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

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended January 30, 2010

OR

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

For the transition period from to

Commission file number 1-8344

LIMITED BRANDS, INC.

(Exact name of registrant as specified in its charter)

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

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

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

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

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the registrant's Common Stock held by non-affiliates of the registrant as of the last business day of the registrant's most recently completed second fiscal quarter was: $3,450,695,967.

Number of shares outstanding of the registrant's Common Stock as of March 19, 2010: 323,296,784.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Proxy Statement for the Registrant's 2010 Annual Meeting of Stockholders to be held on May 27, 2010, are incorporated by reference into Part II and Part III.

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PART I

ITEM 1. BUSINESS.

GENERAL.

We operate in the highly competitive specialty retail business. We are a retailer of women's intimate and other apparel, beauty and personal care products and accessories under various trade names. We sell our merchandise primarily through our retail stores in the United States and Canada and through our websites and catalogues.

FISCAL YEAR.

Our fiscal year ends on the Saturday nearest to January 31. As used herein, "2010", "2009", "2008", "2007" and "2005" refer to the 52 week periods ending January 29, 2011, January 30, 2010, January 31, 2009, February 2, 2008 and January 28, 2006, respectively. "2006" refers to the 53 week period ended February 3, 2007.

DESCRIPTION OF OPERATIONS.

Our Company

We are committed to building a family of the world's best fashion retail brands, offering captivating customer experiences that drive long-term loyalty and deliver sustained value for our stakeholders. Founded in 1963 in Columbus, Ohio, we have evolved from an apparel-based specialty retailer to an approximately $9 billion segment leader focused on lingerie, beauty and personal care product categories that make customers feel sexy, sophisticated and forever young.

We lead these product categories through our *Victoria's Secret* and *Bath & Body Works* brands. We sell our products at more than 1,000 Victoria's Secret stores and more than 1,600 Bath & Body Works stores nationwide, via the Victoria's Secret Catalogue and online at www.VictoriasSecret.com and www.BathandBodyWorks.com. We also sell upscale accessory products through our Henri Bendel flagship and 10 accessory stores, as well as online at www.HenriBendel.com. Through our La Senza, Bath & Body Works and Pink brands, products are also available in retail venues in Canada. Additionally, La Senza has franchising relationships in 49 countries around the globe. Victoria's Secret products are also made available on a wholesale basis to duty-free stores and other international retail locations.

Victoria's Secret is the leading U.S. specialty retailer of lingerie with modern, fashion-inspired collections, prestige fragrances and cosmetics, celebrated supermodels and world-famous runway shows. Victoria's Secret lingerie and beauty stores, the catalogue and www.VictoriasSecret.com allow customers to shop the brand anywhere, any time, from any place for glamorous and sexy products from lines such as Very Sexy®, Body by Victoria®, Angels by Victoria's Secret®, VS Cotton™, BioFit® and Victoria's Secret Pink® , and luxurious beauty products from lines such as Dream Angels™, Victoria's Secret Pink®, Beauty Rush® and Very Sexy ®.

Bath & Body Works has reinvented the personal care industry with the introduction of fragrant flavorful indulgences, including shower gels, lotions, antibacterial soaps, candles and accessories. Combining the introduction of spa products that are easily used at home with the incorporation of simple rituals into daily life, Bath & Body Works is committed to helping consumers improve their emotional and physical well-being. With a focus on creating and offering the best products and an emphasis on innovation, Bath & Body Works is the ultimate personal care destination.

Real Estate

The following chart provides the retail businesses and the number of our company-owned retail stores in operation for each business as of January 30, 2010 and January 31, 2009.

	January 30, 2010	January 31, 2009
Victoria's Secret Stores	1,040	1,043
Bath & Body Works	1,627	1,638
La Senza	258	322
Henri Bendel	11	5
Bath & Body Works Canada	31	6
Victoria's Secret Pink Canada	4	—
Total	2,971	3,014

The following table provides the changes in the number of our company-owned retail stores operated for the past five fiscal years:

Fiscal Year	Beginning of Year	Opened	Closed	Acquired/ Divested Businesses	End of Year
2009	3,014	59	(102)	—	2,971
2008	2,926	145	(57)	—	3,014
2007	3,766	129	(100)	(869)(a)	2,926
2006	3,590	52	(169)	293(b)	3,766
2005	3,779	50	(239)	—	3,590

(a) Express and Limited Stores were divested in July 2007 and August 2007, respectively.
(b) Represents stores acquired in the La Senza acquisition on January 12, 2007.

Our Strengths

We believe the following competitive strengths contribute to our leading market position, differentiate us from our competitors, and will drive future growth:

Industry Leading Brands

We believe that our two flagship brands, *Victoria's Secret* and *Bath & Body Works*, are almost universally recognized and others including *Pink* and *La Senza*, exhibit brand recognition which provides us with a competitive advantage. These brands are aspirational at accessible price points, and have a loyal customer base. These brands allow us to target markets across the economic spectrum, across demographics and across the world.

- At Victoria's Secret, we market products to the late-teen and college-age woman with Pink and then transition her into glamorous and sexy product lines, such as Angels, Very Sexy or Body by Victoria. While bras and panties are the core of what we do, these brands also give our customers choices in clothing, accessories, fragrances, lotions, cosmetics, swimwear and athletic attire.
- Bath & Body Works caters to our customers' entire well-being, providing shower gels and lotions, aromatherapy, antibacterial soaps, candles and personal care accessories.
- In Canada, La Senza is a leader in the intimate apparel market.

In-Store Experience and Store Operations

We view the customer's in-store experience as an important vehicle for communicating the image of each brand. We utilize visual presentation of merchandise, in-store marketing, music and our sales associates to reinforce the image represented by the brands.

Our in-store marketing is designed to convey the principal elements and personality of each brand. The store design, furniture, fixtures and music are all carefully planned and coordinated to create a shopping experience. Every brand displays merchandise uniformly to ensure a consistent store experience, regardless of location. Store managers receive detailed plans designating fixture and merchandise placement to ensure coordinated execution of the company-wide merchandising strategy.

Our sales associates and managers are a central element in creating the atmosphere of the stores by providing a high level of customer service.

Product Development, Sourcing and Logistics

We believe a large part of our success comes from frequent and innovative product launches, which include bra launches at Victoria's Secret and the recent restage of the Signature Collection and antibacterial lines at Bath & Body Works. Our merchant, design and sourcing teams at Victoria's Secret and our apparel sourcing function have a long history of bringing new products to our customers. Our personal care sourcing function works with our merchant teams to bring new ideas to the Bath & Body Works and Victoria's Secret Beauty customer.

We have an integrated supply chain leading from our key manufacturing partners around the world, through our distribution centers in Columbus, Ohio, to our stores. We believe that our apparel sourcing function has a long and deep presence in the key sourcing markets of Asia, which helps us partner with the best manufacturers and get high quality products to our customers quickly.

Experienced and Committed Management Team

We were founded in 1963 and have been led since inception by Leslie H. Wexner. Our senior management team has a wealth of retail and business experience at Limited Brands and other companies such as Nieman Marcus, Target, The Gap, Inc., The Home Depot, Carlson Companies and Yum Brands. We believe that we have one of the most experienced management teams in retail.

Additional Information

Merchandise Suppliers

During 2009, we purchased merchandise from over 1,000 suppliers located throughout the world. No supplier provided 10% or more of our merchandise purchases.

Distribution and Merchandise Inventory

Most of the merchandise and related materials for our stores are shipped to our distribution centers in the Columbus, Ohio area. We use a variety of shipping terms that result in the transfer of title to the merchandise at either the point of origin or point of destination.

Our policy is to maintain sufficient quantities of inventories on hand in our retail stores and distribution centers to enable us to offer customers an appropriate selection of current merchandise. We emphasize rapid turnover and take markdowns as required to keep merchandise fresh and current.

Information Systems

Our management information systems consist of a full range of retail, financial and merchandising systems. The systems include applications related to point-of-sale, e-commerce, merchandising, planning, sourcing, logistics, inventory management and support systems including human resources and finance. We continue to invest in technology to upgrade core systems to continue to improve our efficiency and accuracy in the production and delivery of merchandise to our stores.

Seasonal Business

Our operations are seasonal in nature and consist of two principal selling seasons: Spring (the first and second quarters) and Fall (the third and fourth quarters). The fourth quarter, including the holiday season, accounted for approximately one-third of our net sales for 2009, 2008 and 2007 and is typically our most profitable quarter. Accordingly, cash requirements are highest in the third quarter as our inventories build in advance of the holiday season.

Regulation

We and our products are subject to regulation by various federal, state, local and international regulatory authorities. We are subject to a variety of customs regulations and international trade arrangements.

Trademarks and Patents

Our trademarks and patents, which constitute our primary intellectual property, have been registered or are the subject of pending applications in the United States Patent and Trademark Office and with the registries of many foreign countries and/or are protected by common law. We believe our products and services are identified by our intellectual property and, thus, our intellectual property is of significant value. Accordingly, we intend to maintain our intellectual property and related registrations and vigorously protect our intellectual property assets against infringement.

Segment Information

We have two reportable segments: Victoria's Secret and Bath & Body Works. The Victoria's Secret reportable segment consists of the Victoria's Secret and La Senza operating segments which are aggregated in accordance with the authoritative guidance included in Accounting Standards Codification Subtopic 280, *Segment Reporting*.

Other Information

For additional information about our business, including our net sales and profits for the last three years and selling square footage, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation. For the financial results of our reportable segments, see Note 21 to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data.

COMPETITION.

The sale of women's intimate and other apparel, personal care and beauty products and accessories through retail stores is a highly competitive business with numerous competitors, including individual and chain specialty stores, department stores and discount retailers. Brand image, marketing, design, price, service, assortment and quality are the principal competitive factors in retail store sales. Our direct response businesses compete with numerous national and regional direct response merchandisers. Image presentation, fulfillment and the factors affecting retail store sales discussed above are the principal competitive factors in direct response sales.

ASSOCIATE RELATIONS.

On January 30, 2010, we employed approximately 92,100 associates, 75,000 of whom were part-time. In addition, temporary associates are hired during peak periods, such as the holiday season.

EXECUTIVE OFFICERS OF THE REGISTRANT.

Set forth below is certain information regarding our executive officers.

Leslie H. Wexner, 72, has been our Chairman of the Board of Directors for more than thirty years and our Chief Executive Officer since our founding in 1963.

Martyn R. Redgrave, 57, has been our Executive Vice President and Chief Administrative Officer since March 2005. In addition, Mr. Redgrave was our Chief Financial Officer from September 2006 to April 2007.

Stuart B. Burgdoerfer, 47, has been our Executive Vice President and Chief Financial Officer since April 2007.

Sharen J. Turney, 53, has been our Chief Executive Officer and President of Victoria's Secret since July 2006.

Diane L. Neal, 53, has been our Chief Executive Officer and President of Bath & Body Works since June 2007.

Jane L. Ramsey, 52, has been our Executive Vice President, Human Resources, since April 2006.

All of the above officers serve at the discretion of our Board of Directors and are members of our Executive Committee.

AVAILABLE INFORMATION.

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, amendments to those reports and code of conduct are available, free of charge, on our website, *www.LimitedBrands.com*. These reports are available as soon as reasonably practicable after such material is electronically filed with or furnished to the Securities and Exchange Commission ("SEC").

ITEM 1A. RISK FACTORS.

The following discussion of risk factors contains "forward-looking statements," as discussed in Item 1. These risk factors may be important to understanding any statement in this Form 10-K, other filings or in any other discussions of our business. The following information should be read in conjunction with Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation and Item 8. Financial Statements and Supplementary Data.

In addition to the other information set forth in this report, the reader should carefully consider the following factors which could materially affect our business, financial condition or future results. The risks described below are not our only risks. Additional risks and uncertainties not currently known or that are currently deemed to be immaterial may also adversely affect our business, operating results and/or financial condition in a material way.

Our revenue, profit results and cash flow are sensitive to, and may be adversely affected by, general economic conditions, consumer confidence and spending patterns.

Our growth, sales and profitability may be adversely affected by negative local, regional, national or international political or economic trends or developments that reduce the consumers' ability or willingness to spend, including the effects of national and international security concerns such as war, terrorism or the threat thereof.

In particular, our operating results are generally impacted by changes in the United States and Canadian economies. Negative economic conditions may impact the level of consumer spending and inhibit customers' use of credit. Purchases of women's intimate and other apparel, beauty and personal care products and accessories often decline during periods when economic or market conditions are unsettled or weak. In such circumstances, we may increase the number of promotional sales, which could have a material adverse effect on our results of operations and financial condition.

The global economic crisis could also impair the solvency of our suppliers, customers and other counterparties.

There could be a number of additional effects from the ongoing economic downturn. The inability of key suppliers to access liquidity, or the insolvency of key suppliers, could lead to delivery delays or failures. We provide merchandise sourcing services to other retailers and licensees and grant credit to these parties in the normal course of business which subjects us to potential credit risk. Additionally, we have guaranteed certain lease payments of certain of our former subsidiaries. Financial difficulties of our customers or those former subsidiaries for whom we guarantee lease payments could have a material adverse effect on our results of operations and financial condition. Finally, other counterparty failures, including banks and counterparties to contractual arrangements, could negatively impact our business.

The global economic crisis could have a material adverse effect on our liquidity and capital resources.

The general economic and capital market conditions in the United States and other parts of the world have deteriorated significantly. These conditions have affected access to capital and increased the cost of capital. Although we believe that our capital structure and credit facilities will provide sufficient liquidity, there can be no assurance that our liquidity will not be affected by changes in the financial markets or that our capital resources will at all times be sufficient to satisfy our liquidity needs. If these conditions continue or become worse, our future cost of debt and equity capital and access to the capital markets could be adversely affected.

Our net sales depend on a volume of traffic to our stores and the availability of suitable lease space.

Most of our stores are located in retail shopping areas including malls and other types of retail centers. Sales at these stores are derived, in part, from the high volume of traffic in those retail areas. Our stores benefit from the ability of the retail center and other attractions in an area, including "destination" retail stores, to generate consumer traffic in the vicinity of our stores. Sales volume and retail traffic may be adversely affected by economic downturns in a particular area, competition from other retail and non-retail attractions and other retail areas where we do not have stores. Recently, sales volume has been adversely affected by the recessionary economic conditions.

Part of our future growth is significantly dependent on our ability to operate stores in desirable locations with capital investment and lease costs providing the opportunity to earn a reasonable return. We cannot be sure as to when or whether such desirable locations will become available at reasonable costs.

Our net sales, operating income and inventory levels fluctuate on a seasonal basis.

We experience major seasonal fluctuations in our net sales and operating income, with a significant portion of our operating income typically realized during the fourth quarter holiday season. Any decrease in sales or margins during this period could have a material adverse effect on our results of operations and financial condition.

Seasonal fluctuations also affect our inventory levels, since we usually order merchandise in advance of peak selling periods and sometimes before new fashion trends are confirmed by customer purchases. We must carry a significant amount of inventory, especially before the holiday season selling period. If we are not successful in selling inventory, we may have to sell the inventory at significantly reduced prices or may not be able to sell the inventory at all, which could have a material adverse effect on our results of operations and financial condition.

Our ability to grow depends in part on new store openings and existing store remodels and expansions.

Our continued growth and success will depend in part on our ability to open and operate new stores and expand and remodel existing stores on a timely and profitable basis. Accomplishing our new and existing store expansion goals will depend upon a number of factors, including the ability to partner with developers and landlords to obtain suitable sites for new and expanded stores at acceptable costs, the hiring and training of qualified personnel, particularly at the store management level, and the integration of new stores into existing operations. There can be no assurance we will be able to achieve our store expansion goals, manage our growth effectively, successfully integrate the planned new stores into our operations or operate our new, remodeled and expanded stores profitably.

Our plans for international expansion include risks that could adversely impact our financial results and reputation.

We intend to further expand into international markets through franchise/distribution agreements and/or company-owned stores. The risks associated with our expansion into international markets include difficulties in attracting customers due to a lack of customer familiarity with our brands, our lack of familiarity with local customer preferences and seasonal differences in the market. Further, entry into this market may bring us into competition with new competitors or with existing competitors with an established market presence. Other risks include general economic conditions in specific countries or markets, disruptions or delays in shipments, changes in diplomatic and trade relationships, political instability and foreign governmental regulation.

We also have risks related to identifying suitable partners as franchisees, distributors or in a similar capacity. In addition, certain aspects of these arrangements are not directly within our control, such as the ability of these third parties to meet their projections regarding store openings and sales. We cannot ensure the profitability or success of our expansion into international markets. These risks could have a material adverse effect on our brand image and reputation as well as our results of operations, financial condition and cash flows.

Our licensees could take actions that could harm our business or brand images.

We have global representation through independently owned La Senza stores operated by licensees. Although we have criteria to evaluate and select prospective licensees, the amount of control we can exercise over our licensees is limited and the quality of licensed operations may be diminished by any number of factors beyond our control. Licensees may not have the business acumen or financial resources necessary to successfully operate stores in a manner consistent with our standards and may not hire and train qualified store managers and other personnel. Our brand image and reputation may suffer materially and our sales could decline if our licensees do not operate successfully.

Our direct channel business includes risks that could have an adverse effect on our results from operations or financial condition.

Our direct operations are subject to numerous risks that could have a material adverse effect on our operational results. Risks include, but are not limited to, the (a) diversion of sales from our stores, which may impact comparable store sales figures, (b) difficulty in recreating the in-store experience through our direct channels, (c) domestic or international resellers purchasing merchandise and re-selling it overseas outside our control, (d) risks related to the failure of the systems that operate the web sites and their related support systems, including computer viruses, theft of customer information, privacy concerns, telecommunication failures and electronic break-ins and similar disruptions, and (e) risks related to our direct-to-consumer distribution center. Any of these events could have a material adverse effect on our results of operations and financial condition.

Our failure to protect our reputation could have a material adverse effect on our brand images.

Our ability to maintain our reputation is critical to our brand images. Our reputation could be jeopardized if we fail to maintain high standards for merchandise quality and integrity. Any negative publicity about these types of

concerns may reduce demand for our merchandise. Failure to comply with ethical, social, product, labor and environmental standards, or related political considerations, could also jeopardize our reputation and potentially lead to various adverse consumer actions, including boycotts. Failure to comply with local laws and regulations, to maintain an effective system of internal controls or to provide accurate and timely financial statement information could also hurt our reputation. Damage to our reputation or loss of consumer confidence for any of these or other reasons could have a material adverse effect on our results of operations and financial condition, as well as require additional resources to rebuild our reputation.

Our failure to adequately protect our trade names, trademarks and patents could have a negative impact on our brand images and limit our ability to penetrate new markets.

We believe that our trade names, trademarks and patents are an essential element of our strategy. We have obtained or applied for federal registration of these trade names, trademarks and patents and have applied for or obtained registrations in many foreign countries. There can be no assurance that we will obtain such registrations or that the registrations we obtain will prevent the imitation of our products or infringement of our intellectual property rights by others. If any third-party copies our products in a manner that projects lesser quality or carries a negative connotation, our brand images could be adversely affected.

Our results can be adversely affected by market disruptions.

Market disruptions due to severe weather conditions, natural disasters, health hazards, terrorist activities, financial crises, political crises or other major events or the prospect of these events can affect consumer spending and confidence levels and adversely affect our results or prospects in affected markets. The receipt of proceeds under any insurance we maintain for these purposes may be delayed or the proceeds may be insufficient to fully offset our losses.

Our stock price may be volatile.

Our stock price may fluctuate substantially as a result of quarter to quarter variations in our actual or projected performance or the financial performance of other companies in the retail industry. In addition, the stock market has experienced price and volume fluctuations that have affected the market price of many retail and other stocks and that have often been unrelated or disproportionate to the operating performance of these companies.

Our failure to maintain our credit rating could negatively affect our ability to access capital and would increase our interest expense.

The credit ratings agencies periodically review our capital structure and the quality and stability of our earnings. Any negative ratings actions could constrain the capital available to our company or our industry and could limit our access to funding for our operations. We are dependent upon our ability to access capital at rates and on terms we determine to be attractive. If our ability to access capital becomes constrained, our interest costs will likely increase, which could have a material adverse effect on our results of operations and financial condition. Additionally, our failure to maintain our credit rating would result in higher interest costs.

We may be unable to service our debt.

We may be unable to service our outstanding debt or any other debt we incur. Additionally, some of our debt agreements contain covenants which require maintenance of certain financial ratios and also, under certain conditions, restrict our ability to pay dividends, repurchase common shares and make other restricted payments as defined in those agreements.

Our cash flow from operations provides the primary source of funds for our debt service payments. If our cash flow from operations is adversely impacted, we may be unable to service or refinance our current debt.

Our inability to compete favorably in our highly competitive segment of the retail industry could negatively impact our results.

The sale of intimate and other apparel, personal care products and accessories is highly competitive. We compete for sales with a broad range of other retailers, including individual and chain specialty stores, department stores and discount retailers. In addition to the traditional store-based retailers, we also compete with direct marketers or retailers that sell similar lines of merchandise and who target customers through direct response channels. Brand image, marketing, design, price, service, quality, image presentation and fulfillment are all competitive factors in both the store-based and direct response channels.

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

Increased competition could result in price reductions, increased marketing expenditures and loss of market share, any of which could have a material adverse effect on our results of operations and financial condition. The recent recessionary conditions have resulted in more significant competition and our competitors have lowered prices and engaged in more promotional activity.

Our inability to remain current with fashion trends and launch new product lines successfully could negatively impact the image and relevance of our brands.

Our success depends in part on management's ability to effectively anticipate and respond to changing fashion preferences and consumer demands and to translate market trends into appropriate, saleable product offerings far in advance of the actual time of sale to the customer. Customer demands and fashion trends change rapidly. If we are unable to successfully anticipate, identify or react to changing styles or trends or we misjudge the market for our products or any new product lines, our sales will be lower, potentially resulting in significant amounts of unsold finished goods inventory. In response, we may be forced to increase our marketing promotions or price markdowns, which could have a material adverse effect on our results of operations and financial condition. Our brand image may also suffer if customers believe merchandise misjudgments indicate we are no longer able to identify and offer the latest fashions.

We may be unable to retain key personnel.

It is our belief we have benefited substantially from the leadership and experience of our senior executives, including Leslie H. Wexner (Chairman of the Board of Directors and Chief Executive Officer). The loss of the services of any of these individuals could have a material adverse effect on our business and prospects. Competition for key personnel in the retail industry is intense and our future success will also depend on our ability to recruit, train and retain other qualified key personnel.

We may be unable to attract, develop and retain qualified employees and manage labor costs.

We believe our competitive advantage is providing a positive, engaging and satisfying experience for each individual customer, which requires us to have highly trained and engaged employees. Our success depends in part upon our ability to attract, develop and retain a sufficient number of qualified employees, including store personnel and talented merchants. The turnover rate in the retail industry is generally high and qualified individuals of the requisite caliber and number needed to fill these positions may be in short supply in some areas. Competition for such qualified individuals or changes in labor and healthcare laws could require us to incur higher labor costs. Our inability to recruit a sufficient number of qualified individuals in the future may delay planned openings of new stores or affect the speed with which we expand. Delayed store openings, significant increases in employee turnover rates or significant increases in labor costs could have a material adverse effect on our results of operations and financial condition.

We rely significantly on foreign sources of production and maintenance of operations in foreign countries.

We purchase merchandise directly in foreign markets and in the domestic market. We do not have any material long-term merchandise supply contracts. Many of our imports are subject to a variety of customs regulations and international trade arrangements, including existing or potential duties, tariffs or safeguard quotas. We compete with other companies for production facilities.

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

- political instability;
- imposition of duties, taxes and other charges on imports;
- legal and regulatory matters;
- currency and exchange risks;
- local business practice and political issues (including issues relating to compliance with domestic or international labor standards) which may result in adverse publicity or threatened or actual adverse consumer actions, including boycotts;
- potential delays or disruptions in shipping and related pricing impacts;
- disruption of imports by labor disputes; and
- changing expectations regarding product safety due to new legislation.

New initiatives may be proposed impacting the trading status of certain countries and may include retaliatory duties or other trade sanctions which, if enacted, would limit or reduce the products purchased from suppliers in such countries.

In addition, significant health hazards, environmental hazards or natural disasters may occur which could have a negative effect on the economies, financial markets and business activity. Our purchase of merchandise from these manufacturing operations may be affected by this risk.

Our future performance will depend upon these and the other factors listed above which are beyond our control and could have a material adverse effect on our results of operations and financial condition.

Our manufacturers may not be able to manufacture and deliver products in a timely manner and meet quality standards.

We purchase products through contract manufacturers and importers and directly from third-party manufacturers. Similar to most other specialty retailers, we have narrow sales window periods for much of our inventory. Factors outside our control, such as manufacturing or shipping delays or quality problems, could disrupt merchandise deliveries and result in lost sales, cancellation charges or excessive markdowns which could have a material adverse effect on our results of operations and financial condition.

Our results may be adversely affected by fluctuations in energy costs.

Energy costs have fluctuated dramatically in the past. These fluctuations may result in an increase in our transportation costs for distribution, utility costs for our retail stores and costs to purchase product from our manufacturers. A continual rise in energy costs could adversely affect consumer spending and demand for our products and increase our operating costs, both of which could have a material adverse effect on our results of operations and financial condition.

We may be adversely impacted by increases in costs of mailing, paper and printing.

Postal rate increases and paper and printing costs will affect the cost of our order fulfillment and catalogue and promotional mailings. We rely on discounts from the basic postal rate structure, such as discounts for bulk mailings and sorting. Future paper and postal rate increases could adversely impact our earnings if we are unable to pass such increases directly onto our customers or if we are unable to implement more efficient printing, mailing, delivery and order fulfillment systems.

We self-insure certain risks and may be adversely impacted by unfavorable claims experience.

We are self-insured for various types of insurable risks including associate medical benefits, workers' compensation, property, general liability and automobile up to certain stop-loss limits. Claims are difficult to predict and may be volatile. Any adverse claims experience could have a material adverse effect on our results of operations and financial condition.

We significantly rely on our ability to implement and sustain information technology systems.

Our success depends, in part, on the secure and uninterrupted performance of our information technology systems. Our computer systems, as well as those of our service providers, are vulnerable to damage from a variety of sources, including telecommunication failures, malicious human acts and natural disasters. Moreover, despite network security measures, some of our servers and those of our service providers are potentially vulnerable to physical or electronic break-ins, computer viruses and similar disruptive problems. Additionally, these types of problems could result in a breach of confidential customer information which could result in damage to our reputation and/or litigation. Despite the precautions we have taken, unanticipated problems may nevertheless cause failures in our information technology systems. Sustained or repeated system failures that interrupt our ability to process orders and deliver products to the stores in a timely manner or expose confidential customer information could have a material adverse effect on our results of operations and financial condition.

In addition, we will make modifications and upgrades to the information technology systems for point-of-sale, e-commerce, merchandising, planning, sourcing, logistics, inventory management and support systems including human resources and finance. Modifications involve replacing legacy systems with successor systems, making changes to legacy systems or acquiring new systems with new functionality. We are aware of inherent risks associated with replacing these systems, including accurately capturing data and system disruptions. Information technology system disruptions, if not anticipated and appropriately mitigated, could have a material adverse effect on our operations.

We may fail to comply with regulatory requirements.

As a public company, we are subject to numerous regulatory requirements. Our policies, procedures and internal controls are designed to comply with all applicable laws and regulations, including those imposed by the Sarbanes-Oxley Act of 2002, the SEC and the New York Stock Exchange (the "NYSE"). Failure to comply with such laws and regulations could have an adverse effect on our reputation, market price of our common stock, results of operations and financial condition.

We may be adversely impacted by changes in taxation requirements.

We are subject to income tax in local, national and international jurisdictions. In addition, our products are subject to import and excise duties and/or sales or value-added taxes in many jurisdictions. Fluctuations in tax rates and duties and changes in tax legislation or regulation could have a material adverse effect on our results of operations and financial condition.

We may be adversely impacted by certain compliance or legal matters.

We are subject to complex compliance and litigation risks. Difficulty can exist in complying with sometimes conflicting regulations in local, national or international jurisdictions as well as new or changing regulations that affect how we operate. In addition, we may be impacted by litigation trends, including class action lawsuits involving consumers and shareholders that could have a material adverse effect on our reputation, market price of our common stock, results of operations and financial condition.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

None.

ITEM 2. PROPERTIES.

The following table provides the location, use and size of our distribution, corporate and product development facilities as of January 30, 2010:

Location	Use	Approximate Square Footage
Columbus, Ohio	Corporate, distribution and shipping	6,414,000
New York, New York	Office, sourcing and product development/design	513,000
Montreal, Quebec, Canada	Office, distribution and shipping	486,000
Kettering, Ohio	Call center	94,000
Hong Kong	Office and sourcing	80,000
Rio Rancho, New Mexico	Call center	73,000
Paramus, New Jersey	Research and development and office	31,000
Various foreign locations	Office and sourcing	21,000

United States

Our business for both the Victoria's Secret and Bath & Body Works segments is principally conducted from office, distribution and shipping facilities located in the Columbus, Ohio area. Additional facilities are located in New York, New York; Kettering, Ohio; Rio Rancho, New Mexico and Paramus, New Jersey.

Our distribution and shipping facilities consist of seven buildings located in the Columbus, Ohio area. These buildings, including attached office space, comprise approximately 6.4 million square feet.

As of January 30, 2010, we operate 2,678 retail stores located in leased facilities, primarily in malls and shopping centers, throughout the United States. A substantial portion of these lease commitments consists of store leases generally with an initial term of ten years. The leases expire at various dates between 2010 and 2024.

Typically, when space is leased for a retail store in a mall or shopping center, we supply all improvements, including interior walls, floors, ceilings, fixtures and decorations. The cost of improvements varies widely, depending on the design, size and location of the store. In certain cases, the landlord of the property may provide an allowance to fund all or a portion of the cost of improvements serving as a lease incentive. Rental terms for new locations usually include a fixed minimum rent plus a percentage of sales in excess of a specified amount. We usually pay certain operating costs such as common area maintenance, utilities, insurance and taxes. For additional information, see Note 16 to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data.

International

Canada

Our international business is principally conducted from owned and leased office, distribution and shipping facilities located in the Montreal, Quebec area. Additional leased office facilities are located in Toronto, Ontario.

Our distribution and shipping facilities consist of two buildings located in the Montreal, Quebec area. These buildings, including attached office space, comprise approximately 386,000 square feet. Additionally, we lease additional office facilities in the Montreal area comprised of approximately 100,000 square feet.

As of January 30, 2010, we operate 293 retail stores located in leased facilities, primarily in malls and shopping centers, throughout the Canadian provinces. A substantial portion of these lease commitments consists of store leases generally with an initial term of ten years. The leases expire at various dates between 2010 and 2024.

Other International

As of January 30, 2010, we also have global representation through 520 independently owned “La Senza” stores operated by licensees in 49 countries. In addition, Victoria’s Secret products and accessories are made available on a wholesale basis to duty-free stores and other international retail locations including travel and tourism stores.

We also operate sourcing-related office facilities in various international locations.

ITEM 3. LEGAL PROCEEDINGS.

We are a defendant in a variety of lawsuits arising in the ordinary course of business. Plaintiffs may seek to recover large and sometimes unspecified amounts or other types of relief and some matters may remain unresolved for several years. Although we are unable to predict with certainty the eventual outcome of any litigation, in the opinion of management, our legal proceedings are not expected to have a material adverse effect on our financial position or results of operations.

On November 6, 2009, a class action (International Brotherhood of Electrical Workers Local 697 Pension Fund v. Limited Brands, Inc. et al.) was filed against our company and certain of our officers in the United States District Court for the Southern District of Ohio on behalf of a purported class of all persons who purchased or acquired shares of Limited Brands common stock between August 22, 2007 and February 28, 2008. We believe the complaint is without merit and that we have substantial factual and legal defenses to the claims at issue. We intend to vigorously defend against this action. We cannot reasonably estimate the possible loss or range of loss that may result from this lawsuit.

ITEM 4. RESERVED.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Our common stock ("LTD") is traded on the New York Stock Exchange. On January 30, 2010, there were approximately 55,000 shareholders of record. However, including active associates who participate in our stock purchase plan, associates who own shares through our sponsored retirement plans and others holding shares in broker accounts under street names, we estimate the shareholder base to be approximately 145,000.

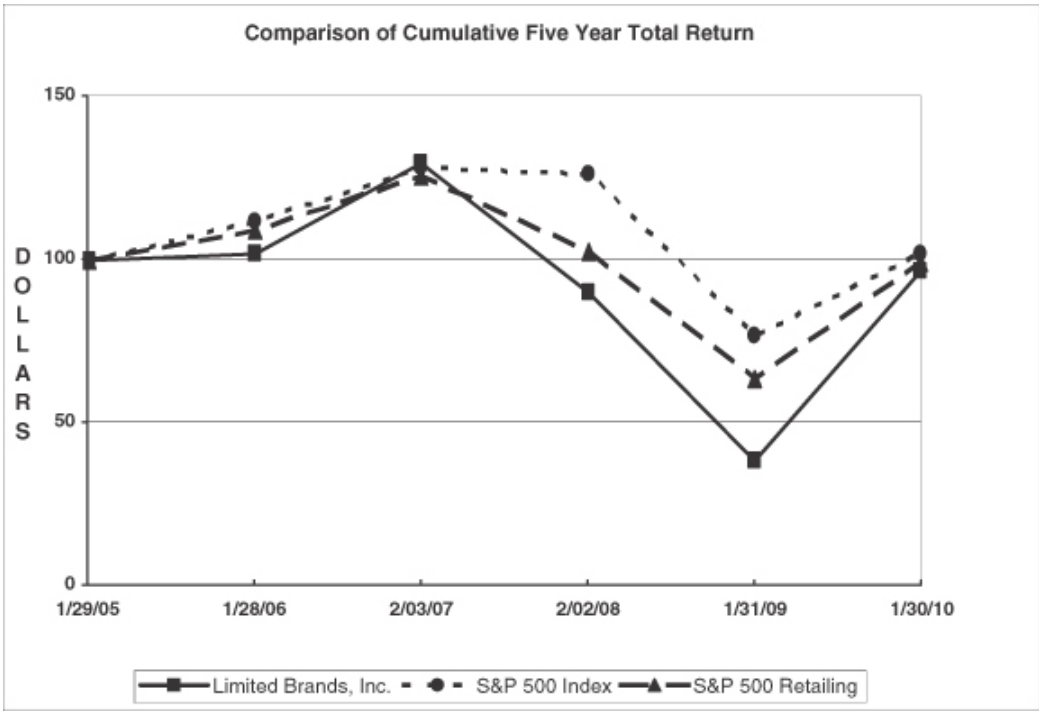
The following table provides our quarterly market prices and cash dividends per share for 2009 and 2008:

	Market Price		Cash Dividend Per Share
	High	Low	
2009			
Fourth quarter	$20.90	$16.28	$ 0.15
Third quarter	19.99	12.56	0.15
Second quarter	13.73	10.28	0.15
First quarter	11.70	5.98	0.15
2008			
Fourth quarter	$12.25	$ 6.90	$ 0.15
Third quarter	22.16	9.85	0.15
Second quarter	19.73	14.45	0.15
First quarter	19.45	14.41	0.15

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

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

*$100 INVESTED IN STOCK OR IN INDEX AT THE CLOSING PRICE ON 1/29/05 – INCLUDING REINVESTMENT OF DIVIDENDS.



The following table provides our repurchases of our common stock during the fourth quarter of 2009:

Period	Total Number of Shares Purchased(a) (in thousands)	Average Price Paid Per Share(b)	Total Number of Shares Purchased as Part of Publicly Announced Programs(c)	Maximum Number of Shares (or Approximate Dollar Value) that May Yet be Purchased Under the Programs(c) (in thousands)
November 2009	34	17.92	—	31,244
December 2009	7	19.00	—	31,244
January 2010	—	19.24	—	31,244
Total	41	18.11	—	31,244

(a) The total number of shares repurchased relates to shares repurchased in connection with (i) tax payments due upon vesting of employee restricted stock awards, and (ii) the use of our stock to pay the exercise price on employee stock options, and (iii) our small lot shareholder repurchase program.
(b) The average price paid per share includes any broker commissions.
(c) For additional share repurchase program information, see Note 19 to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data.

ITEM 6. SELECTED FINANCIAL DATA.

	Fiscal Year Ended				
	January 30, 2010	January 31, 2009	February 2, 2008	February 3, 2007(a)(b)	January 28, 2006(c)
			(in millions)		
Summary of Operations					
Net Sales	$ 8,632	$ 9,043	$ 10,134	$ 10,671	$ 9,699
Gross Profit	3,028	3,006	3,509	4,013	3,480
Operating Income (d)	868	589	1,110	1,176	986
Income Before Cumulative Effect of Changes in Accounting Principle (e)	448	216	696	674	666
Cumulative Effect of Changes in Accounting Principle (b)(c)	—	—	—	1	17
Net Income Attributable to Limited Brands, Inc. (e)	448	220	718	676	683
			(as a percentage of net sales)		
Gross Profit	35.1%	33.2%	34.6%	37.6%	35.9%
Operating Income	10.1%	6.5%	11.0%	11.0%	10.2%
Income Before Cumulative Effect of Changes in Accounting Principle	5.2%	2.4%	6.9%	6.3%	6.9%
Per Share Results					
Net Income Attributable to Limited Brands, Inc. per Basic Share:					
Income Before Cumulative Effect of Changes in Accounting Principle	$ 1.39	$ 0.66	$ 1.91	$ 1.71	$ 1.66
Net Income Attributable to Limited Brands, Inc. per Basic Share	1.39	0.66	1.91	1.71	1.70
Net Income Attributable to Limited Brands, Inc. per Diluted Share:					
Income Before Cumulative Effect of Changes in Accounting Principle	$ 1.37	$ 0.65	$ 1.89	$ 1.68	$ 1.62
Net Income Attributable to Limited Brands, Inc. per Diluted Share	1.37	0.65	1.89	1.68	1.66
Dividends per Share	$ 0.60	$ 0.60	$ 0.60	$ 0.60	$ 0.60
Weighted Average Diluted Shares Outstanding (in millions)	327	337	380	403	411
Other Financial Information					
			(in millions)		
Cash and Cash Equivalents	$ 1,804	$ 1,173	$ 1,018	$ 500	$ 1,208
Total Assets	7,173	6,972	7,437	7,093	6,346
Working Capital	1,928	1,612	1,545	1,062	1,209
Net Cash Provided by Operating Activities	1,174	954	765	600	1,081
Capital Expenditures	202	479	749	548	480
Long-term Debt	2,723	2,897	2,905	1,665	1,669
Other Long-term Liabilities	731	732	709	520	452
Shareholders' Equity	2,183	1,874	2,219	2,955	2,471
Return on Average Shareholders' Equity	22%	11%	28%	25%	28%
Comparable Store Sales (Decrease) Increase (f)	(4%)	(9%)	(2%)	7%	(1%)
Return on Average Assets	6%	3%	10%	10%	11%
Debt-to-equity Ratio	125%	155%	131%	56%	68%
Current Ratio	2.5	2.3	2.1	1.6	1.8
Stores and Associates at End of Year					
Number of Stores (g)	2,971	3,014	2,926	3,766	3,590
Selling Square Feet (in thousands) (g)	10,934	10,898	10,310	15,719	15,332
Number of Associates	92,100	90,900	97,500	125,500	110,000

(a) Fifty-three week fiscal year.

(b) On January 29, 2006, we adopted the authoritative guidance included in Accounting Standards Codification ("ASC") Subtopic 718, *Compensation—Stock Compensation* ("ASC Subtopic 718"), which requires the measurement and recognition of compensation expense for all share-based awards made to employees and directors based on estimated fair values on the grant date. For additional information, see Notes 20 to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data.

The cumulative effect of adopting the authoritative guidance included in ASC Subtopic 718, was $0.7 million, net of tax of $0.4 million, and was recognized as an increase to net income in the Consolidated Statement of Income as of the beginning of the first quarter of 2006.

(c) During the fourth quarter of 2005, we changed our inventory valuation methodology. Previously, inventories were principally valued at the lower of cost or market, on a weighted-average cost basis, using the retail method. Commencing in 2005, inventories are principally valued at the lower of cost or market, on a weighted-average cost basis, using the cost method.

The cumulative effect of this change was $17 million, net of tax of $11 million. This change was recognized as an increase to net income in the Consolidated Statement of Income as of the beginning of the first quarter of 2005. In addition to the $17 million cumulative impact recognized as of the beginning of the first quarter, the effect of the change during 2005 was to decrease net income by $4 million, or $0.01 per diluted share.

(d) Operating income includes the effect of the following items:

(i) In 2009, a $9 million pre-tax gain, $14 million net of related tax benefits, associated with the reversal of an accrued contractual liability as a result of the divestiture of a joint venture.

(ii) In 2008, a $215 million impairment charge related to goodwill and other intangible assets for our La Senza business, a $128 million gain related to the divestiture of a personal care joint venture, $23 million of expense related to restructuring activities and a $19 million impairment charge related to a joint venture.

(iii) In 2007, a $302 million gain related to the divestiture of Express, a $72 million loss related to the divestiture of Limited Stores, $48 million related to initial recognition of income for unredeemed gift cards at Victoria's Secret, $53 million of expense related to various restructuring activities and $37 million of gains related to asset sales.

(iv) In 2006, $26 million in incremental share-based compensation expense related to the effect of adopting the authoritative guidance included in ASC Subtopic 718.

(v) In 2005, $30 million related to initial recognition of income for unredeemed gift cards at Bath & Body Works and Express.

For additional information on 2009, 2008 and 2007 items, see the Notes to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data.

(e) In addition to the items previously discussed in (d), net income includes the effect of the following items:

(i) In 2009, $23 million of favorable income tax benefits in the fourth quarter primarily related to the reorganization of certain foreign subsidiaries and $9 million of favorable income tax benefits in the third quarter primarily due to the resolution of certain tax matters.

(ii) In 2008, $15 million of favorable tax benefits in the fourth quarter primarily related to certain discrete foreign and state income tax items and a $13 million pre-tax gain related to a cash distribution from Express.

(iii) In 2007, a $100 million pre-tax gain related to a cash distribution from Easton Town Center, LLC, a $17 million pre-tax gain related to an interest rate hedge and $67 million of favorable tax benefits primarily relating to: 1) the reversal of state net operating loss carryforward valuation allowances and other favorable tax benefits associated with the Apparel divestitures; 2) a decline in the Canadian federal tax rate; 3) audit settlements and 4) other items.

(iv) In 2005, a $77 million favorable one-time tax benefit related to the repatriation of foreign earnings under the provisions of the American Jobs Creation Act and $40 million of pre-tax interest income related to an Internal Revenue Service tax settlement.

For additional information on 2009, 2008 and 2007 items, see the Notes to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data.

The effect of the items, described in (d) and (e) above, to earnings per share were $0.14 in 2009, $(0.40) in 2008, $0.68 in 2007, $(0.05) in 2006 and $0.33 in 2005.

(f) A store is typically included in the calculation of comparable store sales when it has been open or owned 12 months or more and it has not had a change in selling square footage of 20% or more. Additionally, stores of a given brand are excluded if total selling square footage for the brand in the mall changes by 20% or more through the opening or closing of a second store.

(g) Number of stores and selling square feet excludes independently owned La Senza stores operated by licensees.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION.

The following discussion and analysis of financial condition and results of operations are based upon our Consolidated Financial Statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The following information should be read in conjunction with our financial statements and the related notes included in Item 8. Financial Statements and Supplementary Data.

Our operating results are generally impacted by changes in the U.S. and Canadian economies and, therefore, we monitor the retail environment using, among other things, certain key industry performance indicators such as the University of Michigan Consumer Sentiment Index (which measures consumers' views on the future course of the U.S. economy), the National Retail Traffic Index (which measures traffic levels in malls nationwide) and National Retail Sales (which reflects sales volumes of 5,000 businesses as measured by the U.S. Census Bureau). These indices provide insight into consumer spending patterns and shopping behavior in the current retail environment and assist us in assessing our performance as well as the potential impact of industry trends on our future operating results. Additionally, we evaluate a number of key performance indicators including comparable store sales, gross profit, operating income and other performance metrics such as sales per average selling square foot and inventory per selling square foot in assessing our performance.

Executive Overview

Strategy

Our strategy supports and drives our mission to build a family of the world's best fashion retail brands offering captivating customer experiences that drive long-term loyalty and deliver sustained value for our stakeholders.

To execute our strategy, we are focused on these key strategic imperatives:

- Grow and maximize profitability of our core brands in current channels and geographies;
- Extend our core brands into new channels and geographies;
- Incubate and grow new brands in current channels; and
- Build enabling infrastructure and capabilities.

Grow and maximize profitability of our core brands in current channels and geographies

The core of Victoria's Secret is bras and panties. We see clear opportunities for substantial growth in these categories by focusing on product newness and innovation and expanding into under-penetrated market and price segments. In our direct channel, we have the infrastructure in place to support growth well into the future. We believe our direct channel is an important form of brand advertising given the ubiquitous nature of the internet and our large mailing list.

The core of Bath & Body Works is its Signature Collection, antibacterial and home fragrance product lines, which together make up the majority of sales and profits for the business. During the past year we restaged both the Signature Collection and our antibacterial lines with more compelling fragrances, improved formulas and updated packaging. Additionally, www.BathandBodyWorks.com, which launched in 2006, continues to exhibit year-over-year growth.

We have a multi-year initiative to substantially increase operating margins for our brands through merchandise margin expansion and expense rationalization. With regard to merchandise margin expansion, we actively manage our inventory to minimize the level of promotional activity and we have and will continue to work with our merchandise vendors on innovation, quality, speed and cost. Additionally, we have made a concerted effort to manage home office headcount and overhead expenses. Finally, we have and will continue to optimize our marketing expense by concentrating our expenditures on efficient and return-generating programs.

Extend our core brands into new channels and geographies

We began our international expansion with the acquisition of La Senza at the beginning of 2007. Since 2008, we opened 31 Bath & Body Works stores and four Victoria's Secret Pink stores in Canada. Based on the success we have experienced in Canada, we plan to open an additional 30 to 35 Bath & Body Works stores and five more Victoria's Secret Pink stores in 2010. We also plan to open our first four Victoria's Secret stores in Canada in 2010.

We are also reviewing international opportunities outside of North America. In 2009, our partners opened seven Victoria's Secret travel and tourism stores with six of those stores outside of the United States. These stores are principally located in airports and tourist destinations. These stores are focused on Victoria's Secret branded beauty and accessory products and are operated by partners under a wholesale model. Our partners plan to open 10 to 15 more Victoria's Secret travel and tourism stores in 2010. We continue to analyze and explore how to further expand our brands outside of North America.

Incubate and grow new brands in current channels

Our most successful brands have either been conceived or incubated within Limited Brands, including Victoria's Secret and Bath & Body Works. We are constantly experimenting with new ideas and our current efforts include standalone Pink stores and Henri Bendel stores focused on accessories.

Build enabling infrastructure and capabilities

Over the past four years, we have opened a new Direct to Consumer distribution center, launched new merchandise planning systems, new supply chain management systems and new financial systems. We are using these capabilities to be able to more productively react to current market conditions, improve inventory accuracy, turnover and in-stock levels and deliver more targeted assortments at the store level. Going forward, we plan to implement new point-of-sale systems in our stores and new finance and other support systems in our direct channel.

2009 Overview

We anticipated that the retail environment would continue to be challenging in 2009. Our net sales decreased $411 million to $8.632 billion driven by a comparable store sales decrease of 4%. Our operating income increased $279 million to $868 million and our operating income rate improved significantly from 6.5% to 10.1%. In 2009, our operating income benefited from a $9 million gain associated with the reversal of an accrued contractual liability as a result of the divestiture of a joint venture. In 2008, our operating income was negatively impacted by $129 million which included a $215 million impairment charge related to goodwill and other intangible assets for our La Senza business, a $128 million gain related to the divestiture of a personal care joint venture, $23 million of expense related to restructuring activities and a $19 million impairment charge related to a joint venture.

The remainder of our operating income increase was driven by the strength of our holiday assortments, which coupled with disciplined inventory management, enabled us to reduce our promotional activity during the 2009 holiday season. Additionally, disciplined expense management also contributed to the increase in operating income. For additional information related to our 2009 financial performance, see "Results of Operations—2009 Compared to 2008."

During 2009, we focused on the conservative management of fundamentals including:

- Inventory levels—we ended 2009 down 12% and 17% as compared to 2008 and 2007, respectively, and our inventory per selling square foot ended 2009 down 9% and 16% compared to 2008 and 2007, respectively;

- Operating expenses—we benefited in 2009 from actions to reduce our expense base including reducing our home office headcount by approximately 10% during the second quarter of 2007 and an additional 10% during the fourth quarter of 2008;
- Capital expenditures—we reduced our capital expenditures from $479 million in 2008 to $202 million in 2009.
- Cash and liquidity—we generated cash flow from operations of $1.174 billion in 2009 and ended 2009 with $1.804 billion in cash. In addition, we had multiple changes within our capital structure in 2009:
    - In February 2009, we amended our $1 billion unsecured revolving credit facility expiring in August 2012 ("5-Year Facility") and our variable rate term loan ("Term Loan") which included changes to both the fixed charge coverage and leverage covenants providing additional flexibility. We also cancelled our $300 million, 364-day unsecured revolving credit facility ("364-Day Facility") after determining it was no longer required. Subsequent to 2009, we further amended our revolving credit facility, reducing it from $1 billion to $927 million and altering the terms to provide additional flexibility;
    - In June 2009, we issued $500 million of notes due in June 2019. We used the proceeds as well as cash on hand to retire $658 million of our debt obligations with maturities in 2012. Subsequent to 2009, we prepaid the remaining $200 million of our Term Loan due in 2012.

Despite the challenging environment during 2009, we accomplished the following in terms of the execution of our business strategy:

- The improvement in gross profit and operating income despite the decrease in net sales. Further, in the fourth quarter, our operating income rate increased significantly driven by a significant improvement in our gross profit rate;
- The expansion of Bath & Body Works stores into Canada;
- The introduction of Victoria's Secret Pink stores into Canada;
- The closure of the La Senza Girl business, which was not aligned with our overall strategic focus on lingerie, personal care and beauty;
- The expansion of Henri Bendel accessory stores in the United States; and
- The implementation of our new supply chain systems at Victoria's Secret Stores.

2010 Outlook

The global retail sector and our business continue to face a very uncertain environment and, as a result, we have taken a conservative stance in terms of the financial management of our business. We will continue to manage our business carefully and we will focus on the execution of the retail fundamentals.

At the same time, we are aggressively focusing on bringing compelling merchandise assortments, marketing and store experiences to our customers. We will look for, and capitalize on, those opportunities available to us in this challenging environment. We believe that our brands, which lead their categories and offer high emotional content at accessible prices, are well positioned heading into 2010.

Store Data

The following table compares 2009 store data to the comparable periods for 2008 and 2007:

	2009	2008	2007	% Change 2009	% Change 2008
Sales Per Average Selling Square Foot					
Victoria's Secret Stores (a)	$ 581	$ 620	$ 694	(6%)	(11%)
Bath & Body Works (a)	587	594	655	(1%)	(9%)
La Senza (b) (c) (d)	420	456	455	(8%)	—%
Sales per Average Store (in thousands)					
Victoria's Secret Stores (a)	$3,356	$3,480	$3,678	(4%)	(5%)
Bath & Body Works (a)	1,393	1,410	1,540	(1%)	(8%)
La Senza (b) (c) (d)	1,335	1,350	1,393	(1%)	(3%)
Average Store Size (selling square feet)					
Victoria's Secret Stores (a)	5,830	5,727	5,489	2%	4%
Bath & Body Works (a)	2,370	2,378	2,370	—%	—%
La Senza (c) (d)	3,366	3,026	2,888	11%	5%
Total Selling Square Feet (in thousands)					
Victoria's Secret Stores (a)	6,063	5,973	5,599	2%	7%
Bath & Body Works (a)	3,856	3,895	3,773	(1%)	3%
La Senza (c) (d)	869	974	901	(11%)	8%

(a) Metric relates to company-owned stores in the United States.
(b) Metric is presented in Canadian dollars to eliminate the impact of foreign currency fluctuations.
(c) Metric excludes independently owned La Senza stores operated by licensees.
(d) In 2009, we closed 53 La Senza Girl stores.

The following table compares 2009 store data to the comparable periods for 2008 and 2007:

Number of Stores	2009	2008	2007
Victoria's Secret (a)			
Beginning of Period	1,043	1,020	1,003
Opened	13	41	35
Closed	(16)	(18)	(18)
End of Period	1,040	1,043	1,020
Bath & Body Works			
Beginning of Period	1,638	1,592	1,546
Opened	9	80	67
Closed	(20)	(34)	(21)
End of Period	1,627	1,638	1,592
La Senza (b)			
Beginning of Period	322	312	291
Opened	2	15	27
Closed (c)	(66)	(5)	(6)
Acquired	—	—	—
End of Period	258	322	312
Bath & Body Works Canada			
Beginning of Period	6	—	—
Opened	25	6	—
Closed	—	—	—
End of Period	31	6	—
Henri Bendel			
Beginning of Period	5	2	2
Opened	6	3	—
Closed	—	—	—
End of Period	11	5	2
Apparel			
Beginning of Period	—	—	918
Opened	—	—	—
Closed	—	—	(49)
Divested (d)	—	—	(869)
End of Period	—	—	—

(a) Number of stores excludes Victoria's Secret Pink Canada store locations (4 in 2009 and 0 in 2008 and 2007).
(b) Number of stores excludes independently owned La Senza stores operated by licensees.
(c) In 2009, we closed 53 La Senza Girl stores.
(d) We divested 75% of our ownership interests in Express and Limited Stores in July 2007 and August 2007, respectively.

Results of Operations—2009 Compared to 2008

Operating Income

The following table provides our segment operating income (loss) and operating income rates (expressed as a percentage of net sales) for 2009 in comparison to 2008:

	2009	2008	Operating Income Rate 2009	Operating Income Rate 2008
	(in millions)			
Victoria's Secret (a)	$579	$405	10.9%	7.2%
Bath & Body Works	358	215	15.0%	9.1%
Other (b) (c) (d) (e)	(69)	(31)	(7.3%)	(2.9%)
Total	$868	$589	10.1%	6.5%

(a) 2008 includes a $215 million impairment charge related to goodwill and other intangible assets for the La Senza business. For additional information, see Critical Accounting Policies and Estimates and Note 8 to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data.

(b) Includes Corporate, Mast, Henri Bendel and our international operations excluding La Senza.

(c) 2009 includes a $9 million gain associated with the reversal of an accrued contractual liability. For additional information, see Note 9 to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data.

(d) 2008 includes a $109 million net gain on joint ventures. For additional information, see Note 4 and Note 9 to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data.

(e) 2008 includes $23 million of expense related to restructuring activities. For additional information, see Note 5 to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data.

For 2009, operating income increased $279 million to $868 million and the operating income rate increased to 10.1% from 6.5%. The drivers of the operating income results are discussed in the following sections.

Net Sales

The following table provides net sales for 2009 in comparison to 2008:

	2009	2008	% Change
	(in millions)		
Victoria's Secret Stores	$3,496	$3,590	(3%)
La Senza (a)	423	491	(14%)
Victoria's Secret Direct	1,388	1,523	(9%)
Total Victoria's Secret	5,307	5,604	(5%)
Bath & Body Works	2,383	2,374	—%
Other (b)	942	1,065	(12%)
Total Net Sales	$8,632	$9,043	(5%)

(a) La Senza includes an $11 million decrease in net sales from 2008 to 2009 related to currency fluctuations.

(b) Other includes Corporate, Mast, Henri Bendel and our international operations excluding La Senza.

The following tables provide a reconciliation of net sales for 2008 to 2009:

	Victoria's Secret	Bath & Body Works	Other	Total
		(in millions)		
2008 Net Sales	$ 5,604	$ 2,374	$1,065	$9,043
Comparable Store Sales	(217)	(13)	(4)	(234)
Sales Associated with New, Closed and Non-comparable Remodeled Stores, Net	66	10	53	129
Foreign Currency Translation	(11)	—	6	(5)
Direct Channels	(135)	12	—	(123)
Mast Third-party Sales and Other	—	—	(178)	(178)
2009 Net Sales	$ 5,307	$ 2,383	$ 942	$8,632

The following table compares 2009 comparable store sales to 2008:

	2009	2008
Victoria's Secret Stores	(6%)	(9%)
La Senza	(8%)	(3%)
Total Victoria's Secret	(6%)	(8%)
Bath & Body Works	(1%)	(9%)
Total Comparable Store Sales (a)	(4%)	(9%)

(a) Includes Bath & Body Works Canada and Henri Bendel.

For 2009, our net sales decreased $411 million to $8.632 billion and comparable store sales decreased 4%. The decrease in our net sales was primarily driven by the following:

Victoria's Secret

For 2009, net sales decreased $297 million to $5.307 billion and comparable store sales decreased 6%. The net sales result was primarily driven by:

- At Victoria's Secret Stores, net sales decreased across many categories in the spring season primarily driven by a merchandise assortment that did not overcome the challenging economic environment. However, net sales improved across most categories in the holiday season primarily driven by an improved merchandise assortment and a reduction of promotional activity.
- At Victoria's Secret Direct, net sales decreased 9% with decreases across most merchandise categories, most notably apparel, in the spring season. The declines were partially offset with a net sales increase across most categories in the holiday season, including intimate apparel and Pink, primarily driven by an improved merchandise assortment and a reduction of promotional activity.
- At La Senza, net sales decreased due to a merchandise assortment that did not overcome the challenging economic environment, declines in the La Senza Girl business and unfavorable currency translation adjustments.

The decrease in comparable store sales was primarily driven by lower average dollar sales partially offset by an increase in total transactions.

Bath & Body Works

For 2009, net sales increased $9 million to $2.383 billion and comparable store sales decreased 1%. From a merchandise category perspective, net sales were driven by the Signature Collection, antibacterial and home

fragrance categories partially offset by discontinued product lines and our performance brands. The decrease in comparable store sales was primarily driven by a decrease in total transactions partially offset by higher average dollar sales.

Other

For 2009, net sales decreased $123 million to $942 million related to a decline in third-party sales at Mast partially offset by net sales primarily related to the introduction of Bath & Body Works and Victoria's Secret Pink into Canada.

Gross Profit

For 2009, our gross profit increased $22 million to $3.028 billion and our gross profit rate (expressed as a percentage of net sales) increased to 35.1% from 33.2% primarily driven by the following:

Victoria's Secret

For 2009, gross profit decreased primarily driven by:

- At Victoria's Secret Stores, gross profit decreased driven by lower merchandise margin dollars as a result of the decline in net sales and increased promotional activity during the spring season. The decrease in the spring season was partially offset by higher merchandise margin dollars as a result of an increase in net sales and reduced promotional activity during the holiday season;
- At La Senza, gross profit decreased driven by a decrease in merchandise margin dollars primarily due to the decline in net sales and unfavorable currency fluctuations;
- At Victoria's Secret Direct, gross profit decreased driven by lower merchandise margin dollars as a result of the decline in net sales and increased promotional activity during the spring season. The decrease in the spring season was partially offset by higher merchandise margin dollars as a result of an increase in net sales and reduced promotional activity during the holiday season. Gross profit also benefited from a decrease in buying and occupancy expenses primarily as a result of improved efficiencies related to the new distribution center.

The gross profit rate was relatively flat for 2009.

Bath & Body Works

For 2009, gross profit increased primarily driven by higher merchandise margin dollars due to an increase in sales of higher margin products and a reduction in buying and occupancy expenses.

The increase in the gross profit rate was driven by increases in the merchandise margin and decreases in buying and occupancy rates due to the factors cited above.

Other

For 2009, gross profit increased primarily driven by the introduction of Bath & Body Works and Victoria's Secret Pink into Canada and the gross profit rate increased as a result of a decline in lower margin Mast third-party sales.

General, Administrative and Store Operating Expenses

For 2009, our general, administrative and store operating expenses decreased $145 million to $2.166 billion primarily driven by:

- expense reductions across all segments in categories such as home office and marketing in conjunction with our enterprise cost initiatives;

- lower store selling expenses due to a reduction in sales;

Partially offset by:

- an increase in incentive compensation due to improved performance, particularly in the Fall season.

The general, administrative and store operating expense rate decreased to 25.1% from 25.6% primarily driven by the factors cited above.

Impairment of Goodwill and Other Intangible Assets

In the fourth quarter of 2009, we recognized charges totaling $3 million related to the impairment of the La Senza Girl trade name and other minor trade names. This impairment charge is included in Impairment of Goodwill and Other Intangible Assets on the 2009 Consolidated Statement of Income. For additional information, see Critical Accounting Policies and Estimates and Note 8 to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplemental Data.

In the fourth quarter of 2008, we recognized charges totaling $215 million related to the impairment of goodwill and trade name assets associated with our La Senza business. The impairment charges were based on our evaluation of the estimated fair value of the La Senza business and trade name assets as compared to their respective carrying values. Our evaluation concluded that as a result of the global economic downturn and the related negative impact on La Senza's operating performance, the fair value of the La Senza business and trade name assets were below their carrying values as of the fourth quarter of 2008. This impairment charge is included in Impairment of Goodwill and Other Intangible Assets on the 2008 Consolidated Statement of Income. For additional information, see Critical Accounting Policies and Estimates and Note 8 to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplemental Data.

Net Gain on Joint Ventures

In April 2008, we and our investment partner completed the divestiture of a personal care joint venture to a third party. We recognized a pre-tax gain of $128 million on the divestiture. The pre-tax gain is included in Net Gain on Joint Ventures on the 2008 Consolidated Statement of Income.

In addition, we recorded a pre-tax charge of $19 million related to another joint venture. The charge consisted of writing down the investment balance, reserving certain accounts and notes receivable and accruing a contractual liability. The impairment of $19 million is also included in Net Gain on Joint Ventures on the 2008 Consolidated Statement of Income. In July 2009, we recognized a pre-tax gain of $9 million ($14 million net of related tax benefits) associated with the reversal of the accrued contractual liability as a result of the divestiture of the joint venture. The pre-tax gain is included in Net Gain on Joint Ventures on the 2009 Consolidated Statement of Income.

Other Income and Expenses

Interest Expense

The following table provides the average daily borrowings and average borrowing rates for 2009 and 2008:

	2009	2008
Average daily borrowings (in millions)	$2,982	$2,909
Average borrowing rate (in percentages)	6.7%	5.9%

For 2009, our interest expense increased $56 million to $237 million. The increase was primarily driven by $10 million of expense associated with the February 2009 amendments to our 5-Year Facility and Term Loan, $8

million of expense associated with terminating certain participating interest rate swap arrangements, increases in the average borrowings and average borrowing rates and an increase in fees related to our 5-Year Facility.

Interest Income

For 2009, our interest income decreased $16 million to $2 million. The decrease was driven by lower yields given the lower interest rate environment and our more conservative investment portfolio partially offset by the impact of higher average invested cash balances.

Other Income (Loss)

For 2009, our other income (loss) decreased $6 million to $17 million primarily due to a $71 million cash distribution from Express in 2008 which resulted in a pre-tax gain of $13 million, partially offset by higher income from our equity investment in both Express and Limited Stores in 2009. We divested 75% of our equity interests in Express and Limited Stores in July 2007 and August 2007, respectively, and retained the remaining 25% interests as equity method investments.

Provision for Income Taxes

For 2009, our effective tax rate decreased to 31.1% from 51.5%. The decrease in the rate resulted primarily from the impact of the impairment of goodwill and other intangible assets at La Senza in 2008, which were not deductible for income tax purposes. In addition, the rate decreased due to the reversal of deferred tax liabilities on unremitted foreign earnings due to international restructuring and resolution of certain tax matters in 2009.

Results of Operations—Fourth Quarter of 2009 Compared to Fourth Quarter of 2008

Operating Income

The following table provides our segment operating income (loss) and operating income rates (expressed as a percentage of net sales) for the fourth quarter of 2009 in comparison to the fourth quarter of 2008:

	Fourth Quarter		Operating Income Rate	
	2009	2008	2009	2008
	(in millions)			
Victoria's Secret (a)	$ 312	$ (2)	17.3%	(0.1%)
Bath & Body Works	294	209	29.2%	21.0%
Other (b) (c)	(20)	(54)	(7.8%)	(24.2%)
Total	$ 586	$ 153	19.1%	5.1%

(a) 2008 includes a $215 million impairment charge related to goodwill and other intangible assets for the La Senza business. For additional information, see Critical Accounting Policies and Estimates and Note 8 to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data.

(b) Includes Corporate, Mast, Henri Bendel and our international operations excluding La Senza.

(c) 2008 includes $23 million of expense related to restructuring activities. For additional information, see Note 5 to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data.

For the fourth quarter of 2009, operating income increased $433 million to $586 million and the operating income rate increased to 19.1% from 5.1%. The drivers of the operating income results are discussed in the following sections.

Net Sales

The following table provides net sales for the fourth quarter of 2009 in comparison to the fourth quarter of 2008:

Fourth Quarter	2009	2008	% Change
	(in millions)		
Victoria's Secret Stores	$1,201	$1,185	1%
La Senza (a)	134	133	1%
Victoria's Secret Direct	463	449	3%
Total Victoria's Secret	1,798	1,767	2%
Bath & Body Works	1,008	998	1%
Other (b)	257	226	14%
Total Net Sales	$3,063	$2,991	2%

(a) La Senza includes a $19 million increase in net sales from 2008 to 2009 related to currency fluctuations.
(b) Includes Corporate, Mast, Henri Bendel and our international operations excluding La Senza.

The following table provides a reconciliation of net sales for the fourth quarter of 2008 to the fourth quarter of 2009:

Fourth Quarter	Victoria's Secret	Bath & Body Works	Other	Total
		(in millions)		
2008 Net Sales	$ 1,767	$ 998	$226	$2,991
Comparable Store Sales	(3)	17	(1)	13
Sales Associated With New, Closed and Non-comparable Remodeled Stores, Net	2	(11)	28	19
Foreign Currency Translation	19	—	5	24
Direct Channels	13	4	—	17
Mast Third-party Sales and Other	—	—	(1)	(1)
2009 Net Sales	$ 1,798	$ 1,008	$257	$3,063

The following table compares fourth quarter of 2009 comparable store sales to fourth quarter of 2008:

Fourth Quarter	2009	2008
Victoria's Secret Stores	0%	(10%)
La Senza	(4%)	(10%)
Total Victoria's Secret	0%	(10%)
Bath & Body Works	2%	(11%)
Total Comparable Store Sales (a)	1%	(10%)

(a) Includes Bath & Body Works Canada and Henri Bendel.

For the fourth quarter of 2009, our net sales increased $72 million to $3.063 billion and comparable store sales increased 1%. The increase in our net sales was primarily driven by the following:

Victoria's Secret

For the fourth quarter of 2009, net sales increased $31 million to $1.798 billion and comparable store sales were flat. The increase in net sales was primarily driven by:

- At Victoria's Secret Stores, net sales increased across most categories, including core lingerie, primarily driven by an improved merchandise assortment and a reduction of promotional activity, partially offset by a decrease in beauty;

- At Victoria's Secret Direct, net sales increased 3% with increases across most categories, including intimate apparel, primarily driven by a merchandise assortment that incorporated newness, innovation and fashion, as well as a decrease in promotional activity;
- At La Senza, net sales increased slightly due to favorable currency fluctuations mostly offset by declines in the La Senza Girl business and a merchandise assortment that did not overcome the challenging economic environment.

Bath & Body Works

For the fourth quarter of 2009, net sales increased $10 million to $1.008 billion and comparable store sales increased 2%. From a merchandise category perspective, net sales were driven by the Signature Collection, antibacterial and home fragrance categories offset by discontinued product lines and our performance brands. The increase in comparable store sales was primarily driven by higher average dollar sales partially offset by a decline in total transactions.

Other

For the fourth quarter of 2009, net sales increased $31 million to $257 million. The increase in net sales was primarily driven by the introduction of Bath & Body Works and Victoria's Secret Pink into Canada.

