are validly tendered and not properly withdrawn. All stockholders whose shares are purchased by the Company will receive the purchase price for each share purchased in the tender offer. In the event the final purchase price is less than the maximum price of \$22.50 per share and more than 44,444,000 shares are tendered in the tender offer at or below the purchase price, Limited Brands intends to exercise its right to purchase up to an additional 2% of its outstanding shares without extending the tender offer so that it repurchases up to \$1 billion of its shares. Limited Brands also expressly reserves the right, in its sole discretion, to purchase additional shares subject to applicable legal requirements.

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

If you wish to participate in this tender offer, you must notify Computershare no later than 12:00 midnight on March 22, 2004. If you wish to tender all or any number of your shares, please instruct Computershare by the deadline by mailing your completed white Tender Instruction Form to us using the enclosed pre-addressed postage paid reply envelope or faxing the completed white Form to Computershare at 212-701-7636 or 212-701-7664. If you do not respond to this notice, no shares will be tendered in the tender offer. We are the holder of record of shares held for your account. **The blue Letter of Transmittal is furnished to you for your information only and cannot be used by you to tender shares held by us for your account.**

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

Participants in the Stock Purchase Plan who wish to tender their shares **must deliver their completed white Tender Instruction Forms to our Customer Service Unit for receipt by 12:00 midnight EST on March 22, 2004. The mailing address is Computershare Investor Services, LLC, c/o Computershare Trust Company of New York, Wall Street Station, P.O. Box 1010, New York, NY 10268-1010. The address for delivery by hand or overnight courier is Computershare Investor Services, LLC, c/o Computershare Trust Company of New York, Wall Street Plaza, 88 Pine Street, 19<sup>th</sup> Floor, New York, NY 10005. You may fax your completed white Tender Instruction Form to Computershare at 212-701-7636 or 212-701-7664. If you have any questions about the tender process, the phone number to call is: 1-866-396-1501.**

Please note the following:

1. You may tender shares for cash at either the price specified by you (in increments of \$0.25), not greater than \$22.50 nor less than \$19.75 per share, or the price determined by Limited Brands pursuant to the tender offer as indicated in Section 1 of the Offer to Purchase.

2. The tender offer, the proration period and withdrawal rights will expire at 12:00 midnight, New York City time, on Thursday, March 25, 2004 (the "Expiration Date") unless the Company extends the tender offer.

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

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

5. Upon the terms and subject to the conditions of the tender offer, if more than 44,444,000 shares, or such greater number of shares as the Company may elect to purchase subject to applicable law, have been validly tendered and not properly withdrawn prior to the Expiration Date, at prices at or below the purchase price, the Company will purchase shares on the following basis:

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

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

(c) Third, only if necessary to permit the Company to purchase 44,444,000 shares, or such greater number of shares as the Company may elect to purchase subject to applicable law, shares conditionally tendered (for which the condition was not initially satisfied) and not properly withdrawn before the Expiration Date, will, to the extent feasible, be selected for purchase by random lot. To be eligible for purchase by random lot, stockholders whose shares are conditionally tendered must have tendered all of their shares.

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

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

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

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

(d) The notice of withdrawal must be received by the Agent before 3:00 p.m., New York City time, on Monday, March 22, 2004.

7. You may direct the Agent to re-tender your Plan shares by completing another white Tender Instruction Form and returning it to the Agent for receipt by 12:00 midnight, New York City time, on Monday, March 22, 2004. You may obtain another copy of the white Tender Instruction Form by faxing your request to 212-701-7636 or 212-701-7664.

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

YOUR INSTRUCTIONS TO US MUST BE FORWARDED TO US PROMPTLY IN ORDER TO PERMIT US TO SUBMIT A TENDER ON YOUR BEHALF IN ACCORDANCE WITH THE PROVISIONS OF THE OFFER TO PURCHASE. ALTHOUGH THE TENDER OFFER, IS PRESENTLY SCHEDULED TO EXPIRE ON THURSDAY, MARCH 25, 2004, AT 12:00 MIDNIGHT, NEW YORK CITY TIME, WE MUST RECEIVE YOUR INSTRUCTIONS BY NO LATER THAN MIDNIGHT NEW YORK CITY TIME ON MONDAY, MARCH 22, 2004 IN ORDER TO BE ABLE TO ACT ON YOUR INSTRUCTIONS IN A TIMELY FASHION (UNLESS THE TENDER OFFER IS EXTENDED BY THE COMPANY).

Very truly yours,

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

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

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

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

TO THE AGENT FOR THE STOCK PURCHASE PLAN:

I am a participant in the above-referenced Stock Purchase Plan. I have received a copy of the Offer to Purchase dated February 27, 2004 and related blue Letter of Transmittal, relating to the tender offer by Limited Brands, Inc., a Delaware corporation ("Limited Brands" or the "Company"), to purchase up to 44,444,000 outstanding shares of common stock, \$0.50 par value per share, (such shares, together with all other outstanding shares of common stock of Limited Brands, are herein referred to as the "shares") at a price not greater than \$22.50 nor less than \$19.75 per share, net to the seller in cash, without interest.

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

**TENDER INSTRUCTIONS**

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

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

- By checking this box, I represent that I want to maximize the chance of having Limited Brands purchase all of the shares that I am tendering (subject to the possibility of proration). Accordingly, by checking this ONE box INSTEAD OF ONE OF THE PRICE BOXES BELOW, I wish to have the Agent tender \_\_\_\_\_ % shares of the shares held in my account under the Stock Purchase Plan (please enter the applicable percentage – not to exceed 100%) and I am willing to accept the purchase price determined by Limited Brands pursuant to the tender offer. This action will result in my receiving a price per share of as low as \$19.75 or as high as \$22.50.

- OR -

**SHARES TENDERED AT PRICE DETERMINED BY STOCKHOLDER**

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

<input type="checkbox"/> \$19.75	<input type="checkbox"/> \$20.50	<input type="checkbox"/> \$21.25	<input type="checkbox"/> \$22.00
<input type="checkbox"/> \$20.00	<input type="checkbox"/> \$20.75	<input type="checkbox"/> \$21.50	<input type="checkbox"/> \$22.25
<input type="checkbox"/> \$20.25	<input type="checkbox"/> \$21.00	<input type="checkbox"/> \$21.75	<input type="checkbox"/> \$22.50

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

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE OF PARTICIPANT

\_\_\_\_\_  
SOCIAL SECURITY NUMBER

\_\_\_\_\_  
PLEASE PRINT NAME, ADDRESS AND TELEPHONE NUMBER  
HERE

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NOTE: THIS TENDER INSTRUCTION FORM MUST BE COMPLETED AND SIGNED IF SHARES HELD IN THE STOCK PURCHASE PLAN ARE TO BE TENDERED. IF THE FORM IS NOT SIGNED, THE DIRECTIONS INDICATED WILL NOT BE ACCEPTED. PLEASE RETURN THIS TENDER INSTRUCTION FORM TO THE AGENT FOR THE STOCK PURCHASE PLAN, USING THE PREAMDRESSED REPLY ENVELOPE PROVIDED OR VIA FAX OR OVERNIGHT DELIVERY AS INDICATED IN YOUR TENDER MATERIALS. YOUR INSTRUCTION FORM MUST BE RECEIVED BY MARCH 22, 2004.

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



February 27, 2004

**Offer to Purchase Common Stock of Limited Brands, Inc.**

## Notice to Holders of Vested Stock Options:

As you may already know, Limited Brands, Inc. ("Limited Brands" or the "Company") has recently announced its offer to purchase up to 44,444,000 shares of the Company's common stock, \$0.50 par value per share (such shares, together with all other outstanding shares of common stock of Limited Brands, are herein referred to as the "shares"), at a price specified by such stockholders not greater than \$22.50 nor less than \$19.75 per share, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase dated February 27, 2004 and in the related blue Letter of Transmittal (such documents and related materials, the "Tender Offer Documents"), which together as may be amended or supplemented from time to time constitute the tender offer. You may obtain copies of the Tender Offer Documents by calling the Stock Option Information Hotline at (614) 415-1500.

As a holder of vested stock options, you may wish to exercise any or all of your options that are vested on or before March 19, 2004, and then tender the shares so acquired to the Company pursuant to the terms of the tender offer. March 19, 2004 is the last day that you may exercise your vested options in order to tender the shares subject to such options in the tender offer. To assist you, attached is a summary of your stock option grants, including the grant date, exercise price, and the number of options from each grant that are vested as of February 24, 2004. In the event that you have options vesting after February 24, 2004 but on or before March 19, 2004, such additional options, once vested, may be exercised not later than March 19, 2004 for purposes of tendering the underlying shares in the tender offer.

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

The Company will, upon the terms and subject to the conditions of the tender offer, determine a single per share price, not greater than \$22.50 nor less than \$19.75 per share, that it will pay for the shares validly tendered pursuant to the tender offer and not properly withdrawn, taking into account the number of shares so tendered and the prices specified by tendering stockholders. The Company will select the lowest purchase price that will allow it to purchase 44,444,000 shares or, if a lesser number of shares are validly tendered, such lesser number as are validly tendered and not properly withdrawn. All stockholders whose shares are purchased by the Company will receive the purchase price for each share purchased in the tender offer. In the event the final purchase price is less than the maximum price of \$22.50 per share and more than 44,444,000 shares are tendered in the tender offer at or below the purchase price, Limited Brands intends to exercise its right to purchase up to an additional 2% of its outstanding shares without extending the tender offer so that it repurchases up to \$1 billion of its shares. Limited Brands also expressly reserves the right, in its sole discretion, to purchase additional shares subject to applicable legal requirements.

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

If you decide to exercise any of your stock options, attached is a Notice of Exercise for you to use. The tender offer will expire at 12 Midnight, New York City time, on Thursday, March 25, 2004 (the "Expiration Date") unless extended by the Company. If you do intend to exercise stock options in order to tender shares in the tender offer, you will need to exercise your options by 3:00 p.m., Friday, March 19, 2004, New York City time, in order to obtain shares to tender by Thursday, March 25, 2004 (the Expiration Date).

Upon the terms and subject to the conditions of the tender offer, if more than 44,444,000 shares, or such greater number of shares as the Company may elect to purchase subject to applicable law, have been validly tendered and not properly withdrawn prior to the Expiration Date, at prices at or below the purchase price, the Company will purchase shares on the following basis:

- First, all shares properly tendered and not properly withdrawn before the Expiration Date from all holders of an aggregate of fewer than 100 shares (“odd lots”) who (1) tender all shares owned beneficially or of record at a price at or below the purchase price (partial tenders will not qualify for this preference), and (2) complete the section entitled “Odd Lots” in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery;
- Second, subject to the conditional tender provisions described in the Offer to Purchase, all other shares tendered at or below the purchase price, on a pro rata basis with appropriate adjustments to avoid purchases of fractional shares; and
- Third, only if necessary to permit the Company to purchase 44,444,000 shares, or such greater number of shares as the Company may elect to purchase subject to applicable law, shares conditionally tendered (for which the condition was not initially satisfied) and not properly withdrawn before the Expiration Date, will, to the extent feasible, be selected for purchase by random lot. To be eligible for purchase by random lot, stockholders whose shares are conditionally tendered must have tendered all of their shares.