Gross Profit

For the fourth quarter of 2009, our gross profit increased $225 million to $1.249 billion and our gross profit rate (expressed as a percentage of net sales) increased to 40.8% from 34.3% primarily driven by the following:

Victoria's Secret

For the fourth quarter of 2009, gross profit increased primarily driven by:

- At Victoria's Secret Stores, gross profit increased driven by higher merchandise margin dollars as a result of decreased promotional activity coupled with an increase in net sales. Buying and occupancy expenses decreased slightly.
- At Victoria's Secret Direct, gross profit increased driven by higher merchandise margin dollars associated with decreased promotional activity and an increase in net sales. Additionally, buying and occupancy expenses decreased due to lower catalogue costs.

Partially offset by:

- At La Senza, gross profit decreased driven by an increase in buying and occupancy expense related to the closure of the La Senza Girl business, partially offset by an increase in merchandise margin dollars due primarily to favorable currency fluctuations.

The increase in the gross profit rate was driven primarily by an increase in the merchandise margin rate and a decrease in the buying and occupancy expense rate due to the factors cited above.

Bath & Body Works

For the fourth quarter of 2009, gross profit increased primarily driven by higher merchandise margin dollars as a result of a decrease in promotional activity, our cost reduction efforts and an increase in net sales. In addition, buying and occupancy expenses decreased primarily due to store real estate activity that drove incremental expense in 2008.

The increase in the gross profit rate was driven by an increase in the merchandise margin rate and a decrease in the buying and occupancy rate due to the factors cited above.

Other

For the fourth quarter of 2009, gross profit increased primarily driven by the introduction of Bath & Body Works and Victoria's Secret Pink into Canada and the gross profit rate increased as a result of the impact of our international business relative to the lower margin Mast third-party sales.

General, Administrative and Store Operating Expenses

For the fourth quarter of 2009, our general, administrative and store operating expenses increased $4 million to $660 million primarily driven by an increase in incentive compensation due to improved performance, partially offset by expense reductions across all our segments in home office in conjunction with our enterprise cost initiatives. In addition, the fourth quarter of 2008 included $23 million of restructuring charges.

The general, administrative and store operating expense rate decreased to 21.5% from 21.9% due to leverage associated with the increase in net sales.

Impairment of Goodwill and Other Intangible Assets

In the fourth quarter of 2009, we recognized charges totaling $3 million related to the impairment of the La Senza Girl trade name and other minor trade names. This impairment charge is included in Impairment of Goodwill and Other Intangible Assets on the 2009 Consolidated Statement of Income. For additional information, see Critical Accounting Policies and Estimates and Note 8 to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplemental Data.

In the fourth quarter of 2008, we recognized charges totaling $215 million related to the impairment of goodwill and trade name assets associated with our La Senza business. The impairment charges were based on our evaluation of the estimated fair value of the La Senza business and trade name assets as compared to their respective carrying values. Our evaluation concluded that as a result of the global economic downturn and the related negative impact on La Senza's operating performance, the fair value of the La Senza business and trade name assets were below their carrying values as of the fourth quarter of 2008. This impairment charge is included in Impairment of Goodwill and Other Intangible Assets on the 2008 Consolidated Statement of Income. For additional information, see Critical Accounting Policies and Estimates and Note 8 to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplemental Data.

Other Income and Expense

Interest Expense

The following table provides the average daily borrowings and average borrowing rates for the fourth quarter of 2009 and 2008:

Fourth Quarter	2009	2008
Average daily borrowings (in millions)	$2,857	$2,900
Average borrowing rate (in percentages)	6.8%	5.9%

For the fourth quarter of 2009, our interest expense increased $16 million to $61 million. The increase was primarily driven by $8 million of expense associated with terminating a portion of our participating interest rate swap arrangements as well as increases in average borrowing rates and fees related to our 5-Year Facility.

Interest Income

For the fourth quarter of 2009, our interest income decreased $2 million to less than $1 million. The decrease was primarily driven by a decrease in average effective interest rates partially offset by an increase in the average invested cash balances.

Other Income (Loss)

For the fourth quarter of 2009, our other income increased $11 million to $11 million. The increase was primarily driven by higher income from our equity investment in both Express and Limited Stores in 2009. We divested 75% of our equity interests in Express and Limited Stores in July 2007 and August 2007, respectively, and retained the remaining 25% interests as equity method investments.

Provision for Income Taxes

For the fourth quarter of 2009, our effective tax rate decreased to 33.6% from 85.4%. The decrease in the rate resulted primarily from the 2008 impairment of goodwill and other intangible assets at La Senza in 2008, which was not deductible for income tax purposes. In addition, the rate decreased due to the reversal of deferred tax liabilities on unremitted foreign earnings due to international restructuring in 2009.

Results of Operations—2008 Compared to 2007

Operating Income

The following table provides our segment operating income (loss) and operating income rates (expressed as a percentage of net sales) for 2008 in comparison to 2007:

	2008	2007	Operating Income Rate 2008	Operating Income Rate 2007
	(in millions)			
Victoria's Secret (a) (b)	$405	$ 718	7.2%	12.8%
Bath & Body Works	215	302	9.1%	12.1%
Apparel (c)	—	250	NA	28.7%
Other (d) (e) (f) (g)	(31)	(160)	(2.9%)	(13.7%)
Total	$589	$1,110	6.5%	11.0%

(a) 2008 includes a $215 million impairment charge related to goodwill and other intangible assets for the La Senza business. For additional information, see Critical Accounting Policies and Estimates and Note 8 to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data.

(b) 2007 includes $48 million related to initial recognition of income for unredeemed gift cards for Victoria's Secret.

(c) 2007 includes a $230 million net gain related to the divestiture of Express and Limited Stores. For additional information, see Note 4 to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data.

(d) Includes Corporate, Mast, Henri Bendel and our international operations excluding La Senza.

(e) 2008 includes a $109 million net gain on joint ventures. For additional information, see Note 4 and Note 9 to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data.

(f) 2008 includes $23 million of expense related to restructuring activities. For additional information, see Note 5 to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data.

(g) 2007 includes restructuring and impairment charges totaling $53 million, which excludes both the $6 million of noncontrolling interest income associated with the charges and $25 million in gains related to the

sale of assets. For additional information, see Note 5 to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data.

NA Not applicable

For 2008, operating income decreased $521 million to $589 million and the operating income rate decreased to 6.5% from 11.0%. The drivers of the operating income results are discussed in the following sections.

Net Sales

The following table provides net sales for 2008 in comparison to 2007:

	2008	2007	%Change
	(in millions)		
Victoria's Secret Stores	$3,590	$ 3,720	(3%)
La Senza (a)	491	488	1%
Victoria's Secret Direct	1,523	1,399	9%
Total Victoria's Secret	5,604	5,607	—%
Bath & Body Works	2,374	2,494	(5%)
Express (b)	NA	659	NM
Limited Stores (b)	NA	211	NM
Total Apparel (b)	NA	870	NM
Other (c)	1,065	1,163	(8%)
Total Net Sales	$9,043	$10,134	(11%)

(a) La Senza includes a $19 million decrease in net sales from 2007 to 2008 related to currency fluctuations.
(b) Express and Limited Stores were divested in July 2007 and August 2007, respectively.
(c) Other includes Corporate, Mast, Henri Bendel and our international operations excluding La Senza.
NA Not applicable
NM Not meaningful

The following tables provide a reconciliation of net sales for 2007 to 2008:

	Victoria's Secret	Bath & Body Works	Apparel	Other	Total
			(in millions)		
2007 Net Sales	$ 5,607	$ 2,494	$ 870	$1,163	$10,134
Comparable Store Sales	(289)	(212)	—	—	(501)
Sales Associated with New, Closed, Divested and Non-comparable Remodeled Stores, Net	181	73	(870)	14	(602)
Foreign Currency Translation	(19)	—	—	—	(19)
Direct Channels	124	19	—	—	143
Mast Third-party Sales and Other	—	—	—	(112)	(112)
2008 Net Sales	$ 5,604	$ 2,374	$ —	$1,065	$ 9,043

The following table compares 2008 comparable store sales to 2007:

	2008	2007
Victoria's Secret Stores	(9%)	(2%)
La Senza	(3%)	6%
Total Victoria's Secret	(8%)	(2%)
Bath & Body Works	(9%)	(4%)
Express (a)	NA	6%
Limited Stores (a)	NA	4%
Total Apparel (a)	NA	5%
Total Comparable Store Sales (b)	(9%)	(2%)

(a) Reflects comparable store sales prior to the divestitures of Express and Limited Stores in July 2007 and August 2007, respectively.
(b) Includes Henri Bendel.
NA Not applicable

For 2008, our net sales decreased 11% to $9.043 billion and comparable store sales decreased 9%. The decrease in our net sales was primarily driven by the following:

Victoria's Secret

For 2008, net sales remained relatively flat at $5.604 billion and comparable store sales decreased 8%. The net sales result was primarily driven by:

- At Victoria's Secret Direct, net sales increased 9% driven by improved performance in certain categories including swimwear and dresses and the impact of the 2007 operational issues at the new distribution center;
- At La Senza, net sales increased slightly due to increased net sales to international licensees and new store growth mostly offset by unfavorable currency fluctuations;

Partially offset by:

- At Victoria's Secret Stores, net sales decreased across many categories primarily driven by a merchandise assortment that did not overcome the challenging economic environment and initial recognition of gift card breakage of $48 million in 2007. The declines were partially offset by growth related to new and expanded stores and an increase in Pink.

The decrease in comparable store sales was primarily driven by declines in store traffic and transactions in addition to decreased units per sales transaction.

Bath & Body Works

For 2008, net sales decreased 5% to $2.374 billion and comparable store sales decreased 9%. Net sales decreased driven by weak store traffic and the challenging economic environment. From a category perspective, declines in Signature Collection were offset partially by increases in the Aromatherapy, True Blue Spa and home fragrance categories. The decrease in comparable store sales was primarily driven by declines in store traffic and lower average unit retail prices offset partially by an increase in merchandise units per transaction.

Apparel and Other

For 2008, Apparel net sales decreased $870 million as a result of the 2007 divestitures of 75% of our equity interests in Express and Limited Stores. In addition, Other net sales decreased $98 million to $1.065 billion primarily driven by a decrease in Mast sales as well as the personal care joint venture that was sold in the first quarter of 2008.

Gross Profit

For 2008, our gross profit decreased 14% to $3.006 billion and our gross profit rate (expressed as a percentage of net sales) decreased to 33.2% from 34.6% primarily driven by the following:

Victoria's Secret

For 2008, gross profit decreased primarily driven by the decrease at Victoria's Secret Stores in net sales and the related decrease in merchandise margin dollars combined with increased buying and occupancy expenses related to our new and remodeled stores.

Victoria's Secret Direct's gross profit remained relatively flat as the impact of the 9% increase in net sales was offset by the impact of increased promotional activity to clear inventory and an increase in catalogue circulation.

The gross profit rate decreased driven primarily by an increase in the buying and occupancy expense rate as cited above.

Bath & Body Works

For 2008, gross profit decreased primarily driven by lower net sales and a related decrease in merchandise margin dollars combined with an increase in buying and occupancy expenses associated with store real estate activity.

The gross profit rate decreased driven primarily by an increase in the buying and occupancy expense rate due to the factors cited above.

Apparel and Other

For 2008, gross profit decreased $250 million as a result of the divestitures of 75% equity interest in Express and Limited Stores in 2007.

General, Administrative and Store Operating Expenses

For 2008, our general, administrative and store operating expenses decreased 12% to $2.311 billion primarily driven by:

- the Apparel divestitures in the second quarter of 2007;
- the elimination of costs related to the technology joint venture that was closed in December 2007;
- the elimination of costs related to the personal care joint venture that was sold in the first quarter of 2008; and
- expense reductions across all segments, primarily in home office costs.

Partially offset by:

- gains of $25 million related to the sale of assets in 2007.

The general, administrative and store operating expense rate decreased to 25.6% from 25.8% primarily driven by the factors cited above.

Impairment of Goodwill and Other Intangible Assets

In the fourth quarter of 2008, we recognized charges totaling $215 million related to the impairment of goodwill and trade name assets associated with our La Senza business. The impairment charges were based on our evaluation of the estimated fair value of the La Senza business and trade name assets as compared to their respective carrying values. Our evaluation concluded that as a result of the global economic downturn and the related negative impact on La Senza's operating performance, the fair value of the La Senza business and trade name assets were below their carrying values as of the fourth quarter of 2008. This impairment charge is included in Impairment of Goodwill and Other Intangible Assets on the 2008 Consolidated Statement of Income. For additional information, see Critical Accounting Policies and Estimates and Note 8 to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplemental Data.

Net Gain on Joint Ventures

In April 2008, we and our investment partner completed the divestiture of a personal care joint venture to a third party. We recognized a pre-tax gain of $128 million on the divestiture. The pre-tax gain is included in Net Gain on Joint Ventures on the 2008 Consolidated Statement of Income. In addition, we recorded a $19 million impairment charge related to another joint venture. The charge consisted of writing down the investment balance, reserving certain accounts and notes receivable and accruing a contractual liability. The impairment of $19 million is also included in Net Gain on Joint Ventures on the 2008 Consolidated Statement of Income.

Apparel Divestitures

On July 6, 2007, we finalized the divestiture of a 75% ownership interest in our Express brand to affiliates of Golden Gate Capital for pre-tax net cash proceeds of $547 million. The transaction resulted in a pre-tax gain on divestiture of $302 million.

On August 3, 2007, we divested a 75% ownership interest of our Limited Stores business to affiliates of Sun Capital Partners. As part of the transaction, Sun Capital contributed $50 million of equity capital into the business and arranged for a $75 million credit facility. We received no cash proceeds from the transaction and recorded a pre-tax loss of $72 million on the transaction.

Other Income and Expenses

Interest Expense

The following table provides the average daily borrowings and average borrowing rates for 2008 and 2007:

	2008	2007
Average daily borrowings (in millions)	$2,909	$2,408
Average borrowing rate (in percentages)	5.9%	6.2%

For 2008, interest expense increased $32 million to $181 million. The increase was primarily driven by an increase in average borrowings and an increase in fees related to our credit facilities partially offset by a decrease in the average borrowing rate.

Interest Income

For 2008, our interest income remained flat at $18 million as the impact of higher average invested cash balances was offset by a decrease in average effective interest rates.

Other Income (Loss)

For 2008, other income (loss) decreased $105 million to $23 million due to a 2007 gain of $100 million related to a distribution from Easton Town Center, LLC and net gains of $17 million from the settlement of interest rate lock agreements in 2007. The other income decrease was partially offset by a $71 million cash distribution from Express which resulted in a pre-tax gain of $13 million in 2008.

Provision for Income Taxes

For 2008, our effective tax rate increased to 51.5% from 36.4%. The increase in the rate resulted primarily from the 2008 impairment of goodwill and other intangible assets at La Senza, which was not deductible for income tax purposes.

Noncontrolling Interest

For 2008, noncontrolling interest decreased $18 million to $4 million. Noncontrolling interest represents the proportional share of net income or losses of consolidated, less than wholly owned subsidiaries attributable to the noncontrolling interest investor. The decrease is a result of the divestiture of a personal care joint venture in first quarter of 2008 and the closure of a technology joint venture in December 2007.

Results of Operations—Fourth Quarter of 2008 Compared to Fourth Quarter of 2007

Operating Income

The following table provides our segment operating income (loss) and operating income rates (expressed as a percentage of net sales) for the fourth quarter of 2008 in comparison to the fourth quarter of 2007:

	Fourth Quarter		Operating Income Rate	
	2008	2007	2008	2007
	(in millions)			
Victoria's Secret (a) (b)	$ (2)	$358	(0.1%)	18.9%
Bath & Body Works	209	296	21.0%	27.3%
Other (c) (d)	(54)	(33)	(24.2%)	(10.5%)
Total	$153	$621	5.1%	19.0%

(a) 2008 includes a $215 million impairment charge related to goodwill and other intangible assets for the La Senza business. For additional information, see Critical Accounting Policies and Estimates and Note 8 to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data.

(b) 2007 includes $48 million related to initial recognition of income for unredeemed gift cards for Victoria's Secret.

(c) Includes Corporate, Mast, Henri Bendel and our international operations excluding La Senza.

(d) 2008 includes $23 million in restructuring charges. For additional information, see Note 5 to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data.

For the fourth quarter of 2008, operating income decreased $468 million to $153 million and the operating income rate decreased to 5.1% from 19.0%. The drivers of the operating income results are discussed in the following sections.

Net Sales

The following table provides net sales for the fourth quarter of 2008 in comparison to the fourth quarter of 2007:

Fourth Quarter	2008	2007	% Change
	(in millions)		
Victoria's Secret Stores	$1,185	$1,294	(8%)
La Senza (a)	133	166	(20%)
Victoria's Secret Direct	449	433	4%
Total Victoria's Secret	1,767	1,893	(7%)
Bath & Body Works	998	1,080	(8%)
Other (b)	226	303	(25%)
Total Net Sales	$2,991	$3,276	(9%)

(a) La Senza includes a $31 million decrease in net sales from 2007 to 2008 related to currency fluctuations.
(b) Other includes Corporate, Mast, Henri Bendel and our international operations excluding La Senza.

The following table provides a reconciliation of net sales for the fourth quarter of 2007 to the fourth quarter of 2008:

Fourth Quarter	Victoria's Secret	Bath & Body Works	Other	Total
		(in millions)		
2007 Net Sales	$ 1,893	$ 1,080	$303	$3,276
Comparable Store Sales	(128)	(107)	(2)	(237)
Sales Associated With New, Closed, Divested and Non-comparable Remodeled Stores, Net	17	18	11	46
Foreign Currency Translation	(31)	—	—	(31)
Direct Channels	16	7	—	23
Mast Third-party Sales and Other	—	—	(86)	(86)
2008 Net Sales	$ 1,767	$ 998	$226	$2,991

The following table compares fourth quarter of 2008 comparable store sales to fourth quarter of 2007:

Fourth Quarter	2008	2007
Victoria's Secret Stores	(10%)	(8%)
La Senza	(10%)	6%
Total Victoria's Secret	(10%)	(8%)
Bath & Body Works	(11%)	(8%)
Total Comparable Store Sales (a)	(10%)	(8%)

(a) Includes Henri Bendel.

For the fourth quarter of 2008, our net sales decreased 9% to $2.991 billion and comparable store sales decreased 10%. The decrease in our net sales was primarily driven by the following:

Victoria's Secret

For the fourth quarter of 2008, net sales decreased 7% to $1.767 billion and comparable store sales decreased 10%. The decrease in net sales was primarily driven by:

- At Victoria's Secret Stores, net sales decreased across most categories primarily driven by a merchandise assortment that did not overcome the challenging economic environment and the initial recognition of gift card breakage of $48 million in 2007. The declines were partially offset by growth related to new and expanded stores as well as an increase in Pink;
- At La Senza, net sales decreased due to unfavorable currency fluctuations and a merchandise assortment that did not overcome the challenging economic environment;

Partially offset by:

- At Victoria's Secret Direct, although sales were below our expectations due to the challenging economic environment, net sales increased 4% as we anniversaried the 2007 operational issues at the new distribution center which negatively impacted net sales in 2007.

The decrease in comparable store sales was primarily driven by declines in store traffic and lower average unit retail prices offset partially by an increase in merchandise units per transaction.

Bath & Body Works

For the fourth quarter of 2008, net sales decreased 8% to $998 million and comparable store sales decreased 11%. Net sales decreased across most merchandise categories as a result of the challenging economic environment. The decrease in comparable store sales was primarily driven by lower average unit retail prices and declines in store traffic.

Other

For the fourth quarter of 2008, net sales decreased 25% to $226 million. The decrease in net sales was primarily driven by a decrease in Mast sales as well as the personal care joint venture that was sold in the first quarter of 2008.

Gross Profit

For the fourth quarter of 2008, our gross profit decreased 21% to $1.024 billion and our gross profit rate (expressed as a percentage of net sales) decreased to 34.3% from 39.6% primarily driven by the following:

Victoria's Secret

For the fourth quarter of 2008, gross profit decreased primarily driven by:

- At Victoria's Secret Stores, gross profit decreased significantly driven by lower merchandise margin dollars as a result of the decline in net sales, including the impact of the initial recognition of gift card breakage in 2007, and increased promotional activity to drive sales and clear inventory. In addition, buying and occupancy expenses increased as a result of investments in our new and remodeled stores.
- At Victoria's Secret Direct, gross profit decreased as a result of a decline in merchandise margin dollars associated with increased promotional activity. Additionally, buying and occupancy expenses increased due to higher catalogue circulation;

- At La Senza, gross profit decreased driven by a decrease in merchandise margin dollars due to unfavorable currency fluctuations and a comparable store sales decrease of 10%.

The decrease in the gross profit rate was driven primarily by a decrease in the merchandise margin rate and an increase in the buying and occupancy expense rate due to the factors cited above.

Bath & Body Works

For the fourth quarter of 2008, gross profit decreased primarily driven by lower merchandise margin dollars as a result of a decline in net sales and an increase in promotional activity to drive sales and clear inventory. In addition, buying and occupancy expenses increased as a result of our store real estate activity.

The decrease in the gross profit rate was driven by a decrease in the merchandise margin rate and an increase in the buying and occupancy rate due to the factors cited above.

General, Administrative and Store Operating Expenses

For the fourth quarter of 2008, our general, administrative and store operating expenses decreased 3% to $656 million primarily driven by:

- the elimination of costs related to the technology joint venture that was closed in December 2007; and
- the elimination of costs related to the personal care joint venture that was sold in the first quarter of 2008.

Partially offset by:

- a restructuring charge of $23 million consisting of severance and related costs in the fourth quarter of 2008.

The general, administrative and store operating expense rate increased to 21.9% from 20.6% primarily driven by the overall decline in sales during the fourth quarter of 2008.

Impairment of Goodwill and Other Intangible Assets

In the fourth quarter of 2008, we recognized charges totaling $215 million related to the impairment of goodwill and trade name assets associated with our La Senza business. The impairment charges were based on our evaluation of the estimated fair value of the La Senza business and trade name assets as compared to their respective carrying values. Our evaluation concluded that as a result of the global economic downturn and the related negative impact on La Senza's operating performance, the fair value of the La Senza business and trade name assets were below their carrying values as of the fourth quarter of 2008. This impairment charge is included in Impairment of Goodwill and Other Intangible Assets on the 2008 Consolidated Statement of Income. For additional information, see Critical Accounting Policies and Estimates and Note 8 to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplemental Data.

Other Income and Expense

Interest Expense

The following table provides the average daily borrowings and average borrowing rates for the fourth quarter of 2008 and 2007:

Fourth Quarter	2008	2007
Average daily borrowings (in millions)	$2,900	$2,943
Average borrowing rate (in percentages)	5.9%	6.3%

For the fourth quarter of 2008, our interest expense decreased $1 million to $45 million. The decrease was primarily driven by a decrease in average borrowings and average borrowing rates offset partially by an increase in fees related to our credit facilities.

Interest Income

For the fourth quarter of 2008, our interest income decreased $4 million to $2 million. The decrease was primarily driven by a decrease in average effective interest rates which was the result of a general decline in interest rates and a change in our investment portfolio which shifted to U.S. government-backed securities.

Other Income (Loss)

For the fourth quarter of 2008, our other income decreased $10 million to $0. The decrease was primarily driven by lower income from our equity investment in Express. We divested 75% of our equity interest in Express in July 2007 and retained the remaining 25% as an equity method investment.

Provision for Income Taxes

For the fourth quarter of 2008, our effective tax rate increased to 85.4% from 34.2%. The increase in the rate resulted primarily from the impairment of goodwill and other intangible assets at La Senza, which was not deductible for income tax purposes.

FINANCIAL CONDITION

Liquidity and Capital Resources

Liquidity, or access to cash, is an important factor in determining our financial stability. We are committed to maintaining adequate liquidity. Cash generated from our operating activities provides the primary resources to support current operations, growth initiatives, seasonal funding requirements and capital expenditures. Our cash provided from operations is impacted by our net income and working capital changes. Our net income is impacted by, among other things, sales volume, seasonal sales patterns, success of new product introductions and profit margins. Historically, sales are higher during the fourth quarter of the fiscal year due to seasonal and holiday-related sales patterns. Generally, our need for working capital peaks during the fall months as inventory builds in anticipation of the holiday period.

The following table provides our outstanding debt as of January 30, 2010 and January 31, 2009:

	January 30, 2010	January 31, 2009
	(in millions)	
Senior Secured Debt		
Term Loan due August 2012. Variable Interest Rate of 4.28% as of January 30, 2010	$ 200	$ 750
5.30% Mortgage due August 2010	2	2
Total Senior Secured Debt	$ 202	$ 752
Senior Unsecured Debt with Subsidiary Guarantee		
$500 million, 8.50% Fixed Interest Rate Notes due June 2019, Less Unamortized Discount	$ 485	$ —
Senior Unsecured Debt		
$700 million, 6.90% Fixed Interest Rate Notes due July 2017, Less Unamortized Discount	$ 699	$ 698
$500 million, 5.25% Fixed Interest Rate Notes due November 2014, Less Unamortized Discount	499	499
$350 million, 6.95% Fixed Interest Rate Debentures due March 2033, Less Unamortized Discount	350	350
$300 million, 7.60% Fixed Interest Rate Notes due July 2037, Less Unamortized Discount	299	299
6.125% Fixed Interest Rate Notes due December 2012, Less Unamortized Discount	191	299
Total Senior Unsecured Debt	$ 2,038	$ 2,145
Total	$ 2,725	$ 2,897

Issuance of 2019 Notes

In June 2009, we issued $500 million of 8.50% notes due in June 2019 (“2019 Notes”) through an institutional private placement offering. The 2019 Notes are jointly and severally guaranteed on a full and unconditional basis by certain of our wholly-owned subsidiaries (the “guarantors”). The net proceeds from the issuance were $473 million, which included an issuance discount of $16 million and transaction costs of $11 million.

We used the proceeds from the 2019 Notes to repurchase $108 million of our 2012 notes and to prepay $392 million of the Term Loan.

On November 10, 2009, we and the guarantors filed a registration statement with the SEC to register new notes with materially identical terms to the 2019 Notes. On December 15, 2009, we and the guarantors filed an amended registration statement to offer a public exchange of these notes. On January 29, 2010, the exchange offer expired with 100% of bondholders exchanging the 2019 Notes.

Repurchase of 2012 Notes

In June 2009, we repurchased $5 million of our $300 million notes due in December 2012 through open market transactions. In July 2009, we launched a tender offer for the remaining portion of the 2012 notes. In August 2009, we repurchased an additional $103 million of the 2012 notes through the tender offer for $101 million.

Credit Facility and Term Loan

2009 Activity

The following table details the prepayment activity in 2009 related to our Term Loan:

	2009 (in millions)
Balance as of January 31, 2009	$ 750
July 2009 Prepayment	(125)
August 2009 Prepayment	(200)
September 2009 Prepayment	(67)
December 2009 Prepayment	(158)
Balance as of January 30, 2010	$ 200

On February 19, 2009, we amended our 5-Year Facility and Term Loan and we canceled a 364-Day Facility after determining it was no longer required. The amendment to the 5-Year Facility and the Term Loan included changes to both the fixed charge coverage and leverage covenants which provided additional flexibility. Under the amended covenants, we are required to maintain the fixed charge coverage ratio at 1.60 or above through fiscal year 2010 and 1.75 or above thereafter. The leverage ratio, which is debt compared to EBITDA, as those terms are defined in the agreement, must not exceed 5.0 through the third quarter of fiscal year 2010, 4.5 from the fourth quarter of fiscal year 2010 through the third quarter of fiscal year 2011 and 4.0 thereafter. The amendment also increased the interest costs and fees associated with the 5-Year Facility and the Term Loan, provided for certain security interests as defined in the agreement and limited dividends, share repurchases and other restricted payments as defined in the agreement to $220 million per year with certain potential increases as defined in the agreement. The amendment did not impact the maturity dates of either the 5-Year Facility or the Term Loan.

We incurred fees related to the amendment of the 5-Year Facility and the Term Loan of $19 million. The fees associated with the 5-Year Facility amendment of $11 million were capitalized and are being amortized over the remaining term of the 5-Year Facility. The fees associated with the Term Loan amendment of $8 million were expensed in addition to unamortized fees related to the original agreement of $2 million. These charges are included within Interest Expense on the 2009 Consolidated Statement of Income.

The 5-Year Facility and Term Loan have several interest rate options, which are based in part on our long-term credit ratings. For the fourth quarter of 2009, the effective interest rate of the Term Loan, including the impact of the participating interest rate swap arrangements, was 6.88%. Fees payable under the 5-Year Facility are based on our long-term credit ratings and are currently 0.75% of the committed and unutilized amounts per year and 4.00% on any outstanding borrowings or letters of credit. As of January 30, 2010, there were no borrowings outstanding under the 5-Year Facility.

As discussed above, we prepaid $392 million of the Term Loan. In December 2009, we prepaid an additional $158 million of the Term Loan with cash on-hand. As of January 30, 2010, the remaining outstanding principal balance on the Term Loan was $200 million.

2010 Activity

In March 2010, we prepaid the remaining $200 million of the Term Loan with cash on hand and also entered into an amendment and restatement (the “Amendment”) of our 5-Year Facility. The Amendment reduces the aggregate amount of the commitments of the lenders under the 5-Year Facility from $1 billion to $927 million. The Amendment also extends the term on $800 million of the 5-Year Facility through August 1, 2014.

The Amendment also modifies the covenants limiting investments and restricted payments, as defined in the agreement, to provide that investments and restricted payments may be made, without limitation on amount, if

(a) at the time of and after giving effect to such investment or restricted payment the ratio of consolidated debt to consolidated EBITDA for the most recent four quarter period is less than 3.0 to 1.0 and (b) no default or event of default exists as defined in the agreement.

We incurred fees related to the amendment of the 5-Year Facility of $13 million, which were capitalized and will be amortized over the remaining term of the 5-Year Facility.

Letters of Credit and Commercial Paper Programs

The 5-Year Facility supports our commercial paper and letter of credit programs. We have $65 million of outstanding letters of credit as of January 30, 2010 that reduce our remaining availability under our amended credit agreements. No commercial paper was outstanding as of January 30, 2010 and January 31, 2009.

Working Capital and Capitalization

We believe that our available short-term and long-term capital resources are sufficient to fund foreseeable requirements.

The following table provides a summary of our working capital position and capitalization as of January 30, 2010, January 31, 2009 and February 2, 2008:

	January 30, 2010	January 31, 2009	February 2, 2008
		(in millions)	
Cash Provided by Operating Activities	$ 1,174	$ 954	$ 765
Capital Expenditures	202	479	749
Working Capital	1,928	1,612	1,545
Capitalization:			
Long-term Debt	2,723	2,897	2,905
Shareholders' Equity	2,183	1,874	2,219
Total Capitalization	4,906	4,771	5,124
Additional Amounts Available Under Credit Agreements (a) (b)	935	1,300	1,500

(a) On February 19, 2009, we cancelled the 364-Day Facility, thereby reducing the amount available under credit agreements to $1 billion as of that date.

(b) As part of the February 19, 2009 amendment to the 5-Year Facility, letters of credit issued subsequent to the amendment reduce our remaining availability under the 5-Year Facility. As of January 30, 2010, we have outstanding $65 million of letters of credit that reduce our remaining availability under the 5-Year Facility.

The following table provides certain measures of liquidity and capital resources as of January 30, 2010, January 31, 2009 and February 2, 2008:

	January 30, 2010	January 31, 2009	February 2, 2008
Debt-to-equity Ratio (a)	125%	155%	131%
Debt-to-capitalization Ratio (b)	55%	61%	57%
Cash Flow to Capital Investment (c)	581%	199%	102%

(a) Long-term debt divided by shareholders' equity

(b) Long-term debt divided by total capitalization

(c) Net cash provided by operating activities divided by capital expenditures

Credit Ratings

The following table provides our credit ratings as of January 30, 2010:

	Moody's(a)	S&P(b)	Fitch
Senior Secured Debt	Ba2	BB	BB+
Senior Unsecured Debt with Subsidiary Guarantee	Ba2	BB	BB
Senior Unsecured Debt	Ba3	BB-	BB
Outlook	Stable	Negative	Negative

(a) In March 2010, Moody's upgraded our Senior Unsecured Debt with Subsidiary Guarantee rating to Ba1 from Ba2. In addition, Moody's changed their outlook to Positive from Stable.

(b) In March 2010, S&P changed their outlook to Stable from Negative.

Our borrowing costs and certain other provisions under our Term Loan and 5-Year Facility are linked to our credit ratings. If we receive an additional downgrade to our corporate credit ratings by S&P or Moody's, the availability of additional credit could be negatively affected and our borrowing costs would increase. Credit rating downgrades by any of the agencies do not accelerate the repayment of any of our debt.

Common Stock Share Repurchases

In October 2008, our Board of Directors authorized management to repurchase $250 million of our outstanding common stock. In 2008, we repurchased 19.0 million shares of our common stock for $219 million at an average price per share of approximately $11.48. In 2009, no additional shares were purchased.

In March 2010, our Board of Directors approved a new repurchase program of $200 million and cancelled our previous $250 million share repurchase program, which had $31 million remaining.

Dividend Policy and Procedures

We currently pay a common stock dividend of $0.15 per share in cash each quarter. Our Board of Directors will determine future dividends after giving consideration to our levels of profit and cash flow, capital requirements, current and forecasted liquidity, the restrictions placed upon us by our borrowing arrangements as well as financial and other conditions existing at the time.

In March 2010, the Company's Board of Directors declared a special dividend of $1 per share. The special dividend will be distributed on April 19, 2010 to shareholders of record at the close of business on April 5, 2010.

Treasury Share Retirement

In January 2010, we retired 201 million shares of our Treasury Stock to reduce the related administrative expense. The retirement resulted in a reduction of $4.641 billion in Treasury Stock, $101 million in the par value of Common Stock, $1.545 billion in Paid-in Capital and $2.995 billion in Retained Earnings.

Cash Flow

The following table provides a summary of our cash flow activity for the fiscal years ended January 30, 2010, January 31, 2009 and February 2, 2008:

	2009	2008	2007
		(in millions)	
Cash and Cash Equivalents, Beginning of Year	$1,173	$1,018	$ 500
Net Cash Flows Provided by Operating Activities	1,174	954	765
Net Cash Flows Provided by (Used For) Investing Activities	(162)	(240)	30
Net Cash Flows Used For Financing Activities	(387)	(562)	(279)
Effect of Exchange Rate Changes on Cash	6	3	2
Net Increase in Cash and Cash Equivalents	631	155	518
Cash and Cash Equivalents, End of Year	$1,804	$1,173	$1,018

Operating Activities

Net cash provided by operating activities in 2009 was $1.174 billion. Net income of $448 million included $393 million of depreciation and amortization. Other changes in assets and liabilities represent items that had a current period cash flow impact, such as changes in working capital. The most significant working capital change was a $156 million increase in operating cash flow associated with a reduction in inventories. Inventory levels decreased compared to 2008 due to a concerted effort to control and reduce inventory levels across the enterprise.

Net cash provided by operating activities in 2008 was $954 million. Net income of $216 million included (a) $377 million of depreciation and amortization, (b) a $215 million impairment of goodwill and other intangible assets and (c) a $109 million net gain on joint ventures. Other changes in assets and liabilities represent items that had a current period cash flow impact, such as changes in working capital. The most significant working capital change was a $103 million increase in operating cash flow associated with a reduction in accounts receivable due primarily to reduced sourcing and other transition services billings to Express and Limited Stores.

Net cash provided by operating activities in 2007 was $765 million consisting primarily of net income of $696 million. Net income included (a) $385 million of depreciation and amortization, (b) the $302 million gain on divestiture of Express, and (c) the $100 million gain on distribution from Easton Town Center, LLC. Other changes in assets and liabilities represent items that had a current period cash flow impact, such as changes in working capital. The most significant working capital change was a $337 million increase in operating cash flow associated with a reduction in inventories. Inventory levels decreased compared to 2006 due to a concerted effort to control and reduce inventory levels across the enterprise and due to reductions in safety stocks at Bath & Body Works that increased during 2006 in connection with the 2006 supply chain system conversion. Accounts receivable increased due to the Apparel divestitures, which caused Mast's accounts receivable from Express and Limited Stores to be recognized as third-party receivables on our balance sheet.

Investing Activities

Net cash used for investing activities in 2009 was $162 million consisting primarily of $202 million of capital expenditures partially offset by $32 million of proceeds related to the sale of an asset. The capital expenditures included $163 million for opening new stores and remodeling and improving existing stores. Remaining capital expenditures were primarily related to spending on technology and infrastructure to support growth.

Net cash used for investing activities in 2008 was $240 million consisting primarily of $479 million of capital expenditures offset by $159 million from the divestiture of a joint venture and $95 million from returns of capital

from Express. The capital expenditures included $345 million for opening new stores and remodeling and improving existing stores. Remaining capital expenditures were primarily related to spending on technology and infrastructure to support growth.

Net cash provided by investing activities in 2007 was $30 million consisting primarily of (a) $547 million of proceeds from the divestiture of Express, (b) $102 million of proceeds from a distribution from Easton Town Center, LLC, and (c) $97 million of proceeds related to the sale of assets, offset by $749 million of capital expenditures. The capital expenditures included $476 million for opening new stores and remodeling and improving existing stores. Remaining capital expenditures were primarily related to investments in our new distribution center and increased spending on home office, technology and infrastructure.

We anticipate spending approximately $250 million to $300 million for capital expenditures in 2010 with the majority relating to opening new stores and remodeling and improving existing stores. We expect to open approximately 50 new stores primarily in Canada.

Financing Activities

Net cash used for financing activities in 2009 was $387 million consisting primarily of the prepayment of $550 million of our Term Loan, quarterly dividend payments of $0.15 per share, or $193 million, cash payments of $106 million to repurchase 2012 notes and $19 million of costs related to the amendment of our 5-Year Facility and Term Loan in February 2009. These were partially offset by the net proceeds of $473 million from the issuance of $500 million of notes.

Net cash used for financing activities in 2008 was $562 million consisting primarily of (a) cash payments of $379 million related to the repurchase of 28 million shares of common stock during the year at a weighted-average price of $13.36 under our November 2007 and October 2008 share repurchase programs and (b) quarterly dividend payments of $0.15 per share, or $201 million. These uses of cash were partially offset by the exercise of stock options of $31 million.

Net cash used for financing activities in 2007 was $279 million consisting primarily of (a) cash payments of $1.4 billion related to the repurchase of 59 million shares of common stock during the year at a weighted-average price of $24.01 under our June 2006, June 2007, August 2007 and November 2007 share repurchase programs and (b) quarterly dividend payments of $0.15 per share, or $227 million. These uses of cash were partially offset by (a) debt offering proceeds of $997 million, (b) proceeds from the term loan refinancing of $250 million and (c) the exercise of stock options of $74 million.

Contingent Liabilities and Contractual Obligations

The following table provides our contractual obligations, aggregated by type, including the maturity profile as of January 30, 2010:

	Payments Due by Period					
	Total	Less Than 1 Year	1-3 Years	4-5 Years	More than 5 Years	Other
	(in millions)					
Long-term Debt (a)	$ 4,910	$ 192	$ 765	$ 828	$ 3,125	$ —
Operating Leases Obligations (b)	3,132	478	840	699	1,115	—
Purchase Obligations (c)	1,225	1,073	24	16	112	—
Other Liabilities (d)	342	36	15	3	—	288
Total	$ 9,609	$ 1,779	$ 1,644	$ 1,546	$ 4,352	$ 288

(a) Long-term debt obligations relate to our principal and interest payments for outstanding notes, debentures, Term Loan and line of credit borrowings. Interest payments have been estimated based on the coupon rate

for fixed rate obligations and the variable rate, including the impact of the participating interest rate swap arrangement, in effect as of January 30, 2010 for the Term Loan. Interest obligations exclude amounts which have been accrued through January 30, 2010. For additional information, see Note 12 to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data.

(b) Operating lease obligations primarily represent minimum payments due under store lease agreements. For additional information, see Note 16 to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data.

(c) Purchase obligations primarily include purchase orders for merchandise inventory and other agreements to purchase goods or services that are enforceable and legally binding and that specify all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transactions.

(d) Other liabilities primarily includes future payments relating to our nonqualified supplemental retirement plan of $168 million and have been reflected under "Other" as the timing of these future payments is not known until an associate leaves the company or otherwise requests an in-service distribution. In addition, Other Liabilities also includes future estimated payments associated with unrecognized tax benefits. The "Less Than 1 Year" category includes $25 million because it is reasonably possible that the payments could change in the next twelve months due to audit settlements or resolution of uncertainties. The remaining portion of $120 million is included in the "Other" category as the timing and amount of these payments is not known until the matters are resolved with relevant tax authorities. For additional information, see Notes to the Consolidated Financial Statements in Item 8. Financial Statements and Supplementary Data.

In connection with the disposition of certain businesses, we have remaining guarantees of approximately $135 million related to lease payments of Express, Limited Stores, Abercrombie & Fitch, Dick's Sporting Goods (formerly Galyan's), Lane Bryant, New York & Company and Anne.x under the current terms of noncancelable leases expiring at various dates through 2017. These guarantees include minimum rent and additional payments covering taxes, common area costs and certain other expenses and relate to leases that commenced prior to the disposition of the businesses. In certain instances, our guarantee may remain in effect if the term of a lease is extended.

The following table details the guaranteed lease payments during the next five fiscal years and the remaining years thereafter:

Fiscal Year (in millions)	
2010	$ 36
2011	30
2012	22
2013	20
2014	15
Thereafter	12
Total	$135

In April 2008, we received an irrevocable standby letter of credit from Express of $34 million issued by a third-party bank to mitigate a portion of our contingent liability for guaranteed future lease payments of Express. We can draw from the irrevocable standby letter of credit if Express were to default on any of the guaranteed leases. The irrevocable standby letter of credit is reduced through November 1, 2010, the expiration date of the letter of credit, consistent with the overall reduction in guaranteed lease payments. The outstanding balance of the irrevocable standby letter of credit from Express was $6 million as of January 30, 2010.

Our guarantees related to Express, Limited Stores and New York & Company require fair value accounting in accordance with U.S. generally accepted accounting principles ("GAAP") in effect at the time of these divestitures. The guaranteed lease payments related to Express (net of the irrevocable standby letter of credit),

Limited Stores and New York & Company totaled $84 million and $94 million as of January 30, 2010 and January 31, 2009, respectively. The estimated fair value of these guarantee obligations was $9 million and $15 million as of January 30, 2010 and January 31, 2009, respectively, and is included in Other Long-term Liabilities on our Consolidated Balance Sheets. The decrease in the fair value from January 31, 2009 to January 30, 2010 reflects the impact of the current economic environment and our assessment of the risk of default on the guaranteed lease payments.

Our guarantees related to Abercrombie & Fitch, Dick's Sporting Goods (formerly Galyan's), Lane Bryant and Anne.x are not subject to the fair value accounting, but require that a loss be accrued when probable and reasonably estimable based on U.S. GAAP in effect at the time of these divestitures. As of January 30, 2010 and January 31, 2009, we had no liability recorded with respect to any of the guarantee obligations as we concluded that payment under these guarantees was not probable.

Off Balance Sheet Arrangements

We have no off balance sheet arrangements as defined by Regulation 229.303 Item 303 (a) (4).

Recently Issued Accounting Pronouncements

Accounting Standards Codification ("Codification") and the Hierarchy of Generally Accepted Accounting Principles ("GAAP")

In June 2009, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") Subtopic 105, *Generally Accepted Accounting Principles*, which reorganizes the thousands of U.S. GAAP pronouncements into roughly 90 accounting topics and displays all topics using a consistent structure. It also includes relevant SEC guidance that follows the same topical structure in separate sections in the Codification. In the third quarter of 2009, we changed our historical U.S. GAAP references to comply with the Codification. The adoption of this guidance did not impact our results of operations, financial condition or liquidity since the Codification is not intended to change or alter existing U.S. GAAP.

Subsequent Events

In May 2009, the FASB issued authoritative guidance included in ASC Subtopic 855, *Subsequent Events*, which incorporates guidance on subsequent events into authoritative accounting literature and clarifies the time following the balance sheet date that must be considered for subsequent events disclosures in the financial statements. In the second quarter of 2009, we adopted this guidance which requires disclosure of the date through which subsequent events have been reviewed. This guidance did not change our procedures for reviewing subsequent events. In February 2010, the FASB issued Accounting Standards Update 2010-09 to amend ASC Subtopic 855, *Subsequent Events*, to not require disclosure of the date through which management evaluated subsequent events in the financial statements for either originally issued financial statements or reissued financial statements.

Derivative Instruments and Hedging Activities

In March 2008, the FASB issued authoritative guidance included in ASC Subtopic 815, *Derivatives and Hedging*, which requires disclosures about the fair value of derivative instruments and their gains or losses in tabular format as well as disclosures regarding credit-risk-related contingent features in derivative agreements, counterparty credit risk and strategies and objectives for using derivative instruments. This guidance amends and expands previously released authoritative guidance and became effective prospectively beginning in 2009. In the first quarter of 2009, we adopted this guidance. For additional information, see Note 4 to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data.

Consolidation

In December 2007, the FASB issued authoritative guidance included in ASC Subtopic 810, *Consolidation*, which modifies reporting for noncontrolling interest (minority interest) in consolidated financial statements. This guidance requires noncontrolling interest to be reported in equity and establishes a new framework for recognizing net income or loss and comprehensive income or loss by the controlling interest. This guidance further requires specific disclosures regarding changes in equity interest of both the controlling and noncontrolling parties and presentation of the noncontrolling equity balance and income or loss for all periods presented. This guidance became effective for interim and annual periods in fiscal years beginning after December 15, 2008. The statement is applied prospectively upon adoption, however the presentation and disclosure requirements are applied retrospectively. In the first quarter of 2009, we adopted this guidance recharacterizing minority interest as a noncontrolling interest and classifying it as a component of equity in our consolidated financial statements. On June 15, 2009, we filed a Current Report on Form 8-K to reflect the retrospective application to our Annual Report on Form 10-K for the year ended January 31, 2009.

Fair Value Measurements

In September 2006, the FASB issued authoritative guidance included in ASC Subtopic 820, *Fair Value Measurements and Disclosures*, which provides guidance for fair value measurement of assets and liabilities and instruments measured at fair value that are classified in shareholders' equity. This guidance defines fair value, establishes a fair value measurement framework and expands fair value disclosures. It emphasizes that fair value is market-based with the highest measurement hierarchy level being market prices in active markets. This guidance requires fair value measurements be disclosed by hierarchy level, an entity to include its own credit standing in the measurement of its liabilities and modifies the transaction price presumption.

In February 2008, the FASB delayed the effective date for this guidance to fiscal years beginning after November 15, 2008 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually).

Accordingly, as of February 3, 2008, we adopted the authoritative guidance for financial assets and liabilities only on a prospective basis. As of February 1, 2009, we adopted the remaining provisions. The adoption of this guidance did not have a significant impact on our results of operations, financial condition or liquidity. For additional information, see Note 14 to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data.

In January 2010, the FASB issued Accounting Standards Update 2010-06, which amends ASC Subtopic 820, *Fair Value Measurement and Disclosures*. This guidance requires new disclosures and provides amendments to clarify existing disclosures. The new requirements include disclosing transfers in and out of Levels 1 and 2 fair value measurements and the reasons for the transfers and further disaggregating activity in Level 3 fair value measurements. The clarification of existing disclosure guidance includes further disaggregation of fair value measurement disclosures for each class of assets and liabilities and providing disclosures about the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements. This guidance is effective for interim and annual reporting periods beginning after December 15, 2009, except for the new disclosures regarding the activity in Level 3 measurements, which will be effective for fiscal years beginning after December 15, 2010. We will adopt this guidance for the fiscal period beginning January 31, 2010, except for the new disclosure regarding the activity in Level 3 measurements, which we will adopt for the fiscal period beginning January 30, 2011.

Impact of Inflation

While it is difficult to accurately measure the impact of inflation due to the imprecise nature of the estimates required, we believe the effects of inflation, if any, on the results of operations and financial condition have been minor.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to adopt accounting policies related to estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of net sales and expenses during the reporting period, as well as the related disclosure of contingent assets and liabilities at the date of the financial statements. On an ongoing basis, management evaluates its accounting policies, estimates and judgments, including those related to inventories, long-lived assets, claims and contingencies, income taxes and revenue recognition. Management bases our estimates and judgments on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Management has discussed the development and selection of our critical accounting policies and estimates with the Audit Committee of our Board of Directors and believes the following assumptions and estimates are most significant to reporting our results of operations and financial position.

Inventories

Inventories are principally valued at the lower of cost or market, on a weighted-average cost basis.

We record valuation adjustments to our inventories if the cost of specific inventory items on hand exceeds the amount we expect to realize from the ultimate sale or disposal of the inventory. These estimates are based on management’s judgment regarding future demand and market conditions and analysis of historical experience. If actual demand or market conditions are different than those projected by management, future period merchandise margin rates may be unfavorably or favorably affected by adjustments to these estimates.

We also record inventory loss adjustments for estimated physical inventory losses that have occurred since the date of the last physical inventory. These estimates are based on management’s analysis of historical results and operating trends.

Management believes that the assumptions used in these estimates are reasonable and appropriate. A 10% increase or decrease in the inventory valuation adjustment would have impacted net income by approximately $3 million for 2009. A 10% increase or decrease in the estimated physical inventory loss adjustment would have impacted net income by approximately $2 million for 2009.

Valuation of Long-lived Assets

Property and equipment and intangible assets with finite lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If the estimated undiscounted future cash flows related to the asset are less than the carrying value, we recognize a loss equal to the difference between the carrying value and the estimated fair value, usually determined by the estimated discounted future cash flows of the asset. When a decision has been made to dispose of property and equipment prior to the end of the previously estimated useful life, depreciation estimates are revised to reflect the use of the asset over the shortened estimated useful life.

Goodwill is reviewed for impairment each year in the fourth quarter and may be reviewed more frequently if certain events occur or circumstances change. The impairment review is performed by comparing each reporting unit’s carrying value to its estimated fair value, determined through either estimated discounted future cash flows or market-based methodologies. If the carrying value exceeds the estimated fair value, we determine the fair value of all assets and liabilities of the reporting unit, including the implied fair value of goodwill. If the carrying value of goodwill exceeds the implied fair value, we recognize an impairment charge equal to the difference.

Intangible assets with indefinite lives are reviewed for impairment each year in the fourth quarter and may be reviewed more frequently if certain events occur or circumstances change. The impairment review is performed by comparing the carrying value to the estimated fair value, usually determined by the estimated discounted future cash flows of the asset.

The Company estimates the fair value of property and equipment, goodwill and intangible assets in accordance with the provisions of ASC Subtopic 820, *Fair Value Measurements and Disclosures.* If future economic conditions are different than those projected by management, future impairment charges may be required.

Impairment of La Senza Goodwill and Other Intangible Assets

In conjunction with the January 2007 acquisition of La Senza, we recorded $313 million in goodwill and $170 million in trade name and other intangible assets. These assets are included in the La Senza reporting unit which is part of the Victoria's Secret segment.

Impairment Recognized

2008

In the latter half of 2008, La Senza was negatively impacted by the global economic downturn and the resulting impact on the Canadian retail environment. As a result, La Senza's operating results deteriorated significantly, particularly when compared to our expectations at the time of acquisition. In the fourth quarter of 2008, we concluded that the goodwill and certain trade name assets related to the La Senza acquisition were impaired and recorded impairment charges of $189 million and $26 million related to the goodwill and trade name assets, respectively. These impairment charges are included in Impairment of Goodwill and Other Intangible Assets on the 2008 Consolidated Statement of Income.

2009

In the fourth quarter of 2009, we concluded that certain trade names would no longer be utilized within the La Senza business. As a result, we recorded an impairment charge of $3 million. These impairment charges are included in Impairment of Goodwill and Other Intangible Assets on the 2009 Consolidated Statement of Income.

Impairment Testing—Goodwill

We evaluated La Senza's goodwill by comparing the carrying value of the La Senza reporting unit to the estimated fair value of the reporting unit derived using a discounted cash flow methodology. We corroborated the estimated fair value of the La Senza reporting unit as determined by our discounted cash flow approach by referencing a market-based methodology.

2008

Based on our 2008 evaluation, the carrying value of the La Senza reporting unit exceeded the estimated fair value. As a result, we measured the goodwill impairment by comparing the carrying value of the reporting unit's goodwill to the implied value of the goodwill based on the estimated fair value of the reporting unit, considering the fair value of all assets and liabilities. As a result of this analysis, we recognized a goodwill impairment charge of $189 million in 2008.

2009

Our 2009 evaluation indicated that the fair value of the La Senza reporting unit was in excess of the carrying value. As a result, we were not required to calculate the implied value of goodwill and no impairment was recognized. Reasonable changes in the significant estimates and assumptions used to determine the fair value would not have resulted in a goodwill impairment in the La Senza reporting unit.

Impairment Testing—Trade names

We evaluated the La Senza trade name assets by comparing the carrying value to the estimated fair value determined using a relief from royalty methodology.

2008

Based on our 2008 evaluation, the carrying value of certain La Senza trade name assets exceeded their estimated fair value and, as a result, we recognized trade name impairment charges of $26 million in 2008.

2009

In the fourth quarter of 2009, we made the decision to exit the La Senza Girl business and recorded an impairment charge of $3 million related to the La Senza Girl trade name and other minor sub-brands. Our 2009 evaluation of the overall La Senza trade name indicated that the fair value was in excess of the carrying value. As a result, no impairment was recognized with regards to this asset.

Significant Estimates and Assumptions

Our determination of the estimated fair value of the La Senza reporting unit and trade name assets requires significant judgments about economic factors, industry factors, our views regarding the future prospects of the La Senza reporting unit as well as numerous estimates and assumptions that are highly subjective. The estimates and assumptions critical to the overall fair value estimates include: (i) estimated future cash flow generated by La Senza; (ii) discount rates used to derive the present value factors used in determining the fair values; and (iii) the terminal value assumption used in the discounted cash flow methodologies; and (iv) the royalty rate assumption used in the relief from royalty valuation methodology. These and other estimates and assumptions are impacted by economic conditions and expectations of management and may change in the future based on period-specific facts and circumstances. If future economic conditions are different than those projected by management, additional future impairment charges may be required.

Sensitivity Analysis

The following provides sensitivities to our 2009 significant estimates and assumptions as noted above:

- a 10% decrease in estimated future cash flows would result in a $23 million increase in the trade name impairment charges.
- a 1% increase in the discount rate would result in a $12 million increase in the trade name impairment charges.
- a 10% decrease in the terminal value assumption would result in a $10 million increase in the trade name impairment charges.

Claims and Contingencies

We are subject to various claims and contingencies related to lawsuits, insurance, regulatory and other matters arising out of the normal course of business. Our determination of the treatment of claims and contingencies in the Consolidated Financial Statements is based on management’s view of the expected outcome of the applicable claim or contingency. We consult with legal counsel on matters related to litigation and seek input from both internal and external experts within and outside our organization with respect to matters in the ordinary course of business. We accrue a liability if the likelihood of an adverse outcome is probable and the amount is estimable. If the likelihood of an adverse outcome is only reasonably possible (as opposed to probable), or if an estimate is not determinable, disclosure of a material claim or contingency is disclosed in the Notes to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data.

Income Taxes

We account for income taxes under the asset and liability method. Under this method, the amount of taxes currently payable or refundable are accrued and deferred tax assets and liabilities are recognized for the estimated

future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets are also recognized for realizable operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted income tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in income tax rates is recognized in our Consolidated Statement of Income in the period that includes the enactment date. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets if it is more likely than not that such assets will not be realized.

Significant judgment is required in determining the provision for income taxes and related accruals, deferred tax assets and liabilities. In determining our provision for income taxes, we use an annual effective income tax rate based on annual income, permanent differences between book and tax income and statutory income tax rates. We adjust the annual effective income tax rate as additional information on outcomes or events becomes available. Our effective income tax rate is affected by items including changes in tax law, the tax jurisdiction of new stores or business ventures and the level of earnings.

We follow the authoritative guidance included in ASC Subtopic 740, *Income Taxes*, which contains a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. We consider many factors when evaluating and estimating our tax positions and tax benefits, which may require periodic adjustments and which may not accurately forecast actual outcomes. Our policy is to include interest and penalties related to uncertain tax positions in income tax expense.

Our income tax returns, like those of most companies, are periodically audited by domestic and foreign tax authorities. These audits include questions regarding our tax filing positions, including the timing and amount of deductions and the allocation of income among various tax jurisdictions. At any one time, multiple tax years are subject to audit by the various tax authorities. We record an accrual for more likely than not exposures after evaluating the positions associated with our various income tax filings. A number of years may elapse before a particular matter for which we have established an accrual is audited and fully resolved or clarified. We adjust our tax contingencies accrual and income tax provision in the period in which matters are effectively settled with tax authorities at amounts different from our established accrual when the statute of limitations expires for the relevant taxing authority to examine the tax position or when more information becomes available.

Although we believe that our estimates are reasonable, actual results could differ from these estimates resulting in a final tax outcome that may be materially different from that which is reflected in our Consolidated Financial Statements.

Revenue Recognition

While our recognition of revenue does not involve significant judgment, revenue recognition represents an important accounting policy for our organization. We recognize revenue upon customer receipt of the merchandise. For direct response revenues, we estimate shipments that have not been received by the customer based on shipping terms and historical delivery times. We also provide a reserve for projected merchandise returns based on prior experience.

All of our brands sell gift cards with no expiration dates to customers in retail stores, through our direct channels and through third parties. We do not charge administrative fees on unused gift cards. We recognize income from gift cards when they are redeemed by the customer. In addition, we recognize income on unredeemed gift cards when we can determine that the likelihood of the gift card being redeemed is remote and there is no legal obligation to remit the unredeemed gift cards to relevant jurisdictions (gift card breakage). We determine the gift card breakage rate based on historical redemption patterns. Gift card breakage is included in Net Sales in our Consolidated Statements of Income.

Additionally, we recognize revenue associated with merchandise sourcing services provided to third parties, consisting primarily of former subsidiaries as well as other third parties. Revenue is recognized at the time the title passes to the customer.

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

Market Risk

The market risk inherent in our financial instruments represents the potential loss in fair value, earnings or cash flows arising from adverse changes in foreign currency exchange rates or interest rates. We use derivative financial instruments like the cross-currency swaps and the participating interest rate swap arrangement to manage exposure to market risks. We do not use derivative financial instruments for trading purposes.

Foreign Exchange Rate Risk

Our foreign exchange rate translation exposure is primarily the result of the January 2007 acquisition of La Senza Corporation, whose operations are conducted primarily in Canada. To mitigate the translation risk to our earnings and the fair value of our investment in La Senza associated with fluctuations in the U.S. dollar-Canadian dollar exchange rate, we entered into a series of cross-currency swaps related to Canadian dollar denominated intercompany loans. These cross-currency swaps require the periodic exchange of fixed rate Canadian dollar interest payments for fixed rate U.S. dollar interest payments as well as exchange of Canadian dollar and U.S. dollar principal payments upon maturity. The swap arrangements mature between 2015 and 2018 at the same time as the related loans. As a result of the Canadian dollar denominated intercompany loans and the related cross-currency swaps, we do not believe there is any material translation risk to La Senza's net earnings associated with fluctuations in the U.S. dollar-Canadian dollar exchange rate.

In addition, our Canadian dollar denominated earnings are subject to U.S. dollar-Canadian dollar exchange rate risk as substantially all of our merchandise sold in Canada is sourced through U.S. dollar transactions.

Interest Rate Risk

Our investment portfolio primarily consists of interest-bearing instruments that are classified as cash and cash equivalents based on their original maturities. Our investment portfolio is maintained in accordance with our investment policy, which specifies permitted types of investments, specifies credit quality standards and maturity profiles and limits credit exposure to any single issuer. The primary objective of our investment activities are the preservation of principal, the maintenance of liquidity and the maximization of interest income while minimizing risk. Currently, our investment portfolio is comprised of U.S. and Canadian government obligations, U.S. Treasury and AAA-rated money market funds, bank time deposits, and highly-rated commercial paper. Given the short-term nature and quality of investments in our portfolio, we do not believe there is any material risk to principal associated with increases or decreases in interest rates.

All of our long-term debt as of January 30, 2010 has fixed interest rates with the exception of our Term Loan. Thus, our exposure to interest rate changes is limited to the fair value of the debt issued, which would not have a material impact on our earnings or cash flows. The Term Loan contains a variable interest rate that fluctuates based on changes in an underlying benchmark interest rate and changes in our credit rating. In January 2008, we executed a participating interest rate swap arrangement which limited our exposure to increases in the benchmark interest rate while allowing us to partially participate in any decreases in the benchmark interest rate. In March 2010, we prepaid the remaining $200 million of the Term Loan and terminated the remaining portion of the participating interest rate swap arrangement.

Fair Value of Financial Instruments

As of January 30, 2010, management believes that the carrying values of cash and cash equivalents, receivables and payables approximate fair value because of the short maturity of these financial instruments.

The following table provides a summary of the carrying value and fair value of long-term debt and swap arrangements as of January 30, 2010 and January 31, 2009:

	January 30, 2010		January 31, 2009
		(in millions)	
Long-term Debt:			
Carrying Value	$ 2,725		$ 2,897
Fair Value, Estimated (a)	2,690		2,113
Aggregate Fair Value of Cross-currency Swap Arrangements (b)	34		(26)
Fair Value of Participating Interest Rate Swap Arrangement (b)	10		30

(a) The estimated fair value of our publicly traded debt is based on quoted market prices. The estimated fair value of our Term Loan is equal to its carrying value. The estimates presented are not necessarily indicative of the amounts that we could realize in a current market exchange.

(b) Swap arrangements are in an (asset) liability position.

The increase in estimated fair value of our long-term debt from January 31, 2009 to January 30, 2010 reflects the decrease in volatility in the credit markets in comparison to 2008. The change in fair value of the cross-currency swap arrangements from January 31, 2009 to January 30, 2010 is primarily due to the fluctuations in the U.S. dollar-Canadian dollar exchange rate. The change in fair value of the participating interest rate swap arrangement from January 31, 2009 to January 30, 2010 is primarily due to the termination and settlement of portions of the participating interest rate swap arrangements in conjunction with prepayments of our Term Loan throughout 2009.

Concentration of Credit Risk

We maintain cash and cash equivalents with various major financial institutions, as well as corporate commercial paper. Currently, our investment portfolio is comprised of U.S. and Canadian government obligations, U.S. Treasury and AAA-rated money market funds, bank time deposits, and highly-rated commercial paper.

We monitor the relative credit standing of financial institutions and other entities with whom we transact and limit the amount of credit exposure with any one entity. We also monitor the creditworthiness of entities to which we grant credit terms in the normal course of business and counterparties to derivative instruments.

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

Limited Brands, Inc. cautions that any forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) contained in this report or made by our company or our management involve risks and uncertainties and are subject to change based on various factors, many of which are beyond our control. Accordingly, our future performance and financial results may differ materially from those expressed or implied in any such forward-looking statements. Words such as “estimate,” “project,” “plan,” “believe,” “expect,” “anticipate,” “intend,” “planned,” “potential” and similar expressions may identify forward-looking statements. Risks associated with the following factors, among others, in some cases have affected and in the future could affect our financial performance and actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements included in this report or otherwise made by our company or our management:

- general economic conditions, consumer confidence and consumer spending patterns;
- the global economic crisis and its impact on our suppliers, customers and other counterparties;
- the impact of the global economic crisis on our liquidity and capital resources;
- the dependence on a high volume of mall traffic and the possible lack of availability of suitable store locations on appropriate terms;
- the seasonality of our business;
- our ability to grow through new store openings and existing store remodels and expansions;
- our ability to expand into international markets;
- independent licensees;
- our direct channel business;
- our failure to protect our reputation and our brand images;
- our failure to protect our trade names, trademarks and patents;
- market disruptions including severe weather conditions, natural disasters, health hazards, terrorist activities, financial crises, political crises or other major events, or the prospect of these events;
- stock price volatility;
- our failure to maintain our credit rating;
- our ability to service our debt;
- the highly competitive nature of the retail industry generally and the segments in which we operate particularly;
- consumer acceptance of our products and our ability to keep up with fashion trends, develop new merchandise, launch new product lines successfully, offer products at the appropriate price points and enhance our brand image;
- our ability to retain key personnel;
- our ability to attract, develop and retain qualified employees and manage labor costs;
- our reliance on foreign sources of production, including risks related to:
    - political instability;
    - duties, taxes, other charges on imports;
    - legal and regulatory matters;
    - volatility in currency and exchange rates;

  - local business practices and political issues;
  - potential delays or disruptions in shipping and related pricing impacts;
  - the disruption of imports by labor disputes; and
  - changing expectations regarding product safety due to new legislation.
- the possible inability of our manufacturers to deliver products in a timely manner or meet quality standards;
- fluctuations in energy costs;
- increases in the costs of mailing, paper and printing;
- self-insured risks;
- our ability to implement and sustain information technology systems;
- our failure to comply with regulatory requirements;
- tax matters; and
- legal and compliance matters.

We are not under any obligation and do not intend to make publicly available any update or other revisions to any of the forward-looking statements contained in this report to reflect circumstances existing after the date of this report or to reflect the occurrence of future events even if experience or future events make it clear that any expected results expressed or implied by those forward-looking statements will not be realized.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

LIMITED BRANDS, INC.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Our fiscal year ends on the Saturday closest to January 31. Fiscal years are designated in the Consolidated Financial Statements and Notes by the calendar year in which the fiscal year commences. The results for fiscal years 2009, 2008 and 2007 represent the 52 week period ending January 30, 2010, January 31, 2009 and February 2, 2008, respectively.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. The Company's internal control system is designed to provide reasonable assurance to the Company's management and Board of Directors regarding the preparation and fair presentation of published financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of January 30, 2010. In making this assessment, management used the criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria).

Based on our assessment and the COSO criteria, management believes that the Company maintained effective internal control over financial reporting as of January 30, 2010.

The Company's independent registered public accounting firm, Ernst & Young LLP, has issued an attestation report on the Company's internal control over financial reporting. Ernst & Young LLP's report appears on the following page and expresses an unqualified opinion on the effectiveness of the Company's internal control over financial reporting as of January 30, 2010.

Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting

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

We have audited Limited Brands, Inc. and subsidiaries' internal control over financial reporting as of January 30, 2010, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Limited Brands, Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Limited Brands, Inc. and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of January 30, 2010, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Consolidated Balance Sheets of Limited Brands, Inc. and subsidiaries as of January 30, 2010 and January 31, 2009, and the related Consolidated Statements of Income, Total Equity, and Cash Flows for each of the three years in the period ended January 30, 2010 of Limited Brands, Inc. and subsidiaries, and our report dated March 26, 2010 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Columbus, Ohio
March 26, 2010

Report of Independent Registered Public Accounting Firm on Consolidated Financial Statements

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

We have audited the accompanying Consolidated Balance Sheets of Limited Brands, Inc. and subsidiaries as of January 30, 2010 and January 31, 2009, and the related Consolidated Statements of Income, Total Equity, and Cash Flows for each of the three years in the period ended January 30, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Limited Brands, Inc. and subsidiaries at January 30, 2010 and January 31, 2009, and the consolidated results of their operations and their cash flows for each of the three years in the period ended January 30, 2010, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 2 to the consolidated financial statements, in 2007 the Company adopted Financial Accounting Standards Board Accounting Standards Codification Topic 740, *Income Taxes*.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Limited Brands, Inc. and subsidiaries' internal control over financial reporting as of January 30, 2010, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 26, 2010 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Columbus, Ohio
March 26, 2010

LIMITED BRANDS, INC.

CONSOLIDATED STATEMENTS OF INCOME

(in millions except per share amounts)

	2009	2008	2007
Net Sales	$ 8,632	$ 9,043	$10,134
Costs of Goods Sold, Buying and Occupancy	(5,604)	(6,037)	(6,625)
Gross Profit	3,028	3,006	3,509
General, Administrative and Store Operating Expenses	(2,166)	(2,311)	(2,616)
Impairment of Goodwill and Other Intangible Assets	(3)	(215)	(13)
Gain on Divestiture of Express	—	—	302
Loss on Divestiture of Limited Stores	—	—	(72)
Net Gain on Joint Ventures	9	109	—
Operating Income	868	589	1,110
Interest Expense	(237)	(181)	(149)
Interest Income	2	18	18
Other Income	17	23	128
Income Before Income Taxes	650	449	1,107
Provision for Income Taxes	202	233	411
Net Income	448	216	696
Less: Net Income (Loss) Attributable to Noncontrolling Interest	—	(4)	(22)
Net Income Attributable to Limited Brands, Inc.	$ 448	$ 220	$ 718
Net Income Attributable to Limited Brands, Inc. Per Basic Share	$ 1.39	$ 0.66	$ 1.91
Net Income Attributable to Limited Brands, Inc. Per Diluted Share	$ 1.37	$ 0.65	$ 1.89

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

LIMITED BRANDS, INC.

CONSOLIDATED BALANCE SHEETS

(in millions except per share amounts)

	January 30, 2010	January 31, 2009
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 1,804	$ 1,173
Accounts Receivable, Net	219	236
Inventories	1,037	1,182
Deferred Income Taxes	30	77
Other	160	199
Total Current Assets	3,250	2,867
Property and Equipment, Net	1,723	1,929
Goodwill	1,442	1,426
Trade Names and Other Intangible Assets, Net	594	580
Other Assets	164	170
Total Assets	$ 7,173	$ 6,972
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts Payable	$ 488	$ 494
Accrued Expenses and Other	693	669
Income Taxes	141	92
Total Current Liabilities	1,322	1,255
Deferred Income Taxes	213	213
Long-term Debt	2,723	2,897
Other Long-term Liabilities	731	732
Shareholders' Equity:		
Preferred Stock—$1.00 par value; 10 shares authorized; none issued	—	—
Common Stock—$0.50 par value; 1,000 shares authorized; 323 and 524 shares issued; 323 and 321 shares outstanding, respectively	161	262
Paid-in Capital	—	1,544
Accumulated Other Comprehensive Income (Loss)	(15)	(28)
Retained Earnings	2,037	4,777
Less: Treasury Stock, at Average Cost; 0 shares in 2009 and 203 shares in 2008	—	(4,681)
Total Limited Brands, Inc. Shareholders' Equity	2,183	1,874
Noncontrolling Interest	1	1
Total Equity	2,184	1,875
Total Liabilities and Equity	$ 7,173	$ 6,972

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

LIMITED BRANDS, INC.

CONSOLIDATED STATEMENTS OF TOTAL EQUITY

(in millions except per share amounts)

	Common Stock		Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Treasury Stock, at Average Cost	Noncontrolling Interest	Total Equity
	Shares Outstanding	Par Value						
Balance, February 3, 2007	398	$ 262	$ 1,565	$ (17)	$ 4,277	$ (3,132)	$ 71	$ 3,026
Capital Contributions from Noncontrolling Interest and Other	—	—	—	—	—	—	6	6
Adoption of Financial Accounting Standards Board Accounting Standards Codification Subtopic 740, *Income Taxes*	—	—	—	—	(10)	—	—	(10)
Comprehensive Income (Loss):								
Net Income (Loss)	—	—	—	—	718	—	(22)	696
Foreign Currency Translation	—	—	—	37	—	—	—	37
Unrealized Loss on Cash Flow Hedges	—	—	—	(64)	—	—	—	(64)
Reclassification of Cash Flow Hedges to Earnings	—	—	—	75	—	—	—	75
Total Comprehensive Income (Loss)	—	—	—	48	718	—	(22)	744
Cash Dividends ($0.60 per share)	—	—	—	—	(227)	—	—	(227)
Repurchase of Common Stock	(59)	—	—	—	—	(1,410)	—	(1,410)
Exercise of Stock Options and Other	7	—	(15)	—	—	160	—	145
Balance, February 2, 2008	346	$ 262	$ 1,550	$ 31	$ 4,758	$ (4,382)	$ 55	$ 2,274
Capital Contributions from Noncontrolling Interest and Other	—	—	—	—	—	—	4	4
Divestiture of Personal Care Business	—	—	—	—	—	—	(54)	(54)
Comprehensive Income (Loss):								
Net Income (Loss)	—	—	—	—	220	—	(4)	216
Foreign Currency Translation	—	—	—	(34)	—	—	—	(34)
Unrealized Gain on Cash Flow Hedges	—	—	—	65	—	—	—	65
Reclassification of Cash Flow Hedges to Earnings	—	—	—	(90)	—	—	—	(90)
Total Comprehensive Income (Loss)	—	—	—	(59)	220	—	(4)	157
Cash Dividends ($0.60 per share)	—	—	—	—	(201)	—	—	(201)
Repurchase of Common Stock	(28)	—	—	—	—	(371)	—	(371)
Exercise of Stock Options and Other	3	—	(6)	—	—	72	—	66
Balance, January 31, 2009	321	$ 262	$ 1,544	$ (28)	$ 4,777	$ (4,681)	$ 1	$ 1,875
Comprehensive Income (Loss):								
Net Income (Loss)	—	—	—	—	448	—	—	448
Foreign Currency Translation	—	—	—	(2)	—	—	—	(2)
Unrealized Loss on Cash Flow Hedges	—	—	—	(56)	—	—	—	(56)
Reclassification of Cash Flow Hedges to Earnings	—	—	—	71	—	—	—	71
Total Comprehensive Income (Loss)	—	—	—	13	448	—	—	461
Cash Dividends ($0.60 per share)	—	—	—	—	(193)	—	—	(193)
Treasury Share Retirement	—	(101)	(1,545)	—	(2,995)	4,641	—	—
Exercise of Stock Options and Other	2	—	1	—	—	40	—	41
Balance, January 30, 2010	323	$ 161	$ —	$ (15)	$ 2,037	$ —	$ 1	$ 2,184

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

LIMITED BRANDS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)

	2009	2008	2007
Operating Activities			
Net Income	$ 448	$ 216	$ 696
Adjustments to Reconcile Net Income to Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Amortization of Long-lived Assets	393	377	385
Amortization of Landlord Allowances	(36)	(34)	(33)
Goodwill and Intangible Asset Impairment Charges	3	215	13
Deferred Income Taxes	49	46	(5)
Excess Tax Benefits From Share-based Compensation	—	(2)	(28)
Share-based Compensation Expense	40	35	44
Net Gain on Joint Ventures	(9)	(109)	—
Gain on Distribution from Express	—	(13)	—
Gain on Divestiture of Express	—	—	(302)
Loss on Divestiture of Limited Stores	—	—	72
Gain on Distribution from Easton Town Center, LLC	—	—	(100)
Gains on Sales of Assets	—	—	(37)
Changes in Assets and Liabilities, Net of Assets and Liabilities from Acquisitions:			
Accounts Receivable	22	103	(192)
Inventories	156	45	337
Accounts Payable, Accrued Expenses and Other	17	(39)	(152)
Income Taxes Payable	44	(39)	(31)
Other Assets and Liabilities	47	153	98
Net Cash Provided by Operating Activities	1,174	954	765
Investing Activities			
Capital Expenditures	(202)	(479)	(749)
Net Proceeds from the Divestiture of Joint Venture	9	159	—
Return of Capital from Express	—	95	—
Proceeds from the Divestiture of Express, Net	—	—	547
Proceeds from the Distribution from Easton Town Center, LLC	—	—	102
Proceeds from Sale of Assets	32	—	97
Other Investing Activities	(1)	(15)	33
Net Cash (Used for) Provided by Investing Activities	(162)	(240)	30
Financing Activities			
Proceeds from Long-term Debt, Net of Issuance and Discount Costs	473	—	1,247
Payments of Long-term Debt	(656)	(15)	(7)
Financing Costs Related to the Amendment of 5-Year Facility and Term Loan	(19)	—	—
Repurchase of Common Stock	—	(379)	(1,402)
Dividends Paid	(193)	(201)	(227)
Excess Tax Benefits from Share-based Compensation	—	2	28
Proceeds From Exercise of Stock Options and Other	8	31	82
Net Cash Used for Financing Activities	(387)	(562)	(279)
Effects of Exchange Rate Changes on Cash	6	3	2
Net Increase in Cash and Cash Equivalents	631	155	518
Cash and Cash Equivalents, Beginning of Year	1,173	1,018	500
Cash and Cash Equivalents, End of Year	$1,804	$1,173	$ 1,018

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

LIMITED BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business and Summary of Significant Accounting Policies

Description of Business

Limited Brands, Inc. (the Company) operates in the highly competitive specialty retail business. The Company is a retailer of women's intimate and other apparel, beauty and personal care products and accessories. The Company sells its merchandise through specialty retail stores in the United States and Canada, which are primarily mall-based, and through its websites, catalogue and other channels. The Company currently operates the following retail brands:

- Victoria's Secret
- Pink
- La Senza
- Bath & Body Works
- C. O. Bigelow
- The White Barn Candle Company
- Henri Bendel

Fiscal Year

The Company's fiscal year ends on the Saturday nearest to January 31. As used herein, "2009", "2008" and "2007" refer to the 52-week periods ending January 30, 2010, January 31, 2009 and February 2, 2008, respectively.

Basis of Consolidation

The Consolidated Financial Statements include the accounts of the Company and its subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. The Consolidated Financial Statements include the results of Express and Limited Stores through their divestiture dates which were July 6, 2007 and August 3, 2007, respectively.

The Company's Consolidated Financial Statements also include less than 100% owned variable interest entities in which the Company is designated as the primary beneficiary.

The Company accounts for investments in unconsolidated entities where it exercises significant influence, but does not have control, using the equity method. Under the equity method of accounting, the Company recognizes its share of the investee net income or loss. Losses are only recognized to the extent the Company has positive carrying value related to the investee. Carrying values are only reduced below zero if the Company has an obligation to provide funding to the investee. The Company's share of net income or loss of unconsolidated entities from which the Company purchases merchandise or merchandise components is included in Cost of Goods Sold, Buying and Occupancy on the Consolidated Statements of Income. The Company's share of net income or loss of all other unconsolidated entities is included in Other Income (Expense) on the Consolidated Statements of Income. The Company's equity investments are required to be tested for impairment when it is determined there may be an other than temporary loss in value.

Subsequent to the divestitures of Express and Limited Stores, the Company's remaining 25% ownership interest in each is accounted for under the equity method of accounting. The Company eliminates in consolidation 25% of merchandise sourcing sales to Express and Limited Stores consistent with the Company's ownership percentage.

Cash and Cash Equivalents

Cash and Cash Equivalents include cash on hand, demand deposits with financial institutions and highly liquid investments with original maturities of less than 90 days. The Company's outstanding checks, which amounted to $76 million as of January 30, 2010 and $86 million as of January 31, 2009, are included in Accounts Payable on the Consolidated Balance Sheets.

Concentration of Credit Risk

The Company maintains cash and cash equivalents with various major financial institutions, as well as corporate commercial paper. Currently, the Company's investment portfolio is comprised of U.S. and Canadian government obligations, U.S. Treasury and AAA-rated money market funds, bank time deposits, and highly-rated commercial paper.

The Company monitors the relative credit standing of financial institutions and other entities with whom the Company transacts and limits the amount of credit exposure with any one entity. The Company also monitors the creditworthiness of entities to which the Company grants credit terms in the normal course of business and counterparties to derivative instruments.

Inventories

Inventories are principally valued at the lower of cost or market, on a weighted-average cost basis.

The Company records valuation adjustments to its inventories if the cost of specific inventory items on hand exceeds the amount it expects to realize from the ultimate sale or disposal of the inventory. These estimates are based on management's judgment regarding future demand and market conditions and analysis of historical experience.

The Company also records inventory loss adjustments for estimated physical inventory losses that have occurred since the date of the last physical inventory. These estimates are based on management's analysis of historical results and operating trends.

Catalogue and Advertising Costs

The Company capitalizes the direct costs of producing and distributing its catalogues and amortizes the costs over the expected future revenue stream, which is generally over a three month period from the date the catalogues are mailed.

The Company's capitalized direct response advertising costs amounted to $19 million and $27 million as of January 30, 2010 and January 31, 2009, respectively, and are included in Other Current Assets on the Consolidated Balance Sheets. All other advertising costs are expensed at the time the promotion first appears in media or in the store. Catalogue and advertising costs amounted to $459 million for 2009, $502 million for 2008 and $507 million for 2007.

Property and Equipment

The Company's property and equipment are recorded at cost and depreciation/amortization is computed on a straight-line basis using the following depreciable life ranges:

Category of Property and Equipment	Depreciable Life Range
Software, including software developed for internal use	3 - 7 years
Store related assets	3 - 10 years
Leasehold improvements	Shorter of lease term or 10 years
Non-store related building and site improvements	10 - 15 years
Other property and equipment	20 years
Buildings	30 years

When a decision has been made to dispose of property and equipment prior to the end of the previously estimated useful life, depreciation estimates are revised to reflect the use of the asset over the shortened estimated useful life. The Company's cost of assets sold or retired and the related accumulated depreciation are removed from the accounts with any resulting gain or loss included in net income. Maintenance and repairs are charged to expense as incurred. Major renewals and betterments that extend useful lives are capitalized.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If the estimated undiscounted future cash flows related to the asset are less than the carrying value, the Company recognizes a loss equal to the difference between the carrying value and the estimated fair value, usually determined by the estimated discounted future cash flows of the asset. The Company estimates the fair value of property and equipment in accordance with the provisions of ASC Subtopic 820, *Fair Value Measurements and Disclosures.*

Goodwill and Intangible Assets

The Company has certain intangible assets resulting from business combinations that are recorded at cost. Intangible assets with finite lives are amortized primarily on a straight-line basis over their respective estimated useful lives ranging from 3 to 20 years.

Intangible assets with finite lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If the estimated undiscounted future cash flows related to the asset are less than the carrying value, the Company recognizes a loss equal to the difference between the carrying value and the estimated fair value, usually determined by the estimated discounted future cash flows of the asset.

Goodwill represents the excess of the purchase price over the estimated fair value of the net assets acquired. Goodwill is not subject to periodic amortization. Goodwill is reviewed for impairment each year in the fourth quarter and may be reviewed more frequently if certain events occur or circumstances change. The impairment review is performed by comparing each reporting unit's carrying value to its estimated fair value, determined through either estimated discounted future cash flows or market-based methodologies. If the carrying value exceeds the estimated fair value, the Company determines the fair value of all assets and liabilities of the reporting unit, including the implied fair value of goodwill. If the carrying value of goodwill exceeds the implied fair value, the Company recognizes an impairment charge equal to the difference.

Intangible assets with indefinite lives are reviewed for impairment each year in the fourth quarter and may be reviewed more frequently if certain events occur or circumstances change. The impairment review is performed by comparing the carrying value to the estimated fair value, usually determined by the estimated discounted future cash flows of the asset.

The Company estimates the fair value of goodwill and intangible assets in accordance with the provisions of ASC Subtopic 820, *Fair Value Measurements and Disclosures.* If future economic conditions are different than those projected by management, future impairment charges may be required.

Leases and Leasehold Improvements

The Company has leases that contain predetermined fixed escalations of minimum rentals and/or rent abatements subsequent to taking possession of the leased property. The Company recognizes the related rent expense on a straight-line basis commencing upon store possession date. The Company records the difference between the recognized rental expense and amounts payable under the leases as deferred lease credits. The Company's liability for predetermined fixed escalations of minimum rentals and/or rent abatements amounted to $97 million as of January 30, 2010 and $90 million as of January 31, 2009. These liabilities are included in Other Long-term Liabilities on the Consolidated Balance Sheets.

The Company receives allowances from landlords related to its retail stores. These allowances are generally comprised of cash amounts received by the Company from its landlords as part of the negotiated lease terms. The Company records a receivable and a landlord allowance at the lease commencement date (date of initial possession of the store). The deferred lease credit is amortized on a straight-line basis as a reduction of rent expense over the term of the lease (including the pre-opening build-out period) and the receivable is reduced as amounts are received from the landlord. The Company's unamortized portion of landlord allowances, which amounted to $210 million as of January 30, 2010 and $224 million as of January 31, 2009, is included in Other Long-term Liabilities on the Consolidated Balance Sheets.

The Company also has leasehold improvements which are amortized over the shorter of their estimated useful lives or the period from the date the assets are placed in service to the end of the initial lease term. Leasehold improvements made after the inception of the initial lease term are depreciated over the shorter of their estimated useful lives or the remaining lease term, including renewal periods, if reasonably assured.

Foreign Currency Translation

The functional currency of the Company's foreign operations is generally the applicable local currency. Assets and liabilities are translated into U.S. dollars using the current exchange rates in effect as of the balance sheet date, while revenues and expenses are translated at the average exchange rates for the period. The Company's resulting translation adjustments are recorded as a component of Accumulated Other Comprehensive Income (Loss) within the Consolidated Statements of Total Equity.

Derivative Financial Instruments

The Company uses derivative instruments designated as cash flow hedges and non-designated derivative instruments to manage exposure to foreign currency exchange rates and interest rates. The Company does not use derivative financial instruments for trading purposes. All derivative financial instruments are recorded on the Consolidated Balance Sheets at fair value. For additional information, see Note 14, "Fair Value Measurements."

For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative instrument is reported as a component of other comprehensive income and reclassified into earnings in the same period during which the hedged transaction affects earnings. Gains and losses on the derivative representing either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized in current earnings.

For derivative instruments that are not designated as hedging instruments, the gain or loss on the derivative instrument is recognized in current earnings.

Fair Value of Financial Instruments

The authoritative guidance included in ASC Subtopic 820, *Fair Value Measurements and Disclosure*, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. This authoritative guidance further establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1—Quoted market prices in active markets for identical assets or liabilities.
- Level 2—Observable inputs other than quoted market prices included in Level 1, such as quoted prices of similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

Income Taxes

The Company accounts for income taxes under the asset and liability method. Under this method, the amount of taxes currently payable or refundable are accrued and deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets are also recognized for realizable operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted income tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in income tax rates is recognized in the Company's Consolidated Statement of Income in the period that includes the enactment date. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets if it is more likely than not that such assets will not be realized.

In determining the Company's provision for income taxes, it uses an annual effective income tax rate based on annual income, permanent differences between book and tax income and statutory income tax rates. The Company adjusts the annual effective income tax rate as additional information on outcomes or events becomes available. The Company's effective income tax rate is affected by items including changes in tax law, the tax jurisdiction of new stores or business ventures and the level of earnings.

The Company follows the authoritative guidance included in ASC Subtopic 740, *Income Taxes*, which contains a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. The Company considers many factors when evaluating and estimating its tax positions and tax benefits, which may require periodic adjustments and which may not accurately forecast actual outcomes.

The Company's income tax returns, like those of most companies, are periodically audited by domestic and foreign tax authorities. These audits include questions regarding the Company's tax filing positions, including the timing and amount of deductions and the allocation of income among various tax jurisdictions. At any one time, multiple tax years are subject to audit by the various tax authorities. The Company records an accrual for more likely than not exposures after evaluating the positions associated with its various income tax filings. A number of years may elapse before a particular matter for which the Company has established an accrual is audited and fully resolved or clarified. The Company adjusts its tax contingencies accrual and income tax provision in the period in which matters are effectively settled with tax authorities at amounts different from its established accrual, when the statute of limitations expires for the relevant taxing authority to examine the tax position or when more information becomes available. The Company includes its tax contingencies accrual, including accrued penalties and interest, in Other Long-term Liabilities on the Consolidated Balance Sheets unless the liability is expected to be paid within one year. Changes to the tax contingencies accrual, including accrued penalties and interest, are included in Provision for Income Taxes on the Consolidated Statements of Income.

Self Insurance

The Company is self-insured for medical, workers' compensation, property, general liability and automobile liability up to certain stop-loss limits. Such costs are accrued based on known claims and an estimate of incurred but not reported ("IBNR") claims. IBNR claims are estimated using historical claim information and actuarial estimates.

Noncontrolling Interest

Noncontrolling interest represents the portion of equity interests of consolidated affiliates not owned by the Company.

Share-based Compensation

The Company accounts for share-based employee compensation in accordance with authoritative guidance included in ASC Subtopic 718, *Compensation—Stock Compensation*, which requires all share-based payments to employees and directors to be recognized in the financial statements as compensation cost over the service period based on their estimated fair value on the date of grant.

Compensation cost is recognized over the service period on a straight-line basis for the fair value of awards that actually vest. Compensation expense for stock options is recognized, net of forfeitures, using a single option approach (each option is valued as one grant, irrespective of the number of vesting tranches). Compensation cost for restricted stock is recognized, net of forfeitures, on a straight-line basis over the requisite service period.

During 2007, 2008 and 2009, the Company followed a policy of issuing treasury shares to satisfy award exercises or conversions.

Revenue Recognition

The Company recognizes sales upon customer receipt of the merchandise, which for direct response revenues reflects an estimate of shipments that have not yet been received by the customer based on shipping terms and estimated delivery times. The Company's shipping and handling revenues are included in Net Sales with the related costs included in Costs of Goods Sold, Buying and Occupancy on the Consolidated Statements of Income. The Company also provides a reserve for projected merchandise returns based on prior experience. Net Sales exclude sales tax collected from customers.

The Company's brands sell gift cards with no expiration dates to customers. The Company does not charge administrative fees on unused gift cards. The Company recognizes income from gift cards when they are redeemed by the customer. In addition, the Company recognizes income on unredeemed gift cards when it can determine that the likelihood of the gift card being redeemed is remote and that there is no legal obligation to remit the unredeemed gift cards to relevant jurisdictions (gift card breakage). The Company determines the gift card breakage rate based on historical redemption patterns. The Company accumulated enough historical data to determine the gift card breakage rate at Bath & Body Works during the fourth quarter of 2005 and Victoria's Secret during the fourth quarter of 2007. Gift card breakage is included in Net Sales in the Consolidated Statements of Income.

During the fourth quarter of 2007, the Company recognized $48 million in pre-tax income related to the initial recognition of gift card breakage at Victoria's Secret.

Additionally, the Company recognizes revenue associated with merchandise sourcing services provided to third parties, consisting of former subsidiaries as well as other third parties. Revenue is recognized at the time the title passes to the customer.

Costs of Goods Sold, Buying and Occupancy

The Company's costs of goods sold include merchandise costs, net of discounts and allowances, freight and inventory shrinkage. The Company's buying and occupancy expenses primarily include payroll, benefit costs and operating expenses for its buying departments and distribution network, rent, common area maintenance, real estate taxes, utilities, maintenance, fulfillment expenses, catalogue amortization and depreciation for the Company's stores, warehouse facilities and equipment.

General, Administrative and Store Operating Expenses

The Company's general, administrative and store operating expenses primarily include payroll and benefit costs for its store-selling and administrative departments (including corporate functions), marketing, advertising and other operating expenses not specifically categorized elsewhere in the Consolidated Statements of Income.

Use of Estimates in the Preparation of Financial Statements

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

2. New Accounting Pronouncements and Changes in Accounting Principle

New Accounting Pronouncements

Accounting Standards Codification ("Codification") and the Hierarchy of Generally Accepted Accounting Principles ("GAAP")

In June 2009, the Financial Accounting Standards Board ("FASB") issued ASC Subtopic 105, *Generally Accepted Accounting Principles*, which reorganizes the thousands of U.S. GAAP pronouncements into roughly 90 accounting topics and displays all topics using a consistent structure. It also includes relevant Securities and Exchange Commission ("SEC") guidance that follows the same topical structure in separate sections in the Codification. In the third quarter of 2009, the Company changed its historical U.S. GAAP references to comply with the Codification. The adoption of this guidance did not impact the Company's results of operations, financial condition or liquidity since the Codification is not intended to change or alter existing U.S. GAAP.

Subsequent Events

In May 2009, the FASB issued authoritative guidance included in ASC Subtopic 855, *Subsequent Events*, which incorporates guidance on subsequent events into authoritative accounting literature and clarifies the time following the balance sheet date that must be considered for subsequent events disclosures in the financial statements. In the second quarter of 2009, the Company adopted this guidance which requires disclosure of the date through which subsequent events have been reviewed. This guidance did not change the Company's procedures for reviewing subsequent events. In February 2010, the FASB issued Accounting Standards Update ("ASU") 2010-09 to amend ASC Subtopic 855, *Subsequent Events*, to not require disclosure of the date through which management evaluated subsequent events in the financial statements for either originally issued financial statements or reissued financial statements.

Derivative Instruments and Hedging Activities

In March 2008, the FASB issued authoritative guidance included in ASC Subtopic 815, *Derivatives and Hedging*, which requires disclosures about the fair value of derivative instruments and their gains or losses in tabular format as well as disclosures regarding credit-risk-related contingent features in derivative agreements, counterparty credit risk and strategies and objectives for using derivative instruments. This guidance amends and expands previously released authoritative guidance and became effective prospectively beginning in 2009. In the first quarter of 2009, the Company adopted this guidance. For additional information, see Note 13, "Derivative Instruments."

Consolidation

In December 2007, the FASB issued authoritative guidance included in ASC Subtopic 810, *Consolidation*, which modifies reporting for noncontrolling interest (minority interest) in consolidated financial statements. This guidance requires noncontrolling interest to be reported in equity and establishes a new framework for recognizing net income or loss and comprehensive income or loss by the controlling interest. This guidance further requires specific disclosures regarding changes in equity interest of both the controlling and noncontrolling parties and presentation of the noncontrolling equity balance and income or loss for all periods presented. This guidance became effective for interim and annual periods in fiscal years beginning after December 15, 2008. This guidance is applied prospectively upon adoption, however the presentation and disclosure requirements are applied retrospectively. In the first quarter of 2009, the Company adopted this guidance recharacterizing minority interest as a noncontrolling interest and classifying it as a component of equity in its consolidated financial statements. On June 15, 2009, the Company filed a Current Report on Form 8-K to reflect the retrospective application to the Company's Annual Report on Form 10-K for the year ended January 31, 2009.

Fair Value Measurements

In September 2006, the FASB issued authoritative guidance included in ASC Subtopic 820, *Fair Value Measurements and Disclosures*, which provides guidance for fair value measurement of assets and liabilities and instruments measured at fair value that are classified in shareholders' equity. This guidance defines fair value, establishes a fair value measurement framework and expands fair value disclosures. It emphasizes that fair value is market-based with the highest measurement hierarchy level being market prices in active markets. This guidance requires fair value measurements be disclosed by hierarchy level, an entity to include its own credit standing in the measurement of its liabilities and modifies the transaction price presumption.

In February 2008, the FASB delayed the effective date for this guidance to fiscal years beginning after November 15, 2008 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually).

Accordingly, as of February 3, 2008, the Company adopted the authoritative guidance for financial assets and liabilities only on a prospective basis. As of February 1, 2009, the Company adopted the remaining provisions. The adoption of this guidance did not have a significant impact on the Company's results of operations, financial condition or liquidity. For additional information, see Note 14, "Fair Value Measurements."

In January 2010, the FASB issued Accounting Standard Update 2010-06, which amends ASC Subtopic 820, *Fair Value Measurement and Disclosures*. This guidance requires new disclosures and provides amendments to clarify existing disclosures. The new requirements include disclosing transfers in and out of Levels 1 and 2 fair value measurements and the reasons for the transfers and further disaggregating activity in Level 3 fair value measurements. The clarification of existing disclosure guidance includes further disaggregation of fair value measurement disclosures for each class of assets and liabilities and providing disclosures about the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements. This guidance is effective for interim and annual reporting periods beginning after December 15, 2009, except for the new disclosures regarding the activity in Level 3 measurements, which will be effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The Company will adopt this guidance for the fiscal period beginning January 31, 2010, except for the new disclosure regarding the activity in Level 3 measurements, which the Company will adopt for the fiscal period beginning January 30, 2011.

Changes in Accounting Principle

Income Taxes

Effective February 4, 2007, the Company adopted authoritative guidance included in ASC Subtopic 740, *Income Taxes*. Upon adoption, the Company recognized an additional $10 million liability for unrecognized tax benefits,

which was accounted for as a reduction to the Company's opening balance of retained earnings on February 4, 2007. For additional information, see Note 11, "Income Taxes."

3. Earnings Per Share

Earnings per basic share is computed based on the weighted-average number of outstanding common shares. Earnings per diluted share include the weighted-average effect of dilutive options and restricted stock on the weighted-average shares outstanding.

The following table provides shares utilized for the calculation of basic and diluted earnings per share for 2009, 2008 and 2007:

	2009	2008	2007
		(in millions)	
Weighted-average Common Shares:			
Issued Shares	524	524	524
Treasury Shares	(202)	(189)	(149)
Basic Shares	322	335	375
Effect of Dilutive Options and Restricted Stock	5	2	5
Diluted Shares	327	337	380
Anti-dilutive Options (a)	12	15	9

(a) These options were excluded from the calculation of diluted earnings per share because their inclusion would have been anti-dilutive.

4. Divestitures

Joint Venture

In April 2008, the Company and its investment partner completed the divestiture of a joint venture, which the Company consolidated, to a third-party. The Company recognized a pre-tax gain of $128 million and received pre-tax proceeds of $168 million on the divestiture. The pre-tax gain is included in Net Gain on Joint Ventures on the 2008 Consolidated Statement of Income. Total proceeds included $24 million, which was to be held in escrow until September 2009 to cover any post-closing contingencies. In December 2008, $15 million of $24 million in funds held in escrow were distributed to the Company. In September 2009, the remaining $9 million in funds held in escrow were distributed to the Company.

Express

On July 6, 2007, the Company completed the divestiture of 75% of its ownership interest in Express to affiliates of Golden Gate Capital for pre-tax net cash proceeds of $547 million. The Company recorded a pre-tax gain on the divestiture of $302 million. For additional information, see Note 9, "Equity Investments and Other."

Limited Stores

On August 3, 2007, the Company completed the divestiture of 75% of its ownership interest in Limited Stores to affiliates of Sun Capital. As part of the agreement, Sun Capital contributed $50 million of equity capital into the business and arranged a $75 million credit facility. The Company recorded a pre-tax loss on the divestiture of $72 million. For additional information, see Note 9, "Equity Investments and Other."

5. Restructuring Activities

2008

During the fourth quarter of 2008, the Company initiated a restructuring program designed to resize the Company's corporate infrastructure and to adjust for the impact of the current retail environment. This program resulted in the elimination of approximately 400 positions (or 10%) of the Company's corporate and home office headcount. The Company recognized a pre-tax charge consisting of severance and related costs of $23 million for the fiscal year ended January 31, 2009. These costs are included in General, Administrative and Store Operating Expenses on the 2008 Consolidated Statement of Income. The Company made cash payments of $15 million in 2009 related to this restructuring program. In addition, the liability was further reduced by $2 million in 2009 related to changes in estimates. The remaining balance of $6 million is included in Accrued Expenses and Other on the Consolidated Balance Sheet as of January 30, 2010.

2007

In 2007, the Company completed a restructuring program designed to resize the Company's corporate infrastructure and to adjust for the impact of the Apparel divestitures. This program resulted in the elimination of approximately 500 positions (or 10%) of the Company's corporate and home office headcount through position eliminations and transfers to Express and Limited Stores. The Company recognized pre-tax charges consisting primarily of severance and related costs of $34 million for the fiscal year ended February 2, 2008. These costs are included in General, Administrative and Store Operating Expenses on the 2007 Consolidated Statement of Income. The Company also recognized $25 million in gains related to the sale of corporate aircraft. These gains are included in General, Administrative and Store Operating Expenses on the 2007 Consolidated Statement of Income.

6. Inventories

The following table provides inventories as of January 30, 2010 and January 31, 2009:

	January 30, 2010	January 31, 2009
	(in millions)	
Finished Goods Merchandise	$ 973	$ 1,101
Raw Materials and Merchandise Components	64	81
Total Inventories	$ 1,037	$ 1,182

During the second quarter of 2007, the Company recognized a pre-tax charge of $19 million related to excess raw material and component inventory at Bath & Body Works. This cost was included in Cost of Goods Sold, Buying and Occupancy on the 2007 Consolidated Statement of Income.

7. Property and Equipment, Net

The following table provides property and equipment, net as of January 30, 2010 and January 31, 2009:

	January 30, 2010		January 31, 2009
		(in millions)	
Land	$ 60		$ 60
Buildings and Improvements	390		392
Furniture, Fixtures, Software and Equipment	2,429		2,375
Leaseholds and Improvements	1,151		1,085
Construction in Progress	28		119
Total	4,058		4,031
Accumulated Depreciation and Amortization	(2,335)		(2,102)
Property and Equipment, Net	$ 1,723		$ 1,929

Depreciation expense was $387 million in 2009 and $371 million in both 2008 and 2007.

8. Goodwill, Trade Names and Other Intangible Assets, Net

Goodwill

The following table provides the rollforward of goodwill for the fiscal years ended January 30, 2010 and January 31, 2009:

	Victoria's Secret	Bath & Body Works	Other	Total
		(in millions)		
Balance as of February 2, 2008	$ 1,057	$ 628	$ 48	$1,733
Divestiture	—	—	(48)	(48)
Impairment	(189)	—	—	(189)
Foreign Currency Translation	(70)	—	—	(70)
Balance as of January 31, 2009	798	628	—	1,426
Foreign Currency Translation	16	—	—	16
Balance as of January 30, 2010	$ 814	$ 628	$ —	$1,442

Intangible Assets—Indefinite Lives

Intangible assets with indefinite lives represent the Victoria's Secret, Bath & Body Works and La Senza trade names. These assets totaled $566 million as of January 30, 2010 and $548 million as of January 31, 2009 and are included in Trade Names and Other Intangible Assets, Net on the Consolidated Balance Sheets.

Intangible Assets—Finite Lives

The following table provides intangible assets with finite lives as of January 30, 2010 and January 31, 2009:

	January 30, 2010	(in millions)	January 31, 2009
Intellectual Property	$ 41		$ 41
Trademarks/Brands	19		19
Licensing Agreements and Customer Relationships	23		21
Favorable Operating Leases	19		18
Total	102		99
Accumulated Amortization	(74)		(67)
Intangible Assets, Net	$ 28		$ 32

Amortization expense was $6 million for 2009 and 2008 and $14 million for 2007. Estimated future annual amortization expense will be approximately $7 million in each of 2010 and 2011, $5 million in 2012, $4 million in 2013 and $5 million thereafter.

Impairment Charges

La Senza

In conjunction with the January 2007 acquisition of La Senza, the Company recorded $313 million in goodwill, $170 million in intangible assets with indefinite lives and $26 million in intangible assets with finite lives. These assets are included in the La Senza reporting unit which is part of the Victoria's Secret reportable segment.

2008

In the fourth quarter of 2008, the Company completed its annual impairment testing. During the latter half of 2008, La Senza's operating results were negatively impacted by the global economic downturn and the resulting impact on the Canadian retail environment. As part of the annual impairment evaluation, the Company assessed the recoverability of goodwill using a discounted cash flow methodology. The Company concluded that the carrying value of the La Senza goodwill exceeded the implied fair value based on the estimated fair value of the La Senza reporting unit. Accordingly, the Company recorded a goodwill impairment charge of $189 million. The goodwill impairment charge is included in Impairment of Goodwill and Other Intangible Assets on the 2008 Consolidated Statement of Income.

Prior to completing the goodwill impairment evaluation, the Company performed its annual impairment analysis for indefinite-lived trade names. Based on its evaluation using a relief from royalty methodology, the Company concluded that certain La Senza trade name assets were impaired. Accordingly, the Company recorded an impairment charge of $25 million to reduce the carrying value of these assets to their estimated fair values. The Company also recognized a $1 million impairment charge related to a finite lived trade name asset. These impairment charges are included in Impairment of Goodwill and Other Intangible Assets on the 2008 Consolidated Statement of Income.

2009

In the fourth quarter of 2009, the Company made the decision to exit the La Senza Girl business and recorded an impairment charge of $3 million to write-off the La Senza Girl trade name and other minor trade names. This impairment charge is included in Impairment of Goodwill and Other Intangible Assets on the 2009 Consolidated Statement of Income.

Personal Care Joint Venture

In February 2007, the Company acquired a personal care products business along with an investment partner. Net assets of the acquired business consisted primarily of goodwill. During the second quarter of 2007, the Company and its investment partner made a decision to close the operations of the acquired business. Based on this decision, the Company completed a valuation of the acquired business trade name, which the Company continues to use. Based on the Company's evaluation, $12 million of the $25 million purchase price was allocated to the trade name. The remaining $13 million was recognized as an impairment charge in the second quarter of 2007. The Company recognized the investment partner's portion of the impairment charge of $6 million in Noncontrolling Interest on the 2007 Consolidated Statement of Income.

9. Equity Investments and Other

Express

In July 2007, the Company completed the divestiture of 75% of its ownership interest in Express. In conjunction with the transaction, the Company and Express entered into transition services agreements whereby the Company provides support to Express in various operational areas including logistics, technology and merchandise sourcing. The terms of these transition services arrangements varied and ranged from 3 months to 3 years.

In October 2009, the Company entered into new agreements with Express whereby the Company will continue to provide logistics services and lease office space. These agreements are effective beginning in February 2010 and extend through April 2016 with certain renewal options. The Company also continues to provide sourcing services to Express.

The Company recognized merchandise sourcing revenue from Express of $344 million in 2009, $435 million in 2008 and $353 million in 2007. These amounts are net of the elimination of 25% of the gross merchandise sourcing revenue consistent with the Company's ownership percentage. The Company's accounts receivable from Express for merchandise sourcing and other services provided in accordance with the terms and conditions of the transition services agreements totaled $80 million as of January 30, 2010, $92 million as of January 31, 2009 and $151 million as of February 2, 2008.

In March 2008, Express distributed cash to its owners and the Company received $41 million. The Company's portion representing a return of capital is $28 million and is included in Return of Capital from Express within the Investing Activities section of the 2008 Consolidated Statement of Cash Flows. The remaining $13 million is considered a return on capital and is included in Other Assets and Liabilities within the Operating Activities section of the 2008 Consolidated Statement of Cash Flows.

In July 2008, Express distributed additional cash to its owners and the Company received $71 million. The Company's portion representing a return of capital is $67 million with the remaining $4 million representing a return on capital. The proceeds received from the cash distribution were in excess of the Company's carrying value of the investment in Express. As a result, the carrying value was reduced to zero as of the date of the cash distribution and a pre-tax gain of approximately $13 million was recorded. The gain is included in Other Income on the 2008 Consolidated Statements of Income. The Company's investment carrying value for Express was $5 million as of January 30, 2010 and zero as of January 31, 2009. These amounts are included in Other Assets on the Consolidated Balance Sheets.

In March 2010, Express distributed a cash dividend to its owners and the Company received $57 million. The proceeds received from the cash dividend were in excess of the Company's carrying value of the investment in Express. As a result, the carrying value will be reduced to zero as of the date of the cash dividend and a pre-tax gain of approximately $50 million will be recorded.

Limited Stores

In August 2007, the Company completed the divestiture of 75% of its ownership interest in Limited Stores. In conjunction with the transaction, the Company and Limited Stores entered into transition services agreements whereby the Company provides support to Limited Stores in various operational areas including logistics, technology and merchandise sourcing. The terms of these transition services arrangements vary and range from 3 months to 3 years. The Company recognized merchandise sourcing revenue from Limited Stores of $58 million in 2009, $92 million in 2008 and $75 million in 2007. These amounts are net of the elimination of 25% of the gross merchandise sourcing revenue consistent with the Company's ownership percentage. The Company's accounts receivable from Limited Stores for merchandise sourcing and other services provided in accordance with the terms and conditions of the transition services agreements totaled $10 million as of January 30, 2010, $12 million as of January 31, 2009 and $22 million as of February 2, 2008.

The Company's investment carrying value for Limited Stores was $13 million as of January 30, 2010 and $12 million as of January 31, 2009. These amounts are included in Other Assets on the Consolidated Balance Sheets.

In February 2010, Limited Stores distributed a cash dividend to its owners and the Company received $7 million. The proceeds received reduced the Company's carrying value of the investment in Limited Stores.

Easton Investment

The Company has land and other investments in Easton, a 1,300 acre planned community in Columbus, Ohio that integrates office, hotel, retail, residential and recreational space. These investments, at cost, totaled $66 million as of January 30, 2010, $63 million as of January 31, 2009 and $62 million as of February 2, 2008 and are recorded in Other Assets on the Consolidated Balance Sheets.

Included in the Company's Easton investments is an equity interest in Easton Town Center, LLC ("ETC"), an entity that owns and has developed a commercial entertainment and shopping center. The Company's investment in ETC is accounted for using the equity method of accounting. The Company has a majority financial interest in ETC, but another unaffiliated member manages ETC. Certain significant decisions regarding ETC require the consent of unaffiliated members in addition to the Company.

In July 2007, ETC refinanced its $290 million secured bank loan replacing it with a $405 million secured bank loan. The loan is payable in full on August 9, 2017.

In conjunction with the loan refinancing, ETC repaid the existing loan, reserved cash for capital expenditures and operations and authorized the distribution of $150 million to ETC members. As an ETC member, the Company received approximately $102 million of proceeds resulting in a $100 million gain after reducing the Company's ETC carrying value from $2 million to zero. The gain is included in Other Income (Loss) on the 2007 Consolidated Statement of Income.

Total assets of ETC were approximately $241 million as of January 30, 2010, $253 million as of January 31, 2009 and $262 million as of February 2, 2008.

Other

In April 2008, the Company recorded a pre-tax impairment charge of $19 million related to an unconsolidated joint venture accounted for under the equity method of accounting. The charge consisted of writing down the investment balance, reserving certain accounts and notes receivable and accruing a contractual liability. The impairment of $19 million is included in Net Gain on Joint Ventures on the 2008 Consolidated Statement of Income. In July 2009, the Company recognized a pre-tax gain of $9 million ($14 million net of related tax benefits) associated with the reversal of the accrued contractual liability as a result of the divestiture of the joint venture. The pre-tax gain is included in Net Gain on Joint Ventures on the 2009 Consolidated Statements of Income.

10. Accrued Expenses and Other

The following table provides additional information about the composition of accrued expenses and other as of January 30, 2010 and January 31, 2009:

	January 30, 2010	January 31, 2009
	(in millions)	
Deferred Revenue, Principally from Gift Card Sales	$ 181	$ 166
Compensation, Payroll Taxes and Benefits	180	103
Taxes, Other Than Income	72	74
Returns Reserve	31	35
Insurance	34	34
Rent	20	25
Interest	30	31
Current Portion of Long-term Debt	2	—
Other	143	201
Total Accrued Expenses and Other	$ 693	$ 669

11. Income Taxes

The following table provides the components of the Company's provision for income taxes for 2009, 2008 and 2007:

	2009	2008	2007
		(in millions)	
Current:			
U.S. Federal	$138	$151	$352
U.S. State	1	13	46
Non-U.S.	14	23	18
Total	153	187	416
Deferred:			
U.S. Federal	47	38	59
U.S. State	8	15	(56)
Non-U.S.	(6)	(7)	(8)
Total	49	46	(5)
Provision for Income Taxes	$202	$233	$411

The foreign component of pre-tax income, arising principally from overseas operations, was income of $84 million for 2009, a loss of $90 million for 2008 and income of $40 million for 2007. The 2008 loss included the impact of the $215 million impairment of goodwill and other intangible assets and changes in transfer pricing. In 2009, the non-U.S. tax provision reflects the impact of enacted statutory rate decreases in Canada.

The following table provides the reconciliation between the statutory federal income tax rate and the effective tax rate for 2009, 2008 and 2007:

	2009	2008	2007
Federal Income Tax Rate	35.0%	35.0%	35.0%
State Income Taxes, Net of Federal Income Tax Effect	3.7%	5.0%	3.5%
State Net Operating Loss and Valuation Allowance Adjustment	0.3%	2.2%	(3.4%)
Non-deductible Loss on Divestiture of Limited Stores	—%	—%	1.9%
Non-deductible Impairment of Goodwill and Other Intangible Assets	0.3%	14.2%	—%
Impact of Non-U.S. Operations	(5.0%)	—%	1.6%
Other Items, Net	(3.2%)	(4.9%)	(2.2%)
Effective Tax Rate	31.1%	51.5%	36.4%

The Company's effective tax rate has historically reflected a provision related to the undistributed earnings of foreign affiliates. The Company has recorded a deferred tax liability for those amounts, but taxes are not paid until the earnings are deemed repatriated to the United States. However, when the tax basis of a foreign subsidiary is greater than its carrying value, no deferred taxes are recorded. In the fourth quarter of 2009, the Company executed a re-organization of certain of its foreign subsidiaries which resulted in the recognition of a non-cash income tax benefit of $21 million associated with the reversal of deferred tax liabilities associated with undistributed earnings of a foreign subsidiary.

Deferred Taxes

The following table provides the effect of temporary differences that cause deferred income taxes as of January 30, 2010 and January 31, 2009. Deferred tax assets and liabilities represent the future effects on income taxes resulting from temporary differences and carryforwards at the end of the respective year.

	January 30, 2010			January 31, 2009		
	Assets	Liabilities	Total	Assets	Liabilities	Total
	(in millions)					
Leases	$ 37	$ —	$ 37	$ 33	$ —	$ 33
Non-qualified Retirement Plan	63	—	63	62	—	62
Inventory	2	—	2	47	—	47
Property and Equipment	—	(177)	(177)	—	(153)	(153)
Goodwill	—	(15)	(15)	—	(15)	(15)
Trade Names and Other Intangibles	—	(184)	(184)	—	(182)	(182)
Undistributed Earnings of Foreign Affiliates	—	—	—	—	(13)	(13)
Other Comprehensive Income Items	9	—	9	—	—	—
State Net Operating Losses	33	—	33	32	—	32
Non-U.S. Operating Losses	32	—	32	21	—	21
Valuation Allowance	(38)	—	(38)	(28)	—	(28)
Other, Net	53	—	53	59	—	59
Total Deferred Income Taxes	$191	$ (376)	$(185)	$226	$ (363)	$(137)

As of January 30, 2010, the Company had available for state income tax purposes net operating loss carryforwards which expire, if unused, in the years 2010 through 2028. The Company has analyzed the

realization of the state net operating loss carryforwards on an individual state basis. For those states where the Company has determined that it is more likely than not that the state net operating loss carryforwards will not be realized, a valuation allowance has been provided for the deferred tax asset.

As of January 30, 2010, the Company had available for non-U.S. tax purposes net operating loss carryforwards which expire, if unused, in the years 2028 through 2030. The Company has determined that it is more likely than not that all of the net operating loss carryforwards will not be realized and a valuation allowance has been provided for the net deferred tax assets, including the net operating loss carryforwards, of the related tax loss entity.

Income taxes payable on the accompanying Consolidated Balance Sheets included net current deferred tax liabilities of $2 million as of January 30, 2010 and $2 million as of January 31, 2009. Income tax payments were $118 million for 2009, $205 million for 2008 and $428 million for 2007.

Uncertain Tax Positions

The Company had unrecognized tax benefits of $145 million and $164 million as of January 30, 2010 and January 31, 2009, respectively, of which $113 million and $95 million would reduce the effective income tax rate for 2009 and 2008, respectively. The unrecognized tax benefits are included within Other Long-term Liabilities on the Consolidated Balance Sheets. Of the total unrecognized tax benefits, it is reasonably possible that $25 million could change in the next twelve months due to audit settlements, expiration of statute of limitations or other resolution of uncertainties. Due to the uncertain and complex application of tax regulations, it is possible that the ultimate resolution of audits may result in liabilities which could be different from this estimate. In such case, the Company will record additional tax expense or tax benefit in the tax provision or reclassify amounts on the Consolidated Balance Sheet in the period in which such matters are effectively settled with the tax authority.

The Company recognizes interest and penalties related to unrecognized tax benefits as components of income tax expense. The Company recognized interest and penalties benefit of $7 million in 2009. The Company recognized interest and penalties expense of $7 million and $4 million in 2008 and 2007, respectively. The Company has accrued approximately $30 million and $47 million for the payment of interest and penalties as of January 30, 2010 and January 31, 2009, respectively.

The following table summarizes the activity related to its unrecognized tax benefits for U.S. federal, state & non-U.S. tax jurisdictions for 2009 and 2008 without interest and penalties:

	2009	2008
	(in millions)	
Gross Unrecognized Tax Benefits, as of the Beginning of the Fiscal Year	$116	$104
Increases in Tax Positions for Prior Years	18	16
Decreases in Tax Positions for Prior Years	(31)	(18)
Increases in Unrecognized Tax Benefits as a Result of Current Year Activity	26	23
Decreases to Unrecognized Tax Benefits Relating to Settlements with Taxing Authorities	(9)	(3)
Decreases to Unrecognized Tax Benefits as a Result of a Lapse of the Applicable Statute of Limitations	(6)	(5)
Foreign Currency Translation	1	(1)
Gross Unrecognized Tax Benefits, as of the End of the Fiscal Year	$115	$116

The Company files U.S. federal income tax returns as well as income tax returns in various states and in non-U.S. jurisdictions. At the end of 2009, the Company was subject to examination by the IRS for calendar years 2006 through 2009. The Company is also subject to various U.S. state and local income tax examinations for the years 1999 to 2009. Finally, the Company is subject to multiple non-U.S. tax jurisdiction examinations for the years

2000 to 2009. In some situations, the Company determines that it does not have a filing requirement in a particular tax jurisdiction. Where no return has been filed, no statute of limitations applies. Accordingly, if a tax jurisdiction reaches a conclusion that a filing requirement does exist, additional years may be reviewed by the tax authority. The Company believes it has appropriately accounted for uncertainties related to this issue.

12. Long-term Debt

The following table provides the Company's long-term debt balance as of January 30, 2010 and January 31, 2009:

	January 30, 2010	January 31, 2009
	(in millions)	
Senior Secured Debt		
Term Loan due August 2012. Variable Interest Rate of 4.28% as of January 30, 2010	$ 200	$ 750
5.30% Mortgage due August 2010	2	2
Total Senior Secured Debt	$ 202	$ 752
Senior Unsecured Debt with Subsidiary Guarantee		
$500 million, 8.50% Fixed Interest Rate Notes due June 2019, Less Unamortized Discount	$ 485	$ —
Senior Unsecured Debt		
$700 million, 6.90% Fixed Interest Rate Notes due July 2017, Less Unamortized Discount	$ 699	$ 698
$500 million, 5.25% Fixed Interest Rate Notes due November 2014, Less Unamortized Discount	499	499
$350 million, 6.95% Fixed Interest Rate Debentures due March 2033, Less Unamortized Discount	350	350
$300 million, 7.60% Fixed Interest Rate Notes due July 2037, Less Unamortized Discount	299	299
6.125% Fixed Interest Rate Notes due December 2012, Less Unamortized Discount (a)	191	299
Total Senior Unsecured Debt	$ 2,038	$ 2,145
Total	$ 2,725	$ 2,897
Current Portion of Long-term Debt	(2)	—
Total Long-term Debt, Net of Current Portion	$ 2,723	$ 2,897

(a) The principal balance outstanding was $191 million as of January 30, 2010 and $300 million as of January 31, 2009.

The following table provides principal payments due on long-term debt in the next five fiscal years and the remaining years thereafter:

Fiscal Year (in millions)	
2010	$ 2
2011	—
2012	391
2013	—
2014	500
Thereafter	1,850

Cash paid for interest was $250 million in 2009, $174 million in 2008 and $151 million in 2007.

Issuance of 2019 Notes

In June 2009, the Company issued $500 million of 8.50% notes due in June 2019 (“2019 Notes”) through an institutional private placement offering. The obligation to pay principal and interest on these notes is jointly and severally guaranteed on a full and unconditional basis by certain of the Company’s wholly-owned subsidiaries (the “guarantors”). The net proceeds from the issuance were $473 million, which included an issuance discount of $16 million and transaction costs of $11 million. These transaction costs are being amortized through the maturity date of June 2019 and are included within Other Assets on the January 30, 2010 Consolidated Balance Sheet. The Company used the proceeds from this offering to repurchase $108 million of the Company’s 2012 notes and to prepay $392 million of the Company’s variable rate term loan (“Term Loan”).

On November 10, 2009, the Company and the guarantors filed a registration statement with the SEC to register new notes with materially identical terms to the 2019 Notes. On December 15, 2009, the Company and the guarantors filed an amended registration statement to offer a public exchange of the 2019 Notes. On January 29, 2010, the exchange offer expired with a result of 100% of bondholders exchanging the 2019 Notes.

Repurchase of 2012 Notes

In June 2009, the Company repurchased $5 million of the $300 million notes due in December 2012 through open market transactions. In July 2009, the Company announced a tender offer for the remaining portion of the 2012 notes. In August 2009, the Company repurchased $103 million of the 2012 notes through the tender offer for $101 million. The gain on extinguishment of this debt of $2 million is included in Other Income on the 2009 Consolidated Statements of Income.

Credit Facility and Term Loan

2009

On February 19, 2009, the Company amended its $1 billion unsecured revolving credit facility expiring in August 2012 (the “5-Year Facility”), amended its Term Loan for $750 million maturing in August 2012 and canceled its $300 million, 364-day unsecured revolving credit facility. The amendment to the 5-Year Facility and the Term Loan includes changes to both the fixed charge coverage and leverage covenants. Under the amended covenants, the Company is required to maintain the fixed charge coverage ratio at 1.60 or above through fiscal year 2010 and 1.75 or above thereafter. The leverage ratio, which is debt compared to EBITDA, as those terms are defined in the agreement, must not exceed 5.0 through the third quarter of fiscal year 2010, 4.5 from the fourth quarter of fiscal year 2010 through the third quarter of fiscal year 2011 and 4.0 thereafter. The Company was in compliance with the covenant requirements as of January 30, 2010. The amendment also increases the interest costs and fees associated with the 5-Year Facility and the Term Loan, provides for certain security interests as defined in the agreement and limits dividends, share repurchases and other restricted payments as defined in the agreement to $220 million per year with certain potential increases as defined in the agreement. The amendment does not impact the maturity dates of either the 5-Year Facility or the Term Loan.

The Company incurred fees related to the amendment of the 5-Year Facility and the Term Loan of $19 million. The fees associated with the 5-Year Facility amendment of $11 million were capitalized. This cost is included within Other Assets on the January 30, 2010 Consolidated Balance Sheet and is being amortized over the remaining term of the 5-Year Facility. The fees associated with the Term Loan amendment of $8 million were expensed in addition to unamortized fees related to the original agreement of $2 million. These charges are included within Interest Expense on the 2009 Consolidated Statement of Income.

The 5-Year Facility and Term Loan have several interest rate options, which are based in part on the Company’s long-term credit ratings. For 2009, the effective interest rate of the Term Loan, including the impact of the participating interest rate swaps, was 6.88%. Fees payable under the 5-Year Facility are based on the Company’s

long-term credit ratings and are currently 0.75% of the committed and unutilized amounts per year and 4.00% on any outstanding borrowings or letters of credit. As of January 30, 2010, there were no borrowings outstanding under the 5-Year Facility.

The Company prepaid $392 million of the Term Loan with cash proceeds from the $500 million note issuance in June 2009. In December 2009, the Company prepaid an additional $158 million of the Term Loan with cash on-hand.

2010

In March 2010, the Company prepaid the remaining $200 million of the Term Loan with cash on hand and also entered into an amendment and restatement (the "Amendment") of its 5-Year Facility. The Amendment establishes two classes of loans under the 5-Year Facility; Class A loans to be made by lenders who consent to the Amendment and Class B loans to be made by non-consenting lenders. The Amendment extends the termination date of the 5-Year Facility from August 3, 2012 to August 1, 2014 on Class A loans. The Amendment also reduces the aggregate amount of the commitments of the lenders under the 5-Year Facility from $1 billion to $927 million. The loan commitments are $800 million and $127 million for Class A and Class B, respectively. The Company is permitted to borrow and prepay separately under either class of loans.

Additionally, the Amendment modifies the covenants limiting investments and restricted payments to provide that investments and restricted payments may be made, without limitation on amount, if (a) at the time of and after giving effect to such investment or restricted payment the ratio of consolidated debt to consolidated EBITDA for the most recent four quarter period is less than 3.0 to 1.0 and (b) no default or event of default exists.

The Company incurred fees related to the amendment of the 5-Year Facility of $13 million, which were capitalized and will be amortized over the remaining term of the 5-Year Facility.

Letters of Credit and Commercial Paper Programs

The 5-Year Facility supports the Company's commercial paper and letter of credit programs. The Company has $65 million of outstanding letters of credit as of January 30, 2010 that reduce its remaining availability under its amended credit agreements. No commercial paper was outstanding as of January 30, 2010 or January 31, 2009.

Participating Interest Rate Swap Arrangements

In January 2008, the Company entered into participating interest rate swap arrangements designated as cash flow hedges to mitigate exposure to interest rate fluctuations related to the Term Loan. In conjunction with the Term Loan prepayments, the Company de-designated portions of the participating interest rate swap arrangements totaling $392 million. As of January 30, 2010, the remaining notional amount of the designated participating interest rate swap arrangements is $200 million, which aligns with the remaining outstanding principal balance on the Term Loan. For additional information, see Note 13, "Derivative Instruments." Subsequent to January 30, 2010, the Company terminated the remaining portion of the participating interest rate swap arrangement totaling $200 million in conjunction with the remaining $200 million Term Loan prepayment. For additional information, see Note 13, "Derivative Instruments."

13. Derivative Instruments

Foreign Exchange Risk

In January 2007, the Company entered into a series of cross-currency swaps related to approximately $470 million of Canadian dollar denominated intercompany loans. These cross-currency swaps mitigate the exposure to fluctuations in the U.S. dollar-Canadian dollar exchange rate related to the Company's La Senza operations.

The cross-currency swaps require the periodic exchange of fixed rate Canadian dollar interest payments for fixed rate U.S. dollar interest payments as well as exchange of Canadian dollar and U.S. dollar principal payments upon maturity. The cross-currency swaps mature between 2015 and 2018 at the same time as the related loans and are designated as cash flow hedges of foreign currency exchange risk. Changes in the U.S. dollar-Canadian dollar exchange rate and the related swap settlements result in reclassification of amounts from accumulated other comprehensive income (loss) to earnings to completely offset foreign currency transaction gains and losses recognized on the intercompany loans.

The following table provides a summary of the fair value and balance sheet classification of the derivative financial instruments designated as foreign exchange cash flow hedges as of January 30, 2010 and January 31, 2009:

	January 30, 2010	January 31, 2009
	(in millions)	
Other Assets	$ —	$ 26
Other Long-term Liabilities	34	—

The following table provides a summary of the pre-tax financial statement effect of the gains and losses on the Company's derivative instruments designated as foreign exchange cash flow hedges for 2009 and 2008:

	Location	2009	2008
		(in millions)	
Gain (Loss) Recognized in Other Comprehensive Income (Loss)	Other Comprehensive Income (Loss)	$(60)	$ 81
(Gain) Loss Reclassified from Accumulated Other Comprehensive Income (Loss) into Other Income (a)	Other Income	57	(91)

(a) Represents reclassification of amounts from accumulated other comprehensive income (loss) to earnings to completely offset foreign currency transaction gains and losses recognized on the intercompany loans. No ineffectiveness was associated with these foreign exchange cash flow hedges.

Interest Rate Risk

Interest Rate Designated Cash Flow Hedges

In January 2008, the Company entered into participating interest rate swap arrangements to mitigate exposure to interest rate fluctuations related to the Term Loan. The participating interest rate swap arrangements effectively convert the Term Loan to a fixed interest rate while still allowing the Company to partially benefit from declines in short-term interest rates. The swap arrangements were designated as cash flow hedges of interest rate risk and expire in 2012, at the same time as the related debt. Amounts are reclassified from accumulated other comprehensive income (loss) to earnings as interest expense is recognized on the Term Loan.

The Company prepaid $392 million of the Term Loan with cash proceeds from the $500 million note issuance in June 2009. In conjunction with the Term Loan prepayments, the Company de-designated portions of the participating interest rate swap arrangements totaling $392 million. As a result, hedge accounting was discontinued prospectively on the de-designated portions of the arrangements. Immediately following de-designation, the Company terminated $292 million of the arrangements which resulted in realized losses of $12 million. The realized losses were recognized in Accumulated Other Comprehensive Income (Loss) on the Consolidated Balance Sheet and are being amortized into Interest Expense through the remaining life of the original hedged instrument (August 2012). To offset the impact of the remaining $100 million portion of the de-designated arrangements, the Company entered into a non-designated derivative instrument. For additional information, see the "Interest Rate Non-designated Derivative Instruments" section below.

In December 2009, the Company prepaid an additional $158 million of the Term Loan with cash on-hand. In conjunction with the Term Loan prepayment, the Company terminated an equal portion of the participating interest rate swap arrangements which resulted in realized losses of $8 million. These realized losses are expensed as there are no future cash flows associated with these terminated swap arrangements. These realized losses were recognized in Interest Expense on the 2009 Consolidated Statement of Income.

As of January 30, 2010, the remaining notional amount of the designated participating interest rate swap arrangements is $200 million, which aligns with the remaining outstanding principal balance on the Term Loan.

Subsequent to January 30, 2010, the Company prepaid the remaining $200 million of the Term Loan with cash on-hand. In conjunction with the Term Loan prepayment, the Company terminated the remaining portion of the participating interest rate swap arrangements totaling $200 million resulting in a realized loss of $10 million.

The following table provides a summary of the fair value and balance sheet classification of the derivative financial instruments designated as interest rate cash flow hedges as of January 30, 2010 and January 31, 2009:

	January 30, 2010	January 31, 2009
	(in millions)	
Other Long-term Liabilities	$ 10	$ 30

The following table provides a summary of the pre-tax financial statement effect of gains and losses on the Company's derivative financial instruments designated as interest rate cash flow hedges for 2009 and 2008:

	Location	2009	2008
		(in millions)	
Gain (Loss) Recognized in Other Comprehensive Income (Loss)	Other Comprehensive Income (Loss)	$(14)	$(16)
Loss Reclassified from Accumulated Other Comprehensive Income (Loss) into Interest Expense (a)	Interest Expense	22	—

(a) Represents reclassification of amounts from accumulated other comprehensive income (loss) to earnings as interest expense is recognized on the Term Loan. No ineffectiveness is associated with these interest rate cash flow hedges.

Interest Rate Non-designated Derivative Instruments

As discussed above, the Company de-designated a notional amount of $100 million of the participating interest rate swap arrangements. To offset the impact of these de-designated arrangements, the Company paid $3 million to enter into a non-designated interest rate swap with a notional amount of $100 million.

The following table provides a summary of the fair value and balance sheet classification of these derivative financial instruments as of January 30, 2010:

	January 30, 2010
	(in millions)
Other Assets	$ 5
Other Long-term Liabilities	5

The financial impact to the Consolidated Statement of Income is not significant as the impacts of these derivative instruments are designed to offset.

14. Fair Value Measurements

The following table provides a summary of the carrying value and fair value of long-term debt as of January 30, 2010 and January 31, 2009:

	January 30, 2010	January 31, 2009
	(in millions)	
Carrying Value	$ 2,725	$ 2,897
Fair Value (a)	2,690	2,113

(a) The estimated fair value of the Company's publicly traded debt is based on quoted market prices. The estimated fair value of the Term Loan is equal to its carrying value. The estimates presented are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

The following table provides a summary of assets and liabilities measured in the financial statements at fair value on a recurring basis as of January 30, 2010 and January 31, 2009:

	Level 1	Level 2	Level 3	Total
		(in millions)		
As of January 30, 2010				
Assets:				
Cash and Cash Equivalents	$1,804	$ —	$ —	$1,804
Interest Rate Non-designated Derivative Instrument	—	5	—	5
Liabilities:				
Cross-currency Cash Flow Hedges	—	34	—	34
Interest Rate Designated Cash Flow Hedges	—	10	—	10
Interest Rate Non-designated Derivative Instrument	—	5	—	5
Lease Guarantees	—	—	9	9
As of January 31, 2009				
Assets:				
Cash and Cash Equivalents	$1,173	$ —	$ —	$1,173
Cross-currency Cash Flow Hedges	—	26	—	26
Liabilities:				
Interest Rate Designated Cash Flow Hedges	—	30	—	30
Lease Guarantees	—	—	15	15

Management believes that the carrying values of accounts receivable, accounts payable and accrued expenses approximate fair value because of their short maturity.

The following table provides a reconciliation of the Company's lease guarantees measured at fair value on a recurring basis using unobservable inputs (Level 3) for 2009 and 2008:

	2009	2008
	(in millions)	
Beginning Balance	$15	$10
Change in Estimated Fair Value Reported in Earnings	(6)	5
Ending Balance	9	15

The Company's lease guarantees include minimum rent and additional payments covering taxes, common area costs and certain other expenses and relate to leases that commenced prior to the disposition of certain

businesses. The fair value of these lease guarantees is impacted by economic conditions, probability of rent obligation payments, period of obligation as well as the discount rate utilized. For additional information, see Note 17, “Commitments and Contingencies.”

15. Comprehensive Income (Loss)

Comprehensive Income (Loss) consists of gains and losses on derivative instruments and foreign currency translation adjustments. The cumulative gains and losses on these items are included in Accumulated Other Comprehensive Income (Loss) in the Consolidated Balance Sheets and Consolidated Statements of Shareholder’s Equity.

The following table provides additional detail regarding the composition of accumulated other comprehensive income (loss) as of January 30, 2010 and January 31, 2009:

	January 30, 2010	January 31, 2009
	(in millions)	
Foreign Currency Translation	$ (6)	$ (4)
Cash Flow Hedges	(9)	(24)
Total Accumulated Other Comprehensive Income (Loss)	$ (15)	$ (28)

16. Leases

The Company is committed to noncancelable leases with remaining terms generally from one to ten years. A substantial portion of the Company’s leases consist of store leases generally with an initial term of ten years. Annual store rent consists of a fixed minimum amount and/or contingent rent based on a percentage of sales exceeding a stipulated amount. Store lease terms generally require additional payments covering taxes, common area costs and certain other expenses. These additional payments are excluded from the table below.

The following table provides rent expense for 2009, 2008 and 2007:

	2009	2008	2007
		(in millions)	
Store Rent:			
Fixed Minimum	$407	$391	$431
Contingent	40	37	58
Total Store Rent	447	428	489
Office, Equipment and Other	61	64	70
Gross Rent Expense	508	492	559
Sublease Rental Income	(2)	(4)	(9)
Total Rent Expense	$506	$488	$550

The following table provides the Company’s minimum rent commitments under noncancelable operating leases in the next five fiscal years and the remaining years thereafter:

Fiscal Year (in millions) (a)	
2010	$ 478
2011	444
2012	396
2013	362
2014	337
Thereafter	1,115

(a) Excludes additional payments covering taxes, common area costs and certain other expenses generally required by store lease terms.

The Company's future sublease income under noncancelable subleases was $12 million as of January 30, 2010, which included $3 million of rent commitments related to disposed businesses under master lease arrangements.

17. Commitments and Contingencies

The Company is subject to various claims and contingencies related to lawsuits, taxes, insurance, regulatory and other matters arising out of the normal course of business. Actions filed against the Company from time to time include commercial, tort, intellectual property, customer, employment, data privacy, securities and other claims, including purported class action lawsuits. Management believes that the ultimate liability arising from such claims and contingencies, if any, is not likely to have a material adverse effect on the Company's results of operations, financial condition or cash flows.

On November 6, 2009, a class action (International Brotherhood of Electrical Workers Local 697 Pension Fund v. Limited Brands, Inc. et al.) was filed against the Company and certain of its officers in the United States District Court for the Southern District of Ohio on behalf of a purported class of all persons who purchased or acquired shares of Limited Brands common stock between August 22, 2007 and February 28, 2008. The Company believes the complaint is without merit and that it has substantial factual and legal defenses to the claims at issue. The Company intends to vigorously defend against this action. The Company cannot reasonably estimate the possible loss or range of loss that may result from this lawsuit.

Guarantees

In connection with the disposition of certain businesses, the Company has remaining guarantees of approximately $135 million related to lease payments of Express, Limited Stores, Abercrombie & Fitch, Dick's Sporting Goods (formerly Galyan's), Lane Bryant, New York & Company and Anne.x under the current terms of noncancelable leases expiring at various dates through 2017. These guarantees include minimum rent and additional payments covering taxes, common area costs and certain other expenses and relate to leases that commenced prior to the disposition of the businesses. In certain instances, the Company's guarantee may remain in effect if the term of a lease is extended.

In April 2008, the Company received an irrevocable standby letter of credit from Express of $34 million issued by a third-party bank to mitigate a portion of the Company's contingent liability for guaranteed future lease payments of Express. The Company can draw from the irrevocable standby letter of credit if Express were to default on any of the guaranteed leases. The irrevocable standby letter of credit is reduced through the November 1, 2010 expiration date consistent with the overall reduction in guaranteed lease payments. The outstanding balance of the irrevocable standby letter of credit from Express was $6 million as of January 30, 2010 and $19 million as of January 31, 2009.