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

This announcement is neither an offer to purchase nor a solicitation of an offer to sell shares of Limited Brands, Inc. The tender offer (as defined below) is made solely by the Offer to Purchase dated February 27, 2004 and the related Letter of Transmittal, and any amendments or supplements thereto. The tender offer is not being made to, nor will tenders be accepted from or on behalf of, holders of shares in any jurisdiction in which the making or acceptance of offers would not be in compliance with the laws of that jurisdiction. In any jurisdictions where the laws require that the tender offer be made by a licensed broker or dealer, the tender offer shall be deemed to be made on behalf of the Company by Banc of America Securities LLC or J.P. Morgan Securities Inc., the Dealer Managers for this tender offer, or one or more registered brokers or dealers licensed under the laws of that jurisdiction.

**Notice of Offer to Purchase for Cash**

by

**LIMITED BRANDS, INC.**

**Up to 44,444,000 Shares of its Common Stock**

**At a Purchase Price of Not Greater Than \$22.50 Nor Less Than \$19.75 Per Share**

Limited Brands, Inc., a Delaware corporation (the "Company"), invites holders of its common stock, \$0.50 par value per share, to tender their shares at prices specified by such stockholders, not greater than \$22.50 nor less than \$19.75 per share, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase dated February 27, 2004 (the "Offer to Purchase") and in the related Letter of Transmittal, which together, as they may be amended or supplemented from time to time, constitute the tender offer.

**THE TENDER OFFER, THE PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, MARCH 25, 2004 (THE "EXPIRATION DATE"), UNLESS THE TENDER OFFER IS EXTENDED.**

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

Upon the terms and subject to the conditions of the tender offer, the Company will determine a single price (the "purchase price"), not greater than \$22.50 nor less than \$19.75 per share, that it will pay for the shares validly tendered pursuant to the tender offer and not properly withdrawn, taking into account the number of shares so tendered and the prices specified by tendering stockholders. The Company will select the lowest price that will allow it to purchase 44,444,000 shares or, if a lesser number of shares are validly tendered, such lesser number as are validly tendered and not properly withdrawn. The Company will purchase all the shares validly tendered at prices at or below the purchase price prior to the Expiration Date upon the terms and subject to the conditions of the tender offer, including "odd lot", proration and conditional tender provisions. If more than 44,444,000 shares, or such greater number of shares as the Company may elect

to purchase subject to applicable law, have been validly tendered and not properly withdrawn prior to the Expiration Date, at prices at or below the purchase price, the Company will purchase shares on the following basis:

(a) first, all shares properly tendered from all holders of odd lots (as defined in the Offer to Purchase) who tender all shares owned beneficially or of record at a price at or below the purchase price (partial tenders will not qualify for this preference),

(b) second, all other shares tendered at or below the purchase price, on a pro rata basis subject to the conditional tender provisions described in Section 6 of the Offer to Purchase, and

(c) third, if necessary to permit the Company to purchase 44,444,000 shares (or such greater number of shares as the Company may elect to purchase, subject to applicable law), shares conditionally tendered at or below the purchase price for which the condition was not initially satisfied by random lot, to the extent feasible. To be eligible for such purchase stockholders whose shares are conditionally tendered must have tendered all of their shares.

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

In the event the purchase price is less than the maximum price of \$22.50 per share and more than 44,444,000 shares are tendered in the tender offer at or below the purchase price, the Company intends to exercise its right to purchase up to an additional 2% of its outstanding shares without extending the tender offer so that it will repurchase up to \$1 billion of its shares.

Tenders of shares made pursuant to the tender offer may be withdrawn at any time prior to the Expiration Date, and unless previously accepted for payment as provided in the Offer to Purchase may be withdrawn after 12:00 Midnight, New York City time, on Thursday, April 22, 2004. To be effective, a written or facsimile transmission notice of withdrawal must be timely received by the Depositary at one of its addresses set forth on the back cover of the Offer to Purchase and must specify the name of the person who tendered the shares to be withdrawn, the number of shares to be withdrawn, and the name of the registered holder of the shares, if different from that of the person who tendered such shares. If the shares to be withdrawn have been delivered to the Depositary, a signed notice of withdrawal with signatures guaranteed by an Eligible Institution (as defined in the Offer to Purchase), except in the case of shares tendered by an Eligible Institution,

must be submitted prior to the release of such shares. Any such notice must specify the name of the registered holder, if different from that of the tendering stockholder, and the serial numbers shown on the particular certificate evidencing the shares to be withdrawn. In the case of shares tendered pursuant to the procedures for book-entry transfer, any such notice must specify the name and number of the account at the Book-Entry Transfer Facility (as defined in the Offer to Purchase) to be credited with the withdrawn shares.

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

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

After a thorough evaluation of the Company's capital needs, financial condition, strategies and possible uses of its cash, the Company's Board of Directors determined that a repurchase of up to \$1 billion of the Company's shares through a modified "Dutch Auction" tender offer would be a desirable use of a portion of its cash to provide value to stockholders. The tender offer provides those stockholders who wish to sell shares an opportunity to do so at a premium of up to approximately 11% over the last reported sale price of \$20.20 per share, as of February 25, 2004, the last full trading day prior to the date of the announcement of the tender offer. The tender offer also permits stockholders who elect not to tender to retain a greater percentage ownership following the tender offer and thus in the Company's future earnings and assets and bear the attendant risks associated with owning the Company's shares.

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

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

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

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

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

The Information Agent for the tender offer is:

**D.F. KING & CO., INC.**

48 Wall Street

New York, NY 10005

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

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

The Dealer Managers for the tender offer are:

**Banc of America Securities LLC**

9 West 57th Street

New York, New York 10019

(212) 583-8537 (Call Collect)

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

**J.P. Morgan Securities Inc.**

277 Park Avenue

New York, New York 10172

(212) 622-2624 (Call Collect)

(866) 262-0777 (Call Toll Free)

February 27, 2004

## Limited Brands, Inc. Stock Tender Offer

### Questions and Answers

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

Limited Brands has announced a tender offer, meaning we will allow shareholders to “tender” their shares with the intention of purchasing \$1 billion of our stock. This is also called a share repurchase.

**2. What is a tender offer?**

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

**3. Why is the Company doing this?**

This share repurchase is an important continuation of our strategy of enhancing shareholder value and allows us to return capital to our investors, while maintaining the flexibility to use our strong financial position to pursue growth opportunities.

**4. What will happen to the shares that I own in the Savings and Retirement Plan?**

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

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

**5. What will happen to the shares that I own through the Employee Stock Purchase Plan?**

If you have shares of Limited Brands stock in your Employee Stock Purchase Plan (ESPP), you will be receiving a copy of the tender offer package from Computershare. It will provide all of the details of the tender offer, and will give you instructions on how to tender your shares if you wish to do so. If you own shares through multiple plans or brokers, you will be receiving packages from each. Should you choose to tender shares from multiple plans or brokers, you will need to follow the tender instructions for each, which will require completing separate tender forms.

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

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

**7. If I have stock options, what happens with those?**

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

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

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

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

If you own shares, we recommend that you wait until you receive your tender offer package(s) in the mail and have had an opportunity to review the details of the tender offer. Then, if you have questions regarding your personal situation and how the tender offer impacts the various plans through which you may hold Company stock, beginning Friday, February 27, you may call:

- Regarding stock options: call Merrill Lynch at (614) 225-3194, if calling from Columbus, Ohio; or (800) 216-1606 toll-free if calling from outside Columbus, Ohio; or contact your own broker if applicable
- Regarding shares owned through the Employee Stock Purchase Plan: call Computershare at (866) 396-1501
- Regarding shares owned through SARP: call The SARP Line at 1-800-525-7277
- Regarding shares owned by you not held in any plans: D.F. King & Co., Inc. at (888) 628-8208

These numbers are available from 8 a.m. through 7 p.m. EST Monday through Friday.



**10. What price will I get for shares that I sell?**

The Company will use a process called a modified “Dutch Auction.” Under this process, you may specify the minimum price at which you are willing to sell your shares (not greater than \$22.50 nor less than \$19.75 per share). After taking into account the number of shares tendered and the prices specified by tendering shareholders, the Company will select the lowest price within the stated range that will allow it to purchase \$1 billion of its common stock, assuming that a sufficient number of shares are tendered.

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

**11. Will all the shares I tender at or below the purchase price be purchased by the Company?**

If at the end of the tender period less than 44.4 million shares have been tendered (offered to be sold) at or below the purchase price, then the Company will purchase all shares properly tendered (and no proration will apply). If at the end of the tender period more than 44.4 million shares have been tendered (offered to be sold) at or below the purchase price, then the number of shares purchased by the Company will be prorated. For example, if 44.4 million shares are sought by the Company and 88.8 million shares are tendered at or below the purchase price by shareholders, then 50% of what each shareholder offered to sell at or below the purchase price will actually be bought. So, in this instance, if you tendered 1,000 shares, 500 of those would be purchased by Limited Brands.

**12. What if I own fewer than 100 shares?**

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

**13. What if I want to conditionally tender shares?**

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

**14. How do I maximize the chance that the Company will purchase my shares?**

If you want to maximize the chance that the Company will purchase your shares, instead of specifying a price at which you tender (offer to sell) your shares, you may tender your shares at whatever purchase price the Company determines through the “Dutch Auction” process described above. This election will cause you to receive a price per share as low as \$19.75 or as high as \$22.50 per share.

**15. How long do I have to decide what I want to do?**

The tender period will begin on Friday, February 27, 2004 and end on Thursday, March 25, 2004 unless extended by the Company. If you hold shares through the SARP or the ESPP, your deadline under those plans is Monday, March 22, 2004. If you intend to exercise stock options in order to tender shares in the tender offer, you will need to exercise your options by 3:00 pm, Friday, March 19, 2004, EST, in order to obtain shares to tender by Thursday, March 25, 2004.

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

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

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

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

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

**18. What if I do not want to sell?**

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

**19. Will I have to pay brokerage fees if I decide to sell some of my shares?**

If you are the record owner of your shares or hold your shares through the ESPP or the SARP and you tender your shares directly to the depository, as described in the tender offer materials, you will not have to pay any fees or commissions. If you hold your shares through a broker, bank or other nominee and your broker tenders shares on your behalf, your broker may charge you a fee for doing so. You should consult your broker or nominee to determine whether any charges will apply.

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

You may owe taxes on the sale of your shares, as you would normally. If you have questions, we encourage you to talk to your tax advisor about your personal situation.

**21. Will I still be entitled to receive the forthcoming quarterly dividend on the shares that I tender?**

Yes. Shares which are sold to the Company in the tender offer will be entitled to receive the next quarterly dividend payable on March 16, 2004, as the record date for that dividend payment is March 5, 2004.