The Company's guarantees related to Express, Limited Stores and New York & Company require fair value accounting in accordance with U.S. GAAP in effect at the time of these divestitures. The guaranteed lease payments related to Express (net of the irrevocable standby letter of credit), Limited Stores and New York & Company totaled $84 million as of January 30, 2010 and $94 million as of January 31, 2009. The estimated fair value of these guarantee obligations was $9 million as of January 30, 2010 and $15 million as of January 31, 2009, and is included in Other Long-term Liabilities on the Consolidated Balance Sheets.

The Company's guarantees related to Abercrombie & Fitch, Dick's Sporting Goods (formerly Galyan's), Lane Bryant and Anne.x are not subject to fair value accounting, but require that a loss be accrued when probable and reasonably estimable based on U.S. GAAP in effect at the time of these divestitures. As of January 30, 2010 and January 31, 2009, the Company had no liability recorded with respect to any of the guarantee obligations as it concluded that payments under these guarantees were not probable.

18. Retirement Benefits

The Company sponsors a tax-qualified defined contribution retirement plan and a non-qualified supplemental retirement plan for substantially all of its associates within the United States of America. Participation in the tax-qualified plan is available to associates who meet certain age and service requirements. Participation in the non-qualified plan is made available to associates who meet certain age, service, job level and compensation requirements.

The qualified plan permits participating associates to elect contributions up to the maximum limits allowable under the Internal Revenue Code. The Company matches associate contributions according to a predetermined formula and contributes additional amounts based on a percentage of the associates' eligible annual compensation and years of service. Associate contributions and Company matching contributions vest immediately. Additional Company contributions and the related investment earnings are subject to vesting based on years of service. Total expense recognized related to the qualified plan was $46 million for 2009, $40 million for 2008 and $44 million for 2007.

The non-qualified plan is an unfunded plan which provides benefits beyond the Internal Revenue Code limits for qualified defined contribution plans. The plan permits participating associates to elect contributions up to a maximum percentage of eligible compensation. The Company matches associate contributions according to a predetermined formula and contributes additional amounts based on a percentage of the associates' eligible compensation and years of service. The plan also permits participating associates to defer additional compensation up to a maximum amount which the Company does not match. Associates' accounts are credited with interest using a rate determined by the Company. Associate contributions and the related interest vest immediately. Company contributions, along with related interest, are subject to vesting based on years of service. Associates may elect in-service distributions for the unmatched additional deferred compensation component only. The remaining vested portion of associates' accounts in the plan will be distributed upon termination of employment in either a lump sum or in equal annual installments over a specified period of up to 10 years.

The following table provides the Company's annual activity for this plan and year-end liability, included in Other Long-term Liabilities on the Consolidated Balance Sheets, as of January 30, 2010 and January 31, 2009:

	January 30, 2010	(in millions)	January 31, 2009
Balance at Beginning of Year	$ 167		$ 175
Contributions:			
Associate	7		9
Company	8		9
Interest	12		13
Distributions	(26)		(39)
Balance at End of Year	$ 168		$ 167

Total expense recognized related to the non-qualified plan was $20 million for 2009, $21 million for 2008 and $22 million for 2007.

19. Shareholders' Equity

Under the authority of the Company's Board of Directors, the Company repurchased shares of its common stock under the following repurchase programs during the fiscal years ended January 30, 2010, January 31, 2009 and February 2, 2008:

	Amount Authorized (in millions)	Shares Repurchased 2009	Shares Repurchased 2008 (in thousands)	Shares Repurchased 2007	Average Stock Price of Shares Repurchased within Program
October 2008 (a)	$ 250	—	19,048	—	$ 11.48
November 2007 (b)	250	—	8,539	5,887	17.33
August 2007	250	—	—	11,870	21.06
June 2007	1,000	—	—	38,656	25.87
June 2006 (c)	100	—	—	2,296	26.35
Total Shares Repurchased		—	27,587	58,709	

(a) The repurchase program authorized in October 2008 had $31 million remaining as of January 30, 2010.

(b) The repurchase program authorized in November 2007 had repurchases of $150 million in 2008 at an average stock price of $17.54 and repurchases of $100 million in 2007 at an average stock price of $17.02. This repurchase program was completed in May 2008.

(c) The repurchase program authorized in June 2006 had repurchases of $59 million in 2007 at an average stock price of $25.86 and repurchases of $41 million in 2006 at an average stock price of $27.11. This repurchase program was completed in May 2007.

For the November 2007 repurchase program, $8 million of share repurchases were reflected in accounts payable as of February 2, 2008 and were settled in February 2008. There were no share repurchases reflected in accounts payable as of January 31, 2009 or January 30, 2010. In 2009, no additional shares were repurchased.

In January 2010, the Company retired 201 million shares of its Treasury Stock. The retirement resulted in a reduction of $4.641 billion in Treasury Stock, $101 million in the par value of Common Stock, $1.545 billion in Paid-in Capital and $2.995 billion in Retained Earnings.

In March 2010, the Company's Board of Directors declared a special dividend of $1 per share. In addition, the Company's Board of Directors authorized a share repurchase program of $200 million and cancelled the Company's previous $250 million share repurchase program, which had $31 million remaining.

20. Share-based Compensation

Plan Summary

The shareholder approved Limited Brands, Inc. 1993 Stock Option and Performance Incentive Plan ("2009 Restatement") as amended provides for the grant of incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock, performance-based restricted stock, performance units and unrestricted shares. The Company grants stock options at a price equal to the fair market value of the stock on the date of grant. Stock options have a maximum term of ten years. Stock options generally vest ratably over 3-4 years. Restricted stock generally vests (the restrictions lapse) over a three year period.

The Limited Brands, Inc. Stock Award and Deferred Compensation Plan for Non-Associate Directors provides for an annual stock retainer for non-associate directors. The stock issued in conjunction with this plan has no restrictions.

Under the Company's plans, approximately 102 million options, restricted and unrestricted shares have been authorized to be granted to employees and directors. Approximately 14 million options and shares were available for grant as of January 30, 2010.

Stock Options

The following table provides the Company's stock option activity for the fiscal year ended January 30, 2010:

	Number of Shares (in thousands)	Weighted Average Option Price Per Share	Weighted Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of January 31, 2009	15,381	$ 19.62		
Granted	3,853	8.73		
Exercised	(690)	14.40		
Cancelled	(3,514)	18.84		
Outstanding as of January 30, 2010	15,030	$ 17.26	6.04	$ 55,019
Vested and Expected to Vest as of January 30, 2010 (a)	13,922	17.68	5.83	46,578
Options Exercisable as of January 30, 2010	9,308	19.97	4.44	14,587

(a) The number of options expected to vest includes an estimate of expected forfeitures.

Intrinsic value for stock options is the difference between the current market value of the Company's stock and the option strike price. The total intrinsic value of options exercised was $3 million for 2009, $10 million for 2008 and $80 million for 2007.

The total fair value at grant date of option awards vested was $12 million for 2009, $13 million for 2008 and $23 million for 2007.

The Company's total unrecognized compensation cost, net of estimated forfeitures, related to nonvested options was $7 million as of January 30, 2010. This cost is expected to be recognized over a weighted-average period of 2.0 years.

The weighted-average estimated fair value of stock options granted was $1.88 per share for 2009, $3.47 per share for 2008 and $6.97 per share for 2007.

Cash received from stock options exercised was $10 million for 2009, $31 million for 2008 and $74 million for 2007. Tax benefits realized from tax deductions associated with stock options exercised were $1 million for 2009, $5 million for 2008 and $30 million for 2007.

The Company uses the Black-Scholes option-pricing model for valuation of options granted to employees and directors. The Company's determination of the fair value of options is affected by the Company's stock price as well as assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to, the Company's expected stock price volatility over the term of the awards and projected employee stock option exercise behaviors.

The following table contains the weighted-average assumptions used during 2009, 2008 and 2007:

	2009	2008	2007
Expected Volatility	45%	29%	32%
Risk-free Interest Rate	1.4%	2.5%	4.5%
Dividend Yield	6.8%	3.4%	3.0%
Expected Life (in years)	3.8	5.2	5.3

The majority of the Company's stock-based compensation awards are granted on an annual basis in the first quarter of each year. The expected volatility assumption is based on the Company's analysis of historical volatility. The risk-free interest rate assumption is based upon the average daily closing rates during the period for U.S. treasury notes that have a life which approximates the expected life of the option. The dividend yield assumption is based on the Company's history and expectation of dividend payouts in relation to the stock price at the grant date. The expected life of employee stock options represents the weighted-average period the stock options are expected to remain outstanding.

Restricted Stock

The following table provides the Company's restricted stock activity for the fiscal year ended January 30, 2010:

	Number of Shares (in thousands)	Weighted Average Grant Date Fair Value
Unvested as of January 31, 2009	6,213	$ 17.60
Granted	4,586	7.33
Vested	(1,218)	24.18
Cancelled	(199)	14.04
Unvested as of January 30, 2010	9,382	12.03

The Company's total intrinsic value of restricted stock vested was $14 million for 2009, $15 million for 2008 and $11 million for 2007.

The Company's total fair value at grant date of awards vested was $29 million for 2009, $19 million for 2008 and $8 million for 2007. Fair value of restricted stock awards is based on the market value of an unrestricted share on the grant date adjusted for anticipated dividend yields.

As of January 30, 2010, there was $26 million of total unrecognized compensation cost, net of estimated forfeitures, related to unvested restricted stock. That cost is expected to be recognized over a weighted-average period of 1.8 years.

Tax benefits realized from tax deductions associated with restricted stock vested were $4 million for 2009, $6 million for 2008 and $5 million for 2007.

Income Statement Impact

Total pre-tax share-based compensation expense recognized was $40 million for 2009, $35 million for 2008 and $44 million for 2007. The tax benefit associated with share-based compensation was $13 million for 2009, $11 million for 2008 and $14 million for 2007.

The following table provides share-based compensation expense included in the Consolidated Statements of Income for 2009, 2008 and 2007:

	2009	2008	2007
		(in millions)	
Costs of Goods Sold, Buying and Occupancy	$12	$11	$10
General, Administrative and Store Operating Expenses	28	24	34
Total Share-based Compensation Expense	$40	$35	$44

In March 2010, the Company's Board of Directors declared a special dividend of $1 per share. The special dividend will be distributed on April 19, 2010 to shareholders of record at the close of business on April 5, 2010. In accordance with the terms of the 2009 Restatement, the Company will adjust both the exercise price and the number of share-based awards outstanding as of the record date of the special dividend. As a result of this adjustment, both the aggregate intrinsic value and the ratio of the exercise price to the market price will be approximately equal immediately before and after the dividend record date. Since this adjustment will be made in accordance with the anti-dilutive provisions of the 2009 Restatement, no compensation expense will be recognized for this adjustment.

21. Segment Information

Prior to the divestitures of Express and Limited Stores in the second quarter of 2007, the Company had three reportable segments: Victoria's Secret, Bath & Body Works and Apparel. The Victoria's Secret reportable segment consists of the Victoria's Secret and La Senza operating segments which are aggregated in accordance with the authoritative guidance included in ASC 280, *Segment Reporting*.

The Victoria's Secret segment sells women's intimate and other apparel, personal care and beauty products and accessories under the Victoria's Secret, Pink and La Senza brand names. Victoria's Secret merchandise is sold through retail stores, its website, *www.VictoriasSecret.com*, and its catalogue. Through its website and catalogue, certain Victoria's Secret's merchandise may be purchased worldwide. La Senza sells merchandise through retail stores located throughout Canada and licensed stores in 49 other countries. La Senza products may also be purchased through its website, *www.LaSenza.com.*

The Bath & Body Works segment sells personal care, beauty and home fragrance products under the Bath & Body Works, C.O. Bigelow, White Barn Candle Company and other brand names. Bath & Body Works merchandise is sold at retail stores and through its website, *www.bathandbodyworks.com.*

The Apparel segment sold women's and men's apparel through Express and Limited Stores. After the closing dates of the divestitures, the segment no longer exists. However, the Company retains a 25% ownership interest in Express and Limited Stores.

Other consists of the following:

- Henri Bendel, operator of eleven specialty stores, which features accessories and personal care products;
- Mast, an apparel merchandise sourcing and production function serving Victoria's Secret, La Senza and third-party customers;
- Beauty Avenues, a personal care sourcing and production function serving Victoria's Secret, La Senza and Bath & Body Works;
- International retail and wholesale operations (excluding La Senza), which include the Company's Bath & Body Works and Victoria's Secret Pink stores in Canada; and
- Corporate functions including non-core real estate, equity investments and other governance functions such as treasury and tax.

The following table provides the Company's segment information as of and for the fiscal years ended January 30, 2010, January 31, 2009 and February 2, 2008:

	Victoria's Secret	Bath & Body Works	Apparel(a)	Other	Total
			(in millions)		
January 30, 2010					
Net Sales	$ 5,307	$ 2,383	$ —	$ 942	$ 8,632
Depreciation and Amortization	163	58	—	136	357
Operating Income (Loss)	579	358	—	(69)	868
Total Assets	2,982	1,350	—	2,841	7,173
Capital Expenditures	114	24	—	64	202
January 31, 2009					
Net Sales	$ 5,604	$ 2,374	$ —	$1,065	$ 9,043
Depreciation and Amortization	154	66	—	123	343
Operating Income (Loss)	405	215	—	(31)	589
Total Assets	3,086	1,446	—	2,440	6,972
Capital Expenditures	279	92	—	108	479
February 2, 2008					
Net Sales	$ 5,607	$ 2,494	$ 870	$1,163	$10,134
Depreciation and Amortization	156	59	27	110	352
Operating Income (Loss) (b)	718	302	250	(160)	1,110
Total Assets	3,365	1,456	—	2,616	7,437
Capital Expenditures	315	112	37	285	749

(a) Results of Express and Limited Stores are included through July 6, 2007 and August 3, 2007, respectively, when the businesses were divested. Total assets for the Apparel segment as of February 2, 2008 are not included as the businesses were divested prior to that date.

(b) Operating income for Apparel for the fiscal year ended February 2, 2008 includes the gain on divestiture of Express of $302 million and the loss on divestiture of Limited Stores of $72 million.

The Company's international sales, including La Senza, Bath & Body Works Canada, Victoria's Secret Pink Canada and direct sales shipped internationally totaled $638 million in 2009, $655 million in 2008 and $611 million in 2007. The Company's internationally based long-lived assets were $407 million as of January 30, 2010 and $364 million as of January 31, 2009.

22. Subsequent Events

In February 2010, Limited Stores distributed a cash dividend to its owners and the Company received $7 million. For additional information, see Note 9, "Equity Investments and Other."

In March 2010, the Company prepaid the remaining $200 million of the Term Loan due in 2012. In conjunction with the Term Loan prepayment, the Company terminated the remaining portion of the participating interest rate swap arrangement totaling $200 million. The Company also amended its 5-Year Facility by reducing the credit available from $1 billion to $927 million as well as extending the term through August 2014 on $800 million of the $927 million. For additional information, see Note 12, "Long-term Debt" and Note 13, "Derivative Instruments."

In March 2010, Express distributed a cash dividend to its owners and the Company received $57 million. For additional information, see Note 9, "Equity Investments and Other."

In March 2010, the Company's Board of Directors declared a special dividend of $1 per share. In addition, the Company's Board of Directors authorized a share repurchase program of $200 million and cancelled the

Company's previous $250 million share repurchase program, which had $31 million remaining. For additional information, see Note 19, "Shareholders' Equity" and Note 20, "Share-based Compensation."

23. Quarterly Financial Data (Unaudited)

The following table provides summarized quarterly financial data for 2009:

	Fiscal Quarter Ended			
	May 2, 2009	August 1, 2009(b)	October 31, 2009(c)	January 30, 2010(d)
	(in millions except per share data)			
Net Sales	$1,725	$ 2,067	$ 1,777	$ 3,063
Gross Profit	548	668	563	1,249
Operating Income	65	158	59	586
Income Before Income Taxes	3	99	12	536
Net Income	3	74	15	356
Net Income Attributable to Limited Brands, Inc.	3	74	15	356
Net Income Attributable to Limited Brands, Inc. Per Basic Share (a)	$ 0.01	$ 0.23	$ 0.05	$ 1.10
Net Income Attributed to Limited Brands, Inc. Per Diluted Share (a)	$ 0.01	$ 0.23	$ 0.05	$ 1.08

(a) Due to changes in stock prices during the year and timing of issuances and repurchases of shares, the cumulative total of quarterly net income per share amounts may not equal the net income per share for the year.
(b) Includes the effect of a pre-tax gain of $9 million, after-tax of $14 million, associated with the reversal of an accrued contractual liability.
(c) Includes the effect of a tax benefit of $9 million related to certain discrete foreign and state income tax items.
(d) Includes the effect of a tax benefit of $23 million primarily related to the reorganization of certain foreign subsidiaries.

The following table provides summarized quarterly financial data for 2008:

	Fiscal Quarter Ended			
	May 3, 2008(b)	August 2, 2008(c)	November 1, 2008	January 31, 2009(d)
	(in millions except per share data)			
Net Sales	$1,925	$ 2,284	$ 1,843	$ 2,991
Gross Profit	641	761	580	1,024
Operating Income	209	186	41	153
Income Before Income Taxes	176	164	3	110
Net Income	97	99	4	16
Net Income Attributable to Limited Brands, Inc.	98	102	4	16
Net Income Attributable to Limited Brands, Inc. Per Basic Share (a)	$ 0.29	$ 0.30	$ 0.01	$ 0.05
Net Income Attributable to Limited Brands, Inc. Per Diluted Share (a)	$ 0.28	$ 0.30	$ 0.01	$ 0.05

(a) Due to changes in stock prices during the year and timing of issuances and repurchases of shares, the cumulative total of quarterly net income per share amounts may not equal the net income per share for the year.
(b) Includes the effect of the following items:
  (i) A pre-tax gain of $128 million related to the divestiture of a personal care joint venture.
  (ii) A pre-tax loss of $19 million related to an impairment charge of an unconsolidated joint venture.

(c) Includes the effect of a pre-tax gain of $13 million related to the $71 million distribution from Express.
(d) Includes the effect of the following items:
  (i) A $215 million impairment charge of goodwill and other intangible assets for the La Senza business.
  (ii) A $23 million related to restructuring activities.
  (iii) A tax benefit of $15 million related to certain discrete foreign and state income tax items.

24. Supplemental Guarantor Financial Information

The Company's 8.50% notes due in June 2019 are jointly and severally guaranteed on a full and unconditional basis by certain of the Company's wholly-owned subsidiaries. The Company is a holding company and its most significant assets are the stock of its subsidiaries. The guarantors represent (a) substantially all of the sales of the Company's domestic subsidiaries, (b) more than 90% of the assets owned by the Company's domestic subsidiaries, other than real property, certain other assets and intercompany investments and balances and (c) more than 95% of the accounts receivable and inventory directly owned by the Company's domestic subsidiaries.

The following supplemental financial information sets forth for the Company and its guarantor and non-guarantor subsidiaries: the Condensed Consolidating Balance Sheets as of January 30, 2010 and January 31, 2009 and the Condensed Consolidating Statements of Income and Cash Flows for the years ended January 30, 2010, January 31, 2009 and February 2, 2008.

LIMITED BRANDS, INC.

CONDENSED CONSOLIDATING BALANCE SHEET

(in millions)

	January 30, 2010				
	Limited Brands, Inc.	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated Limited Brands, Inc.
ASSETS					
Current Assets:					
Cash and Cash Equivalents	$ —	$ 1,441	$ 363	$ —	$ 1,804
Accounts Receivable, Net	—	191	28	—	219
Inventories	—	883	154	—	1,037
Deferred Income Taxes	—	34	(4)	—	30
Other	—	107	54	(1)	160
Total Current Assets	—	2,656	595	(1)	3,250
Property and Equipment, Net	—	1,049	674	—	1,723
Goodwill	—	1,318	124	—	1,442
Trade Names and Other Intangible Assets, Net	—	420	174	—	594
Net Investments in and Advances to/from Consolidated Affiliates	12,746	11,997	6,511	(31,254)	—
Other Assets	38	60	771	(705)	164
Total Assets	$ 12,784	$ 17,500	$ 8,849	$ (31,960)	$ 7,173
LIABILITIES AND EQUITY					
Current Liabilities:					
Accounts Payable	$ —	$ 309	$ 179	$ —	$ 488
Accrued Expenses and Other	30	389	274	—	693
Income Taxes	4	121	16	—	141
Total Current Liabilities	34	819	469	—	1,322
Deferred Income Taxes	(9)	30	192	—	213
Long-term Debt	2,723	608	81	(689)	2,723
Other Long-term Liabilities	25	551	170	(15)	731
Total Equity	10,011	15,492	7,937	(31,256)	2,184
Total Liabilities and Equity	$ 12,784	$ 17,500	$ 8,849	$ (31,960)	$ 7,173

LIMITED BRANDS, INC.

CONDENSED CONSOLIDATING BALANCE SHEET

(in millions)

	January 31, 2009				
	Limited Brands, Inc.	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated Limited Brands, Inc.
ASSETS					
Current Assets:					
Cash and Cash Equivalents	$ —	$ 938	$ 235	$ —	$ 1,173
Accounts Receivable, Net	—	190	46	—	236
Inventories	—	1,026	163	(7)	1,182
Deferred Income Taxes	—	61	16	—	77
Other	—	128	72	(1)	199
Total Current Assets	—	2,343	532	(8)	2,867
Property and Equipment, Net	—	1,183	746	—	1,929
Goodwill	—	1,318	108	—	1,426
Trade Names and Other Intangible Assets, Net	—	421	159	—	580
Net Investments in and Advances to/from Consolidated Affiliates	12,659	11,720	9,100	(33,479)	—
Other Assets	18	98	759	(705)	170
Total Assets	$ 12,677	$ 17,083	$ 11,404	$ (34,192)	$ 6,972
LIABILITIES AND EQUITY					
Current Liabilities:					
Accounts Payable	$ —	$ 321	$ 173	$ —	$ 494
Accrued Expenses and Other	42	378	249	—	669
Income Taxes	—	35	57	—	92
Total Current Liabilities	42	734	479	—	1,255
Deferred Income Taxes	(2)	34	181	—	213
Long-term Debt	2,895	609	83	(690)	2,897
Other Long-term Liabilities	46	570	131	(15)	732
Total Equity	9,696	15,136	10,530	(33,487)	1,875
Total Liabilities and Equity	$ 12,677	$ 17,083	$ 11,404	$ (34,192)	$ 6,972

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LIMITED BRANDS, INC.

CONDENSED CONSOLIDATING STATEMENTS OF INCOME

(in millions)

	2009				
	Limited Brands, Inc.	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated Limited Brands, Inc.
Net Sales	$ —	$ 8,205	$ 2,314	$ (1,887)	$ 8,632
Costs of Goods Sold, Buying and Occupancy	—	(5,445)	(1,907)	1,748	(5,604)
Gross Profit	—	2,760	407	(139)	3,028
General, Administrative and Store Operating Expenses	(2)	(2,043)	(262)	141	(2,166)
Impairment of Goodwill and Other Intangible Assets	—	—	(3)	—	(3)
Net Gain (Loss) on Joint Ventures	9	—	—	—	9
Operating Income (Loss)	7	717	142	2	868
Interest Expense	(234)	—	(13)	10	(237)
Interest Income	—	12	—	(10)	2
Other Income (Expense)	—	—	16	1	17
Income (Loss) Before Income Taxes	(227)	729	145	3	650
Provision (Benefit) for Income Taxes	—	221	(19)	—	202
Equity in Earnings, Net of Tax	675	612	221	(1,508)	—
Net Income (Loss)	448	1,120	385	(1,505)	448
Less: Net Income (Loss) Attributable to Noncontrolling Interest	—	—	—	—	—
Net Income (Loss) Attributable to Limited Brands, Inc.	$ 448	$ 1,120	$ 385	$ (1,505)	$ 448

	2008				
	Limited Brands, Inc.	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated Limited Brands, Inc.
Net Sales	$ —	$ 8,588	$ 2,396	$ (1,941)	$ 9,043
Costs of Goods Sold, Buying and Occupancy	—	(5,924)	(1,959)	1,846	(6,037)
Gross Profit	—	2,664	437	(95)	3,006
General, Administrative and Store Operating Expenses	(13)	(2,093)	(304)	99	(2,311)
Impairment of Goodwill and Other Intangible Assets	—	—	(215)	—	(215)
Net Gain (Loss) on Joint Ventures	(9)	(1)	119	—	109
Operating Income (Loss)	(22)	570	37	4	589
Interest Expense	(176)	(1)	(16)	12	(181)
Interest Income	—	27	3	(12)	18
Other Income (Expense)	—	(1)	24	—	23
Income (Loss) Before Income Taxes	(198)	595	48	4	449
Provision (Benefit) for Income Taxes	(1)	54	180	—	233
Equity in Earnings, Net of Tax	417	544	309	(1,270)	—
Net Income (Loss)	220	1,085	177	(1,266)	216
Less: Net Income (Loss) Attributable to Noncontrolling Interest	—	—	(4)	—	(4)
Net Income (Loss) Attributable to Limited Brands, Inc.	$ 220	$ 1,085	$ 181	$ (1,266)	$ 220

LIMITED BRANDS, INC.

CONDENSED CONSOLIDATING STATEMENT OF INCOME

(in millions)

	2007				
	Limited Brands, Inc.	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated Limited Brands, Inc.
Net Sales	$ —	$ 9,096	$ 3,306	$ (2,268)	$ 10,134
Costs of Goods Sold, Buying and Occupancy	—	(6,146)	(2,669)	2,190	(6,625)
Gross Profit	—	2,950	637	(78)	3,509
General, Administrative and Store Operating Expenses	(9)	(2,112)	(564)	69	(2,616)
Impairment of Goodwill and Other Intangible Assets	—	—	(13)	—	(13)
Gain (Loss) on Divestiture of Express	(6)	—	308	—	302
Loss on Divestiture of Limited Stores	(9)	—	(63)	—	(72)
Operating Income (Loss)	(24)	838	305	(9)	1,110
Interest Expense	(144)	—	(16)	11	(149)
Interest Income	—	25	4	(11)	18
Other Income (Expense)	15	2	112	(1)	128
Income (Loss) Before Income Taxes	(153)	865	405	(10)	1,107
Provision (Benefit) for Income Taxes	(2)	144	269	—	411
Equity in Earnings, Net of Tax	869	896	473	(2,238)	—
Net Income (Loss)	718	1,617	609	(2,248)	696
Less: Net Income (Loss) Attributable to Noncontrolling Interest	—	—	(22)	—	(22)
Net Income (Loss) Attributable to Limited Brands, Inc.	$ 718	$ 1,617	$ 631	$ (2,248)	$ 718

LIMITED BRANDS, INC.

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

(in millions)

	2009				
	Limited Brands, Inc.	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated Limited Brands, Inc.
Net Cash Provided by (Used for) Operating Activities	$ (279)	$ 1,004	$ 449	$ —	$ 1,174
Investing Activities:					
Capital Expenditures	—	(120)	(82)	—	(202)
Net Proceeds from the Divestiture of Joint Venture	—	—	9	—	9
Proceeds from Sale of Assets	—	—	32	—	32
Net Investments in Consolidated Affiliates	—	—	(29)	29	—
Other Investing Activities	(3)	—	2	—	(1)
Net Cash Provided by (Used for) Investing Activities	(3)	(120)	(68)	29	(162)
Financing Activities:					
Proceeds from Long-term Debt, Net of Discount and Issuance Costs	473	—	—	—	473
Payments of Long-term Debt	(656)	—	—	—	(656)
Financing Costs Related to the Amendment of 5-Year Facility and Term Loan	(19)	—	—	—	(19)
Dividends Paid	(193)	—	—	—	(193)
Net Financing Activities and Advances to/from Consolidated Affiliates	669	(381)	(259)	(29)	—
Proceeds From Exercise of Stock Options and Other	8	—	—	—	8
Net Cash Provided by (Used for) Financing Activities	282	(381)	(259)	(29)	(387)
Effects of Exchange Rate Changes on Cash and Cash Equivalents	—	—	6	—	6
Net Increase (Decrease) in Cash and Cash Equivalents	—	503	128	—	631
Cash and Cash Equivalents, Beginning of Period	—	938	235	—	1,173
Cash and Cash Equivalents, End of Period	$ —	$ 1,441	$ 363	$ —	$ 1,804

LIMITED BRANDS, INC.

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

(in millions)

	2008				
	Limited Brands, Inc.	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated Limited Brands, Inc.
Net Cash Provided by (Used for) Operating Activities	$ (174)	$ 990	$ 138	$ —	$ 954
Investing Activities:					
Capital Expenditures	—	(366)	(113)	—	(479)
Net Proceeds from the Divestiture of Joint Venture	—	—	159	—	159
Return of Capital from Express	—	—	95	—	95
Net Investments in Consolidated Affiliates	—	(30)	(35)	65	—
Other Investing Activities	—	(5)	(10)	—	(15)
Net Cash Provided by (Used for) Investing Activities	—	(401)	96	65	(240)
Financing Activities:					
Payments of Long-term Debt	—	—	(15)	—	(15)
Dividends Paid	(201)	—	—	—	(201)
Repurchase of Common Stock	(379)	—	—	—	(379)
Excess Tax Benefits from Share-based Compensation	—	1	1	—	2
Net Financing Activities and Advances to/from Consolidated Affiliates	724	(554)	(105)	(65)	—
Proceeds From Exercise of Stock Options and Other	30	—	1	—	31
Net Cash Provided by (Used for) Financing Activities	174	(553)	(118)	(65)	(562)
Effects of Exchange Rate Changes on Cash and Cash Equivalents	—	—	3	—	3
Net Increase (Decrease) in Cash and Cash Equivalents	—	36	119	—	155
Cash and Cash Equivalents, Beginning of Period	—	902	116	—	1,018
Cash and Cash Equivalents, End of Period	$ —	$ 938	$ 235	$ —	$ 1,173

LIMITED BRANDS, INC.

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

(in millions)

	2007				
	Limited Brands, Inc.	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated Limited Brands, Inc.
Net Cash Provided by (Used for) Operating Activities	$ (129)	$ 922	$ (28)	$ —	$ 765
Investing Activities:					
Capital Expenditures	—	(473)	(276)	—	(749)
Net Proceeds from the Divestiture of Express	—	—	547	—	547
Proceeds from the Distribution from Easton Town Center, LLC	—	—	102	—	102
Proceeds from Sale of Assets	—	—	97	—	97
Net Investments in Consolidated Affiliates	—	17	1,930	(1,947)	—
Other Investing Activities	—	—	33	—	33
Net Cash Provided by (Used for) Investing Activities	—	(456)	2,433	(1,947)	30
Financing Activities:					
Proceeds from Long-term Debt, Net of Discount and Issuance Costs	1,247	—	—	—	1,247
Payments of Long-term Debt	—	—	(7)	—	(7)
Dividends Paid	(227)	—	—	—	(227)
Repurchase of Common Stock	(1,402)	—	—	—	(1,402)
Excess Tax Benefits from Share-based Compensation	—	23	5	—	28
Net Financing Activities and Advances to/from Consolidated Affiliates	436	112	(2,495)	1,947	—
Proceeds From Exercise of Stock Options and Other	75	—	7	—	82
Net Cash Provided by (Used for) Financing Activities	129	135	(2,490)	1,947	(279)
Effects of Exchange Rate Changes on Cash and Cash Equivalents	—	—	2	—	2
Net Increase (Decrease) in Cash and Cash Equivalents	—	601	(83)	—	518
Cash and Cash Equivalents, Beginning of Period	—	301	199	—	500
Cash and Cash Equivalents, End of Period	$ —	$ 902	$ 116	$ —	$ 1,018

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

Information regarding changes in accountants is set forth under the caption “INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS” in our proxy statement to be filed on or about April 6, 2010 for the Annual Meeting of Stockholders to be held May 27, 2010 (the “Proxy Statement”) and is incorporated herein by reference.

There were no disagreements with accountants on accounting and financial disclosure.

ITEM 9A. CONTROLS AND PROCEDURES.

Evaluation of disclosure controls and procedures. As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that as of the end of the period covered by this report, our disclosure controls and procedures were adequate and effective and designed to ensure that information required to be disclosed by us in reports we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (2) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Management’s Report on Internal Control Over Financial Reporting. Management’s Report on Internal Control Over Financial Reporting as of January 30, 2010 is set forth in Item 8. Financial Statements and Supplementary Data.

Attestation Report of the Registered Public Accounting Firm. The Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting as of January 30, 2010 is set forth in Item 8. Financial Statements and Supplementary Data.

Changes in internal control over financial reporting. In June 2009, Victoria’s Secret Stores implemented new supply chain management and finance systems and related processes in connection with an enterprise wide systems implementation. Various controls were modified due to the new systems. Additionally, subsequent to implementation, we established additional compensating controls over financial reporting to ensure the accuracy and integrity of our financial statements during the post-implementation phase. We believe that the system and process changes will enhance internal control over financial reporting in future periods. There were no other changes in our internal control over financial reporting that have occurred which have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION.

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

Information regarding our directors is set forth under the captions “ELECTION OF DIRECTORS—Nominees and Directors”, “—Director Independence”, “—Information Concerning the Board of Directors”, “—Committees of the Board of Directors”, “—Communications with the Board”, “—Attendance at Annual Meetings”, “—Code of Conduct and Related Person Transaction Policy”, “—Copies of the Company’s Code of Conduct, Corporate Governance Principles and Related Person Transaction Policy and Committee Charters”, and “—Security Ownership of Directors and Management” in the Proxy Statement and is incorporated herein by reference. Information regarding compliance with Section 16(a) of the Securities Exchange Act of 1934, as amended, is set forth under the caption “Section 16(a) Beneficial Ownership Reporting Compliance” in the Proxy Statement and is incorporated herein by reference. Information regarding executive officers is set forth herein under the caption “EXECUTIVE OFFICERS OF THE REGISTRANT” in Part I.

ITEM 11. EXECUTIVE COMPENSATION.

Information regarding executive compensation is set forth under the caption “COMPENSATION RELATED MATTERS” in the Proxy Statement and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

Information regarding the security ownership of certain beneficial owners and management is set forth under the captions “ELECTION OF DIRECTORS—Security Ownership of Directors and Management” in the Proxy Statement and “SHARE OWNERSHIP OF PRINCIPAL STOCKHOLDERS” in the Proxy Statement and is incorporated herein by reference.

The following table summarizes share and exercise price information about Limited Brands’ equity compensation plans as of January 30, 2010.

Plan category	(a) Number of Securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in column (a))
Equity compensation plans approved by security holders (1)	24,412,538	$ 17.26(2)	14,020,046
Equity compensation plans not approved by security holders	—	—	—
Total	24,412,538	$ 17.26	14,020,046

(1) Includes the following plans: Limited Brands, Inc. 1993 Stock Option and Performance Incentive Plan (2009 Restatement), Limited Brands, Inc. 1996 Stock Plan for Non-Associate Directors, 2003 Stock Award and Deferred Compensation Plan for Non-Associate Directors, and Intimate Brands, Inc. 1995 Stock Option and Performance Incentive Plan. In March 2002, awards then outstanding under the Intimate Brands, Inc. plan were converted into awards relating to 15,561,339 shares of Common Stock in connection with the merger of Intimate Brands, Inc. and a subsidiary of the Company.

(2) Does not include outstanding rights to receive Common Stock upon the vesting of restricted shares awards.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

Information regarding certain relationships and related transactions is set forth under the caption “ELECTION OF DIRECTORS—Nominees and Directors” and “—Director Independence” in the Proxy Statement and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Information regarding principal accountant fees and services is set forth under the captions “INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS—Audit fees”, “—Audit related fees”, “—Tax fees”, “—All other fees” and “—Pre-approval policies and procedures” in the Proxy Statement and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) (1) Consolidated Financial Statements

The following consolidated financial statements of Limited Brands, Inc. and subsidiaries are filed as part of this report under Item 8. Financial Statements and Supplementary Data:

Management's Report on Internal Control Over Financial Reporting

Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting

Report of Independent Registered Public Accounting Firm on Consolidated Financial Statements

Consolidated Statements of Income for the Years Ended January 30, 2010, January 31, 2009 and February 2, 2008

Consolidated Balance Sheets as of January 30, 2010 and January 31, 2009

Consolidated Statements of Total Equity for the Years Ended January 30, 2010, January 31, 2009 and February 2, 2008

Consolidated Statements of Cash Flows for the Years Ended January 30, 2010, January 31, 2009 and February 2, 2008

Notes to Consolidated Financial Statements

(a) (2) Financial Statement Schedules

Schedules have been omitted because they are not required or are not applicable or because the information required to be set forth therein either is not material or is included in the financial statements or notes thereto.

(a) (3) List of Exhibits

3. Articles of Incorporation and Bylaws.

3.1 Certificate of Incorporation of the Company, dated March 8, 1982 incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-K for the fiscal year ended February 3, 2001.

3.2 Certificate of Amendment of Certificate of Incorporation, dated May 19, 1986 incorporated by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-K for the fiscal year ended February 3, 2001.

3.3 Certificate of Amendment of Certificate of Incorporation, dated May 19, 1987 incorporated by reference to Exhibit 3.3 to the Company's Annual Report on Form 10-K for the fiscal year ended February 3, 2001.

3.4 Certificate of Amendment of Certificate of Incorporation dated May 31, 2001 incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended May 5, 2001.

3.5 Amended and Restated Bylaws of the Company incorporated by reference to Exhibit 3 to the Company's Quarterly Report on Form 10-Q for the quarter ended May 3, 2003.

4. Instruments Defining the Rights of Security Holders.

4.1	Conformed copy of the Indenture dated as of March 15, 1988 between the Company and The Bank of New York, incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-3 (File no. 333-105484) dated May 22, 2003.
4.2	Proposed form of Debt Warrant Agreement for Warrants attached to Debt Securities, with proposed form of Debt Warrant Certificate incorporated by reference to Exhibit 4.2 to the Company's Registration Statement on Form S-3 (File no. 33-53366) originally filed with the Securities and Exchange Commission (the "Commission") on October 16, 1992, as amended by Amendment No. 1 thereto, filed with the Commission on February 23, 1993 (the "1993 Form S-3").
4.3	Proposed form of Debt Warrant Agreement for Warrants not attached to Debt Securities, with proposed form of Debt Warrant Certificate incorporated by reference to Exhibit 4.3 to the 1993 Form S-3.
4.4	Indenture, dated as of February 19, 2003 between the Company and The Bank of New York, incorporated by reference to Exhibit 4 to the Company's Registration Statement on Form S-4 (File no. 333-104633) dated April 18, 2003.
4.5	Five-Year Revolving Credit Agreement, dated as of October 6, 2004, among Limited Brands, Inc., the Lenders party thereto, JPMorgan Chase Bank, as Administrative Agent, and Bank of America, N.A. and Citicorp North America, Inc., as Co-Syndication Agents, incorporated by reference to Exhibit 12(b)(i) to the Schedule TO filed by the Company with the Commission on October 7, 2004.
4.6	Term Loan Credit Agreement, dated as of October 6, 2004, among Limited Brands, Inc., the Lenders party thereto, JPMorgan Chase Bank, as Administrative Agent, and Bank of America, N.A. and Citicorp North America, Inc., as Co-Syndication Agents, incorporated by reference to Exhibit 12(b)(ii) to the Schedule TO filed by the Company with the Commission on October 7, 2004.
4.7	Amendment and Restatement Agreement with respect to the Five-Year Revolving Credit Agreement, dated as of October 6, 2004, among Limited Brands, Inc., the Lenders party thereto, JPMorgan Chase Bank, as Administrative Agent, and Bank of America, N.A. and Citicorp North America, Inc., as Co-Syndication Agents, incorporated by reference to Exhibit 12(b)(i) to the Schedule TO filed by the Company with the Commission on October 7, 2004.
4.8	Amendment and Restatement Agreement with respect to the Term Loan Credit Agreement, dated as of October 6, 2004, among Limited Brands, Inc., the Lenders party thereto, JPMorgan Chase Bank, as Administrative Agent, and Bank of America, N.A. and Citicorp North America, Inc., as Co-Syndication Agents, incorporated by reference to Exhibit 12(b)(ii) to the Schedule TO filed by the Company with the Commission on October 7, 2004.
4.9	Amendment and Restatement Agreement (Revolving Credit Agreement), dated as of August 3, 2007, among Limited Brands, Inc., the Lenders party thereto, and JPMorgan Chase Bank, as Administrative Agent, under the Amended and Restated Five-Year Revolving Credit Agreement dated as of October 6, 2004, as amended and restated November 5, 2004 and March 22, 2006, incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended August 4, 2007.
4.10	364-Day Revolving Credit Agreement, dated as of August 3, 2007, among Limited Brands, Inc., the Lenders party thereto, and JPMorgan Chase Bank, as Administrative Agent, incorporated by reference to Exhibit 4.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended August 4, 2007.

4.11 Amendment and Restatement Agreement (Term Loans), dated as of August 3, 2007, among Limited Brands, Inc., the Lenders party thereto, and JPMorgan Chase Bank, as Administrative Agent, under the Amended and Restated Term Loan Agreement dated as of October 6, 2004, as amended and restated as of November 5, 2004 and March 22, 2006, originally incorporated by reference to Exhibit 4.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended August 4, 2007. Refiled herewith as Exhibit 4.11.*

4.12 Amendment and Restatement Agreement (Term Loans), dated as of February 19, 2009, among Limited Brands, Inc., the Lenders party thereto, and JPMorgan Chase Bank, as Administrative Agent, under the Amended and Restated Term Loan Agreement dated as of October 6, 2004, as amended and restated as of November 5, 2004, March 22, 2006 and August 4, 2007, originally incorporated by reference to Exhibit 4.1 to the Company's Form 8-K dated February 25, 2009. Refiled herewith as Exhibit 4.12.*

4.13 Indenture, dated as of June 19, 2009, among Limited Brands, Inc, the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as trustee, incorporated by reference to Exhibit 4.1 to the Company's Form 8-K dated June 24, 2009.

4.14 Registration Rights Agreement, dated as of June 19, 2009, among Limited Brands, Inc., the guarantors named therein and J.P. Morgan Securities Inc., as representative of the initial purchasers, incorporated by reference to Exhibit 4.2 to the Company's Form 8-K dated June 24, 2009.

4.15 Amendment and Restatement Agreement (Revolving Credit Agreement), dated as of March 8, 2010, among Limited Brands, Inc., the Lenders party thereto, and JPMorgan Chase Bank, as Administrative Agent, under the Amended and Restated 5-Year Revolving Credit Agreement dated as of October 6, 2004, as amended and restated as of November 5, 2004, March 22, 2006 and August 4, 2007, and February 25, 2009, incorporated by reference to Exhibit 4.1 to the Company's Form 8-K dated March 9, 2010.

10. Material Contracts.

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

10.2 The Limited Supplemental Retirement and Deferred Compensation Plan incorporated by reference to Exhibit 10.3 to the Company's Annual Report on Form 10-K for the fiscal year ended February 3, 2001.**

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

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

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

10.6 The 1993 Stock Option and Performance Incentive Plan (1996 Restatement) of the Company, incorporated by reference to Exhibit 4 to the Company's Registration Statement on Form S-8 (File No. 333-04941).**

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

10.8	Limited Brands, Inc. (formerly The Limited, Inc.) 1996 Stock Plan for Non-Associate Directors incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended November 2, 1996.**
10.9	Limited Brands, Inc. (formerly The Limited, Inc.) Incentive Compensation Performance Plan incorporated by reference to Exhibit A to the Company's Proxy Statement dated April 14, 1997.**
10.10	Agreement dated as of May 3, 1999 among Limited Brands, Inc. (formerly The Limited, Inc.), Leslie H. Wexner and the Wexner Children's Trust, incorporated by reference to Exhibit 99 (c) 1 to the Company's Schedule 13E-4 dated May 4, 1999.
10.11	The 1998 Restatement of Limited Brands, Inc. (formerly The Limited, Inc.) 1993 Stock Option and Performance Incentive Plan incorporated by reference to Exhibit A to the Company's Proxy Statement dated April 20, 1998.**
10.12	The 2002 Restatement of Limited Brands, Inc. (formerly The Limited, Inc.) 1993 Stock Option and Performance Incentive Plan, incorporated by reference to Exhibit 10.23 to the Company's Annual Report on Form 10-K for the fiscal year ended February 1, 2003.**
10.13	Limited Brands, Inc. 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 (File no. 333-110465) dated November 13, 2003.**
10.14	Limited Brands, Inc. 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 (File no. 333-110465) dated November 13, 2003.**
10.15	Limited Brands, Inc. 1993 Stock Option and Performance Incentive Plan (2004 Restatement) incorporated by reference to Appendix A to the Company's Proxy Statement dated April 14, 2004.**
10.16	Form of Aircraft Time Sharing Agreement between Limited Service Corporation and participating officers and directors incorporated by reference to Exhibit 10.3 to the Company's Form 10-Q dated December 8, 2004.**
10.17	Employment Agreement dated as of January 17, 2005 among Limited Brands, Inc., The Limited Service Corporation and Martyn Redgrave incorporated by reference to Exhibit 10.1 to the Company's Form 8-K dated January 19, 2005.**
10.18	Limited Brands, Inc. Stock Option Award Agreement incorporated by reference to Exhibit 10.29 to the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 2005.**
10.19	Form of Amended and Restated Aircraft Time Sharing Agreement between Limited Service Corporation and participating officers and directors incorporated by reference to Exhibit 10.30 to the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 2005.**
10.20	Form of Stock Ownership Guideline incorporated by reference to Exhibit 10.32 to the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 2005.**
10.21	Employment Agreement dated as of November 24, 2006 among Limited Brands, Inc., Victoria's Secret Direct, LLC, and Sharen Jester Turney incorporated by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K for the fiscal year ended February 3, 2007.**
10.22	Employment Agreement effective as of April 9, 2007 among Limited Brands, Inc. and Stuart Burgdoerfer incorporated by reference to Exhibit 10.1 to the Company's Form 8-K dated April 11, 2007.**

10.23	Amendment to Employment Agreement dated as of March 28, 2008 among Limited Brands, Inc., and Sharen Jester Turney incorporated by reference to Exhibit 10.24 to the Company's Annual Report on Form 10-K for the fiscal year ended February 2, 2008.**
10.24	Limited Brands, Inc. 1993 Stock Option and Performance Incentive Plan (2009 Restatement) incorporated by reference to Exhibit 99.1 to the Company's Registration Statement on Form S-8 (File no. 333-161841) dated September 10, 2009.**
10.25	Employment Agreement dated as of October 18, 2006 among Limited Brands, Inc., Bath & Body Works Brand Management, Inc., and Diane L. Neal and Amendment to Employment Agreement dated September 5, 2008 originally incorporated by reference to Exhibit 10.2 to the Company's Form 10-Q for the quarter-ended August 2, 2008. Refiled herewith as Exhibit 10.25.**
12.	Computation of Ratio of Earnings to Fixed Charges.
14.	Code of Ethics—incorporated by reference to the definitive Proxy Statement to be filed on or about April 6, 2010.
21.	Subsidiaries of the Registrant.
23.1	Consent of Ernst & Young LLP.
24.	Powers of Attorney.
31.1	Section 302 Certification of CEO.
31.2	Section 302 Certification of CFO.
32.	Section 906 Certification (by CEO and CFO).

* Identifies instruments defining the rights of security holders that were re-filed in conjunction with the 2009 Form 10-K due to the omission of certain exhibits within the original filing.

** Identifies management contracts or compensatory plans or arrangements.

(b) Exhibits.

The exhibits to this report are listed in section (a)(3) of Item 15 above.

(c) Not applicable.

SIGNATURES

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

Date: March 26, 2010

LIMITED BRANDS, INC. (registrant)

By /s/ STUART B. BURGDOERFER
Stuart B. Burgdoerfer,
Executive Vice President,
Chief Financial Officer *

* Mr. Burgdoerfer is the principal financial officer and the principal accounting officer and has been duly authorized to sign on behalf of the Registrant.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on January 30, 2010:

Signature	Title
/s/ LESLIE H. WEXNER** Leslie H. Wexner	Chairman of the Board of Directors and Chief Executive Officer
/s/ DENNIS S. HERSCH** Dennis S. Hersch	Director
/s/ JAMES L. HESKETT** James L. Heskett	Director
/s/ DONNA A. JAMES** Donna A. James	Director
/s/ DAVID T. KOLLAT** David T. Kollat	Director
/s/ WILLIAM R. LOOMIS, JR.** William R. Loomis, Jr.	Director
/S/ JEFFREY H. MIRO** Jeffrey H. Miro	Director
/S/ JEFFREY B. SWARTZ** Jeffrey B. Swartz	Director
/s/ ALLAN R. TESSLER** Allan R. Tessler	Director
/s/ ABIGAIL S. WEXNER** Abigail S. Wexner	Director

Signature	Title
/S/ RAYMOND ZIMMERMAN**	Director
Raymond Zimmerman	

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

By /s/ MARTYN R. REDGRAVE
Martyn R. Redgrave
Attorney-in-fact

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

LIMITED BRANDS, INC.

(exact name of Registrant as specified in its charter)

EXHIBITS

EXHIBIT INDEX

Exhibit No.	Document
4.11	Amendment and Restatement Agreement (Term Loans), dated as of August 3, 2007, among Limited Brands, Inc., the Lenders party thereto, and JPMorgan Chase Bank, as Administrative Agent, under the Amended and Restated Term Loan Agreement dated as of October 6, 2004, as amended and restated as of November 5, 2004 and March 22, 2006.
4.12	Amendment and Restatement Agreement (Term Loans), dated as of February 19, 2009, among Limited Brands, Inc., the Lenders party thereto, and JPMorgan Chase Bank, as Administrative Agent, under the Amended and Restated Term Loan Agreement dated as of October 6, 2004, as amended and restated as of November 5, 2004, March 22, 2006 and August 4, 2007.
10.25	Employment Agreement dated as of October 18, 2006 among Limited Brands, Inc., Bath & Body Works Brand Management, Inc., and Diane L. Neal and Amendment to Employment Agreement dated September 5, 2008 originally incorporated by reference to Exhibit 10.2 to the Company's Form 10-Q for the quarter-ended August 2, 2008.
12	Computation of Ratio of Earnings to Fixed Charges.
21	Subsidiaries of the Registrant.
23.1	Consent of Ernst & Young LLP.
24	Powers of Attorney.
31.1	Section 302 Certification of CEO.
31.2	Section 302 Certification of CFO.
32	Section 906 Certification (by CEO and CFO).
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

Exhibit 4.11

EXECUTION COPY

AMENDMENT AND RESTATEMENT AGREEMENT (TERM LOANS) dated as of August 3, 2007, among LIMITED BRANDS, INC., a Delaware corporation (the "Borrower"), the LENDERS party hereto, and JPMORGAN CHASE BANK, N.A., as Administrative Agent (in such capacity, the "Administrative Agent"), under the Amended and Restated Term Loan Credit Agreement dated as of October 6, 2004, as amended and restated as of November 5, 2004, and March 22, 2006 (the "Existing Term Loan Credit Agreement"), among the Borrower, the lenders party thereto, and the Administrative Agent.

WHEREAS the Borrower has requested, and the Restatement Term Loan Lenders and the Administrative Agent have agreed, upon the terms and subject to the conditions set forth herein, that the Existing Term Loan Credit Agreement be amended and restated as provided herein.

NOW, THEREFORE, the Borrower, the Restatement Term Loan Lenders and the Administrative Agent hereby agree as follows:

SECTION 1. Defined Terms. Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Restated Term Loan Credit Agreement referred to below. As used in this Agreement, "Restatement Term Loan Lenders" means (a) the Term Lenders referred to below and (b) the Required Lenders under (and as defined in) the Existing Term Loan Credit Agreement.

SECTION 2. Restatement Effective Date. (a) The transactions provided for in Sections 3 and 4 hereof shall be consummated at a closing to be held on the Restatement Effective Date at the offices of Cravath, Swaine & Moore LLP, or at such other time and place as the parties hereto shall agree upon.

(b) The "Restatement Effective Date" shall be specified by the Borrower, and shall be a date, not later than August 3, 2007, as of which all the conditions set forth or referred to in Section 6 hereof shall have been satisfied. The Borrower, by giving not less than one Business Day's written notice, (i) shall propose a date as the Restatement Effective Date to the Administrative Agent and (ii) may change a previously proposed date for the Restatement Effective Date, provided that the Borrower agrees that the provisions of Section 2.13 of the Restated Term Loan Credit Agreement shall apply in the event of any such change. The Administrative Agent shall notify the Restatement Term Loan Lenders of the proposed date.

SECTION 3. Term Loans. (a) The parties hereto agree that, in connection with the amendment and restatement of the Existing Term Loan Credit Agreement as contemplated hereby, additional term loans will be made, and Loans under (and as defined in) the Existing Term Loan Credit Agreement (the "Existing Term Loans") will be repaid, in each case on the Restatement Effective Date, as necessary so that, after giving effect thereto, the only Lenders under (and as defined in) the Restated Term Loan Credit Agreement

will be the Persons identified on Schedule 2.01 hereto (the "Term Lenders") and each such Term Lender's outstanding Loans under (and as defined in) the Restated Term Loan Credit Agreement (the "Term Loans") as of the Restatement Effective Date shall be in the aggregate principal amount set forth with respect to such Term Lender on Schedule 2.01 hereto (such amount being such Term Lender's "Term Loan Amount").

(b) To give effect to the foregoing, each Term Lender agrees, subject to the terms and conditions set forth herein, to make a Term Loan to the Borrower on the Restatement Effective Date in an aggregate principal amount equal to the excess, if any, of its Term Loan Amount over the aggregate principal amount of Existing Term Loans, if any, of such Term Lender then outstanding. The proceeds of such Term Loans shall be (i) first, applied to repay all Existing Term Loans outstanding on the Restatement Effective Date, other than Existing Term Loans of any Term Lender not exceeding such Term Lender's Term Loan Amount, and (ii) second, to the extent of excess proceeds, made available to the Borrower for purposes permitted by the Restated Term Loan Credit Agreement.

(c) On the Restatement Effective Date, the Borrower agrees (i) to pay all fees, interest and other amounts (other than principal of Existing Term Loans) accrued and owing to the Lenders under (and as defined in) the Existing Term Loan Credit Agreement and (ii) to prepay the principal amount of all outstanding Existing Term Loans required to be prepaid pursuant to the foregoing provisions of this Section, which may be financed with Term Loans made as provided in paragraph (b) above.

(d) The provisions of Sections 2.02, 2.03 and 2.04 of the Restated Term Loan Credit Agreement shall apply, mutatis mutandis, for all purposes of the Term Loans to be made on the Restatement Effective Date pursuant to paragraph (b) above, except as otherwise required by this Section.

(e) Each of the parties hereto hereby waives the provisions of Sections 2.08 and 2.15 of the Existing Term Loan Credit Agreement to the extent, but only to the extent, necessary to permit the prepayment of Existing Term Loans as contemplated in Section 3(b) hereof without prepaying pro rata the other Existing Term Loans outstanding.

(f) Term Loans made on the Restatement Effective Date as contemplated by Section 3(b) hereof shall be made as Eurodollar Loans pursuant to a single Eurodollar Borrowing (the "Interim Eurodollar Borrowing") with an Interest Period commencing on the Restatement Effective Date and ending on the last day of the Interest Period then in effect for the Eurodollar Borrowing then outstanding under the Existing Term Loan Credit Agreement (or, if there is more than one such outstanding Eurodollar Borrowing, the outstanding Eurodollar Borrowing with the Interest Period ending on the earliest date after the Restatement Effective Date). It is understood that the Interim Eurodollar Borrowing will result in Borrowings outstanding under the Restated Term Loan Credit Agreement in which the Term Lenders do not participate ratably. Accordingly the parties hereto agree that, notwithstanding any provisions of the Restated Term Loan Credit Agreement to the contrary:

(i) Until such time as the Term Lenders participate ratably in all outstanding Borrowings under the Restated Term Loan Credit Agreement, any payment of principal of any Borrowing or Borrowings thereunder shall be made in a manner that results in each Term Lender receiving a pro rata share of such payment in proportion to its share of the total principal amount of the outstanding Term Loans.

(ii) On the last day of the Interest Period for the Interim Eurodollar Borrowing (or on any earlier date on which the Borrower elects, pursuant to Section 2.05 of the Restated Term Loan Credit Agreement, to convert any outstanding Borrowing to a different Type or to change the Interest Period of any outstanding Eurodollar Borrowing), the Borrower shall take such action as shall be necessary under Section 2.05 of the Restated Term Loan Credit Agreement so that, on and after such date, each Term Lender participates ratably in all outstanding Borrowings under the Restated Term Loan Credit Agreement.

SECTION 4. Amendment and Restatement of the Existing Credit Agreement; Loans.

(a) Effective on the Restatement Effective Date, concurrently with the consummation of the transactions described in Section 3 hereof, the Existing Term Loan Credit Agreement is hereby amended and restated to read in its entirety as set forth in Exhibit A hereto (the "Restated Term Loan Credit Agreement"). From and after the effectiveness of each such amendment and restatement, the terms "Agreement", "this Agreement", "herein", "hereinafter", "hereto", "hereof" and words of similar import, as used in the Restated Term Loan Credit Agreement, shall, unless the context otherwise requires, refer to the Restated Term Loan Credit Agreement.

(b) All Existing Term Loans outstanding under the Existing Term Loan Credit Agreement on the Restatement Effective Date shall, except to the extent prepaid on the Restatement Effective Date as provided in Section 3 hereof, continue to be outstanding under the Restated Term Loan Credit Agreement and, on and after the Restatement Effective Date, the terms of the Restated Term Loan Credit Agreement will govern the rights and obligations of the Borrower, the Term Lenders and the Administrative Agent with respect thereto.

(c) Effective on the Restatement Effective Date, each Term Lender shall be deemed to be a party to the Restated Term Loan Credit Agreement, together with the Borrower and the Administrative Agent, and the Restated Term Loan Credit Agreement shall govern the rights and obligations of the parties thereto with respect to the Term Loans; provided that the foregoing shall not be construed to discharge or release the Borrower from any obligations owed to any Lenders under the Existing Term Loan Credit Agreement, which shall remain owing under the Restated Term Loan Credit Agreement.

(d) From and after the Restatement Effective Date, all references in the Restated Term Loan Credit Agreement to "the date hereof", "the date of this Agreement" or other words or phrases of similar import shall be deemed references to the date of this Agreement.

(e) The parties hereto that are Lenders under (and as defined in) the Existing Term Loan Credit Agreement hereby waive any requirement of notice of prepayment of Loans under (and as defined in) the Existing Term Loan Credit Agreement to be made on the Restatement Effective Date, provided such notice is given on the Restatement Effective Date.

SECTION 5. Representations and Warranties. The Borrower represents and warrants that:

(a) As of the Restatement Effective Date, the representations and warranties set forth in the Restated Term Loan Credit Agreement are true and correct with the same effect as if made on the Restatement Effective Date, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties are true and correct as of such earlier date).

(b) As of the Restatement Effective Date, no Default under (and as defined in) the Restated Term Loan Credit Agreement has occurred and is continuing.

SECTION 6. Conditions. The consummation of the transactions set forth in Sections 3 and 4 of this Agreement shall be subject to the satisfaction of the following conditions precedent:

(a) The Administrative Agent (or its counsel) shall have received from each party hereto either (A) a counterpart of this Agreement signed on behalf of such party or (B) written evidence satisfactory to the Administrative Agent (which may include telecopy transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent shall have received a written opinion (addressed to the Administrative Agent and the Lenders and dated the Restatement Effective Date) of each of (i) Douglas L. Williams, General Counsel of the Borrower, and (ii) Davis Polk & Wardwell, counsel for the Borrower, substantially in the form of Exhibits B-1 and B-2, respectively, and covering such other matters relating to the Borrower, this Agreement, the Restated Term Loan Credit Agreement or the transactions contemplated hereby or thereby as the Administrative Agent shall reasonably request. The Borrower hereby requests such counsel to deliver such opinions.

(c) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the Borrower, the authorization of this Agreement and the Restated Term Loan Credit Agreement and any other legal matters relating to the Borrower, this Agreement or the Restated Term Loan Credit Agreement, all in form and substance satisfactory to the Administrative Agent and its counsel.

(d) The Administrative Agent shall have received a certificate, dated the Restatement Effective Date and signed by the President, a Vice President or a Financial Officer of the Borrower, confirming the representations and warranties set forth in paragraphs (a) and (b) of Section 5 of this Agreement.

(e) The Administrative Agent shall have received all amounts required to be paid by the Borrower pursuant to Section 3 hereof.

(f) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Restatement Effective Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder.

(g) The Administrative Agent shall be satisfied that the Amendment and Restatement Agreement (Revolving Credit Agreement) dated as of the date hereof, with respect to the Amended and Restated Revolving Credit Agreement dated as of October 6, 2004, as previously amended and restated as of November 5, 2004 and March 22, 2006, among the Borrower, the lenders party there and JPMorgan Chase Bank, N.A., as administrative agent, shall become effective in accordance with its terms concurrently with the effectiveness of this Amendment and Restatement.

(h) The Administrative Agent shall be satisfied that the 364-Day Revolving Credit Agreement dated as of the date hereof, among the Borrower, the lenders party there and JPMorgan Chase Bank, N.A., as administrative agent, shall become effective in accordance with its terms concurrently with the effectiveness of this Amendment and Restatement.

(i) The Administrative Agent shall have received all documentation and other information reasonably requested by it to satisfy the requirements of bank regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act.

The Administrative Agent shall notify the Borrower and the Lenders of the Restatement Effective Date, and such notice shall be conclusive and binding. Notwithstanding the foregoing, the consummation of the transactions set forth in Sections 3 and 4 of this Agreement shall not become effective unless each of the foregoing conditions is satisfied at or prior to 3:00 p.m., New York City time, on August 3, 2007 (and, in the event such conditions are not so satisfied or waived, this Agreement shall terminate at such time).

SECTION 7. Expenses. The Borrower agrees to reimburse the Administrative Agent for the out-of-pocket expenses incurred by it in connection with this Agreement and the Restated Term Loan Credit Agreement, including the reasonable fees, charges and disbursements of Cravath, Swaine & Moore LLP, counsel for the Administrative Agent.

SECTION 8. Counterparts; Amendments. This Agreement may not be amended nor may any provision hereof be waived except pursuant to a writing signed by the Borrower, the Administrative Agent and the Restatement Term Loan Lenders. This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9. Notices. All notices hereunder shall be given in accordance with the provisions of Section 8.01 of the Restated Term Loan Credit Agreement.

SECTION 10. Applicable Law; Waiver of Jury Trial. **(A) THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.**

(B) EACH PARTY HERETO HEREBY AGREES AS SET FORTH IN SECTION 8.10 OF THE RESTATED TERM LOAN CREDIT AGREEMENT AS IF SUCH SECTION WERE SET FORTH IN FULL HEREIN.

SECTION 11. Headings. The Section headings used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment and Restatement to be duly executed by their respective authorized officers as of the day and year first above written.

LIMITED BRANDS, INC.,

by /s/ TIMOTHY J. FABER
Name: Timothy J. Faber
Title: Senior Vice President-
Treasury and M&A

JPMORGAN CHASE BANK, N.A.,
individually and as Administrative Agent,

by /s/ BARRY BERGMAN
Name: Barry Bergman
Title: Managing Director

SIGNATURE PAGE TO AMENDMENT AND RESTATEMENT AGREEMENT (TERM LOANS) DATED AS OF AUGUST 3, 2007, RELATING TO THE AMENDED AND RESTATED TERM LOAN CREDIT AGREEMENT REFERRED TO THEREIN, AMONG LIMITED BRANDS, INC., THE LENDERS PARTY THERETO AND JPMORGAN CHASE BANK, N.A., AS ADMINISTRATIVE AGENT

BANK OF AMERICA, N.A.

by /s/ THOMAS J. KANE
Name: Thomas J. Kane
Title: Senior Vice President

CITICORP NORTH AMERICA, INC.

by /s/ SHANNON A. SWEENEY
Name: Shannon A. Sweeney
Title: Vice President

HSBC BANK USA, NATIONAL ASSOCIATION

by /s/ KYU HWANG
Name: Kyu Hwang
Title: Senior Vice President

WACHOVIA BANK, NATIONAL ASSOCIATION

by /s/ SUSAN T. GALLAGHER
Name: Susan T. Gallagher
Title: Vice President

MIZUHO CORPORATE BANK, LTD.

by /s/ MAKOTO MURATA
Name: Makoto Murata
Title: Deputy General Manager

BNP PARIBAS

by /s/ PAUL HARRIS
Name: Paul Harris
Title: Managing Director

KEYBANK NATIONAL ASSOCIATION

by /s/ MARIANNE T. MEIL
Name: Marianne T. Meil
Title: Senior Vice President

THE ROYAL BANK OF SCOTLAND PLC

by /s/ MICHAELA GALLUZZO
Name: Michaela Galluzzo
Title: Vice President

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., CHICAGO BRANCH

by /s/ MASAKAZU SATO
Name: Masakazu Sato
Title: Deputy General Manager

THE BANK OF NEW YORK MELLON

by /s/ DAVID B. WIRL
Name: David B. Wirl
Title: Vice President

US BANK, N.A.

by /s/ FRANCES W. JOSEPHIC
Name: Frances W. Josephic
Title: Vice President

FIFTH THIRD BANK

by /s/ BRENT M. JACKSON
Name: Brent M. Jackson
Title: Vice President

THE BANK OF NOVA SCOTIA

by /s/ J.F. TODD
Name: J.F. Todd
Title: Managing Director

STANDARD CHARTERED BANK

by /s/ STEPHEN DWYRE
Name: Stephen Dwyre
Title: Head of Global Corporates

SUNTRUST BANK

by /s/ MICHAEL J. VEGH
Name: Michael J. Vegh
Title: Vice President

THE GOVERNOR AND COMPANY OF THE BANK OF IRELAND

by /s/ CARLA RYAN
Name: Carla Ryan
Title: Authorised Signatory

WELLS FARGO BANK, N.A.

by /s/ PETE MARTINETS
Name: Pete Martinets
Title: Vice President

NATIONAL CITY BANK

by /s/ BRIAN STRAYTON
Name: Brian Strayton
Title: Senior Vice President

PNC BANK, NATIONAL ASSOCIATION

by /s/ MARY ANN AMSHOFF
Name: Mary Ann Amshoff
Title: Vice President/Credit Manager

THE HUNTINGTON NATIONAL BANK

by /s/ JOHN M. LUEHMANN
Name: John M. Luehmann
Title: Vice President

SOVEREIGN BANK

by /s/ JUDITH C.E. KELLY
Name: Judith C.E. Kelly
Title: Senior Vice President

UNION BANK OF CALIFORNIA, N.A.

by /s/ TAWNY J. PALOCHIK
Name: Tawny J. Palovchik
Title: Investment Banking Officer

BANCO BILBAO VIZCAYA ARGENTARIA, S.A., NEW YORK BRANCH

by /s/ JUAN URIQUIOLA
Name: Juan Uriquiola
Title: Chief Operating Officer

THE NORTHERN TRUST COMPANY

by /s/ JEFFREY P. SULLIVAN
Name: Jeffrey P. Sullivan
Title: Vice President

FIRST COMMERCIAL BANK NEW YORK AGENCY

by /s/ BRUCE M.J. JU
Name: Bruce M.J. Ju
Title: SVP & General Manager

CHANG HWA COMMERCIAL BANK, LTD.

by /s/ JIM C.Y. CHEN
Name: Jim C.Y. Chen
Title: VP & General Manager

SCHEDULES AND EXHIBITS

Schedules

Schedule 2.01 Term Lenders and Term Loan Amounts

Exhibits

Exhibit A	Amended and Restated Term Loan Credit Agreement
Exhibit B-1	Form of Opinion of Douglas L. Williams, Esq.
Exhibit B-2	Form of Opinion of Davis, Polk & Wardwell

SCHEDULE 2.01

Term Lenders and Term Loan Amounts

Lender	Amount
JP Morgan Chase Bank, N.A.	$ 64,999,997
Bank of America, N.A.	$ 65,000,000
Citicorp North America, Inc.	$ 65,000,000
HSBC Bank USA, National Association	$ 55,000,000
Wachovia Bank, National Association	$ 41,666,667
Mizuho Corporate Bank, Ltd.	$ 41,666,667
BNP Paribas	$ 41,666,667
KeyBank National Association	$ 41,666,667
The Royal Bank of Scotland plc	$ 41,666,667
The Bank of Tokyo-Mitsubishi UFJ, Ltd., Chicago Branch	$ 30,000,000
The Bank of New York Mellon	$ 25,000,000
US Bank, N.A.	$ 21,666,667
Fifth Third Bank	$ 21,666,667
The Bank of Nova Scotia	$ 21,666,667
Standard Chartered Bank	$ 21,666,667
SunTrust Bank	$ 18,333,333
The Governor and Company of the Bank of Ireland	$ 16,666,667
Wells Fargo Bank, N.A.	$ 16,666,667
National City Bank	$ 15,000,000
PNC Bank, National Association	$ 15,000,000
The Huntington National Bank	$ 15,000,000
Sovereign Bank	$ 15,000,000
Union Bank of California, N.A.	$ 11,666,667
Banco Bilbao Vizcaya Argentaria, S.A., New York Branch	$ 11,666,667
The Northern Trust Company	$ 8,333,333
First Commercial Bank New York Agency	$ 3,333,333
Chang Hwa Commercial Bank, Ltd.	$ 3,333,333
Total	**$ 750,000,000**

EXHIBIT A
EXECUTION COPY

US$750,000,000

AMENDED AND RESTATED
TERM LOAN CREDIT AGREEMENT

dated as of

August 3, 2007

Amending and Restating the
Term Loan Credit Agreement
dated as of October 6, 2004,
Previously Amended and Restated
as of November 5, 2004, and March 22, 2006

among

LIMITED BRANDS, INC.,

The Lenders Party Hereto

and

JPMORGAN CHASE BANK, N.A.
as Administrative Agent

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

and

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

and

HSBC BANK USA, N.A.
as Co-Documentation Agent

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AMENDED AND RESTATED TERM LOAN CREDIT AGREEMENT dated as of August 3, 2007 among LIMITED BRANDS, INC., the LENDERS party hereto and JPMORGAN CHASE BANK, N.A., as Administrative Agent.