**22. Does the Company have a recommendation about what I should do?**

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

**23. Are Les Wexner, the directors or executive management participating in the tender offer?**

Les Wexner, his immediate family and affiliated entities will not tender shares pursuant to the tender offer. Our other directors and executive officers have advised us that they have not determined whether to tender any shares in the tender offer.

**24. Why is Les Wexner not tendering shares in the tender offer?**

On February 25, 2004, the parties agreed to a settlement of the litigation pending in the Delaware Court of Chancery named In re The Limited, Inc. Shareholders Litigation. Under the terms of the settlement, among other things, Les, his immediate family members and affiliated entities have agreed not to tender any shares in the tender offer and not to sell any shares of Limited Brands common stock for a period commencing February 25, 2004 and ending six months after completion of the tender offer. The settlement is subject to approval by the Delaware Court of Chancery.

**25. What is Limited Brands' history of share repurchases? When was the last time Limited Brands did one?**

We have previously repurchased shares as a means of increasing shareholder value. In February 1996, we completed a \$1.6 billion self-tender, in which we repurchased 170,000,000 shares. In June 1999, we repurchased 30,000,000 shares through a "Dutch Auction" self-tender for \$750 million. During 2000, we completed a \$200 million share repurchase program acquiring approximately 8,700,000 shares at an average price of approximately \$23 per share. During 2003, we completed a \$150 million share repurchase program acquiring approximately 9,900,000 shares at an average price of approximately \$15 per share. In October 2003, our Board of Directors authorized the repurchase of an additional \$100 million of our shares under a share repurchase program. We have not repurchased any shares under this share repurchase program and our Board of Directors has determined to supersede the program with this tender offer.

**26. Why did Limited Brands choose a modified “Dutch Auction” tender offer versus other types of repurchase programs?**

After a thorough evaluation of our capital needs, financial condition, strategies and possible uses of our cash, our Board of Directors determined that a repurchase of up to \$1 billion of our shares would be a desirable use of a portion of our cash. The Board further determined that a modified Dutch Auction tender offer represents an efficient mechanism to provide you with the opportunity to tender your shares and gives you a choice to tender shares. In addition, registered holders of our shares who tender their shares directly to the depository will avoid the usual transaction costs associated with open market sales. Furthermore, the Dutch Auction is an open process which will permit the Company to buy a larger number of shares at one time.

**ADDITIONAL LEGAL INFORMATION:**

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

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**EMPLOYMENT AGREEMENT AMENDMENT**

THE EMPLOYMENT AGREEMENT entered into as of July 27, 1998 between Daniel P. Finkelman (the "Executive") and Limited Brands, Inc. and The Limited Service Corporation (the "Company") is hereby amended as of May 19, 2003 in the following respects:

1. Section 10 is amended in its entirety to read as follows:

10. Compensation Upon Certain Terminations by the Company not Following a Change in Control.

(a) If during the term of the Agreement (including any extensions thereof), whether or not following a Change in Control (as defined below), the Executive's employment is terminated by the Company for Cause or by reason of the Executive's death, or if the Executive gives written notice not to extend the term of this Agreement, the Company's sole obligations hereunder shall be to pay the Executive the following amounts earned hereunder but not paid as of the Termination Date: (i) Base Salary, (ii) reimbursement for any and all monies advanced or expenses incurred pursuant to Section 7(b) through the Termination Date, and (iii) any earned compensation which the Executive had previously deferred (including any interest earned or credited thereon)(collectively, "Accrued Compensation"), provided however, that if the Executive gives written notice not to extend the Employment Term pursuant to Section 1, the Company shall continue to pay the premiums provided for in Section 7(a)(1) through the end of the calendar year in which the Executive's termination occurs. The Executive's entitlement to any other benefits shall be determined in accordance with the Company's employee benefit plans then in effect.

(b) If the Executive's employment is terminated by the Company other than for Cause or by the Executive for Good Reason, in each case other than during the 24-month period immediately following a Change in Control, the Company's sole obligations hereunder shall be as follows:

(i) the Company shall pay the Executive the Accrued Compensation;

(ii) the Company shall continue to pay the Executive the Base Salary for a period of one (1) year following the Termination Date;

(iii) in consideration of the Executive signing a General Release, the Company shall (A) pay the Executive a pro-rata amount of the incentive compensation paid under the incentive compensation plan described in Section 6 for the season in which the Executive's employment is terminated based on the number of days the Executive is employed during such season and any incentive compensation under the plan described in Section 6 that the Executive would have received if he had remained employed with the Company for a period of one (1) year after the Termination Date; and (B) pay the Executive his Base Salary for one additional year after payments have ended under Section 10(b)(ii); and

(iv) the Company shall continue to pay the premiums provided for in Section 7(a)(1) hereof through the end of the calendar year in which such termination occurs;

(v) provided, however, that in the event Executive becomes entitled to any payments under Section 10(g), the Company's obligations to Executive under Section 10 shall thereafter be determined solely under Section 10 (g).

(c) If the Executive's employment is terminated by the Company by reason of the Executive's Disability, the Company's sole obligations hereunder shall be as follows:

(i) the Company shall pay the Executive the Accrued Compensation;

(ii) the Company shall continue to pay the Executive 100% of the Base Salary for the first twelve months following the Termination Date, 80% of the Base Salary for the second twelve months following the Termination Date, and 60% of the Base Salary for the third twelve months following the Termination Date; provided, however, that such Base Salary shall be reduced by the amount of any benefits the Executive receives by reason of his Disability under the Company's relevant disability plan or plans; and

(iii) if the Executive is disabled beyond thirty-six (36) months, the Company shall continue to pay the Executive 60% of Base Salary, up to a maximum payment of \$250,000 per year, for the period of the Executive's Disability, as defined in the Company's relevant disability plans; provided, however, that such payments shall be reduced by the amount of any benefits the Executive receives by reason of his Disability under the Company's relevant disability plan or plans; and

(iv) the Company shall continue to pay the premiums provided for in Section 7(a)(1) hereof through the end of the calendar year in which such termination occurs.

(d) If the Executive's employment is terminated by reason of the Company's written notice to the Executive of its decision not to extend the Employment Agreement pursuant to Section 1 hereof, the Company's sole obligation hereunder shall be as follows:

(i) the Company shall pay the Executive the Accrued Compensation;

(ii) the Company shall continue to pay the Executive the Base Salary for a period of one (1) year following the expiration of such term;

(iii) in consideration of the Executive signing a General Release, the Company shall (A) pay the Executive a pro-rata amount of the incentive compensation paid under the incentive compensation plan described in Section 6 for the season in which the Executive's employment is terminated based on the number of days the Executive is employed during such season and any incentive compensation under the plan described in Section 6 that the Executive would have received if he had remained employed with the Company for a period of one (1) year after the Termination Date; and (B) pay the Executive his Base Salary for one additional year after payments have ended under Section 10(d)(ii); and

(iv) the Company shall continue to pay the premiums provided for in Section 7(a)(1) hereof through the end of the calendar year in which such termination occurs.

(e) For up to eighteen (18) months during the period the Executive is receiving salary continuation pursuant to Section 10(b)(ii), 10(c)(ii) or 10(d)(ii) hereof, the Company shall, at its expense, provide to the Executive and the Executive's beneficiaries medical and dental benefits substantially similar in the aggregate to the those provided to the Executive immediately prior to the date of the Executive's termination of employment; provided, however, that the Company's obligation to provide such benefits shall cease upon the earlier of Executive's becoming employed and the expiration of Executive's rights to continue such medical and dental benefits under COBRA.

(f) Executive shall not be required to mitigate the amount of any payment provided for in this Section 10 by seeking other employment or otherwise and no such payment or benefit shall be eliminated, offset or reduced by the amount of any compensation provided to the Executive in any subsequent employment, except as provided in Section 10(e).

(g) In the event that (x) the Company enters into a binding agreement that, if consummated, would constitute a Change in Control, (y) Executive's employment is terminated under the circumstances set forth in Section 10(b) and (z) within six months after the execution of such agreement a Change in Control of the Company occurs involving one or more of the other parties to such agreement, then the Company's sole obligations hereunder shall be as follows:

(i) the Company shall pay to Executive a lump sum payment in cash no later than 10 business days after the Change in Control an amount equal to the sum of (A) and (B), where (A) is the difference between (x) the Severance Amount (as defined in Section 23(a)(ii)) and (y) the sum of the payments made to the Executive prior to the change in Control pursuant to Section 10(b)(ii) and (B) is the difference between (x) the Bonus Amount (as defined in the Section 23(a)(iii)) and (y) the payments, if any, made to Executive prior to the Change in Control pursuant to Section 10(b)(iii)(A);

(ii) the Company shall reimburse Executive for any documented legal fees and expenses to the extent set forth in Section 23(a)(iv);

(iii) the Company shall pay such premiums as are required by Section 23(a)(v)(A) to the extent not previously paid pursuant to Section 10(b)(iv) and shall make available to Executive and Executive's beneficiaries medical and dental benefits to the extent provided in Section 23(a)(v)(B); and

(iv) each of the Company and Executive shall have and be subject to, the rights, duties, and obligations set forth in Sections 22(c) and (d).

2. Section 12 of the Agreement is hereby amended in its entirety to read as follows"

"Reserved"

3. Sections 22 and 23 are added to the Agreement to read as follows:

22. Change in Control.

(a) For purposes of this Section 22, "Company" shall mean Limited Brands, Inc., a Delaware corporation.

(b) For purposes of this Agreement "Change in Control" means, and shall be deemed to have occurred upon the first to occur of any of the following events:

(i) Any Person (other than an Excluded Person) becomes, together with all "affiliates" and "associates" (each as defined under Rule 12b-2 of the Exchange Act), "beneficial owner" (as defined under Rule 13d-3 of the Exchange Act) of securities representing 33% or more of the combined voting power of the Voting Stock then outstanding, unless such Person becomes "beneficial owner" of 33% or more of the combined voting power of the Voting Stock then

outstanding solely as a result of an acquisition of Voting Stock by the Company which, by reducing the Voting Stock outstanding, increases the proportionate Voting Stock beneficially owned by such Person (together with all “affiliates” and “associates” of such Person) to 33% or more of the combined voting power of the Voting Stock then outstanding; provided, that if a Person shall become the “beneficial owner” of 33% or more of the combined voting power of the Voting Stock then outstanding by reason of such Voting Stock acquisition by the Company and shall thereafter become the “beneficial owner” of any additional Voting Stock which causes the proportionate voting power of Voting Stock beneficially owned by such Person to increase to 33% or more of the combined voting power of the Voting Stock then outstanding, such Person shall, upon becoming the “beneficial owner” of such additional Voting Stock, be deemed to have become the “beneficial owner” of 33% or more of the combined voting power of the Voting Stock then outstanding other than solely as a result of such Voting Stock acquisition by the Company;

(ii) During any period of 24 consecutive months individuals who at the beginning of such period constitute the Board (and any new Director, whose election by the Board or nomination for election by the Company’s stockholders was approved by a vote of at least two-thirds of the Directors then still in office who either were Directors at the beginning of the period or whose election or nomination for election was so approved), cease for any reason to constitute a majority of Directors then constituting the Board;