Reference is made to the Amendment and Restatement Agreement (Term Loan) dated as of August 3, 2007 (the "Restatement Agreement"), relating to the Amended and Restated Term Loan Credit Agreement dated as of March 22, 2006 (the "Existing Credit Agreement"), amending and restating the Amended and Restated Term Loan Credit Agreement dated November 5, 2004, amending and restating the Term Loan Credit Agreement dated as of October 6, 2004, among Limited Brands, Inc., the Lenders party thereto and JPMorgan Chase Bank, N.A., as successor to JPMorgan Chase Bank, as Administrative Agent. Pursuant to the Restatement Agreement, the Existing Credit Agreement is being amended and restated in the form hereof.

The parties hereto agree as follows:

ARTICLE I

Definitions

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

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

"Administrative Agent" means JPMorgan Chase Bank, N.A., in its capacity as administrative agent for the Lenders hereunder.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Alternate Base Rate" means, for any day, a rate per annum equal to the greater of (a) the Prime Rate in effect on such day or (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective from and including the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"Applicable Rate" means, for any day, with respect to any Eurodollar Loan or ABR Loan, the applicable rate per annum set forth below under the caption "Eurodollar Spread" or "ABR Spread", as the case may be, based upon the highest two of the three ratings by Fitch, S&P and Moody's, respectively, applicable on such date to the Index Debt:

	Eurodollar Spread	ABR Spread
Index Debt Ratings:		
Category 1		
[3] BBB+/BBB+/ Baa1	0.400%	0.000%
Category 2		
BBB/BBB/Baa2	0.500%	0.000%
Category 3		
BBB-/BBB-/Baa3	0.625%	0.000%
Category 4		
BB+/BB+/Ba1	0.800%	0.000%
Category 5		
Lower	1.000%	0.000%

For purposes of the foregoing, (a) if any of Fitch, S&P or Moody's shall not have in effect a rating for the Index Debt (other than by reason of the circumstances referred to in the last sentence of this definition) the Applicable Rate shall be determined on the basis of the rating agency or rating agencies that do then have ratings for the Index Debt in effect, provided that if there are only two such ratings in effect and such ratings are not in the same Category, then the Applicable Rate will be determined by reference to the Category next above that of the lower of such two ratings, (b) if none of Fitch, S&P and Moody's has in effect a rating for the Index Debt (other than by reason of the circumstances referred to in the last sentence of this definition) then the Index Debt shall be deemed to be rated in Category 5, (c) the Index Debt shall be deemed to be rated in Category 5 at any time that an Event of Default has occurred and is continuing, (d) if all three ratings exist and the highest two of three ratings established or deemed to have been established by Fitch, S&P and Moody's for the Index Debt are not in the same Category, then the Applicable Rate will be determined by reference to the Category of the lower of such two ratings and (e) if the ratings established or deemed to have been established by Fitch, S&P and Moody's for the Index Debt shall be changed (other than as a result of a change in the rating system of Fitch, S&P or Moody's), such change shall be effective as of the date on which it is first announced by the applicable rating agency. Each change in an Applicable Rate shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of Fitch, S&P or Moody's shall change, or if any such rating agency shall cease to be in the business of rating corporate debt obligations, the Borrower and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system, or the unavailability of ratings from such rating agency and, pending the effectiveness of any such amendment, each Applicable Rate shall be determined by reference to the rating most recently in effect prior to such change or cessation.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 8.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Borrower" means Limited Brands, Inc., a Delaware corporation.

"Borrowing" means Loans of the same Type made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect.

"Borrowing Date" means the date on which the Borrower makes the Borrowing under this Agreement.

"Borrowing Request" means a request by the Borrower for a Borrowing in accordance with Section 2.03.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, when used in connection with a Eurodollar Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"Change in Control" means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the date hereof) other than the Permitted Holders of shares representing more than 30% of the aggregate ordinary voting power represented by the issued and outstanding capital stock of the Borrower or (b) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Borrower by Persons who were neither (i) nominated by the board of directors of the Borrower nor (ii) appointed by directors so nominated.

"Change in Law" means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement, or (c) compliance by any Lender (or, for purposes of Section 2.12(b), by any lending office of such Lender or by such Lender's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Commitment" has the meaning set forth in the Existing Credit Agreement. The Commitments have terminated.

"Consolidated Debt" means, at any date of determination, the sum, without duplication, of (a) the total Indebtedness of the Borrower and the Consolidated Subsidiaries at such date (excluding, whether or not any ETC Entity is a Consolidated Subsidiary, any Non-Recourse ETC Debt), (b) an amount equal to six times the fixed minimum store rent commitments (less related sublease income) of the Borrower and the Consolidated Subsidiaries for the then current Fiscal Year, as reflected in the footnotes to the most recent audited financial statements of the Borrower, and (c) an amount equal to six times the fixed minimum store rent commitments (less related sublease income) for the then current Fiscal Year of any Person other than the Borrower or a Consolidated Subsidiary under a lease in respect of any store to the extent that such lease is Guaranteed or has been assumed by the Borrower or any Consolidated Subsidiary, if the Borrower or a Consolidated Subsidiary has made any payments in respect of any such store rent commitments of such Person (or any subsidiary of such Person) under such lease in respect of such store within the period of four consecutive fiscal quarters ended on or prior to such date of determination, all determined on a consolidated basis in accordance with GAAP; provided that, for the purposes of calculating the fixed minimum store rent commitments referred to in clause (b) or (c) above, if on or prior to the applicable date of determination an acquisition or disposition outside of the ordinary course of business has occurred that has the effect of increasing or decreasing any such fixed minimum store rent commitments, then such fixed minimum store rent commitments shall be determined on a pro forma basis to give effect to such acquisition or disposition as if such acquisition or disposition had occurred immediately prior to the commencement of the then current Fiscal Year.

"Consolidated EBITDA" means, for any period, Consolidated Net Income for such period (adjusted (i) to exclude any non-cash items deducted or included in determining Consolidated Net Income for such period attributable to FAS 133 – Accounting for Derivative Instruments and Hedging Activities, FAS 142 – Goodwill and Other Intangible Assets or stock options and other equity-linked compensation to officers, directors and employees, and (ii) to deduct cash payments made during such period in respect of Hedging Agreements (or other items subject to FAS 133 – Accounting for Derivative Instruments and Hedging Activities) to the extent not otherwise deducted in determining Consolidated Net Income for such period) plus (a) without duplication and to the extent deducted in determining such Consolidated Net Income, the sum of (i) consolidated interest expense for such period, (ii) consolidated income tax expense for such period, (iii) all amounts attributable to depreciation and amortization for such period and (iv) any extraordinary or nonrecurring charges for such period, and minus (b) without duplication and to the extent included in determining such Consolidated Net Income, any extraordinary or nonrecurring gains for such period, all determined on a consolidated basis in accordance with GAAP; provided that regardless of whether any ETC Entity is a Consolidated Subsidiary, the results of any ETC Entity shall be included in Consolidated EBITDA to the extent (and only to the extent) actually distributed (directly or indirectly) by such ETC Entity to the Borrower or another Consolidated Subsidiary that is not an ETC Entity.

"Consolidated EBITDAR" means, for any period, Consolidated EBITDA for such period plus, without duplication and to the extent deducted in the determination of such Consolidated EBITDA, consolidated fixed minimum store rental expense for such period, all determined on a consolidated basis in accordance with GAAP; provided that, if on or prior to the applicable date of determination of Consolidated EBITDAR, an acquisition or disposition outside of the ordinary course of business has occurred that has the effect of increasing or decreasing Consolidated EBITDAR, then Consolidated EBITDAR shall be determined on a pro forma basis to give effect to such acquisition or disposition as if such acquisition or disposition had occurred immediately prior to the commencement of the period for which Consolidated EBITDAR is to be determined.

"Consolidated Fixed Charges" means, for any period, the sum of (a) consolidated interest expense, both expensed and capitalized (including the interest component in respect of Capital Lease Obligations but excluding any interest expense in respect of Indebtedness of any ETC Entity, except to the extent actually paid by the Borrower or a Consolidated Subsidiary other than, if it is a Consolidated Subsidiary, any ETC Entity), of the Borrower and the Consolidated Subsidiaries for such period, plus (b) consolidated fixed minimum store rental expense of the Borrower and the Consolidated Subsidiaries for such period, all determined on a consolidated basis in accordance with GAAP; provided that, if on or prior to the applicable date of determination of Consolidated Fixed Charges, an acquisition or disposition outside of the ordinary course of business has occurred that has the effect of increasing or decreasing Consolidated Fixed Charges, then Consolidated Fixed Charges shall be determined on a pro forma basis to give effect to such acquisition or disposition as if such acquisition or disposition had occurred immediately prior to the commencement of the period for which Consolidated Fixed Charges is to be determined.

"Consolidated Net Income" means, for any period, the net income or loss of the Borrower and the Consolidated Subsidiaries for such period determined on a consolidated basis in accordance with GAAP.

"Consolidated Subsidiary" means any Subsidiary (other than an Unrestricted Subsidiary), the accounts of which are, or are required to be, consolidated with those of the Borrower in the Borrower's periodic reports filed under the Securities Exchange Act of 1934.

"Control" means, with respect to a specified Person, the possession, directly or indirectly, of the power to direct, or cause the direction of, the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have correlative meanings.

"Default" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Disclosed Matters" means the actions, suits and proceedings and the environmental matters disclosed in Schedule 3.05.

"dollars" or "$" refers to lawful money of the United States of America.

"Effective Date" means March 22, 2006.

"Environmental Laws" means all applicable laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions or binding agreements issued, promulgated or entered into by any Governmental Authority, relating to the environment, preservation or reclamation of natural resources or the management, release or threatened release of any Hazardous Material.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Consolidated Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ETC Entity" means (i) Easton Town Center, LLC and (ii) any Person substantially all of the assets of which consist of (x) some or all of the assets held by Easton Town Center, LLC at any time prior to the Restatement Effective Date or (y) equity interests in or debt of Easton Town Center, LLC or any Person described in subclause (x) or this subclause (y) of this clause (ii).

"Eurodollar", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to a LIBO Rate.

"Event of Default" has the meaning assigned to such term in Article VI.

"Excluded Taxes" means, with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, (b) income, franchise or similar taxes imposed by the jurisdiction under the laws of

which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, or which are imposed by reason of any present or former connection between such Lender and the jurisdiction imposing such taxes, other than solely as a result of this Agreement or any Loan or transaction contemplated hereby, (c) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction described in clause (a) or (b) above and (d) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 2.16(b)), any withholding tax that (i) is in effect and would apply to amounts payable to such Foreign Lender under applicable law at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, under applicable law at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to any withholding tax pursuant to Section 2.14(a), or (ii) is attributable to such Foreign Lender's failure to comply with Section 2.14(e).

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Financial Officer" means the chief financial officer, principal accounting officer, treasurer or controller of the Borrower.

"Fiscal Year" means the fiscal year of the Borrower which shall commence on the Sunday following the Saturday on or nearest (whether following or preceding) January 31 of one calendar year and end on the Saturday on or nearest (whether following or preceding) January 31 of the following calendar year.

"Fitch" means Fitch Ratings, Inc.

"Foreign Lender" means any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"GAAP" means generally accepted accounting principles in the United States of America.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes in each case which are regulated pursuant to any Environmental Law.

"Hedging Agreement" means any interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement.

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person in respect of the deferred purchase price of property (other than inventory) or services (excluding accruals and trade accounts payable arising in the ordinary course of business), (d) all Indebtedness of others secured by any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (e) all Guarantees by such Person of Indebtedness of others, (f) all Capital Lease Obligations of such Person and (g) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances.

"Indemnified Taxes" means Taxes other than Excluded Taxes and Other Taxes.

"Index Debt" means senior, unsecured, long-term indebtedness for borrowed money of the Borrower that is not guaranteed by any other Person or subject to any other credit enhancement.

"Information Memorandum" means the Confidential Information Memorandum to be prepared in connection with the syndication of the credit facility provided for in this Agreement relating to the Borrower and the Transactions.

"Interest Election Request" means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.05.

"Interest Payment Date" means (a) with respect to any ABR Loan, the last day of each March, June, September and December and (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period.

"Interest Period" means, with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on (a) the numerically corresponding day in the calendar month that is one, two, three or six months thereafter or, if available from all Lenders, nine or 12 months thereafter or (b) the next date on which any scheduled payment of principal is due under Section 2.07 (but only if such period is less than six month's duration and is available from all Lenders), in each case as the Borrower may elect; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Borrowing with an Interest Period of an integral number of months only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any Interest Period pertaining to a Eurodollar Borrowing with an Interest Period of an integral number of months that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period and (iii) any Interest Period that would otherwise end after the Maturity Date will end on the Maturity Date. For purposes hereof, the date of a Eurodollar Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date on which such Borrowing results from the conversion or continuation of another Borrowing.

"Lenders" means the Persons listed on Schedule 2.01 to the Restatement Agreement and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption as contemplated in Section 8.04(b), other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

"LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, the rate appearing on Page 3750 of the Dow Jones Market Service (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank

market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the "LIBO Rate" with respect to such Eurodollar Borrowing for such Interest Period shall be the rate at which dollar deposits of $5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

"Lien" means, with respect to any asset, any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset.

"Loans" means the loans made by the Lenders to the Borrower pursuant to this Agreement.

"Material Adverse Effect" means a material adverse effect on (a) the business, financial position or results of operations of the Borrower and the Consolidated Subsidiaries, taken as a whole, (b) the ability of the Borrower to perform any of its obligations under this Agreement or (c) the rights of or benefits available to the Lenders under this Agreement.

"Material Indebtedness" means Indebtedness (other than the Loans), or obligations in respect of one or more Hedging Agreements, of any one or more of the Borrower and its Consolidated Subsidiaries in an aggregate principal amount exceeding $100,000,000. For purposes of determining Material Indebtedness, the "principal amount" of the obligations of the Borrower or any Consolidated Subsidiary in respect of any Hedging Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Borrower or such Consolidated Subsidiary would be required to pay if such Hedging Agreement were terminated at such time.

"Maturity Date" means the date that is five years after the Restatement Effective Date.

"Minority Interest Disposition" means a sale, transfer or other disposition by the Borrower or any of the Subsidiaries (including the issuer thereof) of up to 20% of the Equity Interests in any Subsidiary of the Borrower.

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Non-Recourse ETC Debt" means any Indebtedness of any ETC Entity, except to the extent such Indebtedness is Guaranteed by, or otherwise recourse to, the Borrower or any other Subsidiary that is not an ETC Entity.

"Other Taxes" means any and all present or future recording, stamp, documentary, excise, property or similar taxes, charges or levies imposed by the United States of America or any political subdivision thereof arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement.

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Permitted Encumbrances" means:

(a) Liens imposed by law for taxes that are not yet due;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's, landlord's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under clause (j) of Section 6.01;

(f) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower or any Subsidiary;

(g) Liens in favor of sellers of goods arising under Article 2 of the New York Uniform Commercial Code or similar provisions of applicable law in the ordinary course of business, covering only the goods sold and securing only the unpaid purchase price for such goods and related expenses; and

(h) Liens securing obligations in respect of trade letters of credit, provided that such Liens do not extend to any property other than the goods financed or paid for with such letters of credit, documents of title in respect thereof and proceeds thereof;

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

"Permitted Holders" means Leslie H. Wexner, all descendants of any of his grandparents, any spouse or former spouse of any of the foregoing, any descendant of any such spouse or former spouse, the estate of any of the foregoing, any trust for the benefit, in whole or in part, of one or more of the foregoing and any corporation, limited liability company, partnership or other entity Controlled by one or more of the foregoing.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Prime Rate" means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

"Register" has the meaning set forth in Section 8.04.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Required Lenders" means, at any time, Lenders having Loans or Commitments representing more than 50% of the sum of the total Loans or Commitments at such time.

"Restatement Agreement" has the meaning set forth in the introductory statement of this Agreement.

"Restatement Effective Date" has the meaning set forth in the Restatement Agreement.

"S&P" means Standard & Poor's Ratings Services.

"Statutory Reserve Percentage" means for any day the percentage (expressed as a decimal) that is in effect on such day, as prescribed by the Board, for determining the maximum reserve requirement for a member bank of the Federal Reserve System for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board). Such reserve percentage shall include those imposed pursuant to such Regulation D. The Statutory Reserve Percentage shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Subsidiary" means any subsidiary of the Borrower.

"Taxes" means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

"Test Date" means, if at the time the rating of any two of Fitch, S&P and Moody's with respect to the Index Debt (or if any such rating agency does not provide a rating with respect to the Index Debt, either of such other two rating agencies) shall be less than BBB–, BBB– or Baa3 and the rating of the other such rating agency with respect to the Index Debt shall not be at least BBB–, BBB– or Baa3 (with, in the case of a rating of BBB–, BBB– or Baa3, stable outlook), or if there shall not be a rating in effect from such other rating agency of the Index Debt, the date of any Borrowing hereunder.

"Transactions" means the execution, delivery and performance by the Borrower of this Agreement and the Restatement Agreement, the borrowing of Loans and the use of the proceeds thereof.

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the LIBO Rate or the Alternate Base Rate.

"Unfunded Liabilities" means, with respect to any Plan at any time, the amount (if any) by which (a) the present value of all benefits under such Plan exceeds (b) the fair market value of all Plan assets allocable to such benefits, all determined as of the then most recent valuation date for such Plan, but only (i) to the extent that such excess represents a potential liability of the Borrower or any ERISA Affiliate to the PBGC or any other Person under Title IV of ERISA or (ii) with respect to a Plan which is a Multiemployer Plan as described in Section 4001(a)(3) of ERISA, to the extent of the Unfunded Liabilities of such Plan allocable to the Borrower or any ERISA Affiliate under Section 4212 of ERISA.

"Unrestricted Subsidiary" means any Subsidiary designated as an Unrestricted Subsidiary in a written notice sent at any time after the date of this Agreement by the Borrower to the Administrative Agent which is engaged (a) primarily in the business of making or discounting loans, making advances, extending credit or providing financial accommodation to, or purchasing the obligations of, others; (b) primarily in the business of insuring property against loss and subject to regulation as an insurance company by any Governmental Authority; (c) exclusively in the business of owning or leasing, and operating, aircraft and/or trucks;

(d) primarily in the ownership, management, leasing or operation of real estate, other than parcels of real estate with respect to which 51% or more of the rentable space is used by the Borrower or a Consolidated Subsidiary in the normal course of business; or (e) primarily as a carrier transporting goods in both intrastate and interstate commerce, provided that (i) the Borrower may by notice to the Administrative Agent change the designation of any Subsidiary described in subparagraphs (a) through (e) above, but may do so only once during the term of this Agreement, (ii) the designation of a Subsidiary as an Unrestricted Subsidiary more than 30 days after the creation or acquisition of such Subsidiary where such Subsidiary was not specifically so designated within such 30 days shall be deemed to be the only permitted change in designation and (iii) immediately after the Borrower designates any Subsidiary whether now owned or hereafter acquired or created as an Unrestricted Subsidiary or changes the designation of a Subsidiary from an Unrestricted Subsidiary to a Consolidated Subsidiary, the Borrower and all Consolidated Subsidiaries would be in compliance with all of the provisions of this Agreement.

"Value" means, when used in Section 6.01(e) with respect to investments in and advances to a Consolidated Subsidiary, the book value thereof immediately before the relevant event or events referred to in Section 6.01(e) occurred with respect to such Consolidated Subsidiary.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Type (e.g., a "Eurodollar Loan"). Borrowings also may be classified and referred to by Type (e.g., a "Eurodollar Borrowing").

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

ARTICLE II

The Credits

SECTION 2.01. Outstanding Loans. As of the Restatement Effective Date, after giving effect to the transactions contemplated by the Restatement Agreement, (a) the aggregate principal amount of Loans outstanding hereunder is $750,000,000 and (b) the Lenders and the outstanding principal amount of their respective Loans are set forth in Schedule 2.01A of the Restatement Agreement.

SECTION 2.02. Loans and Borrowings. (a) Each Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make the Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.11, the Borrowing made on the Borrowing Date shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower may request in accordance herewith. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurodollar Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of $1,000,000 and not less than $20,000,000; provided that a Eurodollar Borrowing with an Interest Period that ends on the date on which any scheduled payment of principal is due under Section 2.07 may be in the amount of the scheduled payment of principal due on such date. Borrowings of more than one Type may be outstanding at the same time; provided that there shall not at any time be more than a total of five Eurodollar Borrowings outstanding.

SECTION 2.03. Requests for Borrowing. To request the Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone (a) in the case of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of the proposed Borrowing and (b) in the case of an ABR Borrowing, not later than 11:00 a.m., New York City time, on the date of the proposed Borrowing. Such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the Borrower. Such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) the aggregate amount of the Borrowing;

(ii) the date of the Borrowing;

(iii) whether the Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing;

(iv) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and

(v) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.04.

If no election as to the Type of Borrowing is specified, then the Borrowing shall be a Eurodollar Borrowing. If no Interest Period is specified with respect to the Borrowing, if it is requested (or deemed requested) as a Eurodollar Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the Borrowing.

SECTION 2.04. Funding of Borrowing. (a) Each Lender shall make the Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 noon, New York City time, to the account of the Administrative Agent designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with the Administrative Agent in New York City and designated by the Borrower in the Borrowing Request.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of the Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of the Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the greater of the interest rate applicable to the Loans of the other Lenders included in the Borrowing and a rate determined by the Administrative Agent to equal its cost of funds for funding such amount. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.05. Interest Elections. (a) The Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the Borrower.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(ii) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(iii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iv) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(v) if the resulting Borrowing is to be a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be continued as a Eurodollar Borrowing with an Interest Period of one month's duration.

SECTION 2.06. Termination and Reduction of Commitments. (a) Unless previously terminated, the Commitments shall terminate at the date on which Loans are made.

(b) The Borrower may at any time terminate, or from time to time reduce, the Commitments; provided that each reduction of the Commitments shall be in an amount that is an integral multiple of $1,000,000 and not less than $25,000,000.

(c) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

SECTION 2.07. Repayment of Loans; Evidence of Indebtedness; Amortization. (a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Loan as provided in paragraph (f) below.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 8.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

(f) (i) Intentionally Omitted.

(ii) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Loan on the Maturity Date.

(iii) Intentionally Omitted.

(iv) Each repayment of a Borrowing shall be applied ratably to the Loans included in the repaid Borrowing. Repayment of a Borrowing shall be accompanied by accrued interest on the amount repaid.

(v) The Borrower shall select the Borrowing or Borrowings to be repaid and shall notify the Administrative Agent by telephone (confirmed by telecopy) of such selection not later than 11:00 a.m., New York City time, three Business Day before the scheduled date of such repayment.

SECTION 2.08. Prepayment of Loans. (a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with paragraph (b) of this Section.

(b) The Borrower shall notify the Administrative Agent by telephone (confirmed by telecopy) of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, one Business Day before the date of prepayment and (ii) in the case of prepayment of an ABR Borrowing, not later than 11:00 a.m., New York City time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that a notice of prepayment may state that such notice is conditional upon the receipt of proceeds from another financing, in which case such notice of prepayment may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified prepayment date) if such condition is not satisfied. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.10.

SECTION 2.09. Fees. (a) Intentionally omitted.

(b) The Borrower agrees to pay to the Administrative Agent, for its own account and for the account of the initial Lenders, fees in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(c) All fees payable by the Borrower hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, to the parties entitled thereto. Fees paid by the Borrower shall not be refundable under any circumstances.

SECTION 2.10. Interest. (a) The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at the LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(d) (i) For so long as any Lender maintains reserves against "Eurocurrency liabilities" (or any other category of liabilities which includes deposits by reference to which the interest rate on Eurodollar Loans is determined or any category of extensions of credit or other assets which includes loans by a non-United States office of any Lender to United States residents), and as a result the cost to such Lender (or its lending office for Eurodollar Loans) of making or maintaining its Eurodollar Loans is increased, then such

Lender may require the Borrower to pay, contemporaneously with each payment of interest on any Eurodollar Loan of such Lender, additional interest on such Eurodollar Loan for the Interest Period of such Eurodollar Loan at a rate per annum up to but not exceeding the excess of (A)(x) the applicable LIBO Rate divided by (y) one minus the Statutory Reserve Percentage over (B) the rate specified in the preceding clause (x).

(ii) Any Lender wishing to require payment of additional interest (x) shall so notify the Borrower and the Administrative Agent, in which case such additional interest on the Eurodollar Loans of such Lender shall be payable to such Lender at the place indicated in such notice with respect to each Interest Period commencing at least three Business Days after the giving of such notice and (y) shall furnish to the Borrower at least five Business Days prior to each date on which interest is payable on the Eurodollar Loans an officer's certificate setting forth the amount to which such Lender is then entitled under this Section (which shall be consistent with such Lender's good faith estimate of the level at which the related reserves are maintained by it). Each such certificate shall be accompanied by such information as the Borrower may reasonably request as to the computation set forth therein.

(e) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Loan prior to the earlier of (x) the date upon which all Loans are paid in full and (y) the Maturity Date), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(f) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.11. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the LIBO Rate for such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders that the LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or telecopy as promptly as practicable thereafter, but not later than 10:00 A.M. (New York City time) on the first day of such Interest Period, and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective and (ii) if the Borrowing Request requests a Eurodollar Borrowing, then, unless the Borrower notifies the Administrative Agent by 12:00 noon (New York City time) on the date of the Borrowing that it elects not to borrow on such date, the Borrowing shall be made as an ABR Borrowing.

SECTION 2.12. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Statutory Reserve Percentage); or

(ii) impose on any Lender or the London interbank market any other condition affecting this Agreement or Eurodollar Loans made by such Lender (other than an imposition or change in Taxes, Other Taxes or Excluded Taxes, or any Change in Law relating to capital requirements or the rate of return on capital, with respect to which Section 2.14 and paragraph (b) of this Section, respectively, shall apply);

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining, or reduce the amount receivable by any Lender with respect to, any Eurodollar Loan (or of maintaining its obligation to make any such Loan), then the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) If any Lender determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 15 days after receipt thereof.

(d) Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.13. Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurodollar Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.08(b) and is revoked in accordance therewith), or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.16, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event which, in the reasonable judgment of such Lender, such Lender (or an existing or prospective participant in a related Loan) incurred, including any loss incurred in obtaining, liquidating or employing deposits from third parties, but excluding loss of margin for the period after any such payment. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 15 days after receipt thereof.

SECTION 2.14. Taxes. (a) Any and all payments by or on account of any obligation of the Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if the Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent or Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify the Administrative Agent and each Lender, within 15 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent or such Lender, as the case may be, on or with respect to any payment by or on account of any obligation of the Borrower hereunder (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; provided, that the Borrower shall not be obligated to make payment to such Lender or Administrative Agent for penalties, interest or expenses attributable to the gross negligence or willful misconduct of such Lender or Administrative Agent. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender, or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law or reasonably requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate, provided that such Foreign Lender has received written notice from the Borrower advising it of the availability of such exemption or reduction and containing all applicable documentation.

(f) If the Administrative Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section, it shall pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that the Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such

Lender is required to repay such refund to such Governmental Authority. This Section shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower or any other Person.

SECTION 2.15. Payments Generally; Pro Rata Treatment; Sharing of Set-offs. (a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest or fees, or of amounts payable under Section 2.12, 2.13 or 2.14, or otherwise) on the date when due, in immediately available funds, without set-off or counterclaim, and the Borrower agrees to instruct its bank which will be transmitting such funds with respect to such payments not later than 10:00 A.M. (New York City time) on the date when due. All such payments shall be made to the Administrative Agent at its offices at 270 Park Avenue, New York, New York, except that payments pursuant to Sections 2.12, 2.13, 2.14 and 8.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due from the Borrower hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due from the Borrower hereunder, ratably among the parties entitled thereto in accordance with the amounts of such interest and fees then due to such parties and (ii) second, towards payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to

the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(b) or 2.15(d), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender’s obligations under such Sections until all such unsatisfied obligations are fully paid.

SECTION 2.16. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Section 2.12, or additional interest under Section 2.10(d) or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.12, 2.10(d) or 2.14, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender requests compensation under Section 2.12, or additional interest under Section 2.10(d), or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14, or if any Lender defaults in its obligation to fund Loans hereunder, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 8.04), all its interests, rights and obligations under this Agreement

to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts, in each case payable to it by the Borrower hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.12, additional interest under Section 2.10(d) or payments required to be made pursuant to Section 2.14, such assignment will result in a material reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

(c) In connection with any proposed amendment, modification or waiver of or with respect to any provision of this Agreement (a "Proposed Change") requiring the consent of all Lenders, if the consent of the Required Lenders to such Proposed Change is obtained, but the consent to such Proposed Change of other Lenders whose consent is required is not obtained (any such Lender whose consent is not obtained as described in this Section 2.16(c) being referred to as a "Non-Consenting Lender"), then the Borrower may, at its sole expense and effort, upon notice to each Non-Consenting Lender and the Administrative Agent, require each Non-Consenting Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 8.04) all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not be unreasonably withheld, (ii) such Non-Consenting Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts, in each case payable to it by the Borrower hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) the Borrower shall not be permitted to require any Non-Consenting Lender to make any such assignment unless all Non-Consenting Lenders are required to make such assignments and, as a result thereof, the Proposed Change will become effective.

ARTICLE III

Representations and Warranties

The Borrower represents and warrants to the Lenders that:

SECTION 3.01. Corporate Existence and Power. The Borrower is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has all corporate power and authority required to carry on its business as now conducted.

SECTION 3.02. Corporate and Governmental Authorization; No Contravention. The execution, delivery and performance by the Borrower of this Agreement and the Transactions are within the Borrower's corporate power, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any governmental body, agency or official (other than the filing of reports with the Securities and Exchange Commission) and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the certificate of incorporation or bylaws of the Borrower or of any agreement, judgment, injunction, order, decree or other instrument binding upon the Borrower.

SECTION 3.03. Binding Effect. This Agreement has been duly executed and delivered by the Borrower and constitutes a valid and binding obligation of the Borrower, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.04. Financial Information. (a) The consolidated balance sheet of the Borrower and the Subsidiaries and the related consolidated statements of income, shareholders' equity and cash flows as of and for (i) Fiscal Year 2006, reported on by Ernst & Young LLP and set forth in the Borrower's Annual Report on Form 10-K for Fiscal Year 2006, a copy of which has been delivered to each of the Lenders, and (ii) the first fiscal quarter of Fiscal Year 2007, certified by a Financial Officer, in each case fairly present, in conformity with GAAP (except, in the case of the financial statements referred to in clause (ii) above, for normal year-end adjustments and the absence of footnotes), the consolidated financial position of the Borrower and the Subsidiaries as of such date and their consolidated results of operations and cash flows for such Fiscal Year or portion of such Fiscal Year, as applicable.

(b) From February 3, 2007 to the date hereof or any Test Date, there has been no material adverse change in the business, financial position or results of operations of the Borrower and the Consolidated Subsidiaries, considered as a whole.

SECTION 3.05. Litigation and Environmental Matters. (a) There is no action, suit or proceeding pending against, or to the knowledge of the Borrower threatened against or affecting, the Borrower or any Consolidated Subsidiaries before any court or arbitrator or any governmental body, agency or official in which there is, in the good faith judgment of the Borrower (which shall be conclusive), a reasonable possibility of an adverse decision which could materially adversely affect the business, consolidated financial position or consolidated results of operations of the Borrower and the Consolidated Subsidiaries considered as a whole, or which in any manner draws into question the validity or enforceability of this Agreement.

(b) Except for the Disclosed Matters and except with respect to any other matters that, individually or in the aggregate, are not reasonably expected in the good faith judgment of the Borrower (which shall be conclusive) to materially adversely affect the business, financial position or results of operations of the Borrower and the Consolidated Subsidiaries considered as a whole, neither the Borrower nor any of the Consolidated Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

(c) Since the date of this Agreement, there has been no change in the status of the Disclosed Matters that, individually or in the aggregate in the good faith judgment of the Borrower (which shall be conclusive), has resulted in a material adverse effect on the business, financial position or results of operations of the Borrower and the Consolidated Subsidiaries considered as a whole.

SECTION 3.06. Subsidiaries. Each of the Consolidated Subsidiaries is a corporation duly incorporated, validly existing and, to the extent applicable, in good standing under the laws of its jurisdiction of incorporation, and has all corporate power and authority required to carry on its business as now conducted except to the extent that the failure of any such Consolidated Subsidiary to be so incorporated, existing or in good standing or to have such power and authority is not reasonably expected by the Borrower to have a material adverse effect on the business, financial position or results of operations of the Borrower and the Consolidated Subsidiaries considered as a whole.

SECTION 3.07. Not an Investment Company. The Borrower is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

SECTION 3.08. ERISA. The Borrower and its ERISA Affiliates (a) have fulfilled their material obligations under the minimum funding standards of ERISA and the Code with respect to each Plan, (b) are in compliance in all material respects with the presently applicable provisions of ERISA and the Code and (c) have not incurred any liability in excess of $100,000,000 to the PBGC or a Plan under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA; provided, that this sentence shall not apply to (i) any ERISA Affiliate as described in Section 414(m) of the Code (other than the Borrower or a Subsidiary) or any Plan maintained by such an ERISA Affiliate or (ii) any Multiemployer Plan. The Borrower and its Subsidiaries have made all material payments to Multiemployer Plans which they have been required to make under the related collective bargaining agreement or applicable law.

SECTION 3.09. Taxes. The Borrower and its Subsidiaries have filed all United States federal income tax returns and all other material tax returns which, in the opinion of the Borrower, are required to be filed by them and have paid all taxes due pursuant to such returns or pursuant to any assessment received by the Borrower or any Subsidiary, except for assessments which are being contested in good faith by appropriate proceedings. The charges, accruals and reserves on the books of the Borrower and its Subsidiaries in respect of taxes or other governmental charges are, in the opinion of the Borrower, adequate.

SECTION 3.10. Disclosure. The Information Memorandum, the financial statements delivered pursuant to Section 5.01(a)(i) and (ii), the registration statements delivered pursuant to Section 5.01(a)(vi) (in each case in the form in which such registration statements were declared effective, as amended by any post-effective amendments thereto) and the reports on Forms 10-K, 10-Q and 8-K delivered pursuant to Section 5.01(a)(vi), do not, taken as a whole and in each case as of the date thereof, contain any material misstatement of fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

ARTICLE IV

Conditions

SECTION 4.01. Intentionally Omitted.

SECTION 4.02. Intentionally Omitted.

ARTICLE V

Covenants

The Borrower agrees that, so long as any Lender has any Commitment hereunder or any amount payable hereunder remains unpaid:

SECTION 5.01. Information. (a) The Borrower will deliver to the Administrative Agent and each of the Lenders:

(i) as soon as available and in any event within 90 days after the end of each Fiscal Year, the Annual Report of the Borrower on Form 10-K for such Fiscal Year, containing financial statements reported on in a manner acceptable to the Securities and Exchange Commission by Ernst & Young LLP or other independent public accountants of nationally recognized standing selected by the Borrower;

(ii) as soon as available and in any event within 45 days after the end of each of the first three quarters of each Fiscal Year, a copy of the Borrower's report on Form 10-Q for such quarter with the financial statements therein contained to be certified (subject to normal year end adjustments) as to fairness of presentation, generally accepted accounting principles (except footnotes) and consistency, by a Financial Officer;

(iii) simultaneously with the delivery of each set of financial statements referred to in clauses (a) and (b) above, a certificate of a Financial Officer (1) setting forth in reasonable detail the calculations required to establish whether the Borrower was in compliance with the requirements of Sections 5.06 and 5.07 on the date of such financial statements and (2) stating whether, to the best knowledge of such Financial Officer, any Default exists on the date of such certificate and, if any Default then exists, setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(iv) simultaneously with the delivery of each set of financial statements referred to in clause (a) above, a statement of the firm of independent public accountants which reported on such statements whether anything has come to their attention to cause them to believe that any Default existed on the date of such statements (insofar as such pertains to accounting matters);

(v) promptly upon the mailing thereof to the stockholders of the Borrower generally, copies of all financial statements, reports and proxy statements so mailed;

(vi) promptly upon the filing thereof, copies of all registration statements (other than the exhibits, thereto and any registration statements on Form S-8 or its equivalent) and reports on Forms 10-K, 10-Q and 8-K (or their equivalents) which the Borrower shall have filed with the Securities and Exchange Commission;

(vii) within four Business Days of any executive officer of the Borrower or any Financial Officer obtaining knowledge of any condition or event recognized by such officer to be a Default, a certificate of a Financial Officer setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(viii) if and when any executive officer of the Borrower or any Financial Officer obtains knowledge that any ERISA Affiliate (1) has given or is required to give notice to the PBGC of any “reportable event” (as defined in Section 4043 of ERISA) with respect to any Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that the plan administrator of any Plan has given or is required to give notice of any such reportable event, a copy of the notice of such reportable event given or required to be given to the PBGC, (2) has received notice of complete or partial withdrawal liability under Title IV of ERISA, a copy of such notice or (3) has received notice from the PBGC under Title IV of ERISA of an intent to terminate or appoint a trustee to administer any Plan, a copy of such notice; and

(ix) from time to time such additional information regarding the financial position or business of the Borrower and Subsidiaries as the Administrative Agent, at the request of any Lender, may reasonably request.

(b) Certificates delivered pursuant to this Section shall be signed manually or shall be copies of a manually signed certificate.

(c) The Borrower may provide for electronic delivery of the financial statements, certificates, reports and registration statements described in clauses (i), (ii), (iii), (iv), (v) and (vi) of paragraph (a) of this Section by posting such financial statements, certificates, reports and registration statements on Intralinks or any similar service approved by the Administrative Agent, or delivering such financial statements, certificates, reports and registration statements to the Administrative Agent for posting on Intralinks (or any such similar service).

SECTION 5.02. Maintenance of Properties. The Borrower will, and will cause each Consolidated Subsidiary to, maintain and keep in good condition, repair and working order all properties used or useful in the conduct of its business and supply such properties with all necessary equipment and make all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Borrower may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided that nothing in this Section shall prevent the Borrower or any Consolidated Subsidiary from discontinuing the operation and maintenance of any of such properties if such discontinuance is, in the judgment of the Borrower, desirable in the conduct of the business of the Borrower or such Consolidated Subsidiary, as the case may be, and not disadvantageous in any material respect to the Lenders.

SECTION 5.03. Maintenance of Insurance. The Borrower will, and will cause each Consolidated Subsidiary to, insure and keep insured, with reputable insurance companies, so much of its properties and such of its liabilities for bodily injury or property damage, to such an extent and against such risks (including fire), as companies engaged in similar businesses customarily insure properties and liabilities of a similar character; or, in lieu thereof, the Borrower will maintain, or cause each Consolidated Subsidiary to maintain, a system or systems of self-insurance which will be in accord with the customary practices of companies engaged in similar businesses in maintaining such systems.

SECTION 5.04. Preservation of Corporate Existence. The Borrower shall preserve and maintain its corporate existence, rights, franchises and privileges in the State of Delaware or in any other State of the United States which it shall select as its jurisdiction of incorporation, and qualify and remain qualified as a foreign corporation in each jurisdiction in which such qualification is necessary, except such jurisdictions, if any, where the failure to preserve and maintain its corporate existence, rights, franchises and privileges, or qualify or remain qualified will not have a material adverse effect on the business or property of the Borrower.

SECTION 5.05. Inspection of Property, Books and Records. The Borrower will, and will cause each Consolidated Subsidiary to, make and keep books, records and accounts in which transactions are recorded as necessary to (a) permit preparation of the Borrower’s consolidated financial statements in accordance with generally accepted accounting principles and (b) otherwise comply

with the requirements of Section 13(b)(2) of the Securities Exchange Act of 1934 as in effect from time to time. At any reasonable time during normal business hours and from time to time, the Borrower will permit the Administrative Agent or any of the Lenders or any agents or representatives thereof at their expense (to the extent not in violation of applicable law) to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Borrower and any Consolidated Subsidiaries and to discuss the affairs, finances and accounts of the Borrower and any Consolidated Subsidiaries with any of their respective officers or directors. Any information obtained pursuant to this Section or Section 5.01(a) shall be subject to Section 8.12.

SECTION 5.06. Fixed Charge Coverage Ratio. The Borrower will not permit the ratio of Consolidated EBITDAR to Consolidated Fixed Charges for any period of four consecutive fiscal quarters to be less than 1.75 to 1.00.

SECTION 5.07. Debt to Consolidated EBITDAR. The Borrower will not permit the ratio of Consolidated Debt as of any date to Consolidated EBITDAR for the period of four consecutive fiscal quarters ended on such date (or, if such date is not the last day of a fiscal quarter of the Borrower, then for the period of four consecutive fiscal quarters of the Borrower most recently ended prior to such date) to exceed 4.00 to 1.

SECTION 5.08. Limitations on Liens. The Borrower will not, and will not permit any Consolidated Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(a) Permitted Encumbrances;

(b) any Lien on any property or asset of the Borrower or any Consolidated Subsidiary existing on November 5, 2004 and set forth in Schedule 5.08; provided that (i) such Lien shall not apply to any other property or asset of the Borrower or any Consolidated Subsidiary and (ii) such Lien shall secure only those obligations which it secures on November 5, 2004 and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(c) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Consolidated Subsidiary or existing on any property or asset of any Person that becomes a Consolidated Subsidiary after November 5, 2004 prior to the time such Person becomes a Consolidated Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Consolidated Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Borrower or any Consolidated Subsidiary and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Consolidated Subsidiary, as the case may be, and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(d) Liens on fixed or capital assets acquired, constructed or improved by the Borrower or any Consolidated Subsidiary; provided that (i) with respect to a Consolidated Subsidiary, such security interests secure Indebtedness permitted by Section 5.10, (ii) such security interests and the Indebtedness secured thereby are incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement (or are incurred to extend, renew or replace security interests and Indebtedness previously incurred in compliance with this clause), (iii) the Indebtedness secured thereby does not exceed the cost of acquiring, constructing or improving such fixed or capital assets and (iv) such security interests shall not apply to any other property or assets of the Borrower or any Consolidated Subsidiary; and

(e) other Liens securing obligations in an aggregate principal amount not exceeding $400,000,000; provided that at no time shall more than $50,000,000 of such obligations be secured by Liens on inventory.

SECTION 5.09. Compliance with Laws. The Borrower will, and will cause each Consolidated Subsidiary to, comply in all material respects with all applicable laws, ordinances, rules, regulations, and requirements of governmental authorities (including ERISA and the rules and regulations thereunder), except to the extent that (a) the necessity of compliance therewith is contested in good faith by appropriate proceedings or (b) the failure to so comply would not result in any material adverse effect on the business, financial condition or results of operations of the Borrower and Consolidated Subsidiaries taken as a whole.

SECTION 5.10. Limitations on Subsidiary Indebtedness. The Borrower will not permit any Consolidated Subsidiary to create, incur, assume or suffer to exist any Indebtedness except:

(a) Indebtedness of any Consolidated Subsidiary which is, or the direct or indirect parent of which is, acquired by the Borrower or any other Consolidated Subsidiary after the Effective Date, which Indebtedness is in existence at the time such Consolidated Subsidiary (or parent) is so acquired; provided such Indebtedness was not created at the request or with the consent of the Borrower or any Subsidiary, and such Indebtedness may not be extended other than pursuant to the terms thereof as in existence at the time such Consolidated Subsidiary (or parent) was acquired; and

(b) other Indebtedness in an aggregate principal amount for all Consolidated Subsidiaries (excluding any Non-Recourse ETC Debt) not exceeding $225,000,000.

SECTION 5.11. Transactions with Affiliates. The Borrower will not, and will not permit any of its Consolidated Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or

otherwise engage in any other transactions with, any of its Affiliates, except (a) at prices and on terms and conditions not less favorable to the Borrower or such Consolidated Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) any transaction determined by a majority of the disinterested directors of the Borrower's board of directors to be fair to the Borrower and its Subsidiaries, (c) transactions between or among the Borrower and its Consolidated Subsidiaries not involving any other Affiliate and (d) any transaction with respect to which neither the fair market value of the related property or assets, nor the consideration therefor, exceeds $5,000,000.

SECTION 5.12. Consolidations, Mergers and Sales of Assets. The Borrower will not (a) consolidate or merge with or into any other Person, (b) liquidate or dissolve or (c) sell, lease or otherwise transfer all or any substantial part of the assets of the Borrower and its Consolidated Subsidiaries, taken as a whole, to any other Person; provided that the Borrower may merge with another Person if (i) the corporation surviving the merger is the Borrower or a corporation organized under the laws of a State of the United States into which the Borrower desires to merge for the purpose of becoming incorporated in such State (in which case such corporation shall assume all of the Borrower's obligations under this Agreement by an agreement satisfactory to the Required Lenders (and the Required Lenders shall not unreasonably withhold their consent to the form of such agreement) and shall deliver to the Administrative Agent and the Lenders such legal opinions and other documents as the Administrative Agent may reasonably request to evidence the due authorization, validity and binding effect thereof) and (ii) immediately after giving effect to such merger, no Default shall have occurred and be continuing; and provided further that the foregoing shall not be construed to prohibit any Minority Interest Disposition or any other sale, lease or other transfer of assets (including by means of dividends, share repurchases or recapitalizations) that does not involve all or any substantial part of the assets of the Borrower and its Consolidated Subsidiaries taken as a whole.

SECTION 5.13. Use of Proceeds. The Borrower will use the proceeds of the Loans to finance repurchases of its capital stock, or special dividends thereon (or a combination thereof), and, to the extent of any excess, for general corporate purposes.

ARTICLE VI

Events of Default and Remedies

SECTION 6.01. Events of Default. Any of the following shall be an "Event of Default":

(a) The Borrower shall fail to make any payment of principal of or interest on any Loan when due or to pay any fees or other amounts payable by it hereunder when due, and such failure remains unremedied for three Business Days after the Borrower's actual receipt of notice of such failure from the Administrative Agent at the request of any Lender;

(b) Any statement of fact or representation made or deemed to be made by the Borrower in this Agreement or by the Borrower or any of its officers in any certificate delivered pursuant to this Agreement shall prove to have been incorrect in any material respect when made or deemed made, and, if the consequences of such representation or statement being incorrect shall be susceptible of remedy in all material respects, such consequences shall not be remedied in all material respects within 30 days after any executive officer of the Borrower or any Financial Officer first becomes aware of or is advised that such representation or statement was incorrect in a material respect;

(c) The Borrower shall fail to comply with any of the provisions of Sections 5.06 or 5.07 and, if the consequences of such failure shall be susceptible of remedy in all material respects, such consequences shall not be remedied in all material respects within 20 days after any executive officer of the Borrower or any Financial Officer first becomes aware or is advised of such failure to comply;

(d) (i) The Borrower or any Consolidated Subsidiary shall fail to pay principal of or interest on any Material Indebtedness and the longer of any periods within which the Borrower or such Consolidated Subsidiary shall be allowed to cure such nonpayment shall have elapsed, or 10 days shall have passed since such failure, in either case without curing such nonpayment or (ii) any event or condition shall occur which enables the holder of any Material Indebtedness or any Person acting on such holder's behalf to accelerate the maturity thereof, and the longer of any periods within which the Borrower or such Consolidated Subsidiary shall be allowed to cure such condition or event shall have elapsed, or 10 days shall have passed since the occurrence of such event or condition, in either case without curing such event or condition, provided no Default under this clause (d) shall be deemed to occur if (1) at the time the relevant event or condition described in this clause (d) occurs, the Borrower's Index Debt is rated (A) Baa3 or better by Moody's and BBB- or better by S&P, if both Moody's and S&P shall have in effect a rating for the Borrower's Index Debt, or (B) Baa3 or better by Moody's or BBB- or better by S&P, if both Moody's and S&P shall not have in effect a rating for the Borrower's Index Debt, (2) the Borrower's Index Debt does not cease to have the ratings described in clause (1) above for reasons attributable to the relevant event or condition described in this clause (d), and (3) all Material Indebtedness that is affected by any event or condition described in this clause (d) is either (A) owed by a Consolidated Subsidiary not incorporated under the laws of any State of the United States, the District of Columbia or Canada or any province thereof, or (B) permitted under clause (a) of Section 5.10;

(e) The Borrower or any Consolidated Subsidiary shall (i) make a general assignment for the benefit of creditors, (ii) apply for or consent (by admission of material allegations of a petition or otherwise) to the appointment of a receiver, custodian, trustee or liquidator of the Borrower or any Consolidated Subsidiary or any substantial part of the properties of the Borrower or any Consolidated Subsidiary or authorize such application or consent, or proceedings seeking such appointment shall be commenced without such authorization, consent or application against the Borrower or any Consolidated Subsidiary and

continue undismissed for 30 days (or if such dismissal of such unauthorized proceedings cannot reasonably be obtained within such 30 day period, the Borrower or any Consolidated Subsidiary shall fail either to proceed with due diligence to seek to obtain dismissal within such 30 day period or to obtain dismissal within 60 days), (iii) authorize or file a voluntary petition in bankruptcy, suffer an order for relief under any federal bankruptcy law, or apply for or consent (by admission of material allegations of a petition or otherwise) to the application of any bankruptcy, reorganization, arrangement, readjustment of debt, insolvency, dissolution, liquidation or other similar law of any jurisdiction, or authorize such application or consent, or proceedings to such end shall be instituted against the Borrower or any Consolidated Subsidiary without such authorization, application or consent which are not vacated within 30 days from the date thereof (or if such vacation cannot reasonably be obtained within such 30 day period, the Borrower shall fail either to proceed with due diligence to seek to obtain vacation within such 30 day period or to obtain vacation within 60 days), (iv) permit or suffer all or any substantial part of its properties to be sequestered, attached, or subjected to a Lien (other than a Lien expressly permitted by the exceptions to Section 5.08) through any legal proceeding or distraint which is not vacated within 30 days from the date thereof (or if such vacation cannot reasonably be obtained within such 30 day period, the Borrower shall fail either to proceed with due diligence to seek to obtain vacation within such 30 day period or to obtain vacation within 60 days), (v) generally not pay its debts as such debts become due or admit in writing its inability to do so, or (vi) conceal, remove, or permit to be concealed or removed, any material part of its property, with intent to hinder, delay or defraud its creditors or any of them; provided, however, that the foregoing events will not constitute an Event of Default if such events occur with respect to any Subsidiary which is: (1) a Consolidated Subsidiary not incorporated under the laws of any State of the United States, the District of Columbia or Canada or any province thereof and not engaged in the retail business, if the aggregate Value of the Borrower's and all Consolidated Subsidiaries' investments in and advances to such Consolidated Subsidiary and all such other Consolidated Subsidiaries to which these tests are being applied within a period of 18 months ending on the date of determination, does not exceed $100,000,000, or (2) a Consolidated Subsidiary incorporated under the laws of any State of the United States, the District of Columbia or Canada or any province thereof and not engaged in the retail business, if (A) at the time the relevant event or condition described in this clause (e) occurs, the Borrower's Index Debt is rated (x) Baa3 or better by Moody's and BBB- or better by S&P, if both Moody's and S&P shall have in effect a rating for the Borrower's Index Debt, or (y) Baa3 or better by Moody's or BBB- or better by S&P, if both Moody's and S&P shall not have in effect a rating for the Index Debt, (B) the Borrower's Index Debt does not cease to have the rankings described in clause (A) above for reasons attributable to the relevant event or condition described in this clause (e) and (C) the aggregate Value of the Borrower's and all Consolidated Subsidiaries' investments and advances to such Consolidated Subsidiary and all other such Consolidated Subsidiaries to which these tests are being applied within a period of 18 months ending on the date of determination, does not exceed $50,000,000;

(f) The Borrower or any ERISA Affiliate shall fail to pay when due an amount or amounts aggregating in excess of $50,000,000 which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA; or notice of intent to terminate a Plan or Plans having aggregate Unfunded Liabilities in excess of $100,000,000 (collectively a "Material Plan") shall be filed under Title IV of ERISA by the Borrower or any ERISA Affiliate, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate or to cause a trustee to be appointed to administer any Material Plan or a proceeding shall be instituted by a fiduciary of any Material Plan against the Borrower or any ERISA Affiliate to enforce Section 515 or 4219(c)(5) of ERISA and such proceeding shall not have been dismissed within 30 days thereafter; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated;

(g) The Borrower shall fail to perform or observe in any material respect any other term, covenant or agreement contained in this Agreement (including without limitation Section 5.01) on its part to be performed or observed and any such failure remains unremedied for 30 days after the Borrower shall have received written notice thereof from the Administrative Agent at the request of any Lender;

(h) a Change in Control shall occur; or

(i) one or more judgments for the payment of money in an aggregate amount in excess of $100,000,000, exclusive of amounts covered by third party insurance, shall be rendered against the Borrower, any Consolidated Subsidiary or any combination thereof and the same shall remain undischarged for a period of 60 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or any Consolidated Subsidiary to enforce any such judgment; provided that in calculating the amounts covered by third party insurance, amounts covered by third party insurance shall not include amounts for which the third party insurer has denied liability.

SECTION 6.02. Remedies. If any Event of Default shall occur and be continuing, the Administrative Agent shall (a) if requested by the Required Lenders, by notice to the Borrower terminate the Commitments and they shall thereupon terminate, and (b) if requested by Lenders holding more than 50% of the aggregate unpaid principal amount of the Loans, by notice to the Borrower declare the Loans (together with accrued interest thereon and all other amounts payable by the Borrower hereunder) to be, and the Loans (together with accrued interest thereon and all other amounts payable by the Borrower hereunder) shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the

Borrower; provided that in the case of any of the bankruptcy Events of Default specified in Section 6.01(e) with respect to the Borrower, without any notice to the Borrower or any other act by the Administrative Agent or the Lenders, the Commitments shall thereupon terminate and the Loans (together with accrued interest thereon and all other amounts payable by the Borrower hereunder) shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

SECTION 6.03. Notice of Default. The Administrative Agent shall give notice to the Borrower under Section 6.01(a) or 6.01(g) promptly upon being requested to do so by any Lender and shall thereupon notify all the Lenders thereof.

ARTICLE VII

The Administrative Agent

Each of the Lenders hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto.

The bank serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Administrative Agent is required to exercise in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 8.02), and (c) except as expressly set forth herein, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 8.02) or in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any

statement, warranty or representation made in or in connection with this Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders and the Borrower. Upon any such resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the Administrative Agent’s resignation hereunder, the provisions of this Article and Section 8.03 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder. The Joint Lead Arrangers and Joint Bookrunners, the Co-Syndication Agents and the Co-Documentation Agents (each as identified on the cover page of this Agreement), in their capacities as such, shall have no rights, powers, duties, liabilities, fiduciary relationships or obligations under this Agreement or any of the other documents related hereto.

ARTICLE VIII

Miscellaneous

SECTION 8.01. Notices. Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to the last paragraph of this section), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(a) if to the Borrower, to it at Three Limited Parkway, P.O. Box 16000, Columbus, Ohio 43216, Attention of Assistant Treasurer (Telecopy No. (614) 415-7060);

(b) if to the Administrative Agent, to JPMorgan Chase Bank, N.A., Loan and Agency Services Group, 1111 Fannin Street, Houston, Texas 77002, Attention of Cherry Arnaez (Telecopy No. (713) 750-2782), with a copy to JPMorgan Chase Bank, N.A., 270 Park Avenue, New York, New York 10017, Attention of Ruby Tulloch (Telecopy No. (212) 270-6937); and

(c) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower

may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

SECTION 8.02. Waivers; Amendments. (a) No failure or delay by the Administrative Agent or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent or any Lender may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or reduce the rate of interest thereon, or reduce any fees payable by the Borrower hereunder, without the written consent of each Lender affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan, or any interest thereon, or any fees payable by the Borrower hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby, (iv) change Section 2.15(b) or (c) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, or (v) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent hereunder without the prior written consent of the Administrative Agent. Notwithstanding the foregoing, any provision of this Agreement may be amended by an agreement in writing entered into by the Borrower, the Required Lenders and the Administrative Agent if (i) by the terms of such agreement the Commitment of each Lender not consenting to the amendment provided for therein shall terminate upon the effectiveness of such amendment and (ii) at the time such amendment becomes effective, each Lender not consenting thereto receives payment in full of the principal of and interest accrued on each Loan made by it and all other amounts owing to it or accrued for its account under this Agreement.

SECTION 8.03. Expenses; Indemnity; Damage Waiver. (a) The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of a single counsel for the Administrative Agent, in connection with the syndication of the credit facilities provided for herein, the preparation and administration of this Agreement or any amendments, modifications or waivers of the provisions hereof (whether or not the transactions contemplated hereby or thereby shall be consummated) and (ii) if an Event of Default occurs, all reasonable out-of-pocket expenses incurred by the Administrative Agent or any Lender, including the fees, charges and disbursements of any counsel for the Administrative Agent or any Lender, in connection with the enforcement or protection of its rights in connection with this Agreement.

(b) The Borrower shall indemnify the Administrative Agent and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable fees, charges and disbursements of any counsel for any Indemnitee in connection with any investigative, administrative or judicial proceeding, whether or not such Indemnitee shall be designated a party thereto, which may be incurred by any Indemnitee, relating to or arising out of any actual or proposed use of proceeds of Loans hereunder for the purpose of acquiring equity securities of any Person; provided, that no Indemnitee shall have the right to be indemnified hereunder (i) with respect to the acquisition of equity securities of a wholly-owned Subsidiary, or of a Person who prior to such acquisition did not conduct any business, or (ii) for its own gross negligence or willful misconduct.

(c) To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent such Lender's ratable share (determined in accordance with such Lender's share of the total Commitments or Loans outstanding as of the time that the applicable unreimbursed expense or indemnity payment is sought or, if the Commitments are terminated and no Loans shall remain outstanding, determined in accordance with such Lender's share of the Loans outstanding at the time of repayment) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent in its capacity as such.

(d) To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan or the use of the proceeds thereof; provided that the foregoing waiver shall not apply to special, indirect or consequential damages (but shall apply to punitive damages) attributable to the failure of a Lender to fund Loans, when required to do so hereunder, promptly after the receipt of notice of such failure.

(e) All amounts due under this Section shall be payable promptly after written demand therefor.

SECTION 8.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) other than pursuant to a merger permitted under Section 5.12, the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld) of:

(A) the Borrower; provided that no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee; and

(B) the Administrative Agent.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $10,000,000 unless each of the Borrower and the Administrative Agent otherwise consents; provided that no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

For purposes of this Section 8.04(b), the term "Approved Fund" has the following meaning:

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by a Lender, an Affiliate of a Lender or an entity or an Affiliate of an entity that administers or manages a Lender.

(i) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.12, 2.13, 2.14 and 8.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 8.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(ii) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(iii) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) (i) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clause (i), (ii), (iii) or (iv) of the first proviso to Section 8.02(b) that affects such Participant. Subject to paragraph (c)(ii) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.12, 2.13 and 2.14 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 8.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.15(c) as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.12 or 2.14 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.14 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.14(e) as though it were a Lender.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 8.05. Survival. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid and so long as the Commitments have not expired or terminated. The provisions of Sections 2.12, 2.13, 2.14 and 8.03 and Article VII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

SECTION 8.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and any separate letter agreements with respect to fees payable to the Administrative Agent and the initial Lenders constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 8.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 8.08. Right of Setoff. If any Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of the Borrower against any and all the obligations then due of the Borrower now or hereafter existing under this Agreement held by such Lender. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 8.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees, to the fullest extent permitted under applicable law, that all claims in respect of any such action or proceeding may be heard and determined in such New York State or Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against the Borrower or its properties in the courts of any jurisdiction.

(c) The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 8.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 8.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 8.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 8.12. Confidentiality. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, (g) with the consent of the Borrower or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent or any Lender on a nonconfidential basis from a source other than the Borrower. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 8.13. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 8.14. Collateral. Each of the Lenders represents to the Administrative Agent and each of the other Lenders that it in good faith is not relying upon any "margin stock" (as defined in Regulation U of the Board) as collateral in the extension or maintenance of the credit provided for in this Agreement. In addition, the Borrower will not use or permit any proceeds of the Loans to be used in any manner which would violate or cause any Lender to be in violation of Regulation U of the Board.

SECTION 8.15. USA Patriot Act. Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act") it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Patriot Act.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

EXHIBIT A
TO THE AMENDED AND RESTATED
TERM LOAN CREDIT AGREEMENT

[FORM OF]

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [Insert name of Assignor] (the "Assignor") and [Insert name of Assignee] (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any letters of credit included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: _____

2. Assignee: _____
   [and is an Affiliate/Approved Fund of [Identify Lender]][1]

3. Borrower: Limited Brands, Inc.

[1] Select as applicable.

4. Administrative Agent: JPMorgan Chase Bank, N.A., as the Administrative Agent under the Credit Agreement

5. Credit Agreement: The Amended and Restated Term Loan Credit Agreement dated as of August 3, 2007, among Limited Brands, Inc., the Lenders parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other agents parties thereto.

6. Assigned Interest:

Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/ Loans[2]
$	$	%

Effective Date: _____ , 20____ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR].

[2] Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR [NAME OF ASSIGNOR],

by _____
Title:

ASSIGNEE [NAME OF ASSIGNEE],

by _____
Title:

Consented to and Accepted:

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent,

by _____
Title:

Consented to:

LIMITED BRANDS, INC.,

by _____
Title:

LIMITED BRANDS, INC.
AMENDED AND RESTATED TERM LOAN CREDIT AGREEMENT

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other agreement, instrument or document related thereto (each, a "Loan Document"), (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.01 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) if it is a Foreign Lender, attached to this Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT B-1

August 3, 2007

To the Lenders and the Administrative Agent
c/o JPMorgan Chase Bank, N.A.
as Administrative Agent
270 Park Avenue
New York, NY 10017

Ladies and Gentlemen:

I am the General Counsel of Limited Brands, Inc., a Delaware corporation (the "**Company**"), and have acted on behalf of the Company and its subsidiaries in connection with the Amendment and Restatement Agreement (Term Loans) dated as of August 3, 2007 (the "**Amendment and Restatement**") among the Company, the lenders listed on the signature pages thereof (the "**Lenders**") and JPMorgan Chase Bank, N.A., as Administrative Agent (the "**Administrative Agent**") in respect of the Amended and Restated Term Loan Credit Agreement (the "**Original Credit Agreement**" and, as amended and restated pursuant to the Amendment and Restatement, the "**Amended and Restated Credit Agreement**") dated as of March 22,2006 among the Company, the lenders and the Administrative Agent. Terms defined in the Amended and Restated Credit Agreement are used herein as therein defined.

I, or individuals under my direction, have examined originals or copies, certified or otherwise identified to my satisfaction, of such documents, corporate records, certificates of public officials and other instruments and have conducted such other investigations of fact and law as I have deemed necessary or advisable for purposes of this opinion.

Based upon the foregoing, and subject to the qualifications set forth below, I am of the opinion that:

1. The Company is a corporation validly existing and in good standing under the laws of its jurisdiction of organization and has all corporate power and authority required to carry on its business as now conducted, except any such power and authority the absence of which would not reasonably be expected to have a material adverse effect on the business, consolidated financial condition or consolidated results of operations of the Company and the Consolidated Subsidiaries considered as a whole. The Amendment and Restatement has been duly executed and delivered by the Company.

2. The execution and delivery by the Company of the Amendment and Restatement, and the performance by the Company of the Amendment and Restatement and Amended and Restated Credit Agreement, are within the Company's corporate powers, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any governmental body, agency or official (other than the filing of reports with the Securities and Exchange Commission) and do not contravene, or constitute a default under, any provision of applicable United States Federal or Ohio State law or regulation or of the certificate of incorporation or by-laws of the Company or, to the best of my knowledge, of any judgment, injunction, order or decree or any material agreement or other material instrument binding upon the Company.

3. Except for the litigation that is referred to in the Company's Annual Report on Form 10-K for the fiscal year ended February 3,2007 or the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended May 5, 2007, as to which, with your permission, I express no opinion (but as to which, to the best of my knowledge, the disclosure contained in such Annual Report and such Quarterly Report is not materially misleading), to the best of my knowledge, there is no action, suit or proceeding pending against, threatened against or affecting the Company before any court: or arbitrator or any governmental body, agency or official in which there is, in my good faith judgment, a reasonable possibility of an adverse decision that would reasonably be expected to materially adversely affect the business, consolidated financial condition or consolidated results of operations of the Company and the Consolidated Subsidiaries considered as a whole or which expressly contests the validity of the Amended and Restated Credit Agreement.

I am a member of the bar of the State of Ohio and the foregoing opinion is limited to the laws of the State of Ohio, the Federal laws of the United States of America and the Delaware General Corporation Law.

This opinion is rendered solely to you in connection with the above matter. This opinion may not be relied upon by you for any other purpose or relied upon by any other person without my prior written consent.

Very truly yours,

/s/ Douglas L. Williams

Douglas L. Williams

DAVIS POLK & WARDWELL

450 LEXINGTON AVENUE
NEW YORK, NY 10017
212 450 4000
FAX 212 450 3800

MENLO PARK
WASHINGTON, D.C.
LONDON
PARIS
FRANKFURT
MADRID
TOKYO
BEIJING
HONG KONG

August 3, 2007

To the Lenders and the Administrative Agent
c/o JP Morgan Chase Bank, N.A.
as Administrative Agent
270 Park Avenue
New York, NY 10017

Ladies and Gentlemen:

We have acted as special New York counsel for Limited Brands, Inc., a Delaware corporation (the "**Company**"), in connection with the Amendment and Restatement Agreement (Term Loans) dated as of August 3, 2007 (the "**Amendment and Restatement**") among the Company, the lenders listed on the signature pages thereof (the "Lenders") and JPMorgan Chase Bank, N.A., as Administrative Agent (the "Administrative Agent") in respect of the Amended and Restated Term Loan Credit Agreement (the "**Original Credit Agreement**" and, as amended and restated pursuant to the Amendment and Restatement, the "**Amended and Restated Credit Agreement**") dated as of March 22, 2006, among the Company, the lenders from time to time party thereto and the Administrative Agent. Terms defined in the Amended and Restated Credit Agreement and not otherwise defined herein are used herein as therein defined.