(iii) A reorganization, merger or consolidation of the Company is consummated, in each case, unless, immediately following such reorganization, merger or consolidation, (i) more than 50% of, respectively, the then outstanding shares of common stock of the corporation resulting from such reorganization, merger or consolidation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the “beneficial owners” of the Voting Stock outstanding immediately prior to such reorganization, merger or consolidation, (ii) no Person (but excluding for this purpose any Excluded Person and any Person beneficially owning, immediately prior to such reorganization, merger or consolidation, directly or indirectly, 33% or more of the voting power of the outstanding Voting Stock) beneficially owns, directly or indirectly, 33% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such reorganization, merger or consolidation or the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors and (iii) at least a majority of the members of the board of directors of the corporation resulting from such reorganization, merger or consolidation were members of the Board at the time of the execution of the initial agreement providing for such reorganization, merger or consolidation;

(iv) The consummation of (i) a complete liquidation or dissolution of the Company or (ii) the sale or other disposition of all or substantially all of the assets of the Company, other than to any corporation with respect to which, immediately following such sale or other disposition, (A) more than 50% of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the “beneficial owners” of the Voting Stock outstanding immediately prior to such sale or other disposition of assets, (B) no Person (but excluding for this purpose any Excluded Person and any Person beneficially owning, immediately prior to such sale or other disposition, directly



or indirectly, 33% or more of the voting power of the outstanding Voting Stock) beneficially owns, directly or indirectly, 33% or more of, respectively, the then outstanding shares of common stock of such corporation or the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors and (C) at least a majority of the members of the board of directors of such corporation were members of the Board at the time of the execution of the initial agreement or action of the Board providing for such sale or other disposition of assets of the Company; or

(v) The occurrence of any transaction or event that the Board, in its sole discretion, designates a "Change in Control".

Notwithstanding the foregoing, in no event shall a "Change in Control" be deemed to have occurred (i) as a result of the formation of a Holding Company, or (ii) with respect to an Executive, if Executive is part of a "group," within the meaning of Section 13(d)(3) of the Exchange Act as in effect on the Effective Date, which consummates the Change in Control transaction. In addition, for purposes of the definition of "Change in Control" a Person engaged in business as an underwriter of securities shall not be deemed to be the "beneficial owner" of, or to "beneficially own," any securities acquired through such Person's participation in good faith in a firm commitment underwriting until the expiration of forty days after the date of such acquisition. "Excluded Person" shall mean (i) the Company; (ii) any of the Company's Subsidiaries; (iii) any Holding Company; (iv) any employee benefit plan of the Company, any of its Subsidiaries or a Holding Company; or (v) any Person organized, appointed or established by the Company, any of its Subsidiaries or a Holding Company for or pursuant to the terms of any plan described in clause (iv). "Person" shall mean any individual composition, partnership, limited liability company, associations, trust or other entity or organization. "Holding Company" shall mean an entity that becomes a holding company for the Company or its businesses as a part of any reorganization, merger, consolidation or other transaction, provided that the outstanding shares of common stock of such entity and the combined voting power of the then outstanding voting securities of such entity entitled to vote generally in the election of directors is, immediately after such reorganization, merger, consolidation or other transaction, beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the "beneficial owners", respectively, of the Voting Stock outstanding immediately prior to such reorganization, merger, consolidation or other transaction in substantially the same proportions as their ownership, immediately prior to such reorganization, merger, consolidation or other transaction, of such outstanding Voting Stock. "Voting Stock" shall mean securities of the Company entitled to vote generally in the election of members of the Company's Board of Directors.

(c) Gross-Up Payment. In the event it shall be determined that any payment or distribution of any type to or for the benefit of the Executive, by the Company, any of its affiliates, any Person who acquires ownership or effective control of the Company or ownership of a substantial portion of the Company's assets (within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder) or any affiliate of such Person, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the "Total Payments"), would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest and penalties, are collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including any Excise Tax, imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Total Payments

(d) All determinations as to whether any of the Total Payments are “parachute payments” (within the meaning of Section 280G of the Code), whether a Gross-Up Payment is required, the amount of such Gross-Up Payment and any amounts relevant to the last sentence of Subsection 22(c), shall be made by an independent accounting firm selected by the Company from among the largest six accounting firms in the United States (the “Accounting Firm”). The Accounting Firm shall provide its determination (the “Determination”), together with detailed supporting calculations regarding the amount of any Gross-Up Payment and any other relevant matter, both to the Company and the Executive within five (5) days of the Termination Date, if applicable, or such earlier time as is requested by the Company or the Executive (if the Executive reasonably believes that any of the Total Payments may be subject to the Excise Tax). Any determination by the Accounting Firm shall be binding upon the Company and the Executive. As a result of uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that the Company should have made Gross-Up Payments (“Underpayment”), or that Gross-Up Payments will have been made by the Company which should not have been made (“Overpayments”). In either such event, the Accounting Firm shall determine the amount of the Underpayment or Overpayment that has occurred. In the case of an Underpayment, the amount of such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive. In the case of an Overpayment, the Executive shall, at the direction and expense of the Company, take such steps as are reasonably necessary (including the filing of returns and claims for refund), follow reasonable instructions from, and procedures established by, the Company, and otherwise reasonably cooperate with the Company to correct such Overpayment.

23. Compensation Upon Certain Terminations During the 24-Month Period Following a Change in Control

(a) If the Executive’s employment is terminated by the Company other than for Cause or by the Executive for Good Reason, in each case during the 24 consecutive month period immediately following a Change in Control, the Company’s sole obligations hereunder subject to the Executive’s execution of a General Release, shall be as follows:

(i) the Company shall pay the Executive the Accrued Compensation;

(ii) the Company shall pay the Executive a lump sum payment in cash no later than ten business days after the termination date an amount equal to two times Executive’s Base Salary (the “Severance Amount”);

(iii) the Company shall pay the Executive a lump sum payment in cash no later than ten (10) business days after the date of termination an amount equal to the sum of the last four (4) bonus payments the Executive received under the Company’s incentive compensation plan described in Section 6 and a pro-rata amount for the season in which the Executive’s employment is terminated based on the average of the prior four (4) bonus payments and the number of days the Executive is employed during such season (the “Bonus Amount”);

(iv) the Company shall reimburse the Executive for all documented legal fees and expenses reasonably incurred by the Executive in seeking to obtain or enforce any right or benefit provided by this Section 23; and

(v) the Company shall (A) pay the premiums provided for in Section 7(a)(1) hereof through the end of the calendar year in which such termination occurs, and (B) shall provide the Executive and Executive's beneficiaries medical and dental benefits substantially similar to those which the Executive was receiving immediately prior to the date of termination for a period of eighteen (18) months after the termination date; provided however, that the Company's obligation with respect to the foregoing medical and dental benefits shall cease in the event Executive becomes employed.

(b) Except as provided in Section 23(a)(v)(B), the Executive shall not be required to mitigate the amount of any payment provided for in this Section 23 by seeking other employment or otherwise, nor shall the amount of any payment or benefit provided for in this Section 23 be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the Company, or otherwise.

IN WITNESS WHEREOF, the Company has caused this Amendment to be executed by its duly authorized officer and the Executive has executed this Amendment as of the day and year first written above.

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: Leslie H. Wexner  
Title: Chairman & Chief Executive Officer

Date: \_\_\_\_\_

\_\_\_\_\_  
Daniel P. Finkelman

**EMPLOYMENT AGREEMENT AMENDMENT**

THE EMPLOYMENT AGREEMENT entered into as of August 15, 2002 between Mark Giresi (the "Executive") and Limited Brands, Inc. (the "Company") is hereby amended as of May 19, 2003 in the following respects:

1. Section 10 is amended in its entirety to read as follows:

10. Compensation Upon Certain Terminations by the Company not Following a Change in Control.

(a) If during the term of this Agreement (including any extensions thereof), whether or not following a Change in Control (as defined below), the Executive's employment is terminated by the Company for Cause or by reason of the Executive's death, or if the Executive gives written notice not to extend the term of this Agreement, the Company's sole obligations hereunder shall be to pay the Executive the following amounts earned hereunder but not paid as of the Termination Date: (i) Base Salary, (ii) reimbursement for any and all monies advanced or expenses incurred pursuant to Section 7(a) through the Termination Date, and (iii) any earned compensation which the Executive had previously deferred (including any interest earned or credited thereon)(collectively, "Accrued Compensation"). The Executive's entitlement to any other benefits shall be determined in accordance with the Company's employee benefit plans then in effect.

(b) If the Executive's employment is terminated by the Company other than for Cause or by the Executive for Good Reason, in each case other than during the 24-month period immediately following a Change in Control, the Company's sole obligations hereunder shall be as follows:

(i) the Company shall pay the Executive the Accrued Compensation;

(ii) the Company shall continue to pay the Executive the Base Salary for a period of one (1) year following the Termination Date; and

(iii) in consideration of the Executive signing a General Release, the Company shall (A) pay the Executive a pro-rata amount of the incentive compensation paid under the incentive compensation plan described in Section 6 for the season in which the Executive's employment is terminated based on the number of days the Executive is employed during such season and any incentive compensation under the plan described in Section 6 that the Executive would have received if he had remained employed with the Company for a period of one (1) year after the Termination Date; and (B) pay the Executive his Base Salary for one additional year after payments have ended under Section 10(b)(ii);

(iv) provided, however, that in the event Executive becomes entitled to any payments under Section 10(g), the Company's obligations to Executive under Section 10 shall thereafter be determined solely under Section 10 (g).

(c) If the Executive's employment is terminated by the Company by reason of the Executive's Disability, the Company's sole obligations hereunder shall be as follows:

(i) the Company shall pay the Executive the Accrued Compensation;

(ii) Executive shall be entitled to receive the applicable benefits available under the Company's Long-Term Disability Plan.

(d) If the Executive's employment is terminated by reason of the Company's written notice to the Executive of its decision not to extend the Employment Agreement pursuant to Section 1 hereof, the Company's sole obligation hereunder shall be as follows:

(i) the Company shall pay the Executive the Accrued Compensation;

(ii) the Company shall continue to pay the Executive the Base Salary for a period of one (1) year following the expiration of such term; and

(iii) in consideration of the Executive signing a General Release, the Company shall (A) pay the Executive a pro-rata amount of the incentive compensation paid under the incentive compensation plan described in Section 6 for the season in which the Executive's employment is terminated based on the number of days the Executive is employed during such season and any incentive compensation under the plan described in Section 6 that the Executive would have received if he had remained employed with the Company for a period of one (1) year after the Termination Date; and (B) pay the Executive his Base Salary for one additional year after payments have ended under Section 10(d)(ii).

(e) For up to eighteen (18) months during the period the Executive is receiving salary continuation pursuant to Section 10(b)(ii), 10(c)(ii) or 10(d)(ii) hereof, the Company shall, at its expense, provide to the Executive and the Executive's beneficiaries medical and dental benefits substantially similar in the aggregate to the those provided to the Executive immediately prior to the date of the Executive's termination of employment; provided, however, that the Company's obligation to provide such benefits shall cease upon the earlier of Executive's becoming employed and the expiration of Executive's rights to continue such medical and dental benefits under COBRA.

(f) Executive shall not be required to mitigate the amount of any payment provided for in this Section 10 by seeking other employment or otherwise and no such payment or benefit shall be eliminated, offset or reduced by the amount of any compensation provided to the Executive in any subsequent employment, except as provided in Section 10(e).

(g) In the event that (x) the Company enters into a binding agreement that, if consummated, would constitute a Change in Control, (y) Executive's employment is terminated under the circumstances set forth in Section 10(b) and (z) within six months after the execution of such agreement a Change in Control of the Company occurs involving one or more of the other parties to such agreement, then the Company's sole obligations hereunder shall be as follows:

(i) the Company shall pay to Executive a lump sum payment in cash no later than 10 business days after the Change in Control an amount equal to the sum of (A) and (B), where (A) is the difference between (x) the Severance Amount (as defined in Section 23(a)(ii)) and (y) the sum of the payments made to the Executive prior to the change in Control pursuant to Section 10(b)(ii) and (B) is the difference between (x) the Bonus Amount (as defined in the Section 23(a)(iii)) and (y) the payments, if any, made to Executive prior to the Change in Control pursuant to Section 10(b)(iii)(A);

(ii) the Company shall reimburse Executive for any documented legal fees and expenses to the extent set forth in Section 23(a)(iv);

(iii) the Company shall make available to Executive and Executive's beneficiaries medical and dental benefits to the extent provided in Section 23(a)

(v); and

(iv) each of the Company and Executive shall have and be subject to, the rights, duties, and obligations set forth in Sections 22(c) and (d).

2. Section 12 of the Agreement is hereby amended in its entirety to read as follows;

“Reserved”

3. Sections 22 and 23 are added to the Agreement to read as follows:

22. Change in Control.

(a) For purposes of this Section 22, “Company” shall mean Limited Brands, Inc., a Delaware corporation.

(b) For purposes of this Agreement “Change in Control” means, and shall be deemed to have occurred upon the first to occur of any of the following events:

(i) Any Person (other than an Excluded Person) becomes, together with all “affiliates” and “associates” (each as defined under Rule 12b-2 of the Exchange Act), “beneficial owner” (as defined under Rule 13d-3 of the Exchange Act) of securities representing 33% or more of the combined voting power of the Voting Stock then outstanding, unless such Person becomes “beneficial owner” of 33% or more of the combined voting power of the Voting Stock then outstanding solely as a result of an acquisition of Voting Stock by the Company which, by reducing the Voting Stock outstanding, increases the proportionate Voting Stock beneficially owned by such Person (together with all “affiliates” and “associates” of such Person) to 33% or more of the combined voting power of the Voting Stock then outstanding; provided, that if a Person shall become the “beneficial owner” of 33% or more of the combined voting power of the Voting Stock then outstanding by reason of such Voting Stock acquisition by the Company and shall thereafter become the “beneficial owner” of any additional Voting Stock which causes the proportionate voting power of Voting Stock beneficially owned by such Person to increase to 33% or more of the combined voting power of the Voting Stock then outstanding, such Person shall, upon becoming the “beneficial owner” of such additional Voting Stock, be deemed to have become the “beneficial owner” of 33% or more of the combined voting power of the Voting Stock then outstanding other than solely as a result of such Voting Stock acquisition by the Company;

(ii) During any period of 24 consecutive months individuals who at the beginning of such period constitute the Board (and any new Director, whose election by the Board or nomination for election by the Company’s stockholders was approved by a vote of at least two-thirds of the Directors then still in office who either were Directors at the beginning of the period or whose election or nomination for election was so approved), cease for any reason to constitute a majority of Directors then constituting the Board;

(iii) A reorganization, merger or consolidation of the Company is consummated, in each case, unless, immediately following such reorganization, merger or consolidation, (i) more than 50% of, respectively, the then outstanding shares of common stock of the corporation resulting from such reorganization, merger or consolidation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or

substantially all of the individuals and entities who were the “beneficial owners” of the Voting Stock outstanding immediately prior to such reorganization, merger or consolidation, (ii) no Person (but excluding for this purpose any Excluded Person and any Person beneficially owning, immediately prior to such reorganization, merger or consolidation, directly or indirectly, 33% or more of the voting power of the outstanding Voting Stock) beneficially owns, directly or indirectly, 33% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such reorganization, merger or consolidation or the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors and (iii) at least a majority of the members of the board of directors of the corporation resulting from such reorganization, merger or consolidation were members of the Board at the time of the execution of the initial agreement providing for such reorganization, merger or consolidation;

(iv) The consummation of (i) a complete liquidation or dissolution of the Company or (ii) the sale or other disposition of all or substantially all of the assets of the Company, other than to any corporation with respect to which, immediately following such sale or other disposition, (A) more than 50% of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the “beneficial owners” of the Voting Stock outstanding immediately prior to such sale or other disposition of assets, (B) no Person (but excluding for this purpose any Excluded Person and any Person beneficially owning, immediately prior to such sale or other disposition, directly or indirectly, 33% or more of the voting power of the outstanding Voting Stock) beneficially owns, directly or indirectly, 33% or more of, respectively, the then outstanding shares of common stock of such corporation or the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors and (C) at least a majority of the members of the board of directors of such corporation were members of the Board at the time of the execution of the initial agreement or action of the Board providing for such sale or other disposition of assets of the Company; or

(v) The occurrence of any transaction or event that the Board, in its sole discretion, designates a “Change in Control”.

Notwithstanding the foregoing, in no event shall a “Change in Control” be deemed to have occurred (i) as a result of the formation of a Holding Company, or (ii) with respect to an Executive, if Executive is part of a “group,” within the meaning of Section 13(d)(3) of the Exchange Act as in effect on the Effective Date, which consummates the Change in Control transaction. In addition, for purposes of the definition of “Change in Control” a Person engaged in business as an underwriter of securities shall not be deemed to be the “beneficial owner” of, or to “beneficially own,” any securities acquired through such Person’s participation in good faith in a firm commitment underwriting until the expiration of forty days after the date of such acquisition. “Excluded Person” shall mean (i) the Company; (ii) any of the Company’s Subsidiaries; (iii) any Holding Company; (iv) any employee benefit plan of the Company, any of its Subsidiaries or a Holding Company; or (v) any Person organized, appointed or established by the Company, any of its Subsidiaries or a Holding Company for or pursuant to the terms of any plan described in clause (iv). “Person” shall mean any individual composition, partnership, limited liability company, associations, trust or other entity or organization. “Holding Company” shall mean an entity that becomes a holding company for the Company or its businesses as a part of any reorganization, merger, consolidation or other transaction, provided that the outstanding shares of common stock of such entity and the combined voting power of the then outstanding voting securities of such entity entitled to vote generally in the election of directors is,

immediately after such reorganization, merger, consolidation or other transaction, beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the “beneficial owners”, respectively, of the Voting Stock outstanding immediately prior to such reorganization, merger, consolidation or other transaction in substantially the same proportions as their ownership, immediately prior to such reorganization, merger, consolidation or other transaction, of such outstanding Voting Stock. “Voting Stock” shall mean securities of the Company entitled to vote generally in the election of members of the Company’s Board of Directors.

(c) **Gross-Up Payment.** In the event it shall be determined that any payment or distribution of any type to or for the benefit of the Executive, by the Company, any of its affiliates, any Person who acquires ownership or effective control of the Company or ownership of a substantial portion of the Company’s assets (within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations thereunder) or any affiliate of such Person, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the “Total Payments”), would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest and penalties, are collectively referred to as the “Excise Tax”), then the Executive shall be entitled to receive an additional payment (a “Gross-Up Payment”) in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including any Excise Tax, imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Total Payments

(d) All determinations as to whether any of the Total Payments are “parachute payments” (within the meaning of Section 280G of the Code), whether a Gross-Up Payment is required, the amount of such Gross-Up Payment and any amounts relevant to the last sentence of Subsection 22(c), shall be made by an independent accounting firm selected by the Company from among the largest six accounting firms in the United States (the “Accounting Firm”). The Accounting Firm shall provide its determination (the “Determination”), together with detailed supporting calculations regarding the amount of any Gross-Up Payment and any other relevant matter, both to the Company and the Executive within five (5) days of the Termination Date, if applicable, or such earlier time as is requested by the Company or the Executive (if the Executive reasonably believes that any of the Total Payments may be subject to the Excise Tax). Any determination by the Accounting Firm shall be binding upon the Company and the Executive. As a result of uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that the Company should have made Gross-Up Payments (“Underpayment”), or that Gross-Up Payments will have been made by the Company which should not have been made (“Overpayments”). In either such event, the Accounting Firm shall determine the amount of the Underpayment or Overpayment that has occurred. In the case of an Underpayment, the amount of such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive. In the case of an Overpayment, the Executive shall, at the direction and expense of the Company, take such steps as are reasonably necessary (including the filing of returns and claims for refund), follow reasonable instructions from, and procedures established by, the Company, and otherwise reasonably cooperate with the Company to correct such Overpayment.

### 23. Compensation Upon Certain Terminations During the 24-Month Period Following a Change in Control

(a) If the Executive’s employment is terminated by the Company other than for Cause or by the Executive for Good Reason, in each case during the 24 consecutive month period immediately following a Change in Control, the Company’s sole obligations hereunder subject to the Executive’s execution of a General Release, shall be as follows:

- (i) the Company shall pay the Executive the Accrued Compensation;



(ii) the Company shall pay the Executive a lump sum payment in cash no later than ten business days after the termination date an amount equal to two times Executive's Base Salary (the "Severance Amount");

(iii) the Company shall pay the Executive a lump sum payment in cash no later than ten (10) business days after the date of termination an amount equal to the sum of the last four (4) bonus payments the Executive received under the Company's incentive compensation plan described in Section 6 and a pro-rata amount for the season in which the Executive's employment is terminated based on the average of the prior four (4) bonus payments and the number of days the Executive is employed during such season (the "Bonus Amount");

(iv) the Company shall reimburse the Executive for all documented legal fees and expenses reasonably incurred by the Executive in seeking to obtain or enforce any right or benefit provided by this Section 23; and

(v) the Company shall provide the Executive and Executive's beneficiaries medical and dental benefits substantially similar to those which the Executive was receiving immediately prior to the date of termination for a period of eighteen (18) months after the termination date; provided however, that the Company's obligation with respect to the foregoing medical and dental benefits shall cease in the event Executive becomes employed.

(b) Except as provided in Section 23(a)(v), the Executive shall not be required to mitigate the amount of any payment provided for in this Section 23 by seeking other employment or otherwise, nor shall the amount of any payment or benefit provided for in this Section 23 be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the Company, or otherwise.

IN WITNESS WHEREOF, the Company has caused this Amendment to be executed by its duly authorized officer and the Executive has executed this Amendment as of the day and year first written above.