We have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates of public officials and other instruments and have conducted such other investigations of fact and law as we have deemed necessary or advisable for purposes of this opinion.

Based upon the foregoing, and subject to the qualifications set forth below, we are of the opinion that:

1. Each of the Amendment and Restatement and the Amended and Restated Credit Agreement constitutes a valid and binding agreement of the

Company, enforceable against the Company in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, equitable principles of general applicability and concepts of reasonableness.

2. The execution and delivery by the Company of the Amendment and Restatement, and the performance by the Company of the Amendment and Restatement and the Amended and Restated Credit Agreement, do not contravene any provision of New York State law or regulation that in our experience is normally applicable to general business corporations in relation to transactions of the type contemplated by the Amendment and Restatement and the Amended and Restated Credit Agreement.

3. The Company is not required to register as an "investment company" under the Investment Company Act of 1940, as amended.

We are members of the bar of the State of New York and the foregoing opinion is limited to the laws of the State of New York and the Federal laws of the United States of America. In giving the foregoing opinion, (a) we express no opinion as to the effect (if any) of any law of any jurisdiction (except the State of New York) in which any Lender is located that may limit the rate of interest that such Lender may charge or collect and (b) we have assumed that (i) the Company is duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and (ii) the execution and delivery by the Company of the Amendment and Restatement, and the performance by the Company of the Amended and Restated Credit Agreement, **(A)** are within its corporate powers, (B) have been duly authorized by all necessary corporate action, (C) require no action by or in respect of, or filing with, any Governmental Authority (other than such as have been duly taken or made), (D) except for the laws expressly addressed in paragraphs 2 and **3** above, do not contravene any provision of applicable law or regulation and (E) do not contravene, or constitute a default under, any provision of the certificate of incorporation or by-laws of the Company or of any judgment, injunction, order or decree or any material agreement or other material instrument binding upon the Company.

This opinion is rendered solely to you in connection with the above matter. This opinion may not be relied upon by you for any other purpose or relied upon by any other person without our prior written consent.

Very truly yours,

/s/ Davis Polk & Wardwell

Davis Polk & Wardwell

Exhibit 4.12

EXECUTION COPY

AMENDMENT AND RESTATEMENT AGREEMENT dated as of February 19, 2009, among LIMITED BRANDS, INC., a Delaware corporation (the "Borrower"), the LENDERS party hereto, and JPMORGAN CHASE BANK, N.A., (a) in its capacity as Administrative Agent (in such capacity, the "Administrative Agent") under each of (i) the Amended and Restated Five-Year Revolving Credit Agreement dated as of August 3, 2007 (the "Existing Revolving Credit Agreement"), among the Borrower, the lenders party thereto, and the Administrative Agent and (ii) the Amended and Restated Term Loan Credit Agreement dated as of August 3, 2007 (the "Existing Term Loan Credit Agreement", and together with the Existing Revolving Credit Agreement, the "Existing Credit Agreements"), among the Borrower, the lenders party thereto, and the Administrative Agent and (b) as Collateral Agent under the Loan Documents (in such capacity, the "Collateral Agent").

WHEREAS the Borrower has requested, and the undersigned Lenders have agreed, upon the terms and subject to the conditions set forth herein, that each of the Existing Credit Agreements be amended and restated as provided herein.

NOW, THEREFORE, the Borrower, the undersigned Lenders, the Administrative Agent and the Collateral Agent hereby agree as follows:

SECTION 1. Defined Terms. (a) Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the applicable Restated Credit Agreement referred to below.

(b) As used in this Agreement, the following terms have the meanings specified below:

"Lender" means a "Lender" under (and as defined in) either Existing Credit Agreement immediately prior to the Restatement Effective Date.

"Loan Documents" means this Agreement, the Restated Credit Agreements and the Collateral Agreement.

"Restatement Effective Date" means the date that the conditions set forth or referred to in Section 5 hereof shall be satisfied.

"Restatement Lenders" means the "Required Lenders" under (and as defined in) each of the Existing Credit Agreements.

"Revolving Lender" means a Lender under the Existing Revolving Credit Agreement.

"Term Lender" means a Lender under the Existing Term Loan Credit Agreement.

SECTION 2. Restatement Effective Date. The transactions provided for in Section 3 hereof shall be consummated at a closing to be held at the offices of Cravath, Swaine & Moore LLP, on such date as the Borrower and the Administrative Agent mutually agree.

SECTION 3. Amendment and Restatement of the Existing Credit Agreements; Loans and Letters of Credit.

(a) Effective on the Restatement Effective Date, (i) the Existing Revolving Credit Agreement is hereby amended and restated to read in its entirety as set forth in Exhibit A hereto (the "Restated Revolving Credit Agreement") and (ii) the Existing Term Loan Credit Agreement is hereby amended and restated to read in its entirety as set forth in Exhibit B hereto (the "Restated Term Loan Credit Agreement", and together with the Restated Revolving Credit Agreement, the "Restated Credit Agreements"). From and after the effectiveness of each such amendment and restatement, the terms "Agreement", "this Agreement", "herein", "hereinafter", "hereto", "hereof" and words of similar import, as used in each of the Restated Credit Agreements, shall, unless the context otherwise requires, refer to such Restated Credit Agreement.

(b) All Letters of Credit and Loans outstanding under, and Commitments in effect under, the Existing Revolving Credit Agreement on the Restatement Effective Date shall continue to be outstanding and in effect under the Restated Revolving Credit Agreement and, on and after the Restatement Effective Date, the terms of the Restated Revolving Credit Agreement will govern the rights and obligations of the Borrower, the Revolving Lenders, the applicable Issuing Bank and the Administrative Agent with respect thereto. All Term Loans outstanding under the Existing Term Loan Credit Agreement on the Restatement Effective Date shall continue to be outstanding under the Restated Term Loan Credit Agreement and, on and after the Restatement Effective Date, the terms of the Restated Term Loan Credit Agreement will govern the rights and obligations of the Borrower, the Term Lenders and the Administrative Agent with respect thereto.

(c) Effective on the Restatement Effective Date, each Revolving Lender shall be deemed to be a party to the Restated Revolving Credit Agreement, together with the Borrower, the Administrative Agent and the Collateral Agent, and the Restated Revolving Credit Agreement shall govern the rights and obligations of the parties thereto with respect to the Commitments and the Revolving Credit Exposure; provided that the foregoing shall not be construed to discharge or release the Borrower from any obligations owed to any Revolving Lender or Issuing Bank under the Existing Revolving Credit Agreement, which shall remain owing under the Restated Revolving Credit Agreement.

(d) Effective on the Restatement Effective Date, each of the Term Lenders shall be deemed to be a party to the Restated Term Loan Credit Agreement, together with the Borrower, the Administrative Agent and the Collateral Agent, and the Restated Term Loan Credit Agreement shall govern the rights and obligations of the parties thereto with respect to the Term Loans; provided that the foregoing shall not be construed to discharge or release the Borrower from any obligations owed to any Term Lender under the Existing Term Loan Credit Agreement, which shall remain owing under the Restated Term Loan Credit Agreement.

(e) From and after the Restatement Effective Date, all references in each of the Restated Credit Agreements to "the date hereof", "the date of this Agreement" or other words or phrases of similar import shall be deemed references to the date of this Agreement.

SECTION 4. Representations and Warranties. The Borrower represents and warrants that:

(a) As of the Restatement Effective Date, the representations and warranties set forth in each of the Restated Credit Agreements are true and correct with the same effect as if made on the Restatement Effective Date, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties are true and correct as of such earlier date).

(b) As of the Restatement Effective Date, no Default under (and as defined in) either of the Restated Credit Agreements has occurred and is continuing.

SECTION 5. Conditions. The consummation of the transactions set forth in Section 3 of this Agreement shall be subject to the satisfaction of the following conditions precedent:

(a) The Administrative Agent (or its counsel) shall have received from each of the Borrower and the Restatement Lenders either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include telecopy or electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Collateral Agent (or its counsel) shall have received from each of the Borrower and the Material Subsidiaries either (i) a counterpart of the Collateral Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Collateral Agent (which may include telecopy or electronic transmission of a signed signature page of the Collateral Agreement) that such party has signed a counterpart of the Collateral Agreement.

(c) The Administrative Agent shall have received written opinions dated the Restatement Effective Date of (i) Davis Polk & Wardwell, New York counsel for the

Borrower and the Material Subsidiaries, substantially in the form of Exhibits D-1 and D-2, and covering, respectively, such other matters relating to (x) the Borrower, the Material Subsidiaries and the Loan Documents (as defined in the Restated Revolving Credit Agreement) or (y) the Borrower, the Material Subsidiaries and the Loan Documents (as defined in the Restated Term Loan Credit Agreement), in each case as the Administrative Agent shall reasonably request, and (ii) Morris, Nichols, Arsht & Tunnell LLP, special Delaware counsel for the Borrower and the Material Subsidiaries, substantially in the form of Exhibit D-3, and covering such other matters relating to the Borrower, the Material Subsidiaries and the Collateral Agreement as the Administrative Agent shall reasonably request. The Borrower hereby requests such counsel to deliver such opinions.

(d) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the Borrower and the Material Subsidiaries, the authorization of the Loan Documents and any other legal matters relating to the Borrower, the Material Subsidiaries or the Loan Documents, all in form and substance satisfactory to the Administrative Agent and its counsel.

(e) The Administrative Agent shall have received a certificate, dated the Restatement Effective Date and signed by the President, a Vice President or a Financial Officer of the Borrower, confirming the representations and warranties set forth in paragraphs (a) and (b) of Section 4 of this Agreement.

(f) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Restatement Effective Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower under any Loan Document.

(g) The Administrative Agent shall be satisfied that all lending commitments under the 364-Day Revolving Credit Agreement dated as of July 11, 2008 (the "364-Day Agreement"), among the Borrower, the lenders party there and JPMorgan Chase Bank, N.A., as administrative agent, shall be terminated, and all obligations accrued and owing under the 364-Day Agreement shall be paid, on the Restatement Effective Date.

(h) The Administrative Agent shall have received all documentation and other information reasonably requested by it to satisfy the requirements of bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act.

(i) The Administrative Agent shall have received a completed Perfection Certificate (as defined in the Collateral Agreement), dated as of the Restatement Effective Date and signed by a Financial Officer and the chief legal officer of the Borrower, together with all attachments contemplated thereby, including the results of a recent search of the Uniform Commercial Code (or equivalent) filings made with respect

to the Borrower and the Material Subsidiaries in the jurisdictions contemplated by the Perfection Certificate, and such search shall reveal no Liens on any of the assets of the Borrower or any of the Material Subsidiaries, except for Liens permitted by Section 5.08 of each of the Restated Credit Agreements or discharged on or prior to the Restatement Effective Date pursuant to documentation reasonably satisfactory to the Administrative Agent.

(j) The Administrative Agent shall have received evidence of insurance coverage satisfying the applicable requirements of the Loan Documents.

The Administrative Agent shall notify the Borrower and the Lenders of the Restatement Effective Date, and such notice shall be conclusive and binding. Notwithstanding the foregoing, the consummation of the transactions set forth in Section 3 of this Agreement shall not become effective unless each of the foregoing conditions is satisfied (or waived by the Restatement Lenders) at or prior to 3:00 p.m., New York City time, on February 20, 2009 (and, in the event such conditions are not so satisfied or waived, this Agreement shall terminate at such time).

SECTION 6. Consent Fee. In consideration of the agreements of the Lenders contained in this Agreement, the Borrower agrees to pay to the Administrative Agent, for the account of each Lender that delivers an executed counterpart of this Agreement at or prior to 3:00 p.m., New York City time, on February 19, 2009 (or such later time as shall be agreed by the Borrower and the Administrative Agent), an amendment fee in an amount equal to 0.50% of the sum of such Lender's Commitments and outstanding Term Loans (in each case, as defined in the Restated Revolving Credit Agreement) determined as of and payable on (and subject to the occurrence of) the Restatement Effective Date.

SECTION 7. Expenses. The Borrower agrees to reimburse each of the Administrative Agent and the Collateral Agent for the out-of-pocket expenses incurred by it in connection with the Loan Documents, including the reasonable fees, charges and disbursements of Cravath, Swaine & Moore LLP, counsel for the Administrative Agent and the Collateral Agent.

SECTION 8. Counterparts; Amendments. This Agreement may not be amended nor may any provision hereof be waived except pursuant to a writing signed by the Borrower, the Administrative Agent, the Collateral Agent and the Restatement Lenders. This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9. Notices. All notices hereunder shall be given in accordance with the provisions of Section 8.01 of each of the Restated Credit Agreements.

SECTION 10. Applicable Law; Waiver of Jury Trial. **(A) THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.**

(B) EACH PARTY HERETO HEREBY AGREES AS SET FORTH IN SECTION 8.10 OF EACH OF THE RESTATED CREDIT AGREEMENTS AS IF SUCH SECTIONS WERE SET FORTH IN FULL HEREIN.

SECTION 11. Waiver Under 364-Day Agreement. By their execution hereof, the undersigned Lenders that are also parties to the 364-Day Agreement, which Lenders constitute, in the aggregate, "Required Lenders" thereunder, and as defined therein, hereby waive the provisions of the 364-Day Agreement that would otherwise require advance notice for the termination of commitments thereunder or the prepayment of loans thereunder; provided that the foregoing waiver shall apply only to the termination of all commitments under the 364-Day Agreement and repayment of all loans outstanding thereunder, in each case on the Restatement Effective Date.

SECTION 12. Headings. The Section headings used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

LIMITED BRANDS, INC.,

by

/s/ Stuart B. Burgdoerfer

Name: Stuart B. Burgdoerfer
Title: Chief Financial Officer

JPMORGAN CHASE BANK, N.A., individually and as Administrative Agent and Collateral Agent,

by

/s/ Barry Bergman

Name: Barry Bergman
Title: Managing Director

SIGNATURE PAGE TO AMENDMENT AND RESTATEMENT AGREEMENT DATED AS OF FEBRUARY 19, 2009, RELATING TO (I) THE AMENDED AND RESTATED FIVE-YEAR REVOLVING CREDIT AGREEMENT REFERRED TO THEREIN AND (II) THE AMENDED AND RESTATED TERM LOAN CREDIT AGREEMENT REFERRED TO THEREIN, IN EACH CASE AMONG LIMITED BRANDS, INC., THE LENDERS PARTY THERETO AND JPMORGAN CHASE BANK, N.A., AS ADMINISTRATIVE AGENT AND COLLATERAL AGENT

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

By: /s/ Miguel Lara
Name: Miguel Lara
Title: Managing Director

By: /s/ Mauricio Paz
Name: Mauricio Paz
Title: Vice President
Global Trade Finance

BANK OF AMERICA, N.A.

By: /s/ Thomas Kainamura
Name: Thomas Kainamura
Title: VP
Bank of America, N.A.

BNP Paribas

By: /s/ Andrew Strait
Name: Andrew Strait
Title: Managing Director

By: /s/ Nader Tannous
Name: Nader Tannous
Title: Vice President

CHANG HWA COMMERCIAL BANK, LTD., NEW YORK BRANCH

By: /s/ Jim C.Y. Chen
Name: Jim C.Y. Chen
Title: VP & General Manager

Citibank, N.A.

By: /s/ Shannon A. Sweeney
Name: Shannon A. Sweeney
Title: Vice President

Fifth Third Bank

By: /s/ Michael R. Zaksheske
Name: Michael R. Zaksheske
Title: Vice President

First Commercial Bank, New York Agency

By: /s/ May Hsiao
Name: May Hsiao
Title: Assistant General Manager

HSBC Bank USA, N.A.

By: /s/ Robert H. Rogers
Name: Robert H. Rogers
Title: First Vice President

KeyBank National Association

By: /s/ Marianne T. Meil
Name: Marianne T. Meil
Title: Senior Vice President

Mizuho Corporate Bank, Ltd.

By: /s/ Bertram H. Tang
Name: Bertram H. Tang
Title: Authorized Signatory

NATIONAL CITY BANK

By: /s/ Kathryn C. Ellero
Name: Kathryn C. Ellero
Title: Vice President

PNC Bank National Association

By: /s/ Mary Ann Amshoff
Name: Mary Ann Amshoff
Title: Vice President

Scotiabanc Inc.

By: /s/ J.F. Todd
Name: J.F. Todd
Title: Managing Director

Sovereign Bank

By: /s/ Steven M. Weidman
Name: Steven M. Weidman
Title: Senior Vice President

Standard Chartered Bank

By: /s/ James P. Hughes A2386
Name: James P. Hughes A2386
Title: Vice President

By: /s/ Robert K. Reddington
Name: Robert K. Reddington
Title: AVP/Credit Documentation
Credit Risk Control
Standard Chartered Bank
N.Y.

SUNTRUST BANK

By: /s/ Michael J. Vegh
Name: Michael J. Vegh
Title: Vice President

THE BANK OF NEW YORK MELLON

By: /s/ David B. Wirl
Name: David B. Wirl
Title: Vice President

The Bank of Nova Scotia

By: /s/ Michelle C. Phillips
Name: Michelle C. Phillips
Title: Director

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.

By: /s/ Victor Pierzchalski
Name: Victor Pierzchalski
Title: Authorized Signatory

The Governor & Company of the Bank of Ireland

By: /s/ Elaine Crowley
Name: Elaine Crowley
Title: Authorised Signatory

By: /s/ Caroline Sturley
Name: Caroline Sturley
Title: Authorised Signatory

THE HUNTINGTON NATIONAL BANK

By: /s/ Jeff D. Blendick
Name: Jeff D. Blendick
Title: Vice President

THE ROYAL BANK OF SCOTLAND PLC

By: /s/ Charlotte Sohn Fuiks
Name: Charlotte Sohn Fuiks
Title: Managing Director

Union Bank of California, N.A.

By: /s/ Ching Lim
Name: Ching Lim
Title: Vice President

US Bank, N.A.

By: /s/ Frances W. Josephic
Name: Frances W. Josephic
Title: Vice President
U.S. Bank, N.A.

Wachovia Bank, National Association

By: /s/ Susan T. Gallagher
Name: Susan T. Gallagher
Title: Director

Wells Fargo

By: /s/ Steven Buehler

Name: Steven Buehler

Title: Senior Vice President

EXHIBITS

Exhibits

Exhibit A	Amended and Restated Five-Year Revolving Credit Agreement
Exhibit B	Amended and Restated Term Loan Credit Agreement
Exhibit C	Form of Guarantee and Collateral Agreement
Exhibit D-1	Form of Opinion of Davis Polk & Wardwell (Restated Revolving Credit Agreement)
Exhibit D-2	Form of Opinion of Davis Polk & Wardwell (Restated Term Loan Credit Agreement)
Exhibit D-3	Form of Opinion of Morris, Nichols, Arsht & Tunnell LLP

EXHIBIT A

US$1,000,000,000

AMENDED AND RESTATED
FIVE-YEAR REVOLVING CREDIT AGREEMENT

dated as of

February 19, 2009

Amending and Restating the
Five-Year Revolving Credit Agreement
dated as of October 6, 2004,
Previously Amended and Restated
as of November 5, 2004, March 22, 2006 and August 3, 2007

among

LIMITED BRANDS, INC.,

The Lenders Party Hereto

and

JPMORGAN CHASE BANK, N.A.,

as Administrative Agent and Collateral Agent

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

and

BANK OF AMERICA, N.A. and
CITIBANK, N.A.,
as Co-Syndication Agents

and

HSBC BANK USA, N.A.
as Co-Documentation Agent

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AMENDED AND RESTATED FIVE-YEAR REVOLVING CREDIT AGREEMENT dated as of February 19, 2009, among LIMITED BRANDS, INC., the LENDERS party hereto and JPMORGAN CHASE BANK, N.A., as Administrative Agent.

Reference is made to the Amendment and Restatement Agreement dated as of February 19, 2009 (the "Restatement Agreement"), relating to (a) the Amended and Restated Five-Year Revolving Credit Agreement dated as of August 3, 2007 (the "Existing Credit Agreement"), among Limited Brands, Inc., the Lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent and (b) the Amended and Restated Term Loan Credit Agreement dated as of August 3, 2007 (the "Existing Term Loan Credit Agreement"), among Limited Brands, Inc., the Lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent. Pursuant to the Restatement Agreement, the Existing Credit Agreement is being amended and restated in the form hereof.

The parties hereto agree as follows:

ARTICLE I

Definitions

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

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

"Administrative Agent" means JPMorgan Chase Bank, N.A., in its capacity as administrative agent for the Lenders hereunder.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agents" means the Administrative Agent and the Collateral Agent.

"Alternate Base Rate" means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1% and (c) the LIBO Rate for a one-month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%; provided that, for the avoidance of doubt, for purposes of calculating the Alternate Base Rate, the LIBO Rate for any day shall be based on the Reuters BBA Libor Rates page 3750 (or on any successor or substitute page of such page) at approximately 11:00 a.m. London time on such day. Any change in the Alternate Base Rate due to a

change in the Prime Rate, the Federal Funds Effective Rate or the LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the LIBO Rate, respectively.

"Applicable Percentage" means, with respect to any Lender, the percentage of the total Commitments represented by such Lender's Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments.

"Applicable Rate" means (subject to Section 2.19), for any day, with respect to any Eurodollar Revolving Loan or ABR Loan, or with respect to the participation fees and commitment fees payable hereunder, as the case may be, the applicable rate per annum set forth below under the caption "Eurodollar Spread", "ABR Spread", "Participation Fee Rate" or "Commitment Fee Rate", as the case may be, based upon the Borrower's Credit Ratings applicable on such date:

Credit Rating:	Eurodollar Spread	ABR Spread	Participation Fee Rate	Commitment Fee Rate
Category 1 ³ BBB/Baa2	2.50%	1.50%	2.50%	0.50%
Category 2 BBB-/Baa3	3.00%	2.00%	3.00%	0.50%
Category 3 BB+/Ba1	3.50%	2.50%	3.50%	0.50%
Category 4 BB/Ba2	4.00%	3.00%	4.00%	0.75%
Category 5 £ BB-/Ba3	4.50%	3.50%	4.50%	0.75%

For purposes of the foregoing, (a) if either S&P or Moody's shall not have in effect a Credit Rating for the Borrower (other than by reason of the circumstances referred to in the last sentence of this definition) the Applicable Rate shall be determined on the basis of the rating agency that does then have a Credit Rating for the Borrower in effect, (b) if the Credit Ratings established by Moody's and S&P shall fall within different Categories then the Applicable Rate shall be based on the lower of the two Credit Ratings, (c) if neither S&P nor Moody's has in effect a Credit Rating for the Borrower (other than by reason of the circumstances referred to in the last sentence of this definition) then the Borrower shall be deemed to be rated in Category 5, (d) the Borrower shall be deemed to be rated in Category 5 at any time that an Event of Default has occurred and is continuing and (e) if the Credit Ratings established or deemed to have been established by S&P and Moody's for the Borrower shall be changed (other than as a result of a change in the rating system of S&P or Moody's), such change shall be effective as of the date on which it is first announced by the applicable rating agency. Each change in an Applicable Rate shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of S&P or Moody's shall change, or if either such rating agency shall cease to be in the business of rating obligors, the Borrower and the Lenders shall negotiate in good faith to amend this definition to reflect such

changed rating system, or the unavailability of ratings from such rating agency and, pending the effectiveness of any such amendment, each Applicable Rate shall be determined by reference to the rating most recently in effect prior to such change or cessation.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 8.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

"Availability Period" means the period from and including the Restatement Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitments.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Borrower" means Limited Brands, Inc., a Delaware corporation.

"Borrowing" means (a) Revolving Loans of the same Type made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect or (b) a Competitive Loan or group of Competitive Loans of the same Type made on the same date and as to which a single Interest Period is in effect.

"Borrowing Request" means a request by the Borrower for a Revolving Borrowing in accordance with Section 2.03.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, when used in connection with a Eurodollar Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"Change in Control" means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the date hereof) other than the Permitted Holders of shares representing more than 30% of the aggregate ordinary voting power represented by the issued and outstanding capital stock of the Borrower or (b) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Borrower by Persons who were neither (i) nominated by the board of directors of the Borrower nor (ii) appointed by directors so nominated.

"Change in Law" means (a) the adoption of any law, rule or regulation after (i) with respect to any Revolving Loan or the Commitments, the date of this Agreement or (ii) with respect to any Competitive Loan, the date of the related Competitive Bid, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after (i) with respect to any Revolving Loan or the Commitments, the date of this Agreement or (ii) with respect to any Competitive Loan, the date of the related Competitive Bid, or (c) compliance by any Lender or any Issuing Bank (or, for purposes of Section 2.14(b), by any lending office of such Lender or by such Lender's or such Issuing Bank's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after (i) with respect to any Revolving Loan or the Commitments, the date of this Agreement or (ii) with respect to any Competitive Loan, the date of the related Competitive Bid.

"Class", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans or Competitive Loans.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" means any and all assets, tangible or intangible, on which Liens are purported to be granted pursuant to the Collateral Documents as security for the Obligations.

"Collateral Agent" means JPMorgan Chase Bank, N.A., in its capacity as collateral agent under the Collateral Documents.

"Collateral Agreement" means the Guarantee and Collateral Agreement among the Borrower, the Subsidiary Loan Parties and the Administrative Agent, substantially in the form attached as Exhibit C to the Restatement Agreement.

"Collateral and Guarantee Requirement" means, at any time, the requirement that:

(a) the Collateral Agent shall have received from the Borrower and each Material Subsidiary either (i) a counterpart of the Collateral Agreement duly executed and delivered on behalf of the Borrower or such Material Subsidiary, as applicable, or (ii) in the case of any Person that becomes a Material Subsidiary after the Restatement Effective Date, a supplement to the Collateral Agreement, in the form specified therein, duly executed and delivered on behalf of such Material Subsidiary;

(b) all Uniform Commercial Code financing statements required by law or reasonably requested by the Collateral Agent to be filed, registered or recorded to perfect the Liens intended to be created by the Collateral Agreement to the extent required by, and with the priority required by, the Collateral Agreement, shall have been filed, registered or recorded or delivered to the Collateral Agent for filing, registration or recording; and

(c) the Borrower and each Material Subsidiary shall have obtained all consents and approvals required to be obtained by it in connection with the execution and delivery of all Collateral Documents to which it is a party, the performance of its obligations thereunder and the granting by it of the Liens thereunder.

"Collateral Documents" means, collectively, the Collateral Agreement and each other security agreement or other instrument or document granting a Lien upon the Collateral as security for the Obligations.

"Commitment" means, with respect to each Lender, the commitment of such Lender to make Revolving Loans and to acquire participations in Letters of Credit hereunder, expressed as an amount representing the maximum aggregate amount of such Lender's Revolving Credit Exposure hereunder, as such commitment may be (a) reduced or increased from time to time pursuant to Section 2.08 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 8.04. The initial amount of each Lender's Commitment is set forth on Schedule 2.01 to the Existing Restatement Agreement, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Commitment, as applicable. The initial aggregate amount of the Lenders' Commitments is $1,000,000,000.

"Competitive Bid" means an offer by a Lender to make a Competitive Loan in accordance with Section 2.04.

"Competitive Bid Rate" means, with respect to any Competitive Bid, the Margin or the Fixed Rate, as applicable, offered by the Lender making such Competitive Bid.

"Competitive Bid Request" means a request by the Borrower for Competitive Bids in accordance with Section 2.04.

"Competitive Loan" means a Loan made pursuant to Section 2.04.

"Consolidated Debt" means, at any date of determination, the total Indebtedness of the Borrower and the Consolidated Subsidiaries at such date (excluding, whether or not any ETC Entity is a Consolidated Subsidiary, any Non-Recourse ETC Debt) determined on a consolidated basis in accordance with GAAP.

"Consolidated EBITDA" means, for any period, Consolidated Net Income for such period (adjusted (i) to exclude any non-cash items deducted or included in determining Consolidated Net Income for such period attributable to FAS 133 – Accounting for Derivative Instruments and Hedging Activities, FAS 142 – Goodwill and Other Intangible Assets, or stock options and other equity-linked compensation to officers, directors and employees, and (ii) to deduct cash payments made during such period in respect of Hedging Agreements (or other items subject to FAS 133 – Accounting for Derivative Instruments and Hedging Activities) to the extent not otherwise deducted in determining Consolidated Net Income for such period) plus (a) without duplication and to the extent deducted in determining such Consolidated Net Income, the sum of (i) consolidated interest expense for such period, (ii) consolidated income tax expense for such period, (iii) all amounts attributable to depreciation and amortization for such period and (iv) any extraordinary or nonrecurring charges for such

period, and minus (b) without duplication and to the extent included in determining such Consolidated Net Income, any extraordinary or nonrecurring gains for such period, all determined on a consolidated basis in accordance with GAAP; provided that regardless of whether any ETC Entity is a Consolidated Subsidiary, the results of any ETC Entity shall be included in Consolidated EBITDA to the extent (and only to the extent) actually distributed (directly or indirectly) by such ETC Entity to the Borrower or another Consolidated Subsidiary that is not an ETC Entity; provided further, that if on or prior to the applicable date of determination of Consolidated EBITDA, an acquisition or disposition outside of the ordinary course of business has occurred that has the effect of increasing or decreasing Consolidated EBITDA then (without duplication of any other adjustment made in determining Consolidated EBITDA for such period) Consolidated EBITDA shall be determined on a pro forma basis to give effect to such acquisition or disposition as if such acquisition or disposition had occurred immediately prior to the commencement of the period for which Consolidated EBITDA is to be determined.

"Consolidated EBITDAR" means, for any period, Consolidated EBITDA for such period plus, without duplication and to the extent deducted in the determination of such Consolidated EBITDA, consolidated fixed minimum store rental expense for such period, all determined on a consolidated basis in accordance with GAAP; provided that, if on or prior to the applicable date of determination of Consolidated EBITDAR, an acquisition or disposition outside of the ordinary course of business has occurred that has the effect of increasing or decreasing Consolidated EBITDAR, then (without duplication of adjustments made in determining Consolidated EBITDA for such period) Consolidated EBITDAR shall be determined on a pro forma basis to give effect to such acquisition or disposition as if such acquisition or disposition had occurred immediately prior to the commencement of the period for which Consolidated EBITDAR is to be determined.

"Consolidated Fixed Charges" means, for any period, the sum of (a) consolidated interest expense, both expensed and capitalized (including the interest component in respect of Capital Lease Obligations but excluding any interest expense in respect of Indebtedness of any ETC Entity, except to the extent actually paid by the Borrower or a Consolidated Subsidiary other than, if it is a Consolidated Subsidiary, any ETC Entity), of the Borrower and the Consolidated Subsidiaries for such period, plus (b) consolidated fixed minimum store rental expense of the Borrower and the Consolidated Subsidiaries for such period, all determined on a consolidated basis in accordance with GAAP; provided that, if on or prior to the applicable date of determination of Consolidated Fixed Charges, an acquisition or disposition outside of the ordinary course of business has occurred that has the effect of increasing or decreasing Consolidated Fixed Charges, then Consolidated Fixed Charges shall be determined on a pro forma basis to give effect to such acquisition or disposition as if such acquisition or disposition had occurred immediately prior to the commencement of the period for which Consolidated Fixed Charges is to be determined.

"Consolidated Net Income" means, for any period, the net income or loss of the Borrower and the Consolidated Subsidiaries for such period determined on a consolidated basis in accordance with GAAP.

"Consolidated Subsidiary" means any Subsidiary (other than an Unrestricted Subsidiary), the accounts of which are, or are required to be, consolidated with those of the Borrower in the Borrower's periodic reports filed under the Securities Exchange Act of 1934.

"Control" means, with respect to a specified Person, the possession, directly or indirectly, of the power to direct, or cause the direction of, the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have correlative meanings.

"Credit Rating" means, in the case of S&P, the "Issuer Credit Rating" assigned by S&P to the Borrower and, in the case of Moody's, the "Corporate Family Rating" assigned by Moody's to the Borrower.

"Default" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Defaulting Lender" means any Lender, as determined by the Administrative Agent, that has (a) failed to fund any portion of its Loans or participations in Letters of Credit within three Business Days of the date required to be funded by it hereunder, (b) notified the Borrower, the Administrative Agent, any Issuing Bank or any Lender in writing that it does not intend to comply with any of its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement or under other agreements in which it commits to extend credit, (c) failed, within five Business Days after request by the Administrative Agent, to confirm that it will comply with the terms of this Agreement relating to its obligations to fund prospective Loans and participations in then outstanding Letters of Credit, (d) otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within three Business Days of the date when due, unless the subject of a good-faith dispute, or (e) become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has consented to, approved of or acquiesced in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has consented to, approved of or acquiesced in any such proceeding or appointment; provided that (i) if a Lender would be a "Defaulting Lender" solely by reason of events relating to a parent company of such Lender or solely because a Governmental Authority has been appointed as receiver, conservator, trustee or custodian for such Lender, in each case as described in clause (e) above, the Administrative Agent may, in its discretion, determine that such Lender is not a "Defaulting Lender" if and for so long as the Administrative Agent is satisfied that such Lender will continue to perform its funding obligations hereunder and (ii) the Administrative Agent may, by notice to the Borrower and the Lenders, declare that a Defaulting Lender is no longer a "Defaulting Lender" if the Administrative Agent determines, in its discretion, that the circumstances that resulted in such Lender becoming a "Defaulting Lender" no longer apply.

"Disclosed Matters" means the actions, suits and proceedings and the environmental matters disclosed in Schedule 3.05.

"Disqualified Equity Interest" means, any Equity Interest in the Borrower that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, either mandatorily or at the option of the holder thereof), or upon the happening of any event or condition:

(a) matures or is mandatorily redeemable (other than solely for Equity Interests in the Borrower that do not constitute Disqualified Equity Interests and cash in lieu of fractional shares of such Equity Interests), whether pursuant to a sinking fund obligation or otherwise, prior to the Specified Date;

(b) is convertible or exchangeable at the option of the holder thereof for Indebtedness or Equity Interests (other than solely for Equity Interests in the Borrower that do not constitute Disqualified Equity Interests and cash in lieu of fractional shares of such Equity Interests), prior to the Specified Date; or

(c) is redeemable (other than solely for Equity Interests in the Borrower that do not constitute Disqualified Equity Interests and cash in lieu of fractional shares of such Equity Interests) or is required to be repurchased by the Borrower or any of its Affiliates, in whole or in part, at the option of the holder thereof, prior to the Specified Date; provided that this clause (c) shall not apply to any requirement of mandatory redemption or repurchase that is contingent upon an asset disposition or the incurrence of Indebtedness if such mandatory redemption or repurchase can be avoided through repayment or prepayment of Loans or Term Loans or through investments by the Borrower or the Consolidated Subsidiaries in assets to be used in their businesses.

"dollars" or "$" refers to lawful money of the United States of America.

"Domestic Subsidiary" means any Subsidiary that is organized under the laws of the United States of America, any State thereof or the District of Columbia.

"Environmental Laws" means all applicable laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions or binding agreements issued, promulgated or entered into by any Governmental Authority, relating to the environment, preservation or reclamation of natural resources or the management, release or threatened release of any Hazardous Material.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Consolidated Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ETC Entity" means (i) Easton Town Center, LLC and (ii) any Person substantially all of the assets of which consist of (x) some or all of the assets held by Easton Town Center, LLC at any time prior to the Restatement Effective Date or (y) equity interests in or debt of Easton Town Center, LLC or any Person described in subclause (x) or this subclause (y) of this clause (ii).

"Eurodollar", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to a LIBO Rate.

"Event of Default" has the meaning assigned to such term in Article VI.

"Excluded Taxes" means, with respect to the Administrative Agent, any Lender, any Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, (b) income, franchise or similar taxes imposed by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, or which are imposed by reason of any present or former connection between such Lender and the jurisdiction imposing such taxes, other than solely as a result of this Agreement or any Loan or transaction contemplated hereby, (c) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction described in clause (a) or (b) above and (d) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 2.18(b)), any withholding tax that (i) is in effect and would apply to amounts payable to such Foreign Lender under applicable law at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, under applicable law at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to any withholding tax pursuant to Section 2.16(a), or (ii) is attributable to such Foreign Lender's failure to comply with Section 2.16(e).

"Existing Restatement" means the Amendment and Restatement Agreement dated as of August 3, 2007, among Limited Brands, Inc., the Lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent.

"Existing Term Loan Credit Agreement" has the meaning set forth in the introductory statement of this Agreement.

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next $^1/_{100}$ of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by

Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Financial Officer" means the chief financial officer, principal accounting officer, treasurer or controller of the Borrower.

"Fiscal Year" means the fiscal year of the Borrower which shall commence on the Sunday following the Saturday on or nearest (whether following or preceding) January 31 of one calendar year and end on the Saturday on or nearest (whether following or preceding) January 31 of the following calendar year.

"Fixed Rate" means, with respect to any Competitive Loan (other than a Eurodollar Competitive Loan), the fixed rate of interest per annum specified by the Lender making such Competitive Loan in its related Competitive Bid.

"Fixed Rate Loan" means a Competitive Loan bearing interest at a Fixed Rate.

"Foreign Lender" means any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Foreign Subsidiary" means any Subsidiary that is not a Domestic Subsidiary.

"GAAP" means generally accepted accounting principles in the United States of America.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes in each case which are regulated pursuant to any Environmental Law.

"Hedging Agreement" means any interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement.

"Immaterial Subsidiaries" means, at any time, Consolidated Subsidiaries that (a) are Domestic Subsidiaries and (b) at such time, in the aggregate for all such Subsidiaries, (i) directly own less than 10% of the amount of Qualifying U.S. Assets owned directly by all Consolidated Subsidiaries that are Domestic Subsidiaries and (ii) directly own accounts receivable and inventory representing less than 5% of the book value of the accounts receivable and inventory directly owned by all Consolidated Subsidiaries that are Domestic Subsidiaries.

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person in respect of the deferred purchase price of property (other than inventory) or services (excluding accruals and trade accounts payable arising in the ordinary course of business), (d) all Indebtedness of others secured by any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (e) all Guarantees by such Person of Indebtedness of others, (f) all Capital Lease Obligations of such Person and (g) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances.

"Indemnified Taxes" means Taxes other than Excluded Taxes and Other Taxes.

"Information Memorandum" means the Confidential Information Memorandum to be prepared in connection with the syndication of the credit facility provided for in this Agreement relating to the Borrower and the Transactions.

"Intercreditor Agreement" means an intercreditor agreement among the Loan Parties, the Collateral Agent and the trustee, agent or other representative for holders of any Indebtedness secured by second-priority Liens contemplated by clause (g) of Section 5.08, which intercreditor agreement shall be consistent with the then existing market practice and reasonably acceptable to the Required Secured Parties (it being understood that (i) any such intercreditor agreement shall be considered approved by a Lender or Term Loan Lender if made available to such Lender or Term Loan Lender by the Administrative Agent (through Intralinks or similar facility) and such Lender or Term Loan Lender is informed that such intercreditor agreement shall be considered approved by it if there is no objection within three Business Days, and no such objection is made and (ii) such intercreditor agreement shall be deemed accepted if approved or deemed approved by the Required Secured Parties).

"Interest Election Request" means a request by the Borrower to convert or continue a Revolving Borrowing in accordance with Section 2.07.

"Interest Payment Date" means (a) with respect to any ABR Loan, the last day of each March, June, September and December, (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three-months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three-months' duration after the first day of such Interest Period and (c) with respect to any Fixed Rate Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Fixed Rate Borrowing with an Interest Period of more than 90-days' duration (unless otherwise specified in the applicable Competitive Bid Request), each day prior to the last day of such Interest Period that occurs at intervals of 90-days' duration after the first day of such Interest Period, and any other dates that are specified in the applicable Competitive Bid Request as Interest Payment Dates with respect to such Borrowing.

"Interest Period" means (a) with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on (i) the date that is one or two weeks thereafter or (ii) the numerically corresponding day in the calendar month that is one, two, three or six months thereafter or, if available from all participating Lenders, nine or 12 months thereafter, in each case as the Borrower may elect and (b) with respect to any Fixed Rate Borrowing, the period (which shall not be less than seven days or more than 180 days) commencing on the date of such Borrowing and ending on the date specified in the applicable Competitive Bid Request; provided that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Borrowing with an Interest Period of an integral number of months only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any Interest Period pertaining to a Eurodollar Borrowing with an Interest Period of an integral number of months that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period and (iii) any Interest Period that would otherwise end after the Maturity Date will end on the Maturity Date. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and, in the case of a Revolving Borrowing, thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"Issuing Bank" means, as applicable, (a) JPMorgan Chase Bank, N.A., in its capacity as an issuer of Letters of Credit hereunder, (b) Citibank, N.A., in its capacity as an issuer of Letters of Credit hereunder, (c) any other Lender or Affiliate of a Lender designated by the Borrower (with such Lender's consent) as an Issuing Bank in a written notice to the Administrative Agent and (d) their respective successors in such capacity as provided in Section 2.05(i). Any Issuing Bank may, in its discretion, arrange for one or

more Letters of Credit to be issued by Affiliates of such Issuing Bank, in which case the term "Issuing Bank" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

"LC Disbursement" means a payment made by any Issuing Bank pursuant to a Letter of Credit.

"LC Exposure" means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time, subject to adjustment pursuant to any LC Exposure Reallocation. An LC Exposure Reallocation permitted hereunder shall be effective upon election by the Borrower as provided in Section 2.19, and shall be rescinded with respect to any Defaulting Lender at the time it ceases to be a Defaulting Lender or at the time its Commitment is assigned pursuant Section 2.18(b) or terminated pursuant to Section 2.18(c).

"LC Exposure Reallocation" means an adjustment to the LC Exposure of each non-Defaulting Lender, to take account of a Lender or Lenders being or becoming a Defaulting Lender, that increases the LC Exposure of each Lender that is not a Defaulting Lender to equal its Applicable Percentage (determined as though the Commitment of each Defaulting Lender were reduced to zero) of the total LC Exposure, in order to support its ratable share of the LC Exposure of the relevant Defaulting Lender or Defaulting Lenders. In the event of an LC Exposure Reallocation (a) the LC Exposure of the relevant Defaulting Lender shall not be decreased, but (b) the LC Exposure of each Lender that is not a Defaulting Lender shall be increased as provided above, and such Lender's increased LC Exposure shall apply for all purposes of this Agreement, including for purposes of determining its Revolving Credit Exposure and participation fees payable with respect to its LC Exposure. Notwithstanding any other provision of this Agreement, an LC Exposure Reallocation shall not be permitted if, after giving effect thereto, the Revolving Credit Exposure of any Lender shall exceed its Commitment.

"Lenders" means the Persons listed on Schedule 2.01 to the Existing Restatement and any other Person that shall have become a party hereto (i) pursuant to an accession agreement as contemplated in Section 2.08(d) or (ii) pursuant to an Assignment and Assumption as contemplated in Section 8.04(b), other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

"Letter of Credit" means any letter of credit issued pursuant to this Agreement.

"LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, the rate appearing on Reuters BBA Libor Rates page 3750 (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a

maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the "LIBO Rate" with respect to such Eurodollar Borrowing for such Interest Period shall be the rate at which dollar deposits of $5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

"Lien" means, with respect to any asset, any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset.

"Loan Documents" means this Agreement, the Collateral Documents and the Restatement Agreement.

"Loan Parties" means the Borrower and the Subsidiary Loan Parties.

"Loans" means the loans made by the Lenders to the Borrower pursuant to this Agreement.

"Margin" means, with respect to any Competitive Loan bearing interest at a rate based on a LIBO Rate, the marginal rate of interest, if any, to be added to or subtracted from a LIBO Rate to determine the rate of interest applicable to such Loan, as specified by the Lender making such Loan in its related Competitive Bid.

"Material Adverse Effect" means a material adverse effect on (a) the business, financial position or results of operations of the Borrower and the Consolidated Subsidiaries, taken as a whole, (b) the ability of the Borrower to perform any of its obligations under this Agreement or (c) the rights of or benefits available to the Lenders under this Agreement or, except during a Release Period, the Collateral Agreement.

"Material Indebtedness" means Indebtedness (other than the Loans and Letters of Credit), or obligations in respect of one or more Hedging Agreements, of any one or more of the Borrower and its Consolidated Subsidiaries in an aggregate principal amount exceeding $100,000,000. For purposes of determining Material Indebtedness, the "principal amount" of the obligations of the Borrower or any Consolidated Subsidiary in respect of any Hedging Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Borrower or such Consolidated Subsidiary would be required to pay if such Hedging Agreement were terminated at such time.

"Material Subsidiary" means any Consolidated Subsidiary that is a Domestic Subsidiary and is not an Immaterial Subsidiary.

"Maturity Date" means August 3, 2012.

"Minority Interest Disposition" means a sale, transfer or other disposition by the Borrower or any of the Subsidiaries (including the issuer thereof) of up to 20% of the Equity Interests in any Subsidiary of the Borrower.

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Non-Recourse ETC Debt" means any Indebtedness of any ETC Entity, except to the extent such Indebtedness is Guaranteed by, or otherwise recourse to, the Borrower or any other Subsidiary that is not an ETC Entity.

"Obligations" has the meaning set forth in the Collateral Agreement.

"Other Taxes" means any and all present or future recording, stamp, documentary, excise, property or similar taxes, charges or levies imposed by the United States of America or any political subdivision thereof arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement.

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Permitted Encumbrances" means:

(a) Liens imposed by law for taxes that are not yet due;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's , landlord's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under clause (j) of Section 6.01;

(f) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower or any Subsidiary;

(g) Liens in favor of sellers of goods arising under Article 2 of the New York Uniform Commercial Code or similar provisions of applicable law in the ordinary course of business, covering only the goods sold and securing only the unpaid purchase price for such goods and related expenses; and

(h) Liens securing obligations in respect of trade letters of credit; provided that such Liens do not extend to any property other than the goods financed or paid for with such letters of credit, documents of title in respect thereof and proceeds thereof; provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

"Permitted Holders" means Leslie H. Wexner, all descendants of any of his grandparents, any spouse or former spouse of any of the foregoing, any descendant of any such spouse or former spouse, the estate of any of the foregoing, any trust for the benefit, in whole or in part, of one or more of the foregoing and any corporation, limited liability company, partnership or other entity Controlled by one or more of the foregoing.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Prime Rate" means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A., as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

"Qualifying U.S. Assets" means any and all assets directly owned by the Consolidated Subsidiaries that are Domestic Subsidiaries, other than (a) real property, including improvements thereto and fixtures, (b) aircraft and (c) investments in the Borrower or any of its Subsidiaries. The amount or value of any Qualifying U.S. Assets at any time shall be the book value thereof at such time determined in accordance with GAAP.

"Register" has the meaning set forth in Section 8.04.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Release Period" means a period (a) commencing upon the release and termination of the Guarantees of the Subsidiary Loan Parties and the security interests in the Collateral pursuant to Section 7.13(b) of the Collateral Agreement and (b) ending when the Borrower is required to satisfy the Collateral and Guarantee Requirement as provided in Section 5.16(b).

"Required Lenders" means, at any time, Lenders having Revolving Credit Exposures and unused Commitments representing more than 50% of the sum of the total Revolving Credit Exposures and unused Commitments at such time; provided that, for purposes of declaring the Loans to be due and payable pursuant to Article VI, and for all purposes after the Loans become due and payable pursuant to Article VI or the Commitments expire or terminate, the outstanding Competitive Loans of the Lenders shall be included in their respective Revolving Credit Exposures in determining the Required Lenders.

"Required Secured Parties" has the meaning set forth in the Collateral Agreement.

"Restatement Agreement" has the meaning set forth in the introductory statement of this Agreement.

"Restatement Effective Date" has the meaning set forth in the Restatement Agreement.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Borrower or any Consolidated Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Equity Interests in the Borrower or any Consolidated Subsidiary; provided that a dividend, distribution or payment payable solely in Equity Interests (other than Disqualified Equity Interests) in the Borrower or applicable Consolidated Subsidiary shall not constitute a Restricted Payment.

"Revolving Credit Exposure" means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender's Revolving Loans and its LC Exposure at such time.

"Revolving Loan" means a Loan made pursuant to Section 2.03.

"S&P" means Standard & Poor's Ratings Services.

"Secured Parties" has the meaning set forth in the Collateral Agreement.

"Specified Date" means the date that is 180 days after the Maturity Date.

"Statutory Reserve Percentage" means for any day the percentage (expressed as a decimal) that is in effect on such day, as prescribed by the Board, for determining the maximum reserve requirement for a member bank of the Federal Reserve System for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board). Such reserve percentage shall include those imposed pursuant to such Regulation D. The Statutory Reserve Percentage shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Subsidiary" means any subsidiary of the Borrower.

"Subsidiary Loan Party" means, at any time, any Material Subsidiary that is a party to the Collateral Agreement and has satisfied the Collateral and Guarantee Requirement at such time. A Consolidated Subsidiary that has satisfied the Collateral and Guarantee Requirement shall cease to be a Subsidiary Loan Party at such time as its Guarantee of the Obligations, and the security interests in its assets securing the Obligations, in each case under the Collateral Agreement, are released, subject to reinstatement as a Subsidiary Loan Party if and when it subsequently satisfies the Collateral and Guarantee Requirement.

"Taxes" means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

"Term Loan Credit Agreement" means the Existing Term Loan Agreement as amended and restated pursuant to the Restatement Agreement.

"Term Loan Lender" means a "Lender" under (and as defined in) the Term Loan Credit Agreement.

"Term Loan" means a "Loan" under (and as defined in) the Term Loan Credit Agreement.

"Test Date" means the date of any Borrowing hereunder (other than a Borrowing made hereunder solely for the purpose of paying maturing commercial paper of the Borrower) or the date of any issuance, amendment, renewal or extension of any Letter of Credit; provided that any such date shall not be a "Test Date" if, on such date, (a) if both rating agencies shall have a Credit Rating then in effect, the Credit Ratings are BBB and Baa2 or better or (b) if only one rating agency shall have a Credit Rating then in effect, the Credit Rating from such rating agency is BBB or Baa2 or better.

"Transactions" means the execution, delivery and performance by each Loan Party of the Loan Documents to which it is to be a party, the borrowing of Loans, the use of the proceeds thereof and the issuance of Letters of Credit hereunder.

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the LIBO Rate, the Alternate Base Rate or a Fixed Rate.

"Unfunded Liabilities" means, with respect to any Plan at any time, the amount (if any) by which (a) the present value of all benefits under such Plan exceeds (b) the fair market value of all Plan assets allocable to such benefits, all determined as of the then most recent valuation date for such Plan, but only (i) to the extent that such excess represents a potential liability of the Borrower or any ERISA Affiliate to the PBGC or any other Person under Title IV of ERISA or (ii) with respect to a Plan which is a Multiemployer Plan as described in Section 4001(a)(3) of ERISA, to the extent of the Unfunded Liabilities of such Plan allocable to the Borrower or any ERISA Affiliate under Section 4212 of ERISA.

"Unrestricted Subsidiary" means any Subsidiary designated as an Unrestricted Subsidiary in a written notice sent at any time after the date of this Agreement by the Borrower to the Administrative Agent which is engaged (a) primarily in the business of making or discounting loans, making advances, extending credit or providing financial accommodation to, or purchasing the obligations of, others;

(b) primarily in the business of insuring property against loss and subject to regulation as an insurance company by any Governmental Authority; (c) exclusively in the business of owning or leasing, and operating, aircraft and/or trucks; (d) primarily in the ownership, management, leasing or operation of real estate, other than parcels of real estate with respect to which 51% or more of the rentable space is used by the Borrower or a Consolidated Subsidiary in the normal course of business; or (e) primarily as a carrier transporting goods in both intrastate and interstate commerce; provided that (i) the Borrower may by notice to the Administrative Agent change the designation of any Subsidiary described in subparagraphs (a) through (e) above, but may do so only once during the term of this Agreement, (ii) the designation of a Subsidiary as an Unrestricted Subsidiary more than 30 days after the creation or acquisition of such Subsidiary where such Subsidiary was not specifically so designated within such 30 days shall be deemed to be the only permitted change in designation and (iii) immediately after the Borrower designates any Subsidiary whether now owned or hereafter acquired or created as an Unrestricted Subsidiary or changes the designation of a Subsidiary from an Unrestricted Subsidiary to a Consolidated Subsidiary, the Borrower and all Consolidated Subsidiaries would be in compliance with all of the provisions of this Agreement.

"Value" means, when used in Section 6.01(e) with respect to investments in and advances to a Consolidated Subsidiary, the book value thereof immediately before the relevant event or events referred to in Section 6.01(e) occurred with respect to such Consolidated Subsidiary.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a "Revolving Loan") or by Type (e.g., a "Eurodollar Loan") or by Class and Type (e.g., a "Eurodollar Revolving Loan"). Borrowings also may be classified and referred to by Class (e.g., a "Revolving Borrowing") or by Type (e.g., a "Eurodollar Borrowing") or by Class and Type (e.g., a "Eurodollar Revolving Borrowing").

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and

Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

ARTICLE II

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, each Lender agrees to make Revolving Loans to the Borrower from time to time during the Availability Period in an aggregate principal amount that (after giving effect to the making of such Revolving Loans and any concurrent repayment of Loans and reimbursement of LC Disbursements) will not result in (a) such Lender's Revolving Credit Exposure exceeding such Lender's Commitment or (b) the sum of the total Revolving Credit Exposures plus the aggregate principal amount of outstanding Competitive Loans exceeding the total Commitments. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Revolving Loans.

SECTION 2.02. Loans and Borrowings. (a) Each Revolving Loan shall be made as part of a Borrowing consisting of Revolving Loans made by the Lenders ratably in accordance with their respective Commitments. Each Competitive Loan shall be made in accordance with the procedures set forth in Section 2.04. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments and Competitive Bids of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.13, (i) each Revolving Borrowing shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower may request in accordance herewith, and (ii) each Competitive Borrowing shall be comprised entirely of Eurodollar Loans or Fixed Rate Loans as the Borrower may request in accordance

herewith. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurodollar Revolving Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of $1,000,000 and not less than $20,000,000. At the time that each ABR Revolving Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of $1,000,000 and not less than $20,000,000; provided that an ABR Revolving Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.05(e) or to provide cash collateral as contemplated by Section 2.19. Each Competitive Borrowing shall be in an aggregate amount that is an integral multiple of $1,000,000 and not less than $20,000,000. Borrowings of more than one Type and Class may be outstanding at the same time; provided that there shall not at any time be more than a total of 12 Eurodollar Revolving Borrowings outstanding.

SECTION 2.03. Requests for Revolving Borrowings. To request a Revolving Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone (a) in the case of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of the proposed Borrowing and (b) in the case of an ABR Borrowing, not later than 11:00 a.m., New York City time, on the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) the aggregate amount of the requested Borrowing;

(ii) the date of such Borrowing, which shall be a Business Day;

(iii) whether such Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing;

(iv) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term “Interest Period”; and

(v) the location and number of the Borrower’s account to which funds are to be disbursed, which shall comply with the requirements of Section 2.06.

If no election as to the Type of Revolving Borrowing is specified, then the requested Revolving Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Revolving Borrowing, then the Borrower shall be

deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

SECTION 2.04. Competitive Bid Procedure. (a) Subject to the terms and conditions set forth herein, from time to time during the Availability Period the Borrower may request Competitive Bids and may (but shall not have any obligation to) accept Competitive Bids and borrow Competitive Loans; provided that the sum of the total Revolving Credit Exposures plus the aggregate principal amount of outstanding Competitive Loans at any time (after giving effect to the borrowing of such Competitive Loans and any concurrent repayment of Loans and reimbursement of LC Disbursements) shall not exceed the total Commitments. To request Competitive Bids, the Borrower shall notify the Administrative Agent of such request by telephone, (a) in the case of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, four Business Days before the date of the proposed Borrowing and (b) in the case of a Fixed Rate Borrowing, not later than 10:00 a.m., New York City time, one Business Day before the date of the proposed Borrowing; provided that the Borrower may submit up to (but not more than) five Competitive Bid Requests on the same day, but a Competitive Bid Request shall not be made within three Business Days after the date of any previous Competitive Bid Request, unless any and all such previous Competitive Bid Requests shall have been withdrawn or all Competitive Bids received in response thereto rejected. Each such telephonic Competitive Bid Request shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Competitive Bid Request in a form approved by the Administrative Agent and signed by the Borrower. Each such telephonic and written Competitive Bid Request shall specify the following information in compliance with Section 2.02:

(i) the aggregate amount of the requested Borrowing;

(ii) the date of such Borrowing, which shall be a Business Day;

(iii) whether such Borrowing is to be a Eurodollar Borrowing or a Fixed Rate Borrowing;

(iv) the Interest Period to be applicable to such Borrowing, which shall be a period contemplated by the definition of the term "Interest Period"; and

(v) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.06.

Promptly following receipt of a Competitive Bid Request in accordance with this Section, the Administrative Agent shall notify the Lenders of the details thereof by telecopy, inviting the Lenders to submit Competitive Bids.

(b) Each Lender may (but shall not have any obligation to) make one or more Competitive Bids to the Borrower in response to a Competitive Bid Request. Each Competitive Bid by a Lender must be in a form approved by the Administrative Agent

and must be received by the Administrative Agent by telecopy, (x) in the case of a Eurodollar Competitive Borrowing, not later than 9:30 a.m., New York City time, three Business Days before the proposed date of such Competitive Borrowing and (y) in the case of a Fixed Rate Borrowing, not later than 9:30 a.m., New York City time, on the proposed date of such Competitive Borrowing. Competitive Bids that do not conform substantially to the form approved by the Administrative Agent may be rejected by the Administrative Agent, and the Administrative Agent shall notify the applicable Lender as promptly as practicable. Each Competitive Bid shall specify (i) the principal amount (which shall be a minimum of $5,000,000 and an integral multiple of $1,000,000 and which may equal the entire principal amount of the Competitive Borrowing requested by the Borrower) of the Competitive Loan or Loans that the Lender is willing to make, (ii) the Competitive Bid Rate or Rates at which the Lender is prepared to make such Loan or Loans (expressed as a percentage rate per annum in the form of a decimal to no more than four decimal places) and (iii) the Interest Period applicable to each such Loan and the last day thereof.

(c) The Administrative Agent shall promptly notify the Borrower by telecopy of the Competitive Bid Rate and the principal amount specified in each Competitive Bid and the identity of the Lender that shall have made such Competitive Bid.

(d) Subject only to the provisions of this paragraph, the Borrower may accept or reject any Competitive Bid. The Borrower shall notify the Administrative Agent by telephone, confirmed by telecopy in a form approved by the Administrative Agent, whether and to what extent it has decided to accept or reject each Competitive Bid, (x) in the case of a Eurodollar Competitive Borrowing, not later than 10:30 a.m., New York City time, three Business Days before the date of the proposed Competitive Borrowing and (y) in the case of a Fixed Rate Borrowing, not later than 10:30 a.m., New York City time, on the proposed date of the Competitive Borrowing; provided that (i) the failure of the Borrower to give such notice shall be deemed to be a rejection of each Competitive Bid, (ii) the Borrower shall not accept a Competitive Bid made at a particular Competitive Bid Rate if the Borrower rejects a Competitive Bid made at a lower Competitive Bid Rate, (iii) the aggregate amount of the Competitive Bids accepted by the Borrower shall not exceed the aggregate amount of the requested Competitive Borrowing specified in the related Competitive Bid Request, (iv) to the extent necessary to comply with clause (iii) above, the Borrower may accept Competitive Bids at the same Competitive Bid Rate in part, which acceptance, in the case of multiple Competitive Bids at such Competitive Bid Rate, shall be made pro rata in accordance with the amount of each such Competitive Bid, and (v) except pursuant to clause (iv) above, no Competitive Bid shall be accepted for a Competitive Loan unless such Competitive Loan is in a minimum principal amount of $5,000,000 and an integral multiple of $1,000,000; provided further that if a Competitive Loan must be in an amount less than $5,000,000 because of the provisions of clause (iv) above, such Competitive Loan may be for a minimum of $1,000,000 or any integral multiple thereof, and in calculating the pro rata allocation of acceptances of portions of multiple Competitive Bids at a particular Competitive Bid Rate pursuant to clause (iv) the amounts shall be rounded to integral multiples of $1,000,000 in a manner determined by the Borrower. A notice given by the Borrower pursuant to this paragraph shall be irrevocable.

(e) The Administrative Agent shall promptly notify each bidding Lender by telecopy whether or not its Competitive Bid has been accepted (and, if so, the amount and Competitive Bid Rate so accepted), and each successful bidder will thereupon become bound, subject to the terms and conditions hereof, to make the Competitive Loan in respect of which its Competitive Bid has been accepted.

(f) If the Administrative Agent shall elect to submit a Competitive Bid in its capacity as a Lender, it shall submit such Competitive Bid directly to the Borrower at least one quarter of an hour earlier than the time by which the other Lenders are required to submit their Competitive Bids to the Administrative Agent pursuant to paragraph (b) of this Section.

SECTION 2.05. Letters of Credit. (a) General. Subject to the terms and conditions set forth herein, the Borrower may request the issuance of Letters of Credit, in a form reasonably acceptable to the Administrative Agent and the applicable Issuing Bank, at any time and from time to time during the Availability Period. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, an Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control. The parties hereto acknowledge and agree that (i) Letters of Credit may be issued to support obligations of Subsidiaries of the Borrower as well as the Borrower, (ii) Letters of Credit issued to support obligations of a Subsidiary may state that they are issued for such Subsidiary's account and (iii) regardless of any such statement in any Letter of Credit, the Borrower is the "account party" in respect of all Letters of Credit and will be responsible for reimbursement of LC Disbursements as provided herein.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the relevant Issuing Bank) to the relevant Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the relevant Issuing Bank, the Borrower also shall submit a letter of credit application on such Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower shall be deemed to represent

and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the LC Exposure shall not exceed $500,000,000, (ii) the sum of the total Revolving Credit Exposures plus the aggregate principal amount of outstanding Competitive Loans shall not exceed the total Commitments and (iii) no Lender's Revolving Credit Exposure shall exceed its Commitment.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension); provided that a Letter of Credit may be subject to customary "evergreen" provisions pursuant to which the expiration date thereof shall be automatically extended for a period of up to one year (subject to clause (ii) of this sentence) unless notice to the contrary shall have been given by any Issuing Bank in respect thereof by a specified date, and (ii) the date that is five Business Days prior to the Maturity Date.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the relevant Issuing Bank or the Lenders, such Issuing Bank hereby grants to each Lender, and each Lender hereby acquires from such Issuing Bank, a participation in such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit, subject to any LC Exposure Reallocation. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of such Issuing Bank, such Lender's Applicable Percentage of each LC Disbursement made by such Issuing Bank and not reimbursed by the Borrower on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Borrower for any reason, subject to any LC Exposure Reallocation. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If any Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent an amount equal to such LC Disbursement not later than 12:00 noon, New York City time, on the next Business Day after the date that such LC Disbursement is made, if the Borrower shall have received notice of such LC Disbursement prior to 10:00 a.m., New York City time, on such date, or, if such notice has not been received by the Borrower prior to such time on such date, then not later than 12:00 noon, New York City time, on (i) the Business Day that the Borrower receives such notice, if such notice is received prior to 10:00 a.m., New York City time, on the day of receipt, or (ii) the Business Day immediately following the day that the Borrower receives such notice, if such notice is not received prior to such time on the day of receipt; provided that the Borrower may, subject to the conditions to borrowing set forth

herein, request in accordance with Section 2.03 that such payment be financed with an ABR Revolving Borrowing in an equivalent amount and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Revolving Borrowing. If the Borrower fails to make such payment when due, the Administrative Agent shall notify each Lender of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof and such Lender's Applicable Percentage thereof (subject to any LC Exposure Reallocation). Promptly following receipt of such notice, each Lender shall pay to the Administrative Agent its Applicable Percentage (subject to any LC Exposure Reallocation) of the payment then due from the Borrower, in the same manner as provided in Section 2.06 with respect to Loans made by such Lender (and Section 2.06 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay such Issuing Bank the amounts so received by it from the Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to such Issuing Bank or, to the extent that Lenders have made payments pursuant to this paragraph to reimburse such Issuing Bank, then to such Lenders and such Issuing Bank as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse such Issuing Bank for any LC Disbursement (other than the funding of ABR Revolving Loans as contemplated above) shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement.

(f) Obligations Absolute. The Borrower's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or any other term or provision in this Agreement, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by any Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder. Neither the Administrative Agent, the Lenders nor any Issuing Bank, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of any Issuing Bank; provided that the foregoing shall not be construed to excuse any Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by such Issuing Bank's failure

to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof or such Issuing Bank's failure to make an LC Disbursement under a Letter of Credit upon presentation to it of documents strictly complying with such Letter of Credit. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of any Issuing Bank (as finally determined by a court of competent jurisdiction), such Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, such Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. Any Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. Such Issuing Bank shall promptly notify the Administrative Agent and the Borrower by telephone (confirmed by telecopy) of such demand for payment and whether such Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse such Issuing Bank and the Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If any Issuing Bank shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full on the later of (i) the date when such LC Disbursement is made and (ii) the date upon which the Borrower receives notice of such LC Disbursement pursuant to paragraph (g) above (such later date, the "Interest Commencement Date"), the unpaid amount thereof shall bear interest, for each day from and including the Interest Commencement Date to but excluding the date that reimbursement of such LC Distribution is due pursuant to paragraph (e) of this Section at the rate provided in Section 2.12(a) and, if not so reimbursed on the date due pursuant to such paragraph (e), then from and including such date so due to but excluding the date that the Borrower reimburses such LC Disbursement, at the rate provided in Section 2.12(d). Interest accrued pursuant to this paragraph shall be for the account of such Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to paragraph (e) of this Section, to reimburse such Issuing Bank shall be for the account of such Lender to the extent of such payment.

(i) Replacement of an Issuing Bank. Any Issuing Bank may be replaced at any time by written agreement among the Borrower and the successor Issuing Bank. The Borrower shall notify the Administrative Agent, the replaced Issuing Bank and the Lenders of any such replacement of any Issuing Bank. At the time any such replacement shall become effective, the Borrower shall pay all unpaid fees payable by the Borrower that have accrued for the account of any replaced Issuing Bank pursuant to Section 2.11(b). From and after the effective date of any such replacement, (i) the successor

Issuing Bank shall have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of any Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(j) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the Borrower receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with LC Exposure representing greater than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Lenders, an amount in cash equal to the LC Exposure as of such date plus any accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in clause (e) of Section 6.01. The Borrower also shall deposit cash collateral pursuant to this paragraph as and to the extent required by Section 2.19(a). Each such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the obligations of the Borrower under this Agreement. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall (i) in the case of cash collateral deposited pursuant to the first sentence of this Section 2.05(j), accumulate in such account and (ii) in the case of cash collateral deposited pursuant to Section 2.19(a), be remitted to the Borrower promptly by the Administrative Agent unless an Event of Default has occurred and is continuing. Cash collateral deposited pursuant to the first sentence of this Section 2.05(j) (and interest and profits in respect thereof accumulated in such account pursuant to clause (i) of the preceding sentence) shall be applied by the Administrative Agent to reimburse any Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with LC Exposure representing greater than 50% of the total LC Exposure and, in the case of cash collateral required by Section 2.19(a), the consent of the Issuing Banks with outstanding Letters of Credit), be applied to satisfy other obligations of the Borrower under this Agreement. Cash collateral deposited pursuant to Section 2.19(a) in respect of any Defaulting Lender shall be applied by the Administrative Agent to such Defaulting Lender's Applicable Percentage of any LC Disbursements for which it has not been reimbursed. If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default or pursuant to Section

2.19(a), such amount (to the extent not applied as aforesaid) shall be returned to the Borrower within three Business Days after all Events of Default have been cured or waived or such amount is no longer required in order to comply with Section 2.19(a) (and no Event of Default has occurred and is continuing), as applicable.

SECTION 2.06. Funding of Borrowings. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 noon, New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with the Administrative Agent in New York City and designated by the Borrower in the applicable Borrowing Request or Competitive Bid Request; provided that ABR Revolving Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.05(e) shall be remitted by the Administrative Agent to the applicable Issuing Bank.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the greater of the interest rate applicable to the Loans of the other Lenders included in the applicable Borrowing and a rate determined by the Administrative Agent to equal its cost of funds for funding such amount. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.07. Interest Elections. (a) Each Revolving Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Revolving Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Revolving Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Competitive Borrowings, which may not be converted or continued.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Revolving Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the Borrower.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is to be a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Revolving Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing.