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: Leonard A. Schlesinger  
Title: Vice Chairman & Chief Operating Officer

Date: \_\_\_\_\_

\_\_\_\_\_  
Mark Giresi

## EMPLOYMENT AGREEMENT

THIS AGREEMENT is entered into, effective January 2, 2004, by and between Limited Brands, Inc. and The Limited Service Corporation (the "Company"), and V. Ann Hailey (the "Executive") (hereinafter collectively referred to as "the parties").

WHEREAS, the Executive is employed as the Executive Vice President and Chief Financial Officer of the Company and is experienced in various phases of the Company's business and will possess an intimate knowledge of the business and affairs of the Company and its policies, procedures, methods, and personnel; and

WHEREAS, the Company has determined that it is essential and in its best interests to retain the services of key management personnel and to ensure their continued dedication and efforts; and

WHEREAS, this Agreement supersedes in its entirety the Employment Agreement that the parties entered into as of July 27, 1998; provided, however, that nothing in this Employment Agreement shall cancel or modify any previous grant of stock options or restrictive stock which was previously granted to the Executive or any rights to repurchase shares represented by such grants.

WHEREAS, the Compensation Committee of the Board of Directors of the Company (the "Board") has determined that it is in the best interests of the Company to secure the services and employment of the Executive, and the Executive is willing to render such services on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the respective agreements of the parties contained herein, the parties hereby agree as follows:

1. Term. The initial term of employment under this Agreement shall be for the period commencing on the date hereof (the "Commencement Date") and ending on the sixth anniversary of the Commencement Date (the "Initial Term"); provided, however, that thereafter this Agreement shall be automatically renewed from year to year, unless either the Company or the Executive shall have given written notice to the other at least ninety (90) days prior thereto that the term of this Agreement shall not be so renewed.

2. Employment.

(a) Position. The Executive shall be employed as the Executive Vice President and Chief Financial Officer or such other position of reasonably comparable or greater status and responsibilities, as may be determined by the Board of Directors. The Executive shall perform the duties, undertake the responsibilities, and exercise the authority customarily performed, undertaken, and exercised by persons employed in a similar executive capacity. The Executive shall report to the Office of the Chief Executive, or such other designee as appointed by said office.

(b) Obligations. The Executive agrees to devote her full business time and attention to the business and affairs of the Company. The foregoing, however, shall not preclude the Executive from serving on corporate, civic, or charitable boards or committees or managing personal investments, so long as such activities do not interfere with the performance of the Executive's responsibilities hereunder.

3. Base Salary. The Company agrees to pay or cause to be paid to the Executive an annual base salary at the rate of \$840,000, less applicable withholding. This

base salary will be subject to annual review and may be increased from time to time by the Board considering factors such as the Executive's responsibilities, compensation of similar executives within the company and in other companies, performance of the Executive, and other pertinent factors (hereinafter referred to as the "Base Salary"). Such Base Salary shall be payable in accordance with the Company's customary practices applicable to its executives.

4. Equity Compensation. The Company shall grant to the Executive 100,000 restricted shares of the Company's common stock. Such grant shall be subject to the terms and conditions as set forth in the Company's Stock Option and Performance Incentive Plan ("Plan") and the Company's normal form of restricted stock agreement. The restricted shares shall vest 25% on each of the first four anniversaries of the grant date. In addition, beginning in Spring 2004, and contingent on the Executive's continued satisfactory performance, the Executive shall be eligible to receive grants of 100,000 stock options each year pursuant to the Company's Plan. The size and form of future stock option grants under the Plan is subject to change as the Company responds to changes in accounting rules and market competitive practice. Should the Plan be changed, Executive's annual grants will be comparable to annual grants of other executive's of the Company at a level comparable to the Executive.

5. Employee Benefits. The Executive shall be entitled to participate in all employee benefit plans, practices, and programs maintained by the Company and made available to senior executives generally and as may be in effect from time to time. The Executive's participation in such plans, practices and programs shall be on the same basis and terms as are applicable to senior executives of the Company generally.

6. Bonus. The Executive shall be entitled to participate in the Company's applicable incentive compensation plan at a target level of One Hundred Percent (100%) on such terms and conditions as may be determined from time to time by the Board.

7. Other Benefits.

(a) Life Insurance.

(1) During the term of the Agreement, the Company shall maintain term life insurance coverage on the life of the Executive in the amount of \$5,000,000, the proceeds of which shall be payable to the beneficiary or beneficiaries designated by the Executive. The Executive agrees to undergo any reasonable physical examination and other procedures as may be necessary to maintain such policy. If the Company is not able to obtain such policy due to Executive's physical examination results, an AD&D (accidental death and dismemberment) policy of an equivalent amount will be obtained in lieu of the term life insurance coverage.

(2) During the term of this Agreement, the Company shall be entitled to maintain a "key person" term life insurance policy on the life of the Executive, the proceeds of which shall be payable to the Company or its designees. The Executive agrees to undergo any reasonable physical examination and other procedures as may be necessary to maintain such policy.

(b) Expenses. Subject to applicable Company policies, the Executive shall be entitled to receive prompt reimbursement of all expenses reasonably incurred by him in connection with the performance of her duties hereunder or for promoting, pursuing, or otherwise furthering the business or interests of the Company.

(c) Office and Facilities. The Executive shall be provided with appropriate offices and with such secretarial and other support facilities as are commensurate with the Executive's status with the Company and adequate for the performance of her duties hereunder.

8. Paid Time Off (PTO) Program. The Executive shall be entitled to paid time off in accordance with the policies as periodically established by the Board for similarly situated executives of the Company.

9. Termination. The Executive's employment hereunder is subject to the following terms and conditions:

(a) Disability. The Company shall be entitled to terminate the Executive's employment after having established the Executive's Disability. For purposes of this Agreement, "Disability" means a physical or mental infirmity which impairs the Executive's ability to substantially perform her duties under this Agreement for a period of at least six months in any twelve-month calendar period as determined in accordance with Limited Brands, Inc. Long-Term Disability Plan.

(b) Cause. The Company shall be entitled to terminate the Executive's employment for "Cause" without prior written notice. For purposes of this Agreement, "Cause" shall mean that the Executive (1) willfully failed to perform her duties with the Company (other than a failure resulting from the Executive's incapacity due to physical or mental illness); or (2) has plead "guilty" or "no contest" to or has been convicted of an act which is defined as a felony under federal or state law; or (3) engaged in willful misconduct in bad faith which could reasonably be expected to materially harm the Company's business or its reputation.

The Executive shall be given written notice by the Board of termination for Cause, such notice to state in detail the particular act or acts or failure or failures to act that constitute the grounds on which the proposed termination for Cause is based. The Executive shall be entitled to a hearing before the Board or a committee thereof established for such purpose and to be accompanied by legal counsel. Such hearing shall be held within 15 days of notice to the Company by the Executive, provided the Executive requests such hearing within 30 days of the written notice from the Board of the termination for Cause.

(c) Termination by the Executive. The Executive may terminate employment hereunder for "Good Reason" by delivering to the Company (1) a Preliminary Notice of Good Reason (as defined below), and (2) not earlier than thirty (30) days from the delivery of such Preliminary Notice, a Notice of Termination. For purposes of this Agreement, "Good Reason" means (i) the failure to continue the Executive in a capacity contemplated by Section 2 hereof; (ii) the assignment to the Executive of any duties materially inconsistent with the Executive's positions, duties, authority, responsibilities, and reporting requirements as set forth in Section 2 hereof; (iii) a reduction in or a material delay in payment of the Executive's total cash compensation and benefits from those required to be provided in accordance with the provisions of this Agreement; (iv) the Company, the Board or any person controlling the Company requires the Executive to be based outside of the United States, other than on travel reasonably required to carry out the Executive's obligations under the Agreement, or (v) the failure of the Company to obtain the assumption in writing of its obligation to perform this Agreement by any successor to all or substantially all of the assets of the Company within 15 days after a merger, consolidation, sale, or similar transaction; provided, however, that "Good Reason" shall not include (A) acts not taken in bad faith which are cured by the Company in all

respects not later than thirty (30) days from the date of receipt by the Company of a written notice from the Executive identifying in reasonable detail the act or acts constituting "Good Reason" (a "Preliminary Notice of Good Reason") or (B) acts taken by the Company by reason of the Executive's physical or mental infirmity which impairs the Executive's ability to substantially perform her duties under this Agreement. A Preliminary Notice of Good Reason shall not, by itself, constitute a Notice of Termination.

(d) Notice of Termination. Any purported termination for Cause by the Company or for Good Reason by the Executive shall be communicated by a written Notice of Termination to the other two weeks prior to the Termination Date (as defined below). For purposes of this Agreement, a "Notice of Termination" shall mean a notice which indicates the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated. Any termination by the Company other than for Cause or by the Executive without Good Reason shall be communicated by a written Notice of Termination to the other party two (2) weeks prior to the Termination Date. However, the Company may elect to pay the Executive in lieu of two (2) weeks written notice. For purposes of this Agreement, no such purported termination of employment shall be effective without such Notice of Termination.

(e) Termination Date, Etc. "Termination Date" shall mean in the case of the Executive's death, the date of death, or in all other cases, the date specified in the Notice of Termination; provided, however, that if the Executive's employment is terminated by the Company due to Disability, the date specified in the Notice of Termination shall be at least thirty (30) days from the date the Notice of Termination is given to the Executive.

10. Compensation Upon Certain Terminations by the Company not Following a Change in Control.

(a) If during the term of the Agreement (including any extensions thereof), whether or not following a Change in Control (as defined below), the Executive's employment is terminated by the Company for Cause or by reason of the Executive's death, or if the Executive gives written notice not to extend the term of this Agreement, the Company's sole obligations hereunder shall be to pay the Executive the following amounts earned hereunder but not paid as of the Termination Date: (i) Base Salary, (ii) reimbursement for any and all monies advanced or expenses incurred pursuant to Section 7(b) through the Termination Date, and (iii) any earned compensation which the Executive had previously deferred (including any interest earned or credited thereon)(collectively, "Accrued Compensation"), provided however, that if the Executive gives written notice not to extend the Employment Term pursuant to Section 1, the Company shall continue to pay the premiums provided for in Section 7(a)(1) through the end of the calendar year in which the Executive's termination occurs. The Executive's entitlement to any other benefits shall be determined in accordance with the Company's employee benefit plans then in effect.

(b) If the Executive's employment is terminated by the Company other than for Cause or by the Executive for Good Reason, in each case other than during the 24-month period immediately following a Change in Control, the Company's sole obligations hereunder shall be as follows:

(i) the Company shall pay the Executive the Accrued Compensation;

(ii) the Company shall continue to pay the Executive the Base Salary for a period of one (1) year following the Termination Date;

(iii) in consideration of the Executive signing a General Release, the Company shall (A) pay the Executive a pro-rata amount of the incentive compensation paid under the incentive compensation plan described in Section 6 for the season in which the Executive's employment is terminated based on the number of days the Executive is employed during such season and any incentive compensation under the plan described in Section 6 that the Executive would have received if she had remained employed with the Company for a period of one (1) year after the Termination Date; and (B) pay the Executive her Base Salary for one additional year after payments have ended under Section 10(b)(ii); and

(iv) the Company shall continue to pay the premiums provided for in Section 7(a)(1) hereof through the end of the calendar year in which such termination occurs;

(v) provided, however, that in the event Executive becomes entitled to any payments under Section 10(g), the Company's obligations to Executive under Section 10 shall thereafter be determined solely under Section 10 (g).

(c) If the Executive's employment is terminated by the Company by reason of the Executive's Disability, the Company's sole obligations hereunder shall be as follows:

(i) the Company shall pay the Executive the Accrued Compensation;

(ii) the Company shall continue to pay the Executive 100% of the Base Salary for the first twelve months following the Termination Date, 80% of the Base Salary for the second twelve months following the Termination Date, and 60% of the Base Salary for the third twelve months following the Termination Date; provided, however, that such Base Salary shall be reduced by the amount of any benefits the Executive receives by reason of her Disability under the Company's relevant disability plan or plans; and

(iii) if the Executive is disabled beyond thirty-six (36) months, the Company shall continue to pay the Executive 60% of Base Salary, up to a maximum payment of \$250,000 per year, for the period of the Executive's Disability, as defined in the Company's relevant disability plans; provided, however, that such payments shall be reduced by the amount of any benefits the Executive receives by reason of her Disability under the Company's relevant disability plan or plans; and

(iv) the Company shall continue to pay the premiums provided for in Section 7(a)(1) hereof through the end of the calendar year in which such termination occurs.

(d) If the Executive's employment is terminated by reason of the Company's written notice to the Executive of its decision not to extend the Employment Agreement pursuant to Section 1 hereof, the Company's sole obligation hereunder shall be as follows:

(i) the Company shall pay the Executive the Accrued Compensation;

(ii) the Company shall continue to pay the Executive the Base Salary for a period of one (1) year following the expiration of such term;

(iii) in consideration of the Executive signing a General Release, the Company shall (A) pay the Executive a pro-rata amount of the incentive compensation paid under the incentive compensation plan described in Section 6 for the season in which the Executive's employment is terminated based on the number of days the Executive is employed during such season and any incentive compensation under the plan described in Section 6 that the Executive would have received if she had remained employed with the Company for a period of one (1) year after the Termination Date; and (B) pay the Executive her Base Salary for one additional year after payments have ended under Section 10(d)(ii); and

(iv) the Company shall continue to pay the premiums provided for in Section 7(a)(1) hereof through the end of the calendar year in which such termination occurs.

(e) For up to eighteen (18) months during the period the Executive is receiving salary continuation pursuant to Section 10(b)(ii), 10(c)(ii) or 10(d)(ii) hereof, the Company shall, at its expense, provide to the Executive and the Executive's beneficiaries medical and dental benefits substantially similar in the aggregate to the those provided to the Executive immediately prior to the date of the Executive's termination of employment; provided, however, that the Company's obligation to provide such benefits shall cease upon the earlier of Executive's becoming employed and the expiration of Executive's rights to continue such medical and dental benefits under COBRA.

(f) Executive shall not be required to mitigate the amount of any payment provided for in this Section 10 by seeking other employment or otherwise and no such payment or benefit shall be eliminated, offset or reduced by the amount of any compensation provided to the Executive in any subsequent employment, except as provided in Section 10(e).

(g) In the event that (x) the Company enters into a binding agreement that, if consummated, would constitute a Change in Control, (y) Executive's employment is terminated under the circumstances set forth in Section 10(b) and (z) within six months after the execution of such agreement a Change in Control of the Company occurs involving one or more of the other parties to such agreement, then the Company's sole obligations hereunder shall be as follows:

(i) the Company shall pay to Executive a lump sum payment in cash no later than 10 business days after the Change in Control an amount equal to the sum of (A) and (B), where (A) is the difference between (x) the Severance Amount (as defined in Section 14(a)(ii)) and (y) the sum of the payments made to the Executive prior to the change in Control pursuant to Section 10(b)(ii) and (B) is the difference between (x) the Bonus Amount (as defined in the Section 14(a)(iii)) and (y) the payments, if any, made to Executive prior to the Change in Control pursuant to Section 10(b)(iii)(A);

(ii) the Company shall reimburse Executive for any documented legal fees and expenses to the extent set forth in Section 14(a)(iv);

(iii) the Company shall pay such premiums as are required by Section 14(a)(v)(A) to the extent not previously paid pursuant to Section 10(b) and shall make available to Executive and Executive's beneficiaries medical and dental benefits to the extent provided in Section 14(a)(v)(B); and

(iv) each of the Company and Executive shall have and be subject to, the rights, duties, and obligations set forth in Sections 13(c) and (d).

#### 11. Employee Covenants.

(a) For the purposes of this Section 11, the term "Company" shall include Limited Brands, Inc. and all of its subsidiaries and affiliates thereof.

(b) Confidentiality. The Executive shall not, during the term of this Agreement and thereafter, make any Unauthorized Disclosure. For purposes of this Agreement, "Unauthorized Disclosure" shall mean use by the Executive for her own benefit or disclosure by the Executive to any person other than a person to whom disclosure is reasonably necessary or appropriate in connection with the performance by the Executive of duties as an executive of the Company or as may be legally required, of any confidential information relating to the business or prospects of the Company (including, but not limited to, any information and materials pertaining to any Intellectual Property as defined below ; provided, however, that such term shall not include the use or disclosure by the Executive, without consent, of any publicly available information (other than information available as a result of disclosure by the Executive in violation of this Section 11(b)). This confidentiality covenant has no temporal, geographical or territorial restriction.

(c) Non-Competition. During the Non-Competition Period described below, the Executive shall not, directly or indirectly, without the prior written consent of the Company, own, manage, operate, join, control, be employed by, consult with or participate in the ownership, management, operation or control of, or be connected with (as a stockholder, partner, or otherwise), any business, individual, partner, firm, corporation, or other entity that competes or plans to compete, directly or indirectly, with the Company, or any of its products; provided, however, that the "beneficial ownership" by the Executive after termination of employment with the Company, either individually or as a member of a "group," as such terms are used in Rule 13d of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), of not more than two percent (2%) of the voting stock of any publicly held corporation shall not be a violation of Section 11 of this Agreement.

The "Non-Competition Period" means the period the Executive is employed by the Company plus one (1) year from the Termination Date if the Executive's employment is terminated (i) by the Company for any reason, or (ii) by the Executive for any reason.

(d) Non-Solicitation. During the No-Raid Period described below, the Executive shall not directly or indirectly solicit, induce or attempt to influence any employee to leave the employment of the Company, nor assist anyone else in doing so. Further, during the No-Raid Period, the Executive shall not, either directly or indirectly, alone or in conjunction with another party, interfere with or harm, or attempt to interfere



with or harm, the relationship of the Company, with any person who at any time was an employee, customer or supplier of the Company, or otherwise had a business relationship with the Company.

The “No-Raid Period” means the period the Executive is employed by the Company plus one (1) year from the Termination Date if the Executive’s employment is terminated (i) by the Company for any reason, or (ii) by the Executive for any reason.

(e) Intellectual Property. The Executive agrees that all inventions, designs and ideas conceived, produced, created, or reduced to practice, either solely or jointly with others, during her employment with the Company including those developed on her own time, which relates to or is useful in the Company’s business (“Intellectual Property”) shall be owned solely by the Company. The Executive understands that whether in preliminary or final form, such Intellectual Property includes, for example, all ideas, inventions, discoveries, designs, innovations, improvements, trade secrets, and other intellectual property. All intellectual Property is either work made for hire for the Company within the meaning of the United States Copyright Act, or, if such Intellectual Property is determined not to be work made for hire, then the Executive irrevocably assigns all rights, titles and interests in and to the Intellectual Property to the Company, including all copyrights, patents, and/or trademarks. The Executive agrees that she will, without any additional consideration, execute all documents and take all other actions needed to convey her complete ownership of the Intellectual Property to the Company so that the Company may own and protect such Intellectual Property and obtain patent, copyright and trademark registrations for it. The Executive also agrees that the Company may alter or modify the Intellectual Property at the Company’s sole discretion, and the Executive waives all right to claim or disclaim authorship. The Executive represents and warrants that any Intellectual Property that she assigns to the Company, except as otherwise disclosed in writing at the time of assignment, will be my sole, exclusive, original work. The Executive also represents that she has not previously invented any Intellectual Property or has advised the Company in writing of any prior inventions or ideas.

(f) Remedies. The Executive agrees that any breach of the terms of this Section 11 would result in irreparable injury and damage to the Company for which the Company would have no adequate remedy at law; the Executive therefore also agrees that in the event of said breach or any threat of breach, the Company shall be entitled to an immediate injunction and restraining order to prevent, such breach and/or threatened breach and/or continued breach by the Executive and/or any and all persons and/or entities acting for and/or with the Executive, without having to prove damages, and to all costs and expenses, including reasonable attorneys’ fees and costs, in addition to any other remedies to which the Company may be entitled at law or in equity. The terms of this paragraph shall not prevent the Company from pursuing any other available remedies for any breach or threatened breach hereof, including but not limited to the recovery of damages from the Executive. The Executive and the Company further agree that the provisions of the covenants not to compete and solicit are reasonable and that the Company would not have entered into this Agreement but for the inclusion of such covenants herein. Should a court determine, however, that any provision of the covenants is unreasonable, either in period of time, geographical area, or otherwise, the parties hereto agree that the covenant should be interpreted and enforced to the maximum extent which such court deems reasonable.

The provisions of this Section 11 shall survive any termination of this Agreement, and the existence of any claim or cause of action by the Executive against the Company, whether predicated on this Agreement or otherwise, shall not constitute a

defense to the enforcement by the Company of the covenants and agreements of this Section 11; provided, however, that this paragraph shall not, in and of itself, preclude the Executive from defending himself against the enforceability of the covenants and agreements of this Section 11.

12. Employee Representation. The Executive expressly represents and warrants to the Company that the Executive is not a party to any contract or agreement and is not otherwise obligated in any way, and is not subject to any rules or regulations, whether governmentally imposed or otherwise, which will or may restrict in any way the Executive's ability to fully perform the Executive's duties and responsibilities under this Agreement.

13. Change in Control.

(a) For purposes of this Section 13, "Company" shall mean Limited Brands, Inc., a Delaware corporation.