SECTION 2.08. Termination, Reduction and Increase of Commitments. (a) Unless previously terminated, the Commitments shall terminate on the Maturity Date.

(b) The Borrower may at any time terminate, or from time to time reduce, the Commitments; provided that (i) each reduction of the Commitments shall be in an amount that is an integral multiple of $1,000,000 and not less than $25,000,000 and

(ii) the Borrower shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.10 and reimbursement of LC Disbursements in accordance with Section 2.05(c), the sum of the Revolving Credit Exposures plus the aggregate principal amount of outstanding Competitive Loans would exceed the total Commitments.

(c) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination of the Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments (other than a termination of the Commitment of a Defaulting Lender pursuant to Section 2.18(c)) shall be made ratably among the Lenders in accordance with their respective Commitments.

(d) At any time during a Release Period, the Borrower may, by written notice to the Administrative Agent, executed by the Borrower and one or more financial institutions (any such financial institution referred to in this Section being called an "Increasing Lender"), which may include any Lender, cause Commitments of the Increasing Lenders to become effective (or, in the case of an Increasing Lender that is an existing Lender, cause its Commitment to be increased, as the case may be) in an amount for each Increasing Lender set forth in such notice; provided that (i) the aggregate amount of all new Commitments and increases in existing Commitments pursuant to this paragraph during the term of this Agreement shall not exceed $250,000,000, (ii) each Increasing Lender, if not already a Lender hereunder, shall be subject to the approval of the Administrative Agent (which approval shall not be unreasonably withheld) and (iii) each Increasing Lender, if not already a Lender hereunder, shall become a party to this Agreement by completing and delivering to the Administrative Agent a duly executed accession agreement in a form satisfactory to the Administrative Agent and the Borrower. New Commitments and increases in Commitments pursuant to this Section shall become effective on the date specified in the applicable notices delivered pursuant to this Section. Following any extension of a new Commitment or increase of a Lender's Commitment pursuant to this paragraph, any Revolving Loans outstanding prior to the effectiveness of such increase or extension shall continue outstanding until the ends of the respective Interests Periods applicable thereto, and shall then be repaid or refinanced with new Revolving Loans made pursuant to Section 2.01. Following any increase in the Commitments pursuant to this paragraph, the Borrower will use its reasonable best efforts to ensure that, to the extent there are outstanding Revolving Loans, each Lender's outstanding Revolving Loans will be in accordance with such Lender's pro rata portion of the Commitments.

SECTION 2.09. Repayment of Loans; Evidence of Indebtedness. (a) The Borrower hereby unconditionally promises to pay (i) to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Revolving Loan on the Maturity Date and (ii) to the Administrative Agent for the account of each Lender that shall have made any Competitive Loan the then unpaid principal amount of each Competitive Loan of such Lender on the last day of the Interest Period applicable to such Loan.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Class and Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 8.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.10. Prepayment of Loans. (a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with paragraph (b) of this Section; provided that the Borrower shall not have the right to prepay any Competitive Loan without the prior consent of the Lender thereof.

(b) The Borrower shall notify the Administrative Agent by telephone (confirmed by telecopy) of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Revolving Borrowing, not later than 11:00 a.m., New York City time, one Business Day before the date of prepayment and (ii) in the case of prepayment of an ABR

Revolving Borrowing, not later than 11:00 a.m., New York City time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.08, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.08. Promptly following receipt of any such notice relating to a Revolving Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Revolving Borrowing shall be in an amount that would be permitted in the case of an advance of a Revolving Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Revolving Borrowing (other than a prepayment of the Loans of a Defaulting Lender pursuant to Section 2.18(c)) shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.12.

SECTION 2.11. Fees. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue at the Applicable Rate on the daily unused amount of the Commitment of such Lender during the period from and including the Restatement Effective Date to but excluding the date on which such Commitment terminates. Accrued commitment fees shall be payable in arrears on the last day of March, June, September and December of each year and on the Maturity Date, commencing on the first such date to occur after the date hereof. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). For purposes of computing commitment fees, the Commitment of a Lender shall be deemed to be used to the extent of the outstanding Revolving Loans and LC Exposure of such Lender (and the outstanding Competitive Loans of such Lender shall be disregarded for such purpose).

(b) The Borrower agrees to pay (i) to the Administrative Agent for the account of each Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the Applicable Rate on the daily amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Restatement Effective Date to but excluding the later of the date on which such Lender's Commitment terminates and the date on which such Lender ceases to have any LC Exposure, and (ii) to the relevant Issuing Bank a fronting fee, which shall accrue at the rate or rates per annum separately agreed upon between the Borrower and such Issuing Bank on the daily amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Restatement Effective Date to but excluding the later of the date of termination of the Commitments and the date on which there ceases to be any LC Exposure, as well as such Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the third Business Day following such last day, commencing on the first such date to occur after the Restatement Effective Date; provided that all such fees shall be payable on the date

on which the Commitments terminate and any such fees accruing after the date on which the Commitments terminate shall be payable on demand. Any other fees payable by the Borrower to any Issuing Bank pursuant to this paragraph shall be payable within 10 days after demand. All participation and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). In addition to the fees referred to above, each Issuing Bank (i) may collect customary drawing fees from beneficiaries of Letters of Credit issued by it and (ii) may require that Letters of Credit issued by it contain customary provisions for such drawing fees.

(c) The Borrower agrees to pay to the Administrative Agent, for its own account and for the account of the initial Lenders, fees in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(d) All fees payable by the Borrower hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent (or to the relevant Issuing Bank, in the case of fees payable by the Borrower to it) for distribution to the parties entitled thereto. Fees paid by the Borrower shall not be refundable under any circumstances.

SECTION 2.12. Interest. (a) The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest (i) in the case of a Eurodollar Revolving Loan, at the LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate, or (ii) in the case of a Eurodollar Competitive Loan, at the LIBO Rate for the Interest Period in effect for such Borrowing plus (or minus, as applicable) the Margin applicable to such Loan.

(c) Each Fixed Rate Loan shall bear interest at the Fixed Rate applicable to such Loan.

(d) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(e) (i) For so long as any Lender maintains reserves against "Eurocurrency liabilities" (or any other category of liabilities which includes deposits by reference to which the interest rate on Eurodollar Revolving Loans is determined or any category of extensions of credit or other assets which includes loans by a non-United States office of any Lender to United States residents), and as a result the cost to such Lender (or its lending office for Eurodollar Revolving Loans) of making or maintaining

its Eurodollar Revolving Loans is increased, then such Lender may require the Borrower to pay, contemporaneously with each payment of interest on any Eurodollar Revolving Loan of such Lender, additional interest on such Eurodollar Revolving Loan for the Interest Period of such Eurodollar Revolving Loan at a rate per annum up to but not exceeding the excess of (A)(x) the applicable LIBO Rate divided by (y) one minus the Statutory Reserve Percentage over (B) the rate specified in the preceding clause (x).

(ii) Any Lender wishing to require payment of additional interest (x) shall so notify the Borrower and the Administrative Agent, in which case such additional interest on the Eurodollar Revolving Loans of such Lender shall be payable to such Lender at the place indicated in such notice with respect to each Interest Period commencing at least three Business Days after the giving of such notice and (y) shall furnish to the Borrower at least five Business Days prior to each date on which interest is payable on the Eurodollar Revolving Loans an officer's certificate setting forth the amount to which such Lender is then entitled under this Section (which shall be consistent with such Lender's good-faith estimate of the level at which the related reserves are maintained by it). Each such certificate shall be accompanied by such information as the Borrower may reasonably request as to the computation set forth therein.

(f) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and, in the case of Revolving Loans, upon termination of the Commitments; provided that (i) interest accrued pursuant to paragraph (d) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurodollar Revolving Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(g) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.13. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the LIBO Rate for such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders (or, in the case of a Eurodollar Competitive Loan, the Lender that is required to make such Loan) that the LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or telecopy as promptly as practicable thereafter, but not later than 10:00 a.m. (New York City time) on the first day of such Interest Period, and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Revolving Borrowing to, or continuation of any Revolving Borrowing as, a Eurodollar Borrowing shall be ineffective, (ii) if any Borrowing Request requests a Eurodollar Revolving Borrowing, then, unless the Borrower notifies the Administrative Agent by 12:00 noon (New York City time) on the date of such Borrowing that it elects not to borrow on such date, such Borrowing shall be made as an ABR Borrowing and (iii) any request by the Borrower for a Eurodollar Competitive Borrowing shall be ineffective; provided that if the circumstances giving rise to such notice do not affect all the Lenders, then requests by the Borrower for Eurodollar Competitive Borrowings may be made to Lenders that are not affected thereby.

SECTION 2.14. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Statutory Reserve Percentage) or any Issuing Bank; or

(ii) impose on any Lender or any Issuing Bank or the London interbank market any other condition affecting this Agreement or Eurodollar Loans made by such Lender or any Letter of Credit or participation therein (other than an imposition or change in Taxes, Other Taxes or Excluded Taxes, or any Change in Law relating to capital requirements or the rate of return on capital, with respect to which Section 2.16 and paragraph (b) of this Section, respectively, shall apply);

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining, or reduce the amount receivable by any Lender with respect to, any Eurodollar Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender or such Issuing Bank of participating in, issuing or maintaining any Letter of Credit, then the Borrower will pay to such Lender or such Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Bank, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or any Issuing Bank determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or such Issuing Bank's capital or on the capital of such Lender's or such Issuing Bank's holding company, if any, as a consequence of this Agreement or the

Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such Issuing Bank, to a level below that which such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such Issuing Bank's policies and the policies of such Lender's or such Issuing Bank's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender or such Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Lender or an Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or such Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender or such Issuing Bank, as the case may be, the amount shown as due on any such certificate within 15 days after receipt thereof.

(d) Failure or delay on the part of any Lender or any Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or such Issuing Bank's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender or an Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender or such Issuing Bank, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or such Issuing Bank's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

(e) Notwithstanding the foregoing provisions of this Section, a Lender shall not be entitled to compensation pursuant to this Section in respect of any Competitive Loan if the Change in Law that would otherwise entitle it to such compensation shall have been publicly announced prior to submission of the Competitive Bid pursuant to which such Loan was made.

SECTION 2.15. Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan or Fixed Rate Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurodollar Revolving Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.10(b) and is revoked in accordance therewith), (d) the failure to borrow any Competitive Loan after accepting the Competitive Bid to make such Loan, or (e) the assignment of any Eurodollar Loan or Fixed Rate Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.18, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and

expense attributable to such event which, in the reasonable judgment of such Lender, such Lender (or an existing or prospective participant in a related Loan) incurred, including any loss incurred in obtaining, liquidating or employing deposits from third parties, but excluding loss of margin for the period after any such payment. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 15 days after receipt thereof.

SECTION 2.16. Taxes. (a) Any and all payments by or on account of any obligation of the Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if the Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent, Lender or Issuing Bank (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify the Administrative Agent, each Lender and any Issuing Bank, within 15 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent, such Lender or such Issuing Bank, as the case may be, on or with respect to any payment by or on account of any obligation of the Borrower hereunder (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; provided, that the Borrower shall not be obligated to make payment to such Lender or Administrative Agent for penalties, interest or expenses attributable to the gross negligence or willful misconduct of such Lender or Administrative Agent. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or an Issuing Bank, or by the Administrative Agent on its own behalf or on behalf of a Lender or an Issuing Bank, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law or reasonably requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate, provided that such Foreign Lender has received written notice from the Borrower advising it of the availability of such exemption or reduction and containing all applicable documentation.

(f) If the Administrative Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section, it shall pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that the Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This Section shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower or any other Person.

SECTION 2.17. Payments Generally; Pro Rata Treatment; Sharing of Set-offs. (a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.14, 2.15 or 2.16, or otherwise) on the date when due, in immediately available funds, without set-off or counterclaim, and the Borrower agrees to instruct its bank which will be transmitting such funds with respect to such payments not later than 10:00 A.M. (New York City time) on the date when due. All such payments shall be made to the Administrative Agent at its offices at 270 Park Avenue, New York, New York, except payments to be made directly to an Issuing Bank as expressly provided herein and except that payments pursuant to Sections 2.14, 2.15, 2.16 and 8.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due from the Borrower hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due from the Borrower hereunder, ratably among the parties entitled thereto in accordance with the amounts of such interest and fees then due to such parties, and (ii) second, towards payment of principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Revolving Loans or participations in LC Disbursements resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Revolving Loans and participations in LC Disbursements and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Revolving Loans and participations in LC Disbursements of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Revolving Loans and participations in LC Disbursements; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or any Issuing Bank hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or such Issuing Bank, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or such Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or such Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.05(d) or (e), 2.06(b) or 2.17(d), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

SECTION 2.18. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Section 2.14, or additional interest under Section 2.12(e) or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.14, 2.12(e) or 2.16, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender requests compensation under Section 2.14, or additional interest under Section 2.12(e), or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, or if any Lender becomes a Defaulting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 8.04), all its interests, rights and obligations under this Agreement (other than any outstanding Competitive Loans held by it) to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent (and, if a Commitment is being assigned, the relevant Issuing Bank), which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans (other than Competitive Loans) and participations in LC Disbursements, accrued interest thereon, accrued fees and all other amounts, in each case payable to it by the Borrower hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.14, additional interest under Section 2.12(e) or payments required to be made pursuant to Section 2.16, such assignment will result in a material reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

(c) If any Lender becomes a Defaulting Lender, then, and at any time thereafter while such Lender continues to be a Defaulting Lender, the Borrower may, in its sole discretion, terminate the Commitment of such Lender and prepay all Loans of such Lender then outstanding, together with interest thereon to the date of such prepayment; provided that such termination and prepayment shall be permitted only if, after giving effect thereto (including the adjustment of Revolving Credit Exposures of the Lenders to give effect to the allocation of LC Exposure in accordance with the Applicable Percentages of the Lenders after giving effect thereto), no Lender's Revolving Credit Exposure shall exceed its Commitment.

(d) In connection with any proposed amendment, modification or waiver of or with respect to any provision of this Agreement (a "Proposed Change") requiring the consent of all Lenders, if the consent of the Required Lenders to such Proposed Change is obtained, but the consent to such Proposed Change of other Lenders whose consent is required is not obtained (any such Lender whose consent is not obtained as described in this Section 2.18(c) being referred to as a "Non-Consenting Lender"), then the Borrower may, at its sole expense and effort, upon notice to each Non-Consenting Lender and the Administrative Agent, require each Non-Consenting Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 8.04) all its interests, rights and obligations under this Agreement (other than any outstanding Competitive Loans held by it) to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not be unreasonably withheld, (ii) such Non-Consenting Lender shall have received payment of an amount equal to the outstanding principal of its Loans (other than Competitive Loans), accrued interest thereon, accrued fees and all other amounts, in each case payable to it by the Borrower hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) the Borrower shall not be permitted to require any Non-Consenting Lender to make any such assignment unless all Non-Consenting Lenders are required to make such assignments and, as a result thereof, the Proposed Change will become effective.

SECTION 2.19. Defaulting Lenders. Notwithstanding any other provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) if any LC Exposure exists at the time a Lender is a Defaulting Lender the Borrower shall within three Business Days following notice by the Administrative Agent either (i) cash collateralize such Defaulting Lender's LC Exposure in accordance with the procedures set forth in Section 2.05(j) for so long as such Defaulting Lender's LC Exposure is outstanding, (ii) elect, by notice to the Administrative Agent, an LC Exposure Reallocation with respect to such Defaulting Lender's LC Exposure or (iii) comply with a combination of clauses (i) and (ii) above with respect to such Defaulting Lender's LC Exposure;

(b) no Issuing Bank shall be required to issue, amend or increase any Letter of Credit unless the Borrower provides cash collateral or elects an LC Exposure Reallocation (or a combination thereof) in accordance with clause (a) above in respect of such Defaulting Lender's LC Exposure in respect thereof; and

(c) the Applicable Rate in respect of commitment fees and participation fees payable to such Defaulting Lender shall be reduced to the rates that applied to facility fees and participation fees under the Existing Credit Agreement immediately prior to the Restatement Effective Date.

It is understood that, if the Commitment of a Defaulting Lender is assigned pursuant to Section 2.18(b) or terminated pursuant to Section 2.18(c), the provisions of this Section 2.19 shall cease to apply in respect of such Defaulting Lender and its Commitment.

ARTICLE III

Representations and Warranties

The Borrower represents and warrants to the Lenders that:

SECTION 3.01. Corporate Existence and Power. Each Loan Party is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has all corporate or other organizational power and authority required to carry on its business as now conducted.

SECTION 3.02. Corporate and Governmental Authorization; No Contravention. The Transactions to be entered into by each Loan Party are within such Loan Party's corporate or other organizational power, have been duly authorized by all necessary corporate or other organizational action, require no action by or in respect of, or filing with, any governmental body, agency or official (other than the filing of reports with the Securities and Exchange Commission and filings necessary to satisfy the Collateral and Guarantee Requirement) and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the certificate of incorporation, bylaws or other organizational documents of such Loan Party or of any agreement, judgment, injunction, order, decree or other instrument binding upon such Loan Party.

SECTION 3.03. Binding Effect. This Agreement has been duly executed and delivered by the Borrower and constitutes, and the Collateral Agreement (at such times as the Collateral and Guarantee Requirement is required to be satisfied) has been duly executed and delivered by the Borrower and each Material Subsidiary and constitutes, a valid and binding obligation of the Borrower (and such Material Subsidiary, if applicable), enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally, concepts of reasonableness and general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.04. Financial Information. (a) The consolidated balance sheet of the Borrower and the Subsidiaries and the related consolidated statements of income, shareholders' equity and cash flows as of and for (i) Fiscal Year 2007, reported on by Ernst & Young LLP and set forth in the Borrower's Annual Report on Form 10-K for Fiscal Year 2007, a copy of which has been delivered to each of the Lenders, and (ii) each of the first, second and third fiscal quarters of Fiscal Year 2008, certified by a Financial Officer, in each case fairly present, in conformity with GAAP (except, in the case of the financial statements referred to in clause (ii) above, for normal year-end adjustments and the absence of footnotes), the consolidated financial position of the Borrower and the Subsidiaries as of such date and their consolidated results of operations and cash flows for such Fiscal Year or portion of such Fiscal Year, as applicable.

(b) From February 2, 2008 to the date hereof or any Test Date, there has been no material adverse change in the business, financial position or results of operations of the Borrower and the Consolidated Subsidiaries, considered as a whole.

SECTION 3.05. Litigation and Environmental Matters. (a) There is no action, suit or proceeding pending against, or to the knowledge of the Borrower threatened against or affecting, the Borrower or any Consolidated Subsidiaries before any court or arbitrator or any governmental body, agency or official in which there is, in the good faith judgment of the Borrower (which shall be conclusive), a reasonable possibility of an adverse decision which could materially adversely affect the business, consolidated financial position or consolidated results of operations of the Borrower and the Consolidated Subsidiaries considered as a whole, or which in any manner draws into question the validity or enforceability of this Agreement.

(b) Except for the Disclosed Matters and except with respect to any other matters that, individually or in the aggregate, are not reasonably expected in the good faith judgment of the Borrower (which shall be conclusive) to materially adversely affect the business, financial position or results of operations of the Borrower and the Consolidated Subsidiaries considered as a whole, neither the Borrower nor any of the Consolidated Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

(c) Since the date of this Agreement, there has been no change in the status of the Disclosed Matters that, individually or in the aggregate in the good faith judgment of the Borrower (which shall be conclusive), has resulted in a material adverse effect on the business, financial position or results of operations of the Borrower and the Consolidated Subsidiaries considered as a whole.

SECTION 3.06. Subsidiaries. (a) Each of the Consolidated Subsidiaries is a corporation duly incorporated, validly existing and, to the extent applicable, in good standing under the laws of its jurisdiction of incorporation, and has all corporate power and authority required to carry on its business as now conducted except to the extent that the failure of any such Consolidated Subsidiary to be so incorporated, existing or in good standing or to have such power and authority is not reasonably expected by the Borrower to have a material adverse effect on the business, financial position or results of operations of the Borrower and the Consolidated Subsidiaries considered as a whole.

(b) Schedule 3.06 hereto completely and accurately sets forth the names and jurisdictions of organization of each Consolidated Subsidiary that is a Domestic Subsidiary as of the Restatement Effective Date, indicating for each such Subsidiary whether it is a Material Subsidiary as of the Restatement Effective Date.

SECTION 3.07. Not an Investment Company. Neither the Borrower nor any Subsidiary Loan Party is required to register as an "investment company" under (and within the meaning of) the Investment Company Act of 1940, as amended.

SECTION 3.08. ERISA. The Borrower and its ERISA Affiliates (a) have fulfilled their material obligations under the minimum funding standards of ERISA and the Code with respect to each Plan, (b) are in compliance in all material respects with the presently applicable provisions of ERISA and the Code and (c) have not incurred any liability in excess of $100,000,000 to the PBGC or a Plan under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA; provided, that this sentence shall not apply to (i) any ERISA Affiliate as described in Section 414(m) of the Code (other than the Borrower or a Subsidiary) or any Plan maintained by such an ERISA Affiliate or (ii) any Multiemployer Plan. The Borrower and its Subsidiaries have made all material payments to Multiemployer Plans which they have been required to make under the related collective bargaining agreement or applicable law.

SECTION 3.09. Taxes. The Borrower and its Subsidiaries have filed all United States federal income tax returns and all other material tax returns which, in the opinion of the Borrower, are required to be filed by them and have paid all taxes due pursuant to such returns or pursuant to any assessment received by the Borrower or any Subsidiary, except for assessments which are being contested in good faith by appropriate proceedings. The charges, accruals and reserves on the books of the Borrower and its Subsidiaries in respect of taxes or other governmental charges are, in the opinion of the Borrower, adequate.

SECTION 3.10. Disclosure. The Information Memorandum, the financial statements delivered pursuant to Section 5.01(a)(i) and (ii), the registration statements delivered pursuant to Section 5.01(a)(vi) (in each case in the form in which such registration statements were declared effective, as amended by any post-effective amendments thereto) and the reports on Forms 10-K, 10-Q and 8-K delivered pursuant to Section 5.01(a)(vi), do not, taken as a whole and in each case as of the date thereof, contain any material misstatement of fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were

made, not misleading; provided that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

ARTICLE IV

Conditions

SECTION 4.01. Intentionally Omitted.

SECTION 4.02. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of any Issuing Bank to issue, amend, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Borrower set forth in this Agreement shall be true and correct, and at such times as the Collateral and Guarantee Requirement is required to be satisfied, the representations and warranties of the Loan Parties as set forth in the Collateral Agreement shall be true and correct in all material respects, in each case on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable (except to the extent that any such representation or warranty expressly relates to a specified date or dates, in which case such representation or warranty shall be true and correct as of such specified date or dates).

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default shall have occurred and be continuing.

Each Borrowing and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

ARTICLE V

Covenants

The Borrower agrees that, so long as any Lender has any Commitment hereunder or any amount payable hereunder remains unpaid:

SECTION 5.01. Information. (a) The Borrower will deliver to the Administrative Agent and each of the Lenders:

(i) as soon as available and in any event within 90 days after the end of each Fiscal Year, the Annual Report of the Borrower on Form 10-K for such Fiscal Year, containing financial statements reported on in a manner acceptable to

the Securities and Exchange Commission by Ernst & Young LLP or other independent public accountants of nationally recognized standing selected by the Borrower (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit);

(ii) as soon as available and in any event within 45 days after the end of each of the first three quarters of each Fiscal Year, a copy of the Borrower's report on Form 10-Q for such quarter with the financial statements therein contained to be certified (subject to normal year end adjustments) as to fairness of presentation, generally accepted accounting principles (except footnotes) and consistency, by a Financial Officer;

(iii) simultaneously with the delivery of each set of financial statements referred to in clauses (a) and (b) above, a certificate of a Financial Officer (1) setting forth in reasonable detail the calculations required to establish whether the Borrower was in compliance with the requirements of Sections 5.06 and 5.07 on the date of such financial statements, (2) stating whether, to the best knowledge of such Financial Officer, any Default exists on the date of such certificate and, if any Default then exists, setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto and (3) except during a Release Period, stating that there are no Material Subsidiaries that have not satisfied the Collateral and Guarantee Requirement;

(iv) simultaneously with the delivery of each set of financial statements referred to in clause (a) above, a statement of the firm of independent public accountants which reported on such statements whether anything has come to their attention to cause them to believe that any Default existed on the date of such statements (insofar as such pertains to accounting matters);

(v) promptly upon the mailing thereof to the stockholders of the Borrower generally, copies of all financial statements, reports and proxy statements so mailed;

(vi) promptly upon the filing thereof, copies of all registration statements (other than the exhibits thereto and any registration statements on Form S-8 or its equivalent) and reports on Forms 10-K, 10-Q and 8-K (or their equivalents) which the Borrower shall have filed with the Securities and Exchange Commission;

(vii) within four Business Days of any executive officer of the Borrower or any Financial Officer obtaining knowledge of any condition or event recognized by such officer to be a Default, a certificate of a Financial Officer setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(viii) if and when any executive officer of the Borrower or any Financial Officer obtains knowledge that any ERISA Affiliate (1) has given or is required to give notice to the PBGC of any "reportable event" (as defined in Section 4043 of

ERISA) with respect to any Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that the plan administrator of any Plan has given or is required to give notice of any such reportable event, a copy of the notice of such reportable event given or required to be given to the PBGC, (2) has received notice of complete or partial withdrawal liability under Title IV of ERISA, a copy of such notice or (3) has received notice from the PBGC under Title IV of ERISA of an intent to terminate or appoint a trustee to administer any Plan, a copy of such notice;

(ix) from time to time such additional information regarding the financial position or business of the Borrower and Subsidiaries as the Administrative Agent, at the request of any Lender, may reasonably request; and

(x) except during a Release Period, as soon as available and in any event within 30 days after the end of each Fiscal Year, a financial forecast for the Borrower and the Consolidated Subsidiaries for the subsequent Fiscal Year, including a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such fiscal year and consolidated statements of income and cash flows of the Borrower and its Consolidated Subsidiaries for such fiscal year.

(b) Certificates delivered pursuant to this Section shall be signed manually or shall be copies of a manually signed certificate.

(c) The Borrower may provide for electronic delivery of the financial statements, certificates, reports and registration statements described in clauses (i), (ii), (iii), (iv), (v) and (vi) of paragraph (a) of this Section by posting such financial statements, certificates, reports and registration statements on Intralinks or any similar service approved by the Administrative Agent, or delivering such financial statements, certificates, reports and registration statements to the Administrative Agent for posting on Intralinks (or any such similar service).

SECTION 5.02. Maintenance of Properties. The Borrower will, and will cause each Consolidated Subsidiary to, maintain and keep in good condition, repair and working order all properties used or useful in the conduct of its business and supply such properties with all necessary equipment and make all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Borrower may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided that nothing in this Section shall prevent the Borrower or any Consolidated Subsidiary from discontinuing the operation and maintenance of any of such properties if such discontinuance is, in the judgment of the Borrower, desirable in the conduct of the business of the Borrower or such Consolidated Subsidiary, as the case may be, and not disadvantageous in any material respect to the Lenders.

SECTION 5.03. Maintenance of Insurance. The Borrower will, and will cause each Consolidated Subsidiary to, insure and keep insured, with reputable insurance

companies, so much of its properties and such of its liabilities for bodily injury or property damage, to such an extent and against such risks (including fire), as companies engaged in similar businesses customarily insure properties and liabilities of a similar character; or, in lieu thereof, the Borrower will maintain, or cause each Consolidated Subsidiary to maintain, a system or systems of self-insurance which will be in accord with the customary practices of companies engaged in similar businesses in maintaining such systems.

SECTION 5.04. Preservation of Corporate Existence. Except pursuant to a transaction not prohibited by Section 5.12, each Loan Party shall preserve and maintain its corporate existence, rights, franchises and privileges in any State of the United States which it shall select as its jurisdiction of incorporation or organization, and qualify and remain qualified as a foreign corporation or foreign organization in each jurisdiction in which such qualification is necessary, except such jurisdictions, if any, where the failure to preserve and maintain its corporate or other organizational existence, rights, franchises and privileges, or qualify or remain qualified will not have a material adverse effect on the business or property of such Loan Party.

SECTION 5.05. Inspection of Property, Books and Records. The Borrower will, and will cause each Consolidated Subsidiary to, make and keep books, records and accounts in which transactions are recorded as necessary to (a) permit preparation of the Borrower's consolidated financial statements in accordance with generally accepted accounting principles and (b) otherwise comply with the requirements of Section 13(b)(2) of the Securities Exchange Act of 1934 as in effect from time to time. At any reasonable time during normal business hours and from time to time, the Borrower will permit the Administrative Agent or any of the Lenders or any agents or representatives thereof at their expense (to the extent not in violation of applicable law) to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Borrower and any Consolidated Subsidiaries and to discuss the affairs, finances and accounts of the Borrower and any Consolidated Subsidiaries with any of their respective officers or directors. Any information obtained pursuant to this Section or Section 5.01(a) shall be subject to Section 8.12.

SECTION 5.06. Fixed Charge Coverage Ratio. The Borrower will not permit the ratio of Consolidated EBITDAR to Consolidated Fixed Charges for any period of four consecutive fiscal quarters to be less than (a) 1.60 to 1.00 for all such periods ending prior to the fiscal quarter ending on or about January 31, 2011 and (b) 1.75 to 1.00 for all such periods ending on or about January 31, 2011, or thereafter.

SECTION 5.07. Debt to Consolidated EBITDA. The Borrower will not permit the ratio of Consolidated Debt as of any date to Consolidated EBITDA for the period of four consecutive fiscal quarters ended on such date (or, if such date is not the last day of a fiscal quarter of the Borrower, then for the period of four consecutive fiscal quarters of the Borrower most recently ended prior to such date) to exceed the ratio set forth below with respect to the period during which such date is included:

Period beginning on and including the last day of each fiscal quarter ending on or about the date set forth below and ending on and excluding the last day of the next fiscal quarter	Maximum Leverage Ratio
January 31, 2009, April 30, 2009, July 31, 2009, October 31, 2009, January 31, 2010, April 30, 2010, July 31, 2010 and October 31, 2010	5.00 to 1.00
January 31, 2011, April 30, 2011, July 31, 2011 and October 31, 2011	4.50 to 1.00
January 31, 2012 and thereafter	4.00 to 1.00

SECTION 5.08. Limitations on Liens. The Borrower will not, and will not permit any Consolidated Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(a) Permitted Encumbrances;

(b) any Lien on any property or asset of the Borrower or any Consolidated Subsidiary existing on November 5, 2004 and set forth in Schedule 5.08; provided that (i) such Lien shall not apply to any other property or asset of the Borrower or any Consolidated Subsidiary and (ii) such Lien shall secure only those obligations which it secures on November 5, 2004 and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(c) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Consolidated Subsidiary or existing on any property or asset of any Person that becomes a Consolidated Subsidiary after November 5, 2004 prior to the time such Person becomes a Consolidated Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Consolidated Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Borrower or any Consolidated Subsidiary and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Consolidated Subsidiary, as the case may be, and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(d) Liens on fixed or capital assets acquired, constructed or improved by the Borrower or any Consolidated Subsidiary; provided that (i) with respect to a Consolidated Subsidiary, such security interests secure Indebtedness permitted by Section 5.10, (ii) such security interests and the Indebtedness secured thereby are incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement (or are incurred to extend, renew or replace security interests and Indebtedness previously incurred in compliance with this clause), (iii) the Indebtedness secured thereby does not exceed the cost of acquiring, constructing or improving such fixed or capital assets and (iv) such security interests shall not apply to any other property or assets of the Borrower or any Consolidated Subsidiary;

(e) other Liens, securing obligations in an aggregate principal amount not exceeding $400,000,000; provided that (i) at no time shall more than $50,000,000 of such obligations be secured by Liens on inventory and (ii) at no time shall more than $5,000,000 of such obligations be secured by Liens on any property or assets constituting Collateral or any intellectual property owned by a Loan Party that is usable primarily, or for use primarily, outside the United States;

(f) Liens granted on the Collateral pursuant to the Collateral Documents; and

(g) second-priority Liens on the Collateral securing Indebtedness for borrowed money in an aggregate principal amount not exceeding $750,000,000; provided that (i) the Indebtedness secured by such second-priority Liens (A) shall not mature on or prior to the Specified Date, (B) shall not require any scheduled repayment of principal on or prior to the Specified Date, (C) shall not have terms more restrictive, taken as a whole, than those set forth in this Agreement and (D) shall be subject only to mandatory prepayments, if any, that can be avoided through repayment or prepayment of Loans or Term Loans or through investments by the Borrower or the Consolidated Subsidiaries in assets to be used in their businesses and (ii) such second-priority Liens and the Indebtedness secured thereby shall be subject to an Intercreditor Agreement; provided, further that such second-priority Liens shall not be permitted during a Release Period.

SECTION 5.09. Compliance with Laws. The Borrower will, and will cause each Consolidated Subsidiary to, comply in all material respects with all applicable laws, ordinances, rules, regulations and requirements of governmental authorities (including ERISA and the rules and regulations thereunder), except to the extent that (a) the necessity of compliance therewith is contested in good faith by appropriate proceedings or (b) the failure to so comply would not result in any material adverse effect on the business, financial condition or results of operations of the Borrower and Consolidated Subsidiaries taken as a whole.

SECTION 5.10. Limitations on Subsidiary Indebtedness. The Borrower will not permit any Consolidated Subsidiary (other than any Subsidiary Loan Party) to create, incur, assume or suffer to exist any Indebtedness except:

(a) Indebtedness of any Consolidated Subsidiary which is, or the direct or indirect parent of which is, acquired by the Borrower or any other Consolidated Subsidiary after March 22, 2006, which Indebtedness is in existence at the time such Consolidated Subsidiary (or parent) is so acquired; provided that such Indebtedness was not created at the request or with the consent of the Borrower or any Subsidiary, and such Indebtedness may not be extended other than pursuant to the terms thereof as in existence at the time such Consolidated Subsidiary (or parent) was acquired;

(b) other Indebtedness in an aggregate principal amount for all Consolidated Subsidiaries (excluding any Non-Recourse ETC Debt) not exceeding $225,000,000; and

(c) Indebtedness of any Consolidated Subsidiary to the Borrower or any other Consolidated Subsidiary to the extent not prohibited by Section 5.17.

SECTION 5.11. Transactions with Affiliates. The Borrower will not, and will not permit any of its Consolidated Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) at prices and on terms and conditions not less favorable to the Borrower or such Consolidated Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) any transaction determined by a majority of the disinterested directors of the Borrower's board of directors to be fair to the Borrower and its Subsidiaries, (c) transactions between or among the Borrower and its Consolidated Subsidiaries not involving any other Affiliate and (d) any transaction with respect to which neither the fair market value of the related property or assets, nor the consideration therefor, exceeds $5,000,000.

SECTION 5.12. Consolidations, Mergers and Sales of Assets. The Borrower will not (a) consolidate or merge with or into any other Person, (b) liquidate or dissolve or (c) sell, lease or otherwise transfer all or any substantial part of the assets of the Borrower and its Consolidated Subsidiaries, taken as a whole, to any other Person; provided that the Borrower may merge with another Person if (i) the corporation surviving the merger is the Borrower or a corporation organized under the laws of a State of the United States into which the Borrower desires to merge for the purpose of becoming incorporated in such State (in which case such corporation shall assume all of the Borrower's obligations under this Agreement by an agreement satisfactory to the Required Lenders (and the Required Lenders shall not unreasonably withhold their consent to the form of such agreement) and shall deliver to the Administrative Agent and the Lenders such legal opinions and other documents as the Administrative Agent may reasonably request to evidence the due authorization, validity and binding effect thereof) and (ii) immediately after giving effect to such merger, no Default shall have occurred and be continuing; and provided further that the foregoing shall not be construed to prohibit any Minority Interest Disposition or any other sale, lease or other transfer of assets (including by means of dividends, share repurchases or recapitalizations) that does not involve all or any substantial part of the assets of the Borrower and its Consolidated Subsidiaries taken as a whole.

SECTION 5.13. Use of Proceeds. The Borrower will use the proceeds of the Loans for general corporate purposes (including, without limitation, repurchases of, and dividends on, its equity securities).

SECTION 5.14. Clean Down. The Borrower will cause the aggregate principal amount of outstanding Loans not to exceed $200,000,000 for a period of at least 30 consecutive days between January 15 and February 28 of each calendar year.

SECTION 5.15. Information Regarding Collateral. The Borrower will furnish to the Collateral Agent prompt written notice of any change (i) in the legal name of any Loan Party, as set forth in its organizational documents, (ii) in the jurisdiction of organization or the form of organization of any Loan Party (including as a result of any merger or consolidation), (iii) in the address set forth on the financing statement filed with respect to any Loan Party or (iv) in the organizational identification number, if any, or, with respect to any Loan Party organized under the laws of a jurisdiction that requires such information to be set forth on the face of a Uniform Commercial Code financing statement, the Federal Taxpayer Identification Number of such Loan Party.

SECTION 5.16. Collateral and Guarantee Requirement. (a) If (i) any Material Subsidiary is formed or acquired after the Restatement Effective Date or (ii) any Consolidated Subsidiary shall become a Material Subsidiary after the Restatement Effective Date, then the Borrower will promptly, but in no event later than 15 days after such formation or acquisition (in the case of clause (i)) or 15 days after any executive officer or Financial Officer of the Borrower obtains knowledge thereof (in the case of clause (ii)), notify the Administrative Agent and the Lenders thereof and cause the Collateral and Guarantee Requirement to be satisfied with respect to such Material Subsidiary; provided that the requirements of this paragraph shall not apply during a Release Period.

(b) If a Release Period commences, the Borrower agrees that if at any time thereafter (i) if both rating agencies shall then have a Credit Rating in effect, either Credit Rating is worse than Baa2 or BBB, respectively, or (ii) if only one rating agency shall then have a Credit Rating in effect, such Credit Rating is worse than Baa2 or BBB, as applicable, then the Borrower will promptly, but in no event later than five Business Days thereafter, cause the Collateral and Guarantee Requirement to be satisfied.

(c) The Borrower will, and the Borrower will cause each of the Material Subsidiaries to, execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements), that may be required under any applicable law, or that the Collateral Agent or the Required Lenders may reasonably request, to cause the Collateral and Guarantee Requirement to be and remain satisfied (except during a Release Period), all at the expense of the Borrower.

SECTION 5.17. Investments. The Borrower will not, nor will the Borrower permit any Subsidiary Loan Party to, purchase, hold or acquire (including pursuant to any consolidation or merger with any Person that was not a Loan Party prior to such consolidation or merger, it being understood that any consolidation or merger of a Subsidiary Loan Party with any Subsidiary that is not a Loan Party shall be treated as an investment in such Subsidiary if the survivor of such consolidation or merger is not a Subsidiary Loan Party) any Equity Interests in or evidences of Indebtedness or other securities of, make or permit to exist any loans or advances to, Guarantee any Indebtedness of, or make or permit to exist any other investment in, any Subsidiary that is not a Subsidiary Loan Party, except (a) those existing on the Restatement Effective Date, (b) those made after the Restatement Effective Date in an aggregate amount not to exceed the sum of (i) $100,000,000 plus (ii) the amount available for Restricted Payments under, and permitted by, clause (d) of Section 5.18, (c) contributions by the Borrower or any Subsidiary Loan Party of Equity Interests in any Foreign Subsidiary to any other Foreign Subsidiary, (d) licenses by the Borrower or any Subsidiary Loan Party to any Consolidated Subsidiary that is not a Loan Party of intellectual property in the ordinary course of business, (e) transfers or licenses by the Borrower or any Subsidiary Loan Party to any Foreign Subsidiary of any intellectual property that is usable primarily, or for use primarily, outside of the United States and (f) accounts receivable held by a Loan Party arising out of the sale of inventory or provision of services, in each case in the ordinary course of business, to a Subsidiary that is not a Loan Party; provided that the requirements of this Section shall not apply during any Release Period.

SECTION 5.18. Restricted Payments. The Borrower will not, and will not permit any Consolidated Subsidiary to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except:

(a) any wholly-owned Consolidated Subsidiary may distribute any cash, property or assets to the Borrower or any other Consolidated Subsidiary that is its direct or indirect parent;

(b) any Consolidated Subsidiary may declare and pay dividends ratably with respect to its Equity Interests;

(c) the Borrower may make Restricted Payments in cash in an aggregate amount not to exceed $220,000,000 during any fiscal year; provided that, at the time of declaration (in the case of a dividend) or payment (in all other cases) and after giving effect thereto, (i) no Event of Default has occurred and is continuing and (ii) the Borrower would be in compliance with Section 5.07 after giving effect to such Restricted Payment and any Indebtedness being incurred in connection therewith; and

(d) the Borrower may make any additional Restricted Payment in cash; provided that (i) the amount of such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Borrower after the Restatement Effective Date (including those made pursuant to clause (b) above and the amount of investments made pursuant to subclause (b)(ii) of Section 5.17), does not exceed the sum, without duplication, of (A) 50% of Consolidated Net Income for the period (taken as one

accounting period) from the beginning of the first fiscal quarter ending after the Restatement Effective Date to the end of the Borrower's most recently ended fiscal quarter for which financial statements are publicly available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, minus 100% of such deficit); plus (B) 100% of the aggregate net cash proceeds received by the Borrower, during the period from the Restatement Effective Date to the date of such Restricted Payment, from the issuance by the Borrower of additional Equity Interests (other than Disqualified Equity Interests or Equity Interests issued to a Subsidiary or to an employee stock ownership plan or trust), and (ii) at the time of declaration (in the case of a dividend) or payment (in all other cases) and after giving effect thereto, (i) no Event of Default has occurred and is continuing and (ii) the Borrower would be in compliance with Section 5.07 after giving effect to such Restricted Payment and any Indebtedness being incurred in connection therewith.

Notwithstanding the foregoing, this Section shall not apply at any time that (i) if both rating agencies shall then have a Credit Rating in effect, the Credit Ratings are Baa2 and BBB or better or (ii) if only one rating agency shall then have a Credit Rating in effect, such Credit Rating is Baa2 or BBB, as applicable, or better.

SECTION 5.19. Restrictive Agreements. The Borrower will not, nor will it permit any Consolidated Subsidiary that is a Domestic Subsidiary to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon the ability of the Borrower or any Consolidated Subsidiary that is a Domestic Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets to secure, or the ability of any Consolidated Subsidiary that is a Domestic Subsidiary to Guarantee, the Obligations (or the obligations under any credit facility that refinances or replaces this Agreement); provided that (a) the foregoing shall not apply to restrictions and conditions imposed by law or any Loan Document, (b) the foregoing shall not apply to restrictions and conditions existing on the Restatement Effective Date contained in any of the instruments, indentures and other agreements identified on Schedule 5.19 or any extension, renewal, supplement, amendment or other modification of any thereof or any additional such instrument, indenture or other agreement so long as, in each case, any such prohibition, restriction or condition contained therein is not more restrictive in any material respect than the prohibitions, restrictions and conditions contained in the instruments, indentures and other agreements identified on Schedule 5.19 as in effect on the Restatement Effective Date, (c) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary or any assets pending such sale, provided that such restrictions and conditions apply only to the Subsidiary or assets to be sold, (d) the foregoing provisions relating to Liens shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement (other than secured Indebtedness permitted by clause (g) of Section 5.08) if such restrictions or conditions apply only to the property or assets securing such Indebtedness and (e) the foregoing provisions relating to Liens shall not apply to customary provisions in leases restricting the assignment thereof.

SECTION 5.20. Credit Ratings. The Borrower will use commercially reasonable efforts to maintain Credit Ratings from each of S&P and Moody's at all times.

SECTION 5.21. Prepayment Avoidance. The Borrower will, and will cause each Consolidated Subsidiary to, either repay or prepay Loans or Term Loans, or make investments in assets to be used in their businesses, in each case as necessary to avoid any mandatory redemption, repurchase or prepayment referred to in the proviso to clause (c) of the definition of "Disqualified Equity Interest" or the proviso to clause (g) of Section 5.08.

SECTION 5.22. Term Loan Amendments. The Borrower will not agree to or permit any amendment or modification to the Term Loan Credit Agreement that would result in or permit the principal amount of Indebtedness thereunder to be increased without the prior written consent of the Required Lenders.

ARTICLE VI

Events of Default and Remedies

SECTION 6.01. Events of Default. Any of the following shall be an "Event of Default":

(a) the Borrower shall fail to make any payment of principal of or interest on any Loan or any obligation in respect of any LC Disbursement when due or to pay any fees or other amounts payable by it hereunder when due, and such failure remains unremedied for three Business Days after the Borrower's actual receipt of notice of such failure from the Administrative Agent at the request of any Lender;

(b) any statement of fact or representation made or deemed to be made by (i) the Borrower in this Agreement or by the Borrower or any of its officers in any certificate delivered pursuant to this Agreement or (ii) at such times as the Collateral and Guarantee Requirement is required to be satisfied, any Loan Party in any Loan Document or by any Loan Party or any of its respective officers in any certificate delivered pursuant to any Loan Document, shall prove to have been incorrect in any material respect when made or deemed made, and, if the consequences of such representation or statement being incorrect shall be susceptible of remedy in all material respects, such consequences shall not be remedied in all material respects within 30 days after any executive officer of the Borrower or any Financial Officer first becomes aware of or is advised that such representation or statement was incorrect in a material respect;

(c) (i) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.04 (with respect to the existence of the Borrower), 5.08, 5.10, 5.11, 5.12, 5.13, 5.17, 5.18, 5.19, 5.21 or 5.22 and, if the consequences of such failure shall be susceptible of remedy in all material respects, such consequences shall not be remedied in all material respects within 20 days after any executive officer of the Borrower or any Financial Officer first

becomes aware or is advised of such failure or (ii) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.06, 5.07 or 5.14;

(d) (i) the Borrower or any Consolidated Subsidiary shall fail to pay principal of or interest on any Material Indebtedness and the longer of any periods within which the Borrower or such Consolidated Subsidiary shall be allowed to cure such nonpayment shall have elapsed, or 10 days shall have passed since such failure, in either case without curing such nonpayment or (ii) any event or condition shall occur which enables the holder of any Material Indebtedness or any Person acting on such holder's behalf to accelerate the maturity thereof, and the longer of any periods within which the Borrower or such Consolidated Subsidiary shall be allowed to cure such condition or event shall have elapsed, or 10 days shall have passed since the occurrence of such event or condition, in either case without curing such event or condition; provided no Default under this clause (d) shall be deemed to occur if (1) if at the time the relevant event or condition described in this clause (d) occurs, (A) if both rating agencies shall have a Credit Rating then in effect, the Credit Ratings are BBB and Baa2 or better, or (B) if only one rating agency shall have a Credit Rating then in effect, the Credit Rating from such rating agency is BBB or Baa2 or better, (2) the Borrower does not cease to have the Credit Ratings described in clause (1) above for reasons attributable to the relevant event or condition described in this clause (d), and (3) all Material Indebtedness that is affected by any event or condition described in this clause (d) is either (A) owed by a Consolidated Subsidiary not incorporated under the laws of any State of the United States, the District of Columbia or Canada or any province thereof, or (B) permitted under clause (a) of Section 5.10;

(e) the Borrower or any Consolidated Subsidiary shall (i) make a general assignment for the benefit of creditors, (ii) apply for or consent (by admission of material allegations of a petition or otherwise) to the appointment of a receiver, custodian, trustee or liquidator of the Borrower or any Consolidated Subsidiary or any substantial part of the properties of the Borrower or any Consolidated Subsidiary or authorize such application or consent, or proceedings seeking such appointment shall be commenced without such authorization, consent or application against the Borrower or any Consolidated Subsidiary and continue undismissed for 30 days (or if such dismissal of such unauthorized proceedings cannot reasonably be obtained within such 30-day period, the Borrower or any Consolidated Subsidiary shall fail either to proceed with due diligence to seek to obtain dismissal within such 30-day period or to obtain dismissal within 60 days), (iii) authorize or file a voluntary petition in bankruptcy, suffer an order for relief under any Federal bankruptcy law, or apply for or consent (by admission of material allegations of a petition or otherwise) to the application of any bankruptcy, reorganization, arrangement, readjustment of debt, insolvency, dissolution, liquidation or other similar law of any jurisdiction, or authorize such application or consent, or proceedings to such end shall be instituted against the Borrower or any Consolidated Subsidiary without such authorization, application or consent which are not vacated within 30-days from the date thereof (or if such

vacation cannot reasonably be obtained within such 30-day period, the Borrower shall fail either to proceed with due diligence to seek to obtain vacation within such 30-day period or to obtain vacation within 60 days), (iv) permit or suffer all or any substantial part of its properties to be sequestered, attached, or subjected to a Lien (other than a Lien expressly permitted by the exceptions to Section 5.08) through any legal proceeding or distraint which is not vacated within 30-days from the date thereof (or if such vacation cannot reasonably be obtained within such 30-day period, the Borrower shall fail either to proceed with due diligence to seek to obtain vacation within such 30 day period or to obtain vacation within 60 days), (v) generally not pay its debts as such debts become due or admit in writing its inability to do so, or (vi) conceal, remove, or permit to be concealed or removed, any material part of its property, with intent to hinder, delay or defraud its creditors or any of them; provided, however, that the foregoing events will not constitute an Event of Default if such events occur with respect to any Subsidiary which is: (1) a Consolidated Subsidiary not organized under the laws of any State of the United States, the District of Columbia or Canada or any province thereof and not engaged in the retail business, if the aggregate Value of the Borrower's and all Consolidated Subsidiaries' investments in and advances to such Consolidated Subsidiary and all such other Consolidated Subsidiaries to which these tests are being applied within a period of 18 months ending on the date of determination, does not exceed $100,000,000, and if at the time the relevant event or condition described in this clause (e) occurs, (A) both rating agencies shall have a Credit Rating then in effect, the Credit Ratings are BBB and Baa2 or better, (B) if only one rating agency shall have a Credit Rating then in effect, the Credit Rating from such rating agency is BBB or Baa2 or better and (C) the Borrower does not cease to have the Credit Ratings described in clause (A) or (B) above for reasons attributable to the relevant event or condition described in this clause (e); (2) a Consolidated Subsidiary (other than a Subsidiary Loan Party) organized under the laws of any State of the United States, the District of Columbia or Canada or any province thereof and not engaged in the retail business, if the aggregate Value of the Borrower's and all Consolidated Subsidiaries' investments in and advances to such Consolidated Subsidiary and all other such Consolidated Subsidiaries to which these tests are being applied within a period of 18 months ending on the date of determination, does not exceed $50,000,000, and if at the time the relevant event or condition described in this clause (e) occurs, (A) both rating agencies shall have a Credit Rating then in effect, the Credit Ratings are BBB and Baa2 or better, (B) if only one rating agency shall have a Credit Rating then in effect, the Credit Rating from such rating agency is BBB or Baa2 or better and (C) the Borrower does not cease to have the Credit Ratings described in clause (A) or (B) above for reasons attributable to the relevant event or condition described in this clause (e); or (3) any Consolidated Subsidiary (other than a Subsidiary Loan Party) not engaged in the retail business, if the aggregate Value of the Borrower's and all Consolidated Subsidiaries' investments in and advances to such Consolidated Subsidiary and all other such Consolidated Subsidiaries to which these tests are being applied within a period of 18 months ending on the date of determination, does not exceed $25,000,000;

(f) the Borrower or any ERISA Affiliate shall fail to pay when due an amount or amounts aggregating in excess of $50,000,000 which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA; or notice of intent to terminate a Plan or Plans having aggregate Unfunded Liabilities in excess of $100,000,000 (collectively a "Material Plan") shall be filed under Title IV of ERISA by the Borrower or any ERISA Affiliate, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate or to cause a trustee to be appointed to administer any Material Plan or a proceeding shall be instituted by a fiduciary of any Material Plan against the Borrower or any ERISA Affiliate to enforce Section 515 or 4219(c)(5) of ERISA and such proceeding shall not have been dismissed within 30 days thereafter; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated;

(g) the Borrower shall fail to perform or observe in any material respect any other term, covenant or agreement contained in any Loan Document (including without limitation Section 5.01 of this Agreement) on its part to be performed or observed and any such failure remains unremedied for 30 days after the Borrower shall have received written notice thereof from the Administrative Agent at the request of any Lender;

(h) a Change in Control shall occur; or

(i) one or more judgments for the payment of money in an aggregate amount in excess of $100,000,000, exclusive of amounts covered by third party insurance, shall be rendered against the Borrower, any Consolidated Subsidiary or any combination thereof and the same shall remain undischarged for a period of 60 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or any Consolidated Subsidiary to enforce any such judgment; provided that in calculating the amounts covered by third party insurance, amounts covered by third party insurance shall not include amounts for which the third party insurer has denied liability.

SECTION 6.02. Remedies. If any Event of Default shall occur and be continuing, the Administrative Agent shall (a) if requested by the Required Lenders, by notice to the Borrower terminate the Commitments and they shall thereupon terminate, and (b) if requested by Lenders holding more than 50% of the aggregate unpaid principal amount of the Loans, by notice to the Borrower declare the Loans (together with accrued interest thereon and all other amounts payable by the Borrower hereunder) to be, and the Loans (together with accrued interest thereon and all other amounts payable by the Borrower hereunder) shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived

by the Borrower; provided that in the case of any of the bankruptcy Events of Default specified in Section 6.01(e) with respect to the Borrower, without any notice to the Borrower or any other act by the Administrative Agent or the Lenders, the Commitments shall thereupon terminate and the Loans (together with accrued interest thereon and all other amounts payable by the Borrower hereunder) shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

SECTION 6.03. Notice of Default. The Administrative Agent shall give notice to the Borrower under Section 6.01(a) or 6.01(g) promptly upon being requested to do so by any Lender and shall thereupon notify all the Lenders thereof.

ARTICLE VII

The Agents

Each of the Lenders and each Issuing Bank hereby irrevocably appoints each of the Administrative Agent and the Collateral Agent as its agent and authorizes such Agent to take such actions on its behalf and to exercise such powers as are delegated to such Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto. In addition, to the extent required under the laws of any jurisdiction, each of the Lenders hereby grants to the Collateral Agent any required powers of attorney to execute and enforce any Collateral Document governed by the laws of such jurisdiction on such Lender's behalf.

Each of the banks serving as an Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not an Agent under the Loan Documents.

The Agents shall not have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) the Agents shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Agents shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that the applicable Agent is required to exercise in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 8.02) or, in the case of the Collateral Documents, the Required Secured Parties, and (c) except as expressly set forth in the Loan Documents, the Agents shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries that is communicated to or obtained by the banks serving as Agents or any of their respective Affiliates in any capacity. No Agent shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as

shall be necessary under the circumstances as provided in Section 8.02) or, in the case of the Collateral Documents, the Required Secured Parties, or in the absence of its own gross negligence or willful misconduct. Each Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to such Agent by the Borrower or a Lender, and the Agents shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or in connection with any Loan Document, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the applicable Agent.

Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. Each of the Agents also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. Each Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Each of the Agents may perform any and all of its duties and exercise its rights and powers by or through any one or more sub-agents appointed by such Agent. Each of the Agents and any such sub-agent may perform any and all of its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of each Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as an Agent.

Subject to the appointment and acceptance of a successor Agent as provided in this paragraph, either Agent may resign at any time by notifying the Lenders, the Issuing Banks and the Borrower. Upon any such resignation, the Required Lenders (or, in the case of the Collateral Agent, the Required Secured Parties) shall have the right, in consultation with the Borrower, to appoint a successor. If no successor shall have been so appointed by the Required Lenders (or, in the case of the Collateral Agent, the Required Secured Parties) and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may, on behalf of the Lenders and the Issuing Banks, appoint a successor Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as an Agent by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations under the Loan Documents. The fees payable by the Borrower to a successor Agent shall be the same as

those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After such Agent's resignation hereunder, the provisions of this Article and Section 8.03 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as an Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Agents or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agents or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon any Loan Document, any related agreement or any document furnished hereunder or thereunder. The Joint Lead Arrangers and Joint Bookrunners, the Co-Syndication Agents and the Co-Documentation Agents (each as identified on the cover page of this Agreement), in their capacities as such, shall have no rights, powers, duties, liabilities, fiduciary relationships or obligations under any Loan Document or any of the other documents related hereto.

Each of the Lenders hereby (a) agrees to be bound by the provisions of the Collateral Documents, including those terms thereof applicable to the Collateral Agent and the provisions thereof authorizing the Required Secured Parties to approve amendments or modifications thereto or waivers thereof, and to control remedies thereunder, and (b) irrevocably authorizes the Collateral Agent to release any Lien on any Collateral in accordance with the Collateral Documents.

Each of the Lenders hereby (a) authorizes and instructs the Collateral Agent to enter into an Intercreditor Agreement if Indebtedness is incurred that is secured by Liens contemplated by clause (g) of Section 5.08 and (b) agrees that it will be bound by and will take no actions contrary to the provisions of such Intercreditor Agreement.

ARTICLE VIII

Miscellaneous

SECTION 8.01. Notices. Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to the last paragraph of this section), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(a) if to the Borrower, to it at Three Limited Parkway, P.O. Box 16000, Columbus, Ohio 43216, Attention of Treasurer (Telecopy No. (614) 415-8098) with copy to General Counsel (Telecopy No. (614) 415-7188);

(b) if to either Agent, to JPMorgan Chase Bank, N.A., Loan and Agency Services Group, 1111 Fannin Street, Floor 10, Houston, Texas 77002-6925, Attention of Maria Saez,Loan & Agency Services (Telecopy No. 713-750-2956

and emailed, if applicable, to covenant.compliance@jpmorgan.com), with a copy to JPMorgan Chase Bank, N.A., 270 Park Avenue, New York, New York 10017, Attention of Barry Bergman (Telecopy No. 212-270-6637);

(c) if to an Issuing Bank, as applicable, to it at (i) JPMorgan Chase Bank, N.A., Attention of Mary McCormack (Telecopy No. (212) 552-5650), (ii) Citibank, N.A., Attention of [ ] (Telecopy No. [ ]) or (iii) to it at its address (or telecopy number) specified in writing to the Borrower and the Administrative Agent in accordance with this Section 8.01; and

(d) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. Either Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

SECTION 8.02. Waivers; Amendments. (a) No failure or delay by the Administrative Agent, any Issuing Bank or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, any Issuing Bank and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent

of such Lender, (ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable by the Borrower hereunder, without the written consent of each Lender affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any interest thereon, or any fees payable by the Borrower hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby, (iv) change Section 2.17(b) or (c) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, or (v) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent or any Issuing Bank hereunder without the prior written consent of the Administrative Agent or any Issuing Bank, as the case may be. Notwithstanding the foregoing, any provision of this Agreement may be amended by an agreement in writing entered into by the Borrower, the Required Lenders and the Administrative Agent (and, if their rights or obligations are affected thereby, any Issuing Bank) if (i) by the terms of such agreement the Commitment of each Lender not consenting to the amendment provided for therein shall terminate upon the effectiveness of such amendment and (ii) at the time such amendment becomes effective, each Lender not consenting thereto receives payment in full of the principal of and interest accrued on each Loan made by it and all other amounts owing to it or accrued for its account under this Agreement.

SECTION 8.03. Expenses; Indemnity; Damage Waiver. (a) The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Agents and their respective Affiliates, including the reasonable fees, charges and disbursements of a single counsel for the Agents, as applicable, in connection with the syndication of the credit facilities provided for herein, the preparation and administration of the Loan Documents or any amendments, modifications or waivers of the provisions thereof (whether or not the transactions contemplated hereby or thereby shall be consummated) and (ii) if an Event of Default occurs, all reasonable out-of-pocket expenses incurred by either Agent, any Issuing Bank or any Lender, including the fees, charges and disbursements of any counsel for either Agent, any Issuing Bank or any Lender, in connection with the enforcement or protection of its rights in connection with the Loan Documents.

(b) The Borrower shall indemnify each Agent, any Issuing Bank and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable fees, charges and disbursements of any counsel for any Indemnitee in connection with any investigative, administrative or judicial proceeding, whether or not such Indemnitee shall be designated a party thereto, which may be incurred by any Indemnitee, relating to or arising out of any actual or proposed use of proceeds of Loans hereunder for the purpose of acquiring equity securities of any Person or any exercise of remedies under the Loan

Documents; provided that no Indemnitee shall have the right to be indemnified hereunder (i) with respect to the acquisition of equity securities of a wholly-owned Subsidiary, or of a Person who prior to such acquisition did not conduct any business or (ii) for its own gross negligence or willful misconduct.

(c) To the extent that the Borrower fails to pay any amount required to be paid by it to either Agent or any Issuing Bank under paragraph (a) or (b) of this Section, (i) each Lender, in the case of this Agreement, severally agrees to pay to the Administrative Agent or Issuing Bank, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount and (ii) each Secured Party, in the case of the Collateral Agreement, severally agrees to pay to the Collateral Agent such Secured Party's ratable share (determined in accordance with such Secured Party's share of the Obligations) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against such Agent or Issuing Bank in its capacity as such.

(d) To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, the Loan Documents or any agreement or instrument contemplated hereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof; provided that the foregoing waiver shall not apply to special, indirect or consequential damages (but shall apply to punitive damages) attributable to the failure of a Lender to fund Loans, when required to do so hereunder, promptly after the receipt of notice of such failure.

(e) All amounts due under this Section shall be payable promptly after written demand therefor.

SECTION 8.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), except that (i) other than pursuant to a merger permitted under Section 5.12, the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Agents, any Issuing Bank and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld) of:

(A) the Borrower; provided that no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee;

(B) the Administrative Agent; and

(C) each Issuing Bank.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $10,000,000 unless each of the Borrower and the Administrative Agent otherwise consents; provided that no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement; provided that this clause shall not apply to rights in respect of outstanding Competitive Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

For purposes of this Section 8.04(b), the term "Approved Fund" has the following meaning:

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by a Lender, an Affiliate of a Lender or an entity or an Affiliate of an entity that administers or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.14, 2.15, 2.16 and 8.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 8.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, the Administrative Agent, any Issuing Bank and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, any Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) (i) Any Lender may, without the consent of the Borrower, the Administrative Agent or any Issuing Bank, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent, any

Issuing Bank and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce the Loan Documents and to approve any amendment, modification or waiver of any provision of the Loan Documents; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clause (i), (ii), (iii) or (iv) of the first proviso to Section 8.02(b) that affects such Participant. Subject to paragraph (c)(ii) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.14, 2.15 and 2.16 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 8.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.17(c) as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.14 or 2.16 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.16 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.16(e) as though it were a Lender.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 8.05. Survival. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to any Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, any Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.14, 2.15, 2.16 and 8.03 and Article VII shall survive and remain in full force and effect regardless of the consummation of the transactions

contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

SECTION 8.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent and the initial Lenders constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 8.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 8.08. Right of Setoff. If any Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of the Borrower against any and all the obligations then due of the Borrower now or hereafter existing under this Agreement held by such Lender. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 8.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and

unconditionally agrees, to the fullest extent permitted under applicable law, that all claims in respect of any such action or proceeding may be heard and determined in such New York State or Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in any Loan Document shall affect any right that either Agent, any Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to any Loan Document against the Borrower or its properties in the courts of any jurisdiction.

(c) The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to any Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 8.01. Nothing in any Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 8.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 8.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 8.12. Confidentiality. Each of the Agents, any Issuing Bank and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed

of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement or the Term Loan Credit Agreement, (e) in connection with the exercise of any remedies under any Loan Document or any suit, action or proceeding relating to any Loan Document or the enforcement of rights thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, (g) with the consent of the Borrower or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to either Agent, any Issuing Bank or any Lender on a nonconfidential basis from a source other than the Borrower. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to either Agent, any Issuing Bank or any Lender on a nonconfidential basis prior to disclosure by the Borrower. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 8.13. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 8.14. Collateral. Each of the Lenders represents to the Agents and each of the other Lenders that it in good faith is not relying upon any "margin stock" (as defined in Regulation U of the Board) as collateral in the extension or maintenance of the credit provided for in this Agreement. In addition, the Borrower will not use or permit any proceeds of the Loans to be used in any manner which would violate or cause any Lender to be in violation of Regulation U of the Board.

SECTION 8.15. USA Patriot Act. Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act") it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Patriot Act.

SECTION 8.16. Waiver Under Existing Credit Agreement. By their execution hereof, the undersigned Lenders that are also parties to the Credit Agreement dated as of July 13, 2001, among the Borrower, the banks party thereto and JPMorgan Chase Bank (as successor to The Chase Manhattan Bank), as administrative agent, which Lenders constitute, in the aggregate, "Required Lenders" thereunder, and as defined therein, hereby waive the provisions of such Credit Agreement that would otherwise require advance notice for the termination of commitments thereunder or the prepayment of loans thereunder; provided that the foregoing waiver shall apply only to the termination of all commitments under such Credit Agreement and repayment of all loans outstanding thereunder, in each case in connection with the effectiveness of this Agreement.

SCHEDULE 3.05

Disclosed Matters

The litigation referred to in the Borrower’s Quarterly Report on Form 10-Q for the fiscal quarter ended November 1, 2008.

SCHEDULE 3.06

Consolidated Domestic Subsidiaries

	Subsidiary Name	Jurisdiction of Organization	Material Subsidiary as of the Restatement Effective Date (Yes/No)
1.	Bath & Body Works Brand Management, Inc.	Delaware	Yes
2.	Bath & Body Works, LLC	Delaware	Yes
3.	beautyAvenues, Inc.	Delaware	Yes
4.	Intimate Brands, Inc.	Delaware	Yes
5.	Limited Brands Direct Fulfillment, Inc.	Delaware	Yes
6.	Limited Service Corporation	Delaware	Yes
7.	Limited Store Planning, Inc.	Delaware	Yes
8.	Mast Industries, Inc.	Delaware	Yes
9.	Victoria’s Secret Direct Brand Management, LLC	Delaware	Yes
10.	Victoria’s Secret Stores Brand Management, Inc.	Delaware	Yes
11.	Victoria’s Secret Stores, LLC	Delaware	Yes
12.	American Licensing Group Limited Partnership	Delaware	No
13.	Aquatanica Spa, Inc.	Delaware	No
14.	Aura Science, LLC	Delaware	No
15.	Bath & Body Works Direct, Inc.	Delaware	No
16.	Bath & Body Works GC, LLC	Ohio	No
17.	Beachline, LLC	Delaware	No
18.	Bendelco, Inc.	Delaware	No
19.	Bigelow Merchandising, LLC	Delaware	No
20.	Boston Enterprises, LLC	Delaware	No
21.	Brymark, Inc.	Delaware	No
22.	Directional Visions, LLC	Delaware	No
23.	Distribution Land Corp.	Delaware	No
24.	Dolci Milano, Inc.	Delaware	No
25.	Eastern Key Properties, LLC	Delaware	No
26.	El Strategies, LLC	Delaware	No
27.	EXP Investments, Inc.	Delaware	No
28.	Far West Factoring, LLC	Nevada	No
29.	Freehold Properties, LLC	Delaware	No
30.	Hayes Productions, LLC	Delaware	No
31.	Henri Bendel, Inc.	Delaware	No
32.	Independent Production Services, Inc.	Delaware	No
33.	Intermark Development Group, Inc.	Delaware	No
34.	Intimissimi GC, LLC	Ohio	No
35.	L.B.I. Holdings, Inc.	Nevada	No
36.	Limco, Inc.	Delaware	No
37.	Limcourt, Inc.	Delaware	No
38.	Limhil, Inc.	Delaware	No
39.	Limited (Overseas), Inc.	Delaware	No
40.	Limited Assets, Inc.	Delaware	No
41.	Limited Brand and Creative Services, Inc.	Delaware	No

	Subsidiary Name	Jurisdiction of Organization	Material Subsidiary as of the Restatement Effective Date (Yes/No)
42.	Limited Brands Direct Holding, Inc.	Delaware	No
43.	Limited Brands Direct Marketing, Inc.	Delaware	No
44.	Limited Brands Direct Media Production, Inc.	Delaware	No
45.	Limited Brands Sourcing, Inc.	Delaware	No
46.	Limited Brands Store Operations, Inc.	Delaware	No
47.	Limited Brands, Inc.	Delaware	No
48.	Limited Customs Services, Inc.	Delaware	No
49.	Limited Direct, Inc.	Delaware	No
50.	Limited Factoring Inc.	Nevada	No
51.	Limited Logistics Services, Inc.	Delaware	No
52.	Limited Marketing Corp.	Delaware	No
53.	Limited Marketing Services, Inc.	Delaware	No
54.	Limited Merchandising, Inc.	Delaware	No
55.	Limited New York, Inc.	Delaware	No
56.	Limited Overseas Finance, LLC	Delaware	No
57.	Limited Service Corporation II	Delaware	No
58.	Limited Specialties, Inc.	Delaware	No
59.	Limited Technology Services, Inc.	Delaware	No
60.	Limres, Inc.	Delaware	No
61.	Limsoc, Inc.	Delaware	No
62.	Limtown, Inc.	Delaware	No
63.	Lone Mountain Factoring, LLC	Nevada	No
64.	MA Holdings, Inc.	Nevada	No
65.	Mast Industries (Delaware), Inc.	Delaware	No
66.	Mast Industries Sourcing, Inc.	Delaware	No
67.	Midwest Visions, LLC	Delaware	No
68.	MORSO Holding Co.	Delaware	No
69.	Nevada Fusion, Inc.	Nevada	No
70.	New Vision (U.S.), Inc.	Delaware	No
71.	Niacorp Commercial, Inc.	Nevada	No
72.	Niacorp Development, Inc.	Nevada	No
73.	North Port Enterprises, LLC	Delaware	No
74.	Oldco, Inc.	Delaware	No
75.	Overseas Holdings, Inc.	Delaware	No
76.	PENHAL Investments, Inc.	Delaware	No
77.	Retail Transportation Company	Delaware	No
78.	REYNO Holding Co.	Delaware	No
79.	Slatkin & Co., Inc.	New York	No
80.	Southern Key Properties, LLC	Delaware	No
81.	Tri-State Factoring, LLC	Nevada	No
82.	Victoria’s Secret Beauty Company	Delaware	No
83.	Victoria’s Secret Direct GC, LLC	Ohio	No
84.	Victoria’s Secret Direct Holding, LLC	Delaware	No

	Subsidiary Name	Jurisdiction of Organization	Material Subsidiary as of the Restatement Effective Date (Yes/No)
85.	Victoria’s Secret Direct New York, LLC	Delaware	No
86.	Victoria’s Secret Stores GC, LLC	Ohio	No

Existing Liens

NONE.