(b) For purposes of this Agreement "Change in Control" means, and shall be deemed to have occurred upon the first to occur of any of the following events:

(i) Any Person (other than an Excluded Person) becomes, together with all "affiliates" and "associates" (each as defined under Rule 12b-2 of the Exchange Act), "beneficial owner" (as defined under Rule 13d-3 of the Exchange Act) of securities representing 33% or more of the combined voting power of the Voting Stock then outstanding, unless such Person becomes "beneficial owner" of 33% or more of the combined voting power of the Voting Stock then outstanding solely as a result of an acquisition of Voting Stock by the Company which, by reducing the Voting Stock outstanding, increases the proportionate Voting Stock beneficially owned by such Person (together with all "affiliates" and "associates" of such Person) to 33% or more of the combined voting power of the Voting Stock then outstanding; provided, that if a Person shall become the "beneficial owner" of 33% or more of the combined voting power of the Voting Stock then outstanding by reason of such Voting Stock acquisition by the Company and shall thereafter become the "beneficial owner" of any additional Voting Stock which causes the proportionate voting power of Voting Stock beneficially owned by such Person to increase to 33% or more of the combined voting power of the Voting Stock then outstanding, such Person shall, upon becoming the "beneficial owner" of such additional Voting Stock, be deemed to have become the "beneficial owner" of 33% or more of the combined voting power of the Voting Stock then outstanding other than solely as a result of such Voting Stock acquisition by the Company;

(ii) During any period of 24 consecutive months individuals who at the beginning of such period constitute the Board (and any new Director, whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the Directors then still in office who either were Directors at the beginning of the period or whose election or nomination for election was so approved), cease for any reason to constitute a majority of Directors then constituting the Board;

(iii) A reorganization, merger or consolidation of the Company is consummated, in each case, unless, immediately following such reorganization, merger or consolidation, (i) more than 50% of, respectively, the then outstanding shares of common stock of the corporation resulting from such reorganization, merger or consolidation and

the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the “beneficial owners” of the Voting Stock outstanding immediately prior to such reorganization, merger or consolidation, (ii) no Person (but excluding for this purpose any Excluded Person and any Person beneficially owning, immediately prior to such reorganization, merger or consolidation, directly or indirectly, 33% or more of the voting power of the outstanding Voting Stock) beneficially owns, directly or indirectly, 33% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such reorganization, merger or consolidation or the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors and (iii) at least a majority of the members of the board of directors of the corporation resulting from such reorganization, merger or consolidation were members of the Board at the time of the execution of the initial agreement providing for such reorganization, merger or consolidation;

(iv) The consummation of (i) a complete liquidation or dissolution of the Company or (ii) the sale or other disposition of all or substantially all of the assets of the Company, other than to any corporation with respect to which, immediately following such sale or other disposition, (A) more than 50% of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the “beneficial owners” of the Voting Stock outstanding immediately prior to such sale or other disposition of assets, (B) no Person (but excluding for this purpose any Excluded Person and any Person beneficially owning, immediately prior to such sale or other disposition, directly or indirectly, 33% or more of the voting power of the outstanding Voting Stock) beneficially owns, directly or indirectly, 33% or more of, respectively, the then outstanding shares of common stock of such corporation or the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors and (C) at least a majority of the members of the board of directors of such corporation were members of the Board at the time of the execution of the initial agreement or action of the Board providing for such sale or other disposition of assets of the Company; or

(v) The occurrence of any transaction or event that the Board, in its sole discretion, designates a “Change in Control”.

Notwithstanding the foregoing, in no event shall a “Change in Control” be deemed to have occurred (i) as a result of the formation of a Holding Company, or (ii) with respect to an Executive, if Executive is part of a “group,” within the meaning of Section 13(d)(3) of the Exchange Act as in effect on the Effective Date, which consummates the Change in Control transaction. In addition, for purposes of the definition of “Change in Control” a Person engaged in business as an underwriter of securities shall not be deemed to be the “beneficial owner” of, or to “beneficially own,” any securities acquired through such Person’s participation in good faith in a firm commitment underwriting until the expiration of forty days after the date of such acquisition. “Excluded Person” shall mean (i) the Company; (ii) any of the Company’s Subsidiaries; (iii) any Holding Company; (iv) any employee benefit plan of the Company, any of its Subsidiaries or a Holding Company; or (v) any Person organized, appointed or established by the Company, any of its Subsidiaries or a Holding Company for or pursuant to the terms of any plan described in clause (iv). “Person” shall mean any individual composition, partnership, limited liability company, associations, trust or other entity or organization. “Holding Company” shall mean an entity that becomes a holding company for the Company or its businesses as a part of any reorganization, merger,

consolidation or other transaction, provided that the outstanding shares of common stock of such entity and the combined voting power of the then outstanding voting securities of such entity entitled to vote generally in the election of directors is, immediately after such reorganization, merger, consolidation or other transaction, beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the “beneficial owners”, respectively, of the Voting Stock outstanding immediately prior to such reorganization, merger, consolidation or other transaction in substantially the same proportions as their ownership, immediately prior to such reorganization, merger, consolidation or other transaction, of such outstanding Voting Stock. “Voting Stock” shall mean securities of the Company entitled to vote generally in the election of members of the Company’s Board of Directors.

(c) Gross-Up Payment. In the event it shall be determined that any payment or distribution of any type to or for the benefit of the Executive, by the Company, any of its affiliates, any Person who acquires ownership or effective control of the Company or ownership of a substantial portion of the Company’s assets (within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations thereunder) or any affiliate of such Person, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the “Total Payments”), would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest and penalties, are collectively referred to as the “Excise Tax”), then the Executive shall be entitled to receive an additional payment (a “Gross-Up Payment”) in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including any Excise Tax, imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Total Payments

(d) All determinations as to whether any of the Total Payments are “parachute payments” (within the meaning of Section 280G of the Code), whether a Gross-Up Payment is required, the amount of such Gross-Up Payment and any amounts relevant to the last sentence of Subsection 13(c), shall be made by an independent accounting firm selected by the Company from among the largest six accounting firms in the United States (the “Accounting Firm”). The Accounting Firm shall provide its determination (the “Determination”), together with detailed supporting calculations regarding the amount of any Gross-Up Payment and any other relevant matter, both to the Company and the Executive within five (5) days of the Termination Date, if applicable, or such earlier time as is requested by the Company or the Executive (if the Executive reasonably believes that any of the Total Payments may be subject to the Excise Tax). Any determination by the Accounting Firm shall be binding upon the Company and the Executive. As a result of uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that the Company should have made Gross-Up Payments (“Underpayment”), or that Gross-Up Payments will have been made by the Company which should not have been made (“Overpayments”). In either such event, the Accounting Firm shall determine the amount of the Underpayment or Overpayment that has occurred. In the case of an Underpayment, the amount of such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive. In the case of an Overpayment, the Executive shall, at the direction and expense of the Company, take such steps as are reasonably necessary (including the filing of returns and claims for refund), follow reasonable instructions from, and procedures established by, the Company, and otherwise reasonably cooperate with the Company to correct such Overpayment.

14. Compensation Upon Certain Terminations During the 24-Month Period Following a Change in Control

(a) If the Executive's employment is terminated by the Company other than for Cause or by the Executive for Good Reason, in each case during the 24 consecutive month period immediately following a Change in Control, the Company's sole obligations hereunder subject to the Executive's execution of a General Release, shall be as follows:

(i) the Company shall pay the Executive the Accrued Compensation;

(ii) the Company shall pay the Executive a lump sum payment in cash no later than ten business days after the termination date an amount equal to two times Executive's Base Salary (the "Severance Amount");

(iii) the Company shall pay the Executive a lump sum payment in cash no later than ten (10) business days after the date of termination an amount equal to the sum of the last four (4) bonus payments the Executive received under the Company's incentive compensation plan described in Section 6 and a pro-rata amount for the season in which the Executive's employment is terminated based on the average of the prior four (4) bonus payments and the number of days the Executive is employed during such season (the "Bonus Amount");

(iv) the Company shall reimburse the Executive for all documented legal fees and expenses reasonably incurred by the Executive in seeking to obtain or enforce any right or benefit provided by this Section 14; and

(v) the Company shall (A) pay the premiums provided for in Section 7(a)(1) hereof through the end of the calendar year in which such termination occurs, and (B) shall provide the Executive and Executive's beneficiaries medical and dental benefits substantially similar to those which the Executive was receiving immediately prior to the date of termination for a period of eighteen (18) months after the termination date; provided however, that the Company's obligation with respect to the foregoing medical and dental benefits shall cease in the event Executive becomes employed.

(b) Except as provided in Section 14(a)(v)(B), the Executive shall not be required to mitigate the amount of any payment provided for in this Section 14 by seeking other employment or otherwise, nor shall the amount of any payment or benefit provided for in this Section 14 be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the Company, or otherwise.

15. Successors and Assigns.

(a) This Agreement shall be binding upon and shall inure to the benefit of the Company, its successors and assigns, and the Company shall require any successor or assign to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession or assignment had taken place. The term "the Company" as used herein

shall include any such successors and assigns to the Company's business and/or assets. The term "successors and assigns" as used herein shall mean a corporation or other entity acquiring or otherwise succeeding to, directly or indirectly, all or substantially all the assets and business of the Company (including this Agreement) whether by operation of law or otherwise.

(b) Neither this Agreement nor any right or interest hereunder shall be assignable or transferable by the Executive, the Executive's beneficiaries or legal representatives, except by will or by the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal personal representative.

16. Arbitration. Except with respect to the remedies set forth in Section 11(f) hereof, any controversy or claim between the Company or any of its affiliates and the Executive arising out of or relating to this Agreement or its termination shall be settled and determined by binding arbitration. The American Arbitration Association, under its Commercial Arbitration Rules, shall administer the binding arbitration. The arbitration shall take place in Columbus, Ohio. The Company and the Executive shall appoint one person to act as an arbitrator, and a third arbitrator shall be chosen by the first two arbitrators (such three arbitrators, the "Panel"). The Panel shall have no authority to award punitive damages against the Company or the Executive. The Panel shall have no authority to add to, alter, amend, or refuse to enforce any portion of the disputed agreements. The Company and the Executive each waive any right to a jury trial or to a petition for stay in any action or proceeding of any kind arising out of or relating to this Agreement or its termination.

17. Notice. For the purposes of this Agreement, notices and all other communications provided for in the Agreement (including the Notice of Termination) shall be in writing and shall be deemed to have been duly given when personally delivered or sent by registered or certified mail, return receipt requested, postage prepaid, or upon receipt if overnight delivery service or facsimile is used, addressed as follows:

To the Executive:

V. Ann Hailey  
7531 Ehret Round  
New Albany, OH 43054

To the Company:

Limited Brands, Inc.  
Three Limited Parkway  
Columbus, Ohio 43230  
Attn: Secretary

18. Settlement of Claims. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any circumstances, including, without limitation, any set-off, counterclaim, recoupment, defense, or other right which the Company may have against the Executive or others.

19. Miscellaneous. No provision of this Agreement may be modified, waived, or discharged unless such waiver, modification, or discharge is agreed to in writing and signed by the Executive and the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver

of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreement or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement.

20. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Ohio without giving effect to the conflict of law principles thereof.

21. Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof.

22. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, if any, understandings and arrangements, oral or written, between the parties hereto with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer and the Executive has executed this Agreement as of the day and year first above written.

LIMITED BRANDS, INC.

By: \_\_\_\_\_

Name: Leslie H. Wexner

Title: Chairman and Chief Executive Officer

\_\_\_\_\_  
V. Ann Hailey