SCHEDULE 5.19

Restrictive Agreements

1. Indenture dated as of March 15, 1988 between the Borrower and The Bank of New York, as Trustee (the "**1988 Indenture**")
2. First Supplemental Indenture to the 1988 Indenture dated as of May 31, 2005 among the Borrower, The Bank of New York, as Resigning Trustee and The Bank of New York Trust Company, N.A., as Successor Trustee
3. Second Supplemental Indenture to 1988 Indenture dated as of July 17, 2007 between the Borrower and The Bank of New York Trust Company, N.A., as Trustee
4. Indenture dated as of February 19, 2003 between the Borrower and The Bank of New York, as Trustee

EXHIBIT A
TO THE AMENDED AND RESTATED
FIVE-YEAR REVOLVING CREDIT AGREEMENT

[FORM OF]

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [Insert name of Assignor] (the "Assignor") and [Insert name of Assignee] (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any letters of credit included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: _____

2. Assignee: _____
   [and is an Affiliate/Approved Fund of [Identify Lender]][1]

3. Borrower: Limited Brands, Inc.

[1] Select as applicable.

4. Administrative Agent: JPMorgan Chase Bank, N.A., as the Administrative Agent under the Credit Agreement

5. Credit Agreement: The Amended and Restated Five-Year Revolving Credit Agreement dated as of February 19, 2009, among Limited Brands, Inc., the Lenders parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other agents parties thereto.

6. Assigned Interest:

Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/ Loans[2]
$	$	%

Effective Date: , 20 [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR].

[2] Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR [NAME OF ASSIGNOR],

by

_____

Title:

ASSIGNEE [NAME OF ASSIGNEE],

by

_____

Title:

Consented to and Accepted:

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent,

by

_____

Title:

Consented to:

LIMITED BRANDS, INC.,

by

_____

Title:

LIMITED BRANDS, INC.
AMENDED AND RESTATED FIVE-YEAR REVOLVING CREDIT AGREEMENT

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other agreement, instrument or document related thereto (each, a "Loan Document"), (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.01 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender and (v) if it is a Foreign Lender, attached to this Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of

principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT B

US$750,000,000

AMENDED AND RESTATED
TERM LOAN CREDIT AGREEMENT

dated as of

February 19, 2009

Amending and Restating the
Term Loan Credit Agreement
dated as of October 6, 2004,
Previously Amended and Restated
as of November 5, 2004, March 22, 2006 and August 3, 2007

among

LIMITED BRANDS, INC.,

The Lenders Party Hereto

and

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent and Collateral Agent

J.P. MORGAN SECURITIES INC., BANC OF AMERICA SECURITIES LLC

and CITIGROUP GLOBAL MARKETS INC.,
as Joint Lead Arrangers and Joint Bookrunners

and

BANK OF AMERICA, N.A. and
CITIBANK, N.A.,
as Co-Syndication Agents

and

HSBC BANK USA, N.A.
as Co-Documentation Agent

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AMENDED AND RESTATED TERM LOAN CREDIT AGREEMENT dated as of February 19, 2009, among LIMITED BRANDS, INC., the LENDERS party hereto and JPMORGAN CHASE BANK, N.A., as Administrative Agent.

Reference is made to the Amendment and Restatement Agreement dated as of February 19, 2009 (the "Restatement Agreement"), relating to (i) the Amended and Restated Term Loan Credit Agreement dated as of August 3, 2007 (the "Existing Credit Agreement"), among Limited Brands, Inc., the Lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent and (ii) the Amended and Restated Five-Year Revolving Credit Agreement dated as of August 3, 2007 (the "Existing Revolving Credit Agreement"), among Limited Brands, Inc., the Lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent. Pursuant to the Restatement Agreement, the Existing Credit Agreement is being amended and restated in the form hereof.

The parties hereto agree as follows:

ARTICLE I

Definitions

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

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

"Administrative Agent" means JPMorgan Chase Bank, N.A., in its capacity as administrative agent for the Lenders hereunder.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agents" means the Administrative Agent and the Collateral Agent.

"Alternate Base Rate" means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1% and (c) the LIBO Rate for a one-month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%; provided that, for the avoidance of doubt, for purposes of calculating the Alternate Base Rate, the LIBO Rate for any day shall be based on the Reuters BBA Libor Rates page 3750 (or on any successor or substitute page of such page) at approximately 11:00 a.m. London time on such day. Any change in the Alternate Base Rate due to a

change in the Prime Rate, the Federal Funds Effective Rate or the LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the LIBO Rate, respectively.

"Applicable Rate" means, for any day, with respect to any Eurodollar Loan or ABR Loan, the applicable rate per annum set forth below under the caption "Eurodollar Spread" or "ABR Spread", as the case may be, based upon the Borrower's Credit Ratings applicable on such date:

Credit Rating:	Eurodollar Spread	ABR Spread
Category 1 ³ BBB/Baa2	2.50%	1.50%
Category 2 BBB-/Baa3	3.00%	2.00%
Category 3 BB+/Ba1	3.50%	2.50%
Category 4 BB/Ba2	4.00%	3.00%
Category 5 ³ BB-/Ba3	4.50%	3.50%

For purposes of the foregoing, (a) if either S&P or Moody's shall not have in effect a Credit Rating for the Borrower (other than by reason of the circumstances referred to in the last sentence of this definition) the Applicable Rate shall be determined on the basis of the rating agency that does then have a Credit Rating for the Borrower in effect, (b) if the Credit Ratings established by Moody's and S&P shall fall within different Categories then the Applicable Rate shall be based on the lower of the two Credit Ratings, (c) if neither S&P nor Moody's has in effect a Credit Rating for the Borrower (other than by reason of the circumstances referred to in the last sentence of this definition) then the Borrower shall be deemed to be rated in Category 5, (d) the Borrower shall be deemed to be rated in Category 5 at any time that an Event of Default has occurred and is continuing and (e) if the Credit Ratings established or deemed to have been established by S&P and Moody's for the Borrower shall be changed (other than as a result of a change in the rating system of S&P or Moody's), such change shall be effective as of the date on which it is first announced by the applicable rating agency. Each change in an Applicable Rate shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of S&P or Moody's shall change, or if either such rating agency shall cease to be in the business of rating obligors, the Borrower and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system, or the unavailability of ratings from such rating agency and, pending the effectiveness of any such amendment, each Applicable Rate shall be determined by reference to the rating most recently in effect prior to such change or cessation.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 8.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Borrower" means Limited Brands, Inc., a Delaware corporation.

"Borrowing" means Loans of the same Type made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect.

"Borrowing Date" means the date on which the Borrower makes the Borrowing under this Agreement.

"Borrowing Request" means a request by the Borrower for a Borrowing in accordance with Section 2.03.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, when used in connection with a Eurodollar Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"Change in Control" means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the date hereof) other than the Permitted Holders of shares representing more than 30% of the aggregate ordinary voting power represented by the issued and outstanding capital stock of the Borrower or (b) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Borrower by Persons who were neither (i) nominated by the board of directors of the Borrower nor (ii) appointed by directors so nominated.

"Change in Law" means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement, or (c) compliance by any Lender (or, for purposes of Section 2.12(b), by any lending office of such Lender or by such Lender's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" means any and all assets, tangible or intangible, on which Liens are purported to be granted pursuant to the Collateral Documents as security for the Obligations.

"Collateral Agent" means JPMorgan Chase Bank, N.A., in its capacity as collateral agent under the Collateral Documents.

"Collateral Agreement" means the Guarantee and Collateral Agreement among the Borrower, the Subsidiary Loan Parties and the Administrative Agent, substantially in the form attached as Exhibit C to the Restatement Agreement.

"Collateral and Guarantee Requirement" means, at any time, the requirement that:

(a) the Collateral Agent shall have received from the Borrower and each Material Subsidiary either (i) a counterpart of the Collateral Agreement duly executed and delivered on behalf of the Borrower or such Material Subsidiary, as applicable, or (ii) in the case of any Person that becomes a Material Subsidiary after the Restatement Effective Date, a supplement to the Collateral Agreement, in the form specified therein, duly executed and delivered on behalf of such Material Subsidiary;

(b) all Uniform Commercial Code financing statements required by law or reasonably requested by the Collateral Agent to be filed, registered or recorded to perfect the Liens intended to be created by the Collateral Agreement to the extent required by, and with the priority required by, the Collateral Agreement, shall have been filed, registered or recorded or delivered to the Collateral Agent for filing, registration or recording; and

(c) the Borrower and each Material Subsidiary shall have obtained all consents and approvals required to be obtained by it in connection with the execution and delivery of all Collateral Documents to which it is a party, the performance of its obligations thereunder and the granting by it of the Liens thereunder.

"Collateral Documents" means, collectively, the Collateral Agreement and each other security agreement or other instrument or document granting a Lien upon the Collateral as security for the Obligations.

"Commitment" has the meaning set forth in the Existing Credit Agreement. The Commitments have terminated.

"Consolidated Debt" means, at any date of determination, the total Indebtedness of the Borrower and the Consolidated Subsidiaries at such date (excluding, whether or not any ETC Entity is a Consolidated Subsidiary, any Non-Recourse ETC Debt), determined on a consolidated basis in accordance with GAAP.

"Consolidated EBITDA" means, for any period, Consolidated Net Income for such period (adjusted (i) to exclude any non-cash items deducted or included in determining Consolidated Net Income for such period attributable to FAS 133 – Accounting for Derivative Instruments and Hedging Activities, FAS 142 – Goodwill and Other Intangible Assets, or stock options and other equity-linked compensation to officers, directors and employees, and (ii) to deduct cash payments made during such period in respect of Hedging Agreements (or other items subject to FAS 133 – Accounting for Derivative Instruments and Hedging Activities) to the extent not otherwise deducted in determining Consolidated Net Income for such period) plus (a) without duplication and to the extent deducted in determining such Consolidated Net Income, the sum of (i) consolidated interest expense for such period, (ii) consolidated income tax expense for such period, (iii) all amounts attributable to depreciation and amortization for such period and (iv) any extraordinary or nonrecurring charges for such period, and minus (b) without duplication and to the extent included in determining such Consolidated Net Income, any extraordinary or nonrecurring gains for such period, all determined on a consolidated basis in accordance with GAAP; provided that regardless of whether any ETC Entity is a Consolidated Subsidiary, the results of any ETC Entity shall be included in Consolidated EBITDA to the extent (and only to the extent) actually distributed (directly or indirectly) by such ETC Entity to the Borrower or another Consolidated Subsidiary that is not an ETC Entity; provided further, that if on or prior to the applicable date of determination of Consolidated EBITDA, an acquisition or disposition outside of the ordinary course of business has occurred that has the effect of increasing or decreasing Consolidated EBITDA then (without duplication of any other adjustment made in determining Consolidated EBITDA for such period) Consolidated EBITDA shall be determined on a pro forma basis to give effect to such acquisition or disposition as if such acquisition or disposition had occurred immediately prior to the commencement of the period for which Consolidated EBITDA is to be determined.

"Consolidated EBITDAR" means, for any period, Consolidated EBITDA for such period plus, without duplication and to the extent deducted in the determination of such Consolidated EBITDA, consolidated fixed minimum store rental expense for such period, all determined on a consolidated basis in accordance with GAAP; provided that, if on or prior to the applicable date of determination of Consolidated EBITDAR, an acquisition or disposition outside of the ordinary course of business has occurred that has the effect of increasing or decreasing Consolidated EBITDAR, then (without duplication of adjustments made in determining Consolidated EBITDA for such period) Consolidated EBITDAR shall be determined on a pro forma basis to give effect to such acquisition or disposition as if such acquisition or disposition had occurred immediately prior to the commencement of the period for which Consolidated EBITDAR is to be determined.

"Consolidated Fixed Charges" means, for any period, the sum of (a) consolidated interest expense, both expensed and capitalized (including the interest

component in respect of Capital Lease Obligations but excluding any interest expense in respect of Indebtedness of any ETC Entity, except to the extent actually paid by the Borrower or a Consolidated Subsidiary other than, if it is a Consolidated Subsidiary, any ETC Entity), of the Borrower and the Consolidated Subsidiaries for such period, plus (b) consolidated fixed minimum store rental expense of the Borrower and the Consolidated Subsidiaries for such period, all determined on a consolidated basis in accordance with GAAP; provided that, if on or prior to the applicable date of determination of Consolidated Fixed Charges, an acquisition or disposition outside of the ordinary course of business has occurred that has the effect of increasing or decreasing Consolidated Fixed Charges, then Consolidated Fixed Charges shall be determined on a pro forma basis to give effect to such acquisition or disposition as if such acquisition or disposition had occurred immediately prior to the commencement of the period for which Consolidated Fixed Charges is to be determined.

"Consolidated Net Income" means, for any period, the net income or loss of the Borrower and the Consolidated Subsidiaries for such period determined on a consolidated basis in accordance with GAAP.

"Consolidated Subsidiary" means any Subsidiary (other than an Unrestricted Subsidiary), the accounts of which are, or are required to be, consolidated with those of the Borrower in the Borrower's periodic reports filed under the Securities Exchange Act of 1934.

"Control" means, with respect to a specified Person, the possession, directly or indirectly, of the power to direct, or cause the direction of, the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have correlative meanings.

"Credit Rating" means, in the case of S&P, the "Issuer Credit Rating" assigned by S&P to the Borrower and, in the case of Moody's, the "Corporate Family Rating" assigned by Moody's to the Borrower.

"Default" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Disclosed Matters" means the actions, suits and proceedings and the environmental matters disclosed in Schedule 3.05.

"Disqualified Equity Interest" means, any Equity Interest in the Borrower that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, either mandatorily or at the option of the holder thereof), or upon the happening of any event or condition:

(a) matures or is mandatorily redeemable (other than solely for Equity Interests in the Borrower that do not constitute Disqualified Equity Interests and cash in lieu of fractional shares of such Equity Interests), whether pursuant to a sinking fund obligation or otherwise, prior to the Specified Date;

(b) is convertible or exchangeable at the option of the holder thereof for Indebtedness or Equity Interests (other than solely for Equity Interests in the Borrower that do not constitute Disqualified Equity Interests and cash in lieu of fractional shares of such Equity Interests), prior to the Specified Date; or

(c) is redeemable (other than solely for Equity Interests in the Borrower that do not constitute Disqualified Equity Interests and cash in lieu of fractional shares of such Equity Interests) or is required to be repurchased by the Borrower or any of its Affiliates, in whole or in part, at the option of the holder thereof, prior to the Specified Date; provided that this clause (c) shall not apply to any requirement of mandatory redemption or repurchase that is contingent upon an asset disposition or the incurrence of Indebtedness if such mandatory redemption or repurchase can be avoided through repayment or prepayment of Loans or Revolving Loans or through investments by the Borrower or the Consolidated Subsidiaries in assets to be used in their businesses.

"dollars" or "$" refers to lawful money of the United States of America.

"Domestic Subsidiary" means any Subsidiary that is organized under the laws of the United States of America, any State thereof or the District of Columbia.

"Environmental Laws" means all applicable laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions or binding agreements issued, promulgated or entered into by any Governmental Authority, relating to the environment, preservation or reclamation of natural resources or the management, release or threatened release of any Hazardous Material.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Consolidated Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ETC Entity" means (i) Easton Town Center, LLC and (ii) any Person substantially all of the assets of which consist of (x) some or all of the assets held by Easton Town Center, LLC at any time prior to the Restatement Effective Date or (y) equity interests in or debt of Easton Town Center, LLC or any Person described in subclause (x) or this subclause (y) of this clause (ii).

"Eurodollar", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to a LIBO Rate.

"Event of Default" has the meaning assigned to such term in Article VI.

"Excluded Taxes" means, with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, (b) income, franchise or similar taxes imposed by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, or which are imposed by reason of any present or former connection between such Lender and the jurisdiction imposing such taxes, other than solely as a result of this Agreement or any Loan or transaction contemplated hereby, (c) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction described in clause (a) or (b) above and (d) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 2.16(b)), any withholding tax that (i) is in effect and would apply to amounts payable to such Foreign Lender under applicable law at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, under applicable law at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to any withholding tax pursuant to Section 2.14(a), or (ii) is attributable to such Foreign Lender's failure to comply with Section 2.14(e).

"Existing Restatement" means the Amendment and Restatement Agreement dated as of August 3, 2007, among Limited Brands, Inc., the Lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent.

"Existing Revolving Credit Agreement" has the meaning set forth in the introductory statement of this Agreement.

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Financial Officer" means the chief financial officer, principal accounting officer, treasurer or controller of the Borrower.

"Fiscal Year" means the fiscal year of the Borrower which shall commence on the Sunday following the Saturday on or nearest (whether following or preceding) January 31 of one calendar year and end on the Saturday on or nearest (whether following or preceding) January 31 of the following calendar year.

"Foreign Lender" means any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Foreign Subsidiary" means any Subsidiary that is not a Domestic Subsidiary.

"GAAP" means generally accepted accounting principles in the United States of America.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes in each case which are regulated pursuant to any Environmental Law.

"Hedging Agreement" means any interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement.

"Immaterial Subsidiaries" means, at any time, Consolidated Subsidiaries that (a) are Domestic Subsidiaries and (b) at such time, in the aggregate for all such Subsidiaries, (i) directly own less than 10% of the amount of Qualifying U.S. Assets owned directly by all Consolidated Subsidiaries that are Domestic Subsidiaries and (ii) directly own accounts receivable and inventory representing less than 5% of the book value of the accounts receivable and inventory directly owned by all Consolidated Subsidiaries that are Domestic Subsidiaries.

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person in respect of the deferred purchase price of property (other than inventory) or services (excluding accruals and trade accounts payable arising in the ordinary course of business), (d) all Indebtedness of others secured by any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (e) all Guarantees by such Person of Indebtedness of others, (f) all Capital Lease Obligations of such Person and (g) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances.

"Indemnified Taxes" means Taxes other than Excluded Taxes and Other Taxes.

"Information Memorandum" means the Confidential Information Memorandum to be prepared in connection with the syndication of the credit facility provided for in this Agreement relating to the Borrower and the Transactions.

"Intercreditor Agreement" means an intercreditor agreement among the Loan Parties, the Collateral Agent and the trustee, agent or other representative for holders of any Indebtedness secured by second-priority Liens contemplated by clause (g) of Section 5.08, which intercreditor agreement shall be consistent with the then existing market practice and reasonably acceptable to the Required Secured Parties (it being understood that (i) any such intercreditor agreement shall be considered approved by a Lender or Revolving Lender if made available to such Lender or Revolving Lender by the Administrative Agent (through Intralinks or similar facility) and such Lender or Revolving Lender is informed that such intercreditor agreement shall be considered approved by it if there is no objection within three Business Days, and no such objection is made and (ii) such intercreditor agreement shall be deemed accepted if approved or deemed approved by the Required Secured Parties).

"Interest Election Request" means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.05.

"Interest Payment Date" means (a) with respect to any ABR Loan, the last day of each March, June, September and December and (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three-months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three-months' duration after the first day of such Interest Period.

"Interest Period" means, with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on (a) the numerically corresponding day in the calendar month that is one, two, three or six months thereafter or, if available from all Lenders, nine or 12 months thereafter or (b) the next date on which any scheduled payment of principal is due under Section 2.07 (but only if such period is less than six month's duration and is available from all Lenders), in each case as the Borrower may elect; provided that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Borrowing with an Interest Period of an integral number of months only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any Interest Period pertaining to a Eurodollar Borrowing with an Interest Period of an integral number of months that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period and (iii) any Interest Period that would otherwise end after the Maturity Date will end on the Maturity Date. For purposes hereof, the date of a Eurodollar Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date on which such Borrowing results from the conversion or continuation of another Borrowing.

"Lenders" means the Persons listed on Schedule 2.01 to the Existing Restatement and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption as contemplated in Section 8.04(b), other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

"LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, the rate appearing on Reuters BBA Libor Rates page 3750 (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the "LIBO Rate" with respect to such Eurodollar

Borrowing for such Interest Period shall be the rate at which dollar deposits of $5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

"Lien" means, with respect to any asset, any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset.

"Loan Documents" means this Agreement, the Collateral Documents and the Restatement Agreement.

"Loan Parties" means the Borrower and the Subsidiary Loan Parties.

"Loans" means the loans made by the Lenders to the Borrower pursuant to this Agreement.

"Material Adverse Effect" means a material adverse effect on (a) the business, financial position or results of operations of the Borrower and the Consolidated Subsidiaries, taken as a whole, (b) the ability of the Borrower to perform any of its obligations under this Agreement or (c) the rights of or benefits available to the Lenders under this Agreement or, except during a Release Period, the Collateral Agreement.

"Material Indebtedness" means Indebtedness (other than the Loans), or obligations in respect of one or more Hedging Agreements, of any one or more of the Borrower and its Consolidated Subsidiaries in an aggregate principal amount exceeding $100,000,000. For purposes of determining Material Indebtedness, the "principal amount" of the obligations of the Borrower or any Consolidated Subsidiary in respect of any Hedging Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Borrower or such Consolidated Subsidiary would be required to pay if such Hedging Agreement were terminated at such time.

"Material Subsidiary" means any Consolidated Subsidiary that is a Domestic Subsidiary and is not an Immaterial Subsidiary.

"Maturity Date" means August 3, 2012.

"Minority Interest Disposition" means a sale, transfer or other disposition by the Borrower or any of the Subsidiaries (including the issuer thereof) of up to 20% of the Equity Interests in any Subsidiary of the Borrower.

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Non-Recourse ETC Debt" means any Indebtedness of any ETC Entity, except to the extent such Indebtedness is Guaranteed by, or otherwise recourse to, the Borrower or any other Subsidiary that is not an ETC Entity.

"Obligations" has the meaning set forth in the Collateral Agreement.

"Other Taxes" means any and all present or future recording, stamp, documentary, excise, property or similar taxes, charges or levies imposed by the United States of America or any political subdivision thereof arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement.

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Permitted Encumbrances" means:

(b) Liens imposed by law for taxes that are not yet due;

(c) carriers', warehousemen's, mechanics', materialmen's, repairmen's, landlord's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days;

(d) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;

(e) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(f) judgment liens in respect of judgments that do not constitute an Event of Default under clause (j) of Section 6.01;

(g) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower or any Subsidiary;

(h) Liens in favor of sellers of goods arising under Article 2 of the New York Uniform Commercial Code or similar provisions of applicable law in the ordinary course of business, covering only the goods sold and securing only the unpaid purchase price for such goods and related expenses; and

(i) Liens securing obligations in respect of trade letters of credit; provided that such Liens do not extend to any property other than the goods financed or paid for with such letters of credit, documents of title in respect thereof and proceeds thereof; provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

"Permitted Holders" means Leslie H. Wexner, all descendants of any of his grandparents, any spouse or former spouse of any of the foregoing, any descendant of any such spouse or former spouse, the estate of any of the foregoing, any trust for the benefit, in whole or in part, of one or more of the foregoing and any corporation, limited liability company, partnership or other entity Controlled by one or more of the foregoing.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Prime Rate" means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

"Qualifying U.S. Assets" means any and all assets directly owned by the Consolidated Subsidiaries that are Domestic Subsidiaries, other than (a) real property, including improvements thereto and fixtures, (b) aircraft and (c) investments in the Borrower or any of its Subsidiaries. The amount or value of any Qualifying U.S. Assets at any time shall be the book value thereof at such time determined in accordance with GAAP.

"Register" has the meaning set forth in Section 8.04.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Release Period" means a period (a) commencing upon the release and termination of the Guarantees of the Subsidiary Loan Parties and the security interests in the Collateral pursuant to Section 7.13(b) of the Collateral Agreement and (b) ending when the Borrower is required to satisfy the Collateral and Guarantee Requirement as provided in Section 5.16(b).

"Required Lenders" means, at any time, Lenders having Loans or Commitments representing more than 50% of the sum of the total Loans or Commitments at such time.

"Required Secured Parties" has the meaning set forth in the Collateral Agreement.

"Restatement Agreement" has the meaning set forth in the introductory statement of this Agreement.

"Restatement Effective Date" has the meaning set forth in the Restatement Agreement.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Borrower or any Consolidated Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Equity Interests in the Borrower or any Consolidated Subsidiary; provided that a dividend, distribution or payment payable solely in Equity Interests (other than Disqualified Equity Interests) in the Borrower or applicable Consolidated Subsidiary shall not constitute a Restricted Payment.

"Revolving Credit Agreement" means the Existing Revolving Credit Agreement, as amended and restated pursuant to the Restatement Agreement.

"Revolving Lender" means a "Lender" under (and as defined in) the Revolving Credit Agreement.

"Revolving Loan" means a "Loan" under (and as defined in) the Revolving Credit Agreement.

"S&P" means Standard & Poor's Ratings Services.

"Secured Parties" has the meaning set forth in the Collateral Agreement.

"Specified Date" means the date that is 180 days after the Maturity Date.

"Statutory Reserve Percentage" means for any day the percentage (expressed as a decimal) that is in effect on such day, as prescribed by the Board, for determining the maximum reserve requirement for a member bank of the Federal Reserve System for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board). Such reserve percentage shall include those imposed pursuant to such Regulation D. The Statutory Reserve Percentage shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other

ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Subsidiary" means any subsidiary of the Borrower.

"Subsidiary Loan Party" means, at any time, any Material Subsidiary that is a party to the Collateral Agreement and has satisfied the Collateral and Guarantee Requirement at such time. A Consolidated Subsidiary that has satisfied the Collateral and Guarantee Requirement shall cease to be a Subsidiary Loan Party at such time as its Guarantee of the Obligations, and the security interests in its assets securing the Obligations, in each case under the Collateral Agreement, are released, subject to reinstatement as a Subsidiary Loan Party if and when it subsequently satisfies the Collateral and Guarantee Requirement.

"Taxes" means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

"Test Date" means the date of any Borrowing hereunder; provided that any such date shall not be a "Test Date" if, on such date, (a) if both rating agencies shall have a Credit Rating then in effect, the Credit Ratings are BBB and Baa2 or better or (b) if only one rating agency shall have a Credit Rating then in effect, the Credit Rating from such rating agency is BBB or Baa2 or better.

"Transactions" means the execution, delivery and performance by each Loan Party of the Loan Documents to which it is to be a party, the borrowing of Loans and the use of the proceeds thereof.

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the LIBO Rate or the Alternate Base Rate.

"Unfunded Liabilities" means, with respect to any Plan at any time, the amount (if any) by which (a) the present value of all benefits under such Plan exceeds (b) the fair market value of all Plan assets allocable to such benefits, all determined as of the then most recent valuation date for such Plan, but only (i) to the extent that such excess represents a potential liability of the Borrower or any ERISA Affiliate to the PBGC or any other Person under Title IV of ERISA or (ii) with respect to a Plan which is a Multiemployer Plan as described in Section 4001(a)(3) of ERISA, to the extent of the Unfunded Liabilities of such Plan allocable to the Borrower or any ERISA Affiliate under Section 4212 of ERISA.

"Unrestricted Subsidiary" means any Subsidiary designated as an Unrestricted Subsidiary in a written notice sent at any time after the date of this Agreement by the Borrower to the Administrative Agent which is engaged (a) primarily in the business of making or discounting loans, making advances, extending credit or

providing financial accommodation to, or purchasing the obligations of, others; (b) primarily in the business of insuring property against loss and subject to regulation as an insurance company by any Governmental Authority; (c) exclusively in the business of owning or leasing, and operating, aircraft and/or trucks; (d) primarily in the ownership, management, leasing or operation of real estate, other than parcels of real estate with respect to which 51% or more of the rentable space is used by the Borrower or a Consolidated Subsidiary in the normal course of business; or (e) primarily as a carrier transporting goods in both intrastate and interstate commerce; provided that (i) the Borrower may by notice to the Administrative Agent change the designation of any Subsidiary described in subparagraphs (a) through (e) above, but may do so only once during the term of this Agreement, (ii) the designation of a Subsidiary as an Unrestricted Subsidiary more than 30 days after the creation or acquisition of such Subsidiary where such Subsidiary was not specifically so designated within such 30 days shall be deemed to be the only permitted change in designation and (iii) immediately after the Borrower designates any Subsidiary whether now owned or hereafter acquired or created as an Unrestricted Subsidiary or changes the designation of a Subsidiary from an Unrestricted Subsidiary to a Consolidated Subsidiary, the Borrower and all Consolidated Subsidiaries would be in compliance with all of the provisions of this Agreement.

"Value" means, when used in Section 6.01(e) with respect to investments in and advances to a Consolidated Subsidiary, the book value thereof immediately before the relevant event or events referred to in Section 6.01(e) occurred with respect to such Consolidated Subsidiary.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Type (e.g., a "Eurodollar Loan"). Borrowings also may be classified and referred to by Type (e.g., a "Eurodollar Borrowing").

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and

Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

ARTICLE II

The Credits

SECTION 2.01. Outstanding Loans. As of the Restatement Effective Date, after giving effect to the transactions contemplated by the Restatement Agreement, the aggregate principal amount of Loans outstanding hereunder is $750,000,000.

SECTION 2.02. Loans and Borrowings. (a) Each Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make the Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.11, the Borrowing made on the Borrowing Date shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower may request in accordance herewith. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurodollar Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of $1,000,000 and not less than $20,000,000; provided that a Eurodollar Borrowing with an Interest Period that ends on the date on which any scheduled payment of principal is due under Section 2.07 may be in the amount of the scheduled payment of principal due on such date. Borrowings of more than one Type may be outstanding at the same time; provided that there shall not at any time be more than a total of five Eurodollar Borrowings outstanding.

SECTION 2.03. Requests for Borrowing. To request the Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone (a) in the case of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of the proposed Borrowing and (b) in the case of an ABR Borrowing, not later than 11:00 a.m., New York City time, on the date of the proposed Borrowing. Such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the Borrower. Such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) the aggregate amount of the Borrowing;

(ii) the date of the Borrowing;

(iii) whether the Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing;

(iv) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and

(v) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.04.

If no election as to the Type of Borrowing is specified, then the Borrowing shall be a Eurodollar Borrowing. If no Interest Period is specified with respect to the Borrowing, if it is requested (or deemed requested) as a Eurodollar Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the Borrowing.

SECTION 2.04. Funding of Borrowing. (a) Each Lender shall make the Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 noon, New York City time, to the account of the Administrative Agent designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with the Administrative Agent in New York City and designated by the Borrower in the Borrowing Request.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of the Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of the Borrowing, the

Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the greater of the interest rate applicable to the Loans of the other Lenders included in the Borrowing and a rate determined by the Administrative Agent to equal its cost of funds for funding such amount. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.05. Interest Elections. (a) The Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the Borrower.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is to be a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be continued as a Eurodollar Borrowing with an Interest Period of one month's duration.

SECTION 2.06. Termination and Reduction of Commitments. (a) Unless previously terminated, the Commitments shall terminate at the date on which Loans are made.

(b) The Borrower may at any time terminate, or from time to time reduce, the Commitments; provided that each reduction of the Commitments shall be in an amount that is an integral multiple of $1,000,000 and not less than $25,000,000.

(c) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

SECTION 2.07. Repayment of Loans; Evidence of Indebtedness; Amortization. (a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Loan as provided in paragraph (f) below.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 8.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

(f) (i) Intentionally Omitted.

(ii) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Loan on the Maturity Date.

(iii) Intentionally Omitted.

(iv) Each repayment of a Borrowing shall be applied ratably to the Loans included in the repaid Borrowing. Repayment of a Borrowing shall be accompanied by accrued interest on the amount repaid.

(v) The Borrower shall select the Borrowing or Borrowings to be repaid and shall notify the Administrative Agent by telephone (confirmed by telecopy) of such selection not later than 11:00 a.m., New York City time, three Business Day before the scheduled date of such repayment.

SECTION 2.08. Prepayment of Loans. (a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with paragraph (b) of this Section.

(b) The Borrower shall notify the Administrative Agent by telephone (confirmed by telecopy) of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, one Business Day

before the date of prepayment and (ii) in the case of prepayment of an ABR Borrowing, not later than 11:00 a.m., New York City time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that a notice of prepayment may state that such notice is conditional upon the receipt of proceeds from another financing, in which case such notice of prepayment may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified prepayment date) if such condition is not satisfied. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.10.

SECTION 2.09. Fees. (a) Intentionally omitted.

(b) The Borrower agrees to pay to the Administrative Agent, for its own account and for the account of the initial Lenders, fees in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(c) All fees payable by the Borrower hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, to the parties entitled thereto. Fees paid by the Borrower shall not be refundable under any circumstances.

SECTION 2.10. Interest. (a) The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at the LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(d) (i) For so long as any Lender maintains reserves against "Eurocurrency liabilities" (or any other category of liabilities which includes deposits by reference to which the interest rate on Eurodollar Loans is determined or any category of extensions of credit or other assets which includes loans by a non-United States office of any Lender to United States residents), and as a result the cost to such Lender (or its

lending office for Eurodollar Loans) of making or maintaining its Eurodollar Loans is increased, then such Lender may require the Borrower to pay, contemporaneously with each payment of interest on any Eurodollar Loan of such Lender, additional interest on such Eurodollar Loan for the Interest Period of such Eurodollar Loan at a rate per annum up to but not exceeding the excess of (A)(x) the applicable LIBO Rate divided by (y) one minus the Statutory Reserve Percentage over (B) the rate specified in the preceding clause (x).

(ii) Any Lender wishing to require payment of additional interest (x) shall so notify the Borrower and the Administrative Agent, in which case such additional interest on the Eurodollar Loans of such Lender shall be payable to such Lender at the place indicated in such notice with respect to each Interest Period commencing at least three Business Days after the giving of such notice and (y) shall furnish to the Borrower at least five Business Days prior to each date on which interest is payable on the Eurodollar Loans an officer's certificate setting forth the amount to which such Lender is then entitled under this Section (which shall be consistent with such Lender's good faith estimate of the level at which the related reserves are maintained by it). Each such certificate shall be accompanied by such information as the Borrower may reasonably request as to the computation set forth therein.

(e) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Loan prior to the earlier of (x) the date upon which all Loans are paid in full and (y) the Maturity Date), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(f) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.11. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the LIBO Rate for such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders that the LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or telecopy as promptly as practicable thereafter, but not later than 10:00 A.M. (New York City time) on the first day of such Interest Period, and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective and (ii) if the Borrowing Request requests a Eurodollar Borrowing, then, unless the Borrower notifies the Administrative Agent by 12:00 noon (New York City time) on the date of the Borrowing that it elects not to borrow on such date, the Borrowing shall be made as an ABR Borrowing.

SECTION 2.12. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Statutory Reserve Percentage); or

(ii) impose on any Lender or the London interbank market any other condition affecting this Agreement or Eurodollar Loans made by such Lender (other than an imposition or change in Taxes, Other Taxes or Excluded Taxes, or any Change in Law relating to capital requirements or the rate of return on capital, with respect to which Section 2.14 and paragraph (b) of this Section, respectively, shall apply);

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining, or reduce the amount receivable by any Lender with respect to, any Eurodollar Loan (or of maintaining its obligation to make any such Loan), then the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) If any Lender determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 15 days after receipt thereof.

(d) Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.13. Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurodollar Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.08(b) and is revoked in accordance therewith), or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.16, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event which, in the reasonable judgment of such Lender, such Lender (or an existing or prospective participant in a related Loan) incurred, including any loss incurred in obtaining, liquidating or employing deposits from third parties, but excluding loss of margin for the period after any such payment. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 15 days after receipt thereof.

SECTION 2.14. Taxes. (a) Any and all payments by or on account of any obligation of the Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if the Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent or Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify the Administrative Agent and each Lender, within 15 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent or such Lender, as the case may be, on or with respect to any payment by or on account of any obligation of the Borrower hereunder (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; provided, that the Borrower shall not be obligated to make payment to such Lender or Administrative Agent for penalties, interest or expenses attributable to the gross negligence or willful misconduct of such Lender or Administrative Agent. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender, or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law or reasonably requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate, provided that such Foreign Lender has received written notice from the Borrower advising it of the availability of such exemption or reduction and containing all applicable documentation.

(f) If the Administrative Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section, it shall pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that the Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the

Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This Section shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower or any other Person.

SECTION 2.15. Payments Generally; Pro Rata Treatment; Sharing of Set-offs. (a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest or fees, or of amounts payable under Section 2.12, 2.13 or 2.14, or otherwise) on the date when due, in immediately available funds, without set-off or counterclaim, and the Borrower agrees to instruct its bank which will be transmitting such funds with respect to such payments not later than 10:00 A.M. (New York City time) on the date when due. All such payments shall be made to the Administrative Agent at its offices at 270 Park Avenue, New York, New York, except that payments pursuant to Sections 2.12, 2.13, 2.14 and 8.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due from the Borrower hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due from the Borrower hereunder, ratably among the parties entitled thereto in accordance with the amounts of such interest and fees then due to such parties and (ii) second, towards payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall

apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(b) or 2.15(d), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

SECTION 2.16. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Section 2.12, or additional interest under Section 2.10(d) or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.12, 2.10(d) or 2.14, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender requests compensation under Section 2.12, or additional interest under Section 2.10(d), or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14, or if any Lender defaults in its obligation to fund Loans hereunder, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in

Section 8.04), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts, in each case payable to it by the Borrower hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.12, additional interest under Section 2.10(d) or payments required to be made pursuant to Section 2.14, such assignment will result in a material reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

(c) In connection with any proposed amendment, modification or waiver of or with respect to any provision of this Agreement (a "Proposed Change") requiring the consent of all Lenders, if the consent of the Required Lenders to such Proposed Change is obtained, but the consent to such Proposed Change of other Lenders whose consent is required is not obtained (any such Lender whose consent is not obtained as described in this Section 2.16(c) being referred to as a "Non-Consenting Lender"), then the Borrower may, at its sole expense and effort, upon notice to each Non-Consenting Lender and the Administrative Agent, require each Non-Consenting Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 8.04) all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not be unreasonably withheld, (ii) such Non-Consenting Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts, in each case payable to it by the Borrower hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) the Borrower shall not be permitted to require any Non-Consenting Lender to make any such assignment unless all Non-Consenting Lenders are required to make such assignments and, as a result thereof, the Proposed Change will become effective.

ARTICLE III

Representations and Warranties

The Borrower represents and warrants to the Lenders that:

SECTION 3.01. Corporate Existence and Power. Each Loan Party is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has all corporate or other organizational power and authority required to carry on its business as now conducted.

SECTION 3.02. Corporate and Governmental Authorization; No Contravention. The Transactions to be entered into by each Loan Party are within such Loan Party's corporate or other organizational power, have been duly authorized by all necessary corporate or other organizational action, require no action by or in respect of, or filing with, any governmental body, agency or official (other than the filing of reports with the Securities and Exchange Commission and filings necessary to satisfy the Collateral and Guarantee Requirement) and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the certificate of incorporation, bylaws or other organizational documents of such Loan Party or of any agreement, judgment, injunction, order, decree or other instrument binding upon such Loan Party.

SECTION 3.03. Binding Effect. This Agreement has been duly executed and delivered by the Borrower and constitutes, and the Collateral Agreement (at such times as the Collateral and Guarantee Requirement is required to be satisfied) has been duly executed and delivered by the Borrower and each Material Subsidiary and constitutes, a valid and binding obligation of the Borrower (and such Material Subsidiary, if applicable), enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally, concepts of reasonableness and general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.04. Financial Information. (a) The consolidated balance sheet of the Borrower and the Subsidiaries and the related consolidated statements of income, shareholders' equity and cash flows as of and for (i) Fiscal Year 2007, reported on by Ernst & Young LLP and set forth in the Borrower's Annual Report on Form 10-K for Fiscal Year 2007, a copy of which has been delivered to each of the Lenders, and (ii) each of the first, second and third fiscal quarters of Fiscal Year 2008, certified by a Financial Officer, in each case fairly present, in conformity with GAAP (except, in the case of the financial statements referred to in clause (ii) above, for normal year-end adjustments and the absence of footnotes), the consolidated financial position of the Borrower and the Subsidiaries as of such date and their consolidated results of operations and cash flows for such Fiscal Year or portion of such Fiscal Year, as applicable.

(b) From February 2, 2008 to the date hereof or any Test Date, there has been no material adverse change in the business, financial position or results of operations of the Borrower and the Consolidated Subsidiaries, considered as a whole.

SECTION 3.05. Litigation and Environmental Matters. (a) There is no action, suit or proceeding pending against, or to the knowledge of the Borrower threatened against or affecting, the Borrower or any Consolidated Subsidiaries before any court or arbitrator or any governmental body, agency or official in which there is, in the good faith judgment of the Borrower (which shall be conclusive), a reasonable possibility of an adverse decision which could materially adversely affect the business, consolidated financial position or consolidated results of operations of the Borrower and the Consolidated Subsidiaries considered as a whole, or which in any manner draws into question the validity or enforceability of this Agreement.

(b) Except for the Disclosed Matters and except with respect to any other matters that, individually or in the aggregate, are not reasonably expected in the good faith judgment of the Borrower (which shall be conclusive) to materially adversely affect the business, financial position or results of operations of the Borrower and the Consolidated Subsidiaries considered as a whole, neither the Borrower nor any of the Consolidated Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

(c) Since the date of this Agreement, there has been no change in the status of the Disclosed Matters that, individually or in the aggregate in the good faith judgment of the Borrower (which shall be conclusive), has resulted in a material adverse effect on the business, financial position or results of operations of the Borrower and the Consolidated Subsidiaries considered as a whole.

SECTION 3.06. Subsidiaries. (a) Each of the Consolidated Subsidiaries is a corporation duly incorporated, validly existing and, to the extent applicable, in good standing under the laws of its jurisdiction of incorporation, and has all corporate power and authority required to carry on its business as now conducted except to the extent that the failure of any such Consolidated Subsidiary to be so incorporated, existing or in good standing or to have such power and authority is not reasonably expected by the Borrower to have a material adverse effect on the business, financial position or results of operations of the Borrower and the Consolidated Subsidiaries considered as a whole.

(b) Schedule 3.06 hereto completely and accurately sets forth the names and jurisdictions of organization of each Consolidated Subsidiary that is a Domestic Subsidiary as of the Restatement Effective Date, indicating for each such Subsidiary whether it is a Material Subsidiary as of the Restatement Effective Date.

SECTION 3.07. Not an Investment Company. Neither the Borrower nor any Subsidiary Loan Party is required to register as an “investment company” under (and within the meaning of) the Investment Company Act of 1940, as amended.

SECTION 3.08. ERISA. The Borrower and its ERISA Affiliates (a) have fulfilled their material obligations under the minimum funding standards of ERISA and the Code with respect to each Plan, (b) are in compliance in all material respects with the presently applicable provisions of ERISA and the Code and (c) have not incurred any liability in excess of $100,000,000 to the PBGC or a Plan under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA; provided, that this sentence shall not apply to (i) any ERISA Affiliate as described in Section 414(m) of the Code (other than the Borrower or a Subsidiary) or any Plan maintained by such an ERISA Affiliate or (ii) any Multiemployer Plan. The Borrower and its Subsidiaries have made all material payments to Multiemployer Plans which they have been required to make under the related collective bargaining agreement or applicable law.

SECTION 3.09. Taxes. The Borrower and its Subsidiaries have filed all United States federal income tax returns and all other material tax returns which, in the opinion of the Borrower, are required to be filed by them and have paid all taxes due pursuant to such returns or pursuant to any assessment received by the Borrower or any Subsidiary, except for assessments which are being contested in good faith by appropriate proceedings. The charges, accruals and reserves on the books of the Borrower and its Subsidiaries in respect of taxes or other governmental charges are, in the opinion of the Borrower, adequate.

SECTION 3.10. Disclosure. The Information Memorandum, the financial statements delivered pursuant to Section 5.01(a)(i) and (ii), the registration statements delivered pursuant to Section 5.01(a)(vi) (in each case in the form in which such registration statements were declared effective, as amended by any post-effective amendments thereto) and the reports on Forms 10-K, 10-Q and 8-K delivered pursuant to Section 5.01(a)(vi), do not, taken as a whole and in each case as of the date thereof, contain any material misstatement of fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

ARTICLE IV

Conditions

SECTION 4.01. Intentionally Omitted.

SECTION 4.02. Intentionally Omitted.

ARTICLE V

Covenants

The Borrower agrees that, so long as any Lender has any Commitment hereunder or any amount payable hereunder remains unpaid:

SECTION 5.01. Information. (a) The Borrower will deliver to the Administrative Agent and each of the Lenders:

(i) as soon as available and in any event within 90 days after the end of each Fiscal Year, the Annual Report of the Borrower on Form 10-K for such Fiscal Year, containing financial statements reported on in a manner acceptable to the Securities and Exchange Commission by Ernst & Young LLP or other independent public accountants of nationally recognized standing selected by the Borrower (without a “going concern” or like qualification or exception and without any qualification or exception as to the scope of such audit);

(ii) as soon as available and in any event within 45 days after the end of each of the first three quarters of each Fiscal Year, a copy of the Borrower's report on Form 10-Q for such quarter with the financial statements therein contained to be certified (subject to normal year end adjustments) as to fairness of presentation, generally accepted accounting principles (except footnotes) and consistency, by a Financial Officer;

(iii) simultaneously with the delivery of each set of financial statements referred to in clauses (a) and (b) above, a certificate of a Financial Officer (1) setting forth in reasonable detail the calculations required to establish whether the Borrower was in compliance with the requirements of Sections 5.06 and 5.07 on the date of such financial statements, (2) stating whether, to the best knowledge of such Financial Officer, any Default exists on the date of such certificate and, if any Default then exists, setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto and (3) except during a Release Period, stating that there are no Material Subsidiaries that have not satisfied the Collateral and Guarantee Requirement;

(iv) simultaneously with the delivery of each set of financial statements referred to in clause (a) above, a statement of the firm of independent public accountants which reported on such statements whether anything has come to their attention to cause them to believe that any Default existed on the date of such statements (insofar as such pertains to accounting matters);

(v) promptly upon the mailing thereof to the stockholders of the Borrower generally, copies of all financial statements, reports and proxy statements so mailed;

(vi) promptly upon the filing thereof, copies of all registration statements (other than the exhibits thereto and any registration statements on Form S-8 or its equivalent) and reports on Forms 10-K, 10-Q and 8-K (or their equivalents) which the Borrower shall have filed with the Securities and Exchange Commission;

(vii) within four Business Days of any executive officer of the Borrower or any Financial Officer obtaining knowledge of any condition or event recognized by such officer to be a Default, a certificate of a Financial Officer setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(viii) if and when any executive officer of the Borrower or any Financial Officer obtains knowledge that any ERISA Affiliate (1) has given or is required to give notice to the PBGC of any "reportable event" (as defined in Section 4043 of ERISA) with respect to any Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that the plan administrator of any

Plan has given or is required to give notice of any such reportable event, a copy of the notice of such reportable event given or required to be given to the PBGC, (2) has received notice of complete or partial withdrawal liability under Title IV of ERISA, a copy of such notice or (3) has received notice from the PBGC under Title IV of ERISA of an intent to terminate or appoint a trustee to administer any Plan, a copy of such notice;

(ix) from time to time such additional information regarding the financial position or business of the Borrower and Subsidiaries as the Administrative Agent, at the request of any Lender, may reasonably request; and

(x) except during a Release Period, as soon as available and in any event within 30 days after the end of each Fiscal Year, a financial forecast for the Borrower and the Consolidated Subsidiaries for the subsequent Fiscal Year, including a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such fiscal year and consolidated statements of income and cash flows of the Borrower and its Consolidated Subsidiaries for such fiscal year.

(b) Certificates delivered pursuant to this Section shall be signed manually or shall be copies of a manually signed certificate.

(c) The Borrower may provide for electronic delivery of the financial statements, certificates, reports and registration statements described in clauses (i), (ii), (iii), (iv), (v) and (vi) of paragraph (a) of this Section by posting such financial statements, certificates, reports and registration statements on Intralinks or any similar service approved by the Administrative Agent, or delivering such financial statements, certificates, reports and registration statements to the Administrative Agent for posting on Intralinks (or any such similar service).

SECTION 5.02. Maintenance of Properties. The Borrower will, and will cause each Consolidated Subsidiary to, maintain and keep in good condition, repair and working order all properties used or useful in the conduct of its business and supply such properties with all necessary equipment and make all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Borrower may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided that nothing in this Section shall prevent the Borrower or any Consolidated Subsidiary from discontinuing the operation and maintenance of any of such properties if such discontinuance is, in the judgment of the Borrower, desirable in the conduct of the business of the Borrower or such Consolidated Subsidiary, as the case may be, and not disadvantageous in any material respect to the Lenders.

SECTION 5.03. Maintenance of Insurance. The Borrower will, and will cause each Consolidated Subsidiary to, insure and keep insured, with reputable insurance companies, so much of its properties and such of its liabilities for bodily injury or property damage, to such an extent and against such risks (including fire), as companies

engaged in similar businesses customarily insure properties and liabilities of a similar character; or, in lieu thereof, the Borrower will maintain, or cause each Consolidated Subsidiary to maintain, a system or systems of self-insurance which will be in accord with the customary practices of companies engaged in similar businesses in maintaining such systems.

SECTION 5.04. Preservation of Corporate Existence. Except pursuant to a transaction not prohibited by Section 5.12, each Loan Party shall preserve and maintain its corporate existence, rights, franchises and privileges in any State of the United States which it shall select as its jurisdiction of incorporation or organization, and qualify and remain qualified as a foreign corporation or foreign organization in each jurisdiction in which such qualification is necessary, except such jurisdictions, if any, where the failure to preserve and maintain its corporate or other organizational existence, rights, franchises and privileges, or qualify or remain qualified will not have a material adverse effect on the business or property of such Loan Party.

SECTION 5.05. Inspection of Property, Books and Records. The Borrower will, and will cause each Consolidated Subsidiary to, make and keep books, records and accounts in which transactions are recorded as necessary to (a) permit preparation of the Borrower's consolidated financial statements in accordance with generally accepted accounting principles and (b) otherwise comply with the requirements of Section 13(b)(2) of the Securities Exchange Act of 1934 as in effect from time to time. At any reasonable time during normal business hours and from time to time, the Borrower will permit the Administrative Agent or any of the Lenders or any agents or representatives thereof at their expense (to the extent not in violation of applicable law) to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Borrower and any Consolidated Subsidiaries and to discuss the affairs, finances and accounts of the Borrower and any Consolidated Subsidiaries with any of their respective officers or directors. Any information obtained pursuant to this Section or Section 5.01(a) shall be subject to Section 8.12.

SECTION 5.06. Fixed Charge Coverage Ratio. The Borrower will not permit the ratio of Consolidated EBITDAR to Consolidated Fixed Charges for any period of four consecutive fiscal quarters to be less than (a) 1.60 to 1.00 for all such periods ending prior to the fiscal quarter ending on or about January 31, 2011 and (b) 1.75 to 1.00 for all such periods ending on or about January 31, 2011, or thereafter.

SECTION 5.07. Debt to Consolidated EBITDA. The Borrower will not permit the ratio of Consolidated Debt as of any date to Consolidated EBITDA for the period of four consecutive fiscal quarters ended on such date (or, if such date is not the last day of a fiscal quarter of the Borrower, then for the period of four consecutive fiscal quarters of the Borrower most recently ended prior to such date) to exceed the ratio set forth below with respect to the period during which such date is included:

Period beginning on and including the last day of each fiscal quarter ending on or about the date set forth below and ending on and excluding the last day of the next fiscal quarter	**Maximum Leverage Ratio**
January 31, 2009, April 30, 2009, July 31, 2009, October 31, 2009, January 31, 2010, April 30, 2010, July 31, 2010 and October 31, 2010	5.00 to 1.00
January 31, 2011, April 30, 2011, July 31, 2011 and October 31, 2011	4.50 to 1.00
January 31, 2012 and thereafter	4.00 to 1.00

SECTION 5.08. Limitations on Liens. The Borrower will not, and will not permit any Consolidated Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(a) Permitted Encumbrances;

(b) any Lien on any property or asset of the Borrower or any Consolidated Subsidiary existing on November 5, 2004 and set forth in Schedule 5.08; provided that (i) such Lien shall not apply to any other property or asset of the Borrower or any Consolidated Subsidiary and (ii) such Lien shall secure only those obligations which it secures on November 5, 2004 and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(c) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Consolidated Subsidiary or existing on any property or asset of any Person that becomes a Consolidated Subsidiary after November 5, 2004 prior to the time such Person becomes a Consolidated Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Consolidated Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Borrower or any Consolidated Subsidiary and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Consolidated Subsidiary, as the case may be, and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(d) Liens on fixed or capital assets acquired, constructed or improved by the Borrower or any Consolidated Subsidiary; provided that (i) with respect to a Consolidated Subsidiary, such security interests secure Indebtedness permitted by Section 5.10, (ii) such security interests and the Indebtedness secured thereby are

incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement (or are incurred to extend, renew or replace security interests and Indebtedness previously incurred in compliance with this clause), (iii) the Indebtedness secured thereby does not exceed the cost of acquiring, constructing or improving such fixed or capital assets and (iv) such security interests shall not apply to any other property or assets of the Borrower or any Consolidated Subsidiary;

(e) other Liens securing obligations in an aggregate principal amount not exceeding $400,000,000; provided that (i) at no time shall more than $50,000,000 of such obligations be secured by Liens on inventory and (ii) at no time shall more than $5,000,000 of such obligations be secured by Liens on any property or assets constituting Collateral or any intellectual property owned by a Loan Party that is usable primarily, or for use primarily, outside of the United States;

(f) Liens granted on the Collateral pursuant to the Collateral Documents; and

(g) second-priority Liens on the Collateral securing Indebtedness for borrowed money in an aggregate principal amount not exceeding $750,000,000; provided that (i) the Indebtedness secured by such second-priority Liens (A) shall not mature on or prior to the Specified Date, (B) shall not require any scheduled repayment of principal on or prior to the Specified Date, (C) shall not have terms more restrictive, taken as a whole, than those set forth in this Agreement and (D) shall be subject only to mandatory prepayments, if any, that can be avoided through repayment or prepayment of Loans or Revolving Loans or through investments by the Borrower or the Consolidated Subsidiaries in assets to be used in their businesses and (ii) such second-priority Liens and the Indebtedness secured thereby shall be subject to an Intercreditor Agreement; provided, further that such second-priority Liens shall not be permitted during a Release Period.

SECTION 5.09. Compliance with Laws. The Borrower will, and will cause each Consolidated Subsidiary to, comply in all material respects with all applicable laws, ordinances, rules, regulations, and requirements of governmental authorities (including ERISA and the rules and regulations thereunder), except to the extent that (a) the necessity of compliance therewith is contested in good faith by appropriate proceedings or (b) the failure to so comply would not result in any material adverse effect on the business, financial condition or results of operations of the Borrower and Consolidated Subsidiaries taken as a whole.

SECTION 5.10. Limitations on Subsidiary Indebtedness. The Borrower will not permit any Consolidated Subsidiary (other than any Subsidiary Loan Party) to create, incur, assume or suffer to exist any Indebtedness except:

(a) Indebtedness of any Consolidated Subsidiary which is, or the direct or indirect parent of which is, acquired by the Borrower or any other Consolidated Subsidiary after March 22, 2006, which Indebtedness is in existence at the time

such Consolidated Subsidiary (or parent) is so acquired; provided that such Indebtedness was not created at the request or with the consent of the Borrower or any Subsidiary, and such Indebtedness may not be extended other than pursuant to the terms thereof as in existence at the time such Consolidated Subsidiary (or parent) was acquired;

(b) other Indebtedness in an aggregate principal amount for all Consolidated Subsidiaries (excluding any Non-Recourse ETC Debt) not exceeding $225,000,000; and

(c) Indebtedness of any Consolidated Subsidiary to the Borrower or any other Consolidated Subsidiary to the extent not prohibited by Section 5.17.

SECTION 5.11. Transactions with Affiliates. The Borrower will not, and will not permit any of its Consolidated Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) at prices and on terms and conditions not less favorable to the Borrower or such Consolidated Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) any transaction determined by a majority of the disinterested directors of the Borrower's board of directors to be fair to the Borrower and its Subsidiaries, (c) transactions between or among the Borrower and its Consolidated Subsidiaries not involving any other Affiliate and (d) any transaction with respect to which neither the fair market value of the related property or assets, nor the consideration therefor, exceeds $5,000,000.

SECTION 5.12. Consolidations, Mergers and Sales of Assets. The Borrower will not (a) consolidate or merge with or into any other Person, (b) liquidate or dissolve or (c) sell, lease or otherwise transfer all or any substantial part of the assets of the Borrower and its Consolidated Subsidiaries, taken as a whole, to any other Person; provided that the Borrower may merge with another Person if (i) the corporation surviving the merger is the Borrower or a corporation organized under the laws of a State of the United States into which the Borrower desires to merge for the purpose of becoming incorporated in such State (in which case such corporation shall assume all of the Borrower's obligations under this Agreement by an agreement satisfactory to the Required Lenders (and the Required Lenders shall not unreasonably withhold their consent to the form of such agreement) and shall deliver to the Administrative Agent and the Lenders such legal opinions and other documents as the Administrative Agent may reasonably request to evidence the due authorization, validity and binding effect thereof) and (ii) immediately after giving effect to such merger, no Default shall have occurred and be continuing; and provided further that the foregoing shall not be construed to prohibit any Minority Interest Disposition or any other sale, lease or other transfer of assets (including by means of dividends, share repurchases or recapitalizations) that does not involve all or any substantial part of the assets of the Borrower and its Consolidated Subsidiaries taken as a whole.

SECTION 5.13. Use of Proceeds. The Borrower will use the proceeds of the Loans to finance repurchases of its capital stock, or special dividends thereon (or a combination thereof), and, to the extent of any excess, for general corporate purposes.

SECTION 5.14. Clean Down. The Borrower will cause the aggregate principal amount of outstanding Revolving Loans not to exceed $200,000,000 for a period of at least 30 consecutive days between January 15 and February 28 of each calendar year.

SECTION 5.15. Information Regarding Collateral. The Borrower will furnish to the Collateral Agent prompt written notice of any change (i) in the legal name of any Loan Party, as set forth in its organizational documents, (ii) in the jurisdiction of organization or the form of organization of any Loan Party (including as a result of any merger or consolidation), (iii) in the address set forth on the financing statement filed with respect to any Loan Party or (iv) in the organizational identification number, if any, or, with respect to any Loan Party organized under the laws of a jurisdiction that requires such information to be set forth on the face of a Uniform Commercial Code financing statement, the Federal Taxpayer Identification Number of such Loan Party.

SECTION 5.16. Collateral and Guarantee Requirement. (a) If (i) any Material Subsidiary is formed or acquired after the Restatement Effective Date or (ii) any Consolidated Subsidiary shall become a Material Subsidiary after the Restatement Effective Date, then the Borrower will promptly, but in no event later than 15 days after such formation or acquisition (in the case of clause (i)) or 15 days after any executive officer or Financial Officer of the Borrower obtains knowledge thereof (in the case of clause (ii)), notify the Administrative Agent and the Lenders thereof and cause the Collateral and Guarantee Requirement to be satisfied with respect to such Material Subsidiary; provided that the requirements of this paragraph shall not apply during a Release Period.

(b) If a Release Period commences, the Borrower agrees that if at any time thereafter (i) if both rating agencies shall then have a Credit Rating in effect, either Credit Rating is worse than Baa2 or BBB, respectively, or (ii) if only one rating agency shall then have a Credit Rating in effect, such Credit Rating is worse than Baa2 or BBB, as applicable, then the Borrower will promptly, but in no event later than five Business Days thereafter, cause the Collateral and Guarantee Requirement to be satisfied.

(c) The Borrower will, and the Borrower will cause each of the Material Subsidiaries to, execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements), that may be required under any applicable law, or that the Collateral Agent or the Required Lenders may reasonably request, to cause the Collateral and Guarantee Requirement to be and remain satisfied (except during a Release Period), all at the expense of the Borrower.

SECTION 5.17. Investments. The Borrower will not, nor will the Borrower permit any Subsidiary Loan Party to, purchase, hold or acquire (including

pursuant to any consolidation or merger with any Person that was not a Loan Party prior to such consolidation or merger, it being understood that any consolidation or merger of a Subsidiary Loan Party with any Subsidiary that is not a Loan Party shall be treated as an investment in such Subsidiary if the survivor of such consolidation or merger is not a Subsidiary Loan Party) any Equity Interests in or evidences of Indebtedness or other securities of, make or permit to exist any loans or advances to, Guarantee any Indebtedness of, or make or permit to exist any other investment in, any Subsidiary that is not a Subsidiary Loan Party, except (a) those existing on the Restatement Effective Date, (b) those made after the Restatement Effective Date in an aggregate amount not to exceed the sum of (i) $100,000,000 plus (ii) the amount available for Restricted Payments under, and permitted by, clause (d) of Section 5.18, (c) contributions by the Borrower or any Subsidiary Loan Party of Equity Interests in any Foreign Subsidiary to any other Foreign Subsidiary, (d) licenses by the Borrower or any Subsidiary Loan Party to any Consolidated Subsidiary that is not a Loan Party of intellectual property in the ordinary course of business, (e) transfers or licenses by the Borrower or any Subsidiary Loan Party to any Foreign Subsidiary of any intellectual property that is usable primarily, or for use primarily, outside of the United States and (f) accounts receivable held by a Loan Party arising out of the sale of inventory or provision of services, in each case in the ordinary course of business, to a Subsidiary that is not a Loan Party; provided that the requirements of this Section shall not apply during any Release Period.

SECTION 5.18. Restricted Payments. The Borrower will not, and will not permit any Consolidated Subsidiary to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except:

(a) any wholly-owned Consolidated Subsidiary may distribute any cash, property or assets to the Borrower or any other Consolidated Subsidiary that is its direct or indirect parent;

(b) any Consolidated Subsidiary may declare and pay dividends ratably with respect to its Equity Interests;

(c) the Borrower may make Restricted Payments in cash in an aggregate amount not to exceed $220,000,000 during any fiscal year; provided that, at the time of declaration (in the case of a dividend) or payment (in all other cases) and after giving effect thereto, (i) no Event of Default has occurred and is continuing and (ii) the Borrower would be in compliance with Section 5.07 after giving effect to such Restricted Payment and any Indebtedness being incurred in connection therewith; and

(d) the Borrower may make any additional Restricted Payment in cash; provided that (i) the amount of such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Borrower after the Restatement Effective Date (including those made pursuant to clause (b) above and the amount of investments made pursuant to subclause (b)(ii) of Section 5.17), does not exceed the sum, without duplication, of (A) 50% of Consolidated Net Income for the period (taken as one accounting period) from the beginning of the first fiscal quarter ending after the Restatement Effective Date to the end of the Borrower’s most recently ended fiscal

quarter for which financial statements are publicly available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, minus 100% of such deficit); plus (B) 100% of the aggregate net cash proceeds received by the Borrower, during the period from the Restatement Effective Date to the date of such Restricted Payment, from the issuance by the Borrower of additional Equity Interests (other than Disqualified Equity Interests or Equity Interests issued to a Subsidiary or to an employee stock ownership plan or trust), and (ii) at the time of declaration (in the case of a dividend) or payment (in all other cases) and after giving effect thereto, (i) no Event of Default has occurred and is continuing and (ii) the Borrower would be in compliance with Section 5.07 after giving effect to such Restricted Payment and any Indebtedness being incurred in connection therewith.

Notwithstanding the foregoing, this Section shall not apply at any time that (i) if both rating agencies shall then have a Credit Rating in effect, the Credit Ratings are Baa2 and BBB or better or (ii) if only one rating agency shall then have a Credit Rating in effect, such Credit Rating is Baa2 or BBB, as applicable, or better.

SECTION 5.19. Restrictive Agreements. The Borrower will not, nor will it permit any Consolidated Subsidiary that is a Domestic Subsidiary to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon the ability of the Borrower or any Consolidated Subsidiary that is a Domestic Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets to secure, or the ability of any Consolidated Subsidiary that is a Domestic Subsidiary to Guarantee, the Obligations (or the obligations under any credit facility that refinances or replaces this Agreement); provided that (a) the foregoing shall not apply to restrictions and conditions imposed by law or any Loan Document, (b) the foregoing shall not apply to restrictions and conditions existing on the Restatement Effective Date contained in any of the instruments, indentures and other agreements identified on Schedule 5.19 or any extension, renewal, supplement, amendment or other modification of any thereof or any additional such instrument, indenture or other agreement so long as, in each case, any such prohibition, restriction or condition contained therein is not more restrictive in any material respect than the prohibitions, restrictions and conditions contained in the instruments, indentures and other agreements identified on Schedule 5.19 as in effect on the Restatement Effective Date, (c) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary or any assets pending such sale, provided that such restrictions and conditions apply only to the Subsidiary or assets to be sold, (d) the foregoing provisions relating to Liens shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement (other than secured Indebtedness permitted by clause (g) of Section 5.08) if such restrictions or conditions apply only to the property or assets securing such Indebtedness and (e) the foregoing provisions relating to Liens shall not apply to customary provisions in leases restricting the assignment thereof.

SECTION 5.20. Credit Ratings. The Borrower will use commercially reasonable efforts to maintain Credit Ratings from each of S&P and Moody's at all times.

SECTION 5.21. Prepayment Avoidance. The Borrower will, and will cause each Consolidated Subsidiary to, either repay or prepay Loans or Revolving Loans, or make investments in assets to be used in their businesses, in each case as necessary to avoid any mandatory redemption, repurchase or prepayment referred to in the proviso to clause (c) of the definition of "Disqualified Equity Interest" or the proviso to clause (g) of Section 5.08.

SECTION 5.22. Revolving Loan Amendments. The Borrower will not agree to or permit any amendment or modification to the Revolving Credit Agreement that would result in or permit the principal amount of Indebtedness (treating letters of credit as Indebtedness for this purpose) thereunder to be increased (other than pursuant to Section 2.08(d) thereof, as in effect on the Restatement Effective Date) without the prior written consent of the Required Lenders.

ARTICLE VI

Events of Default and Remedies

SECTION 6.01. Events of Default. Any of the following shall be an "Event of Default":

(a) the Borrower shall fail to make any payment of principal of or interest on any Loan when due or to pay any fees or other amounts payable by it hereunder when due, and such failure remains unremedied for three Business Days after the Borrower's actual receipt of notice of such failure from the Administrative Agent at the request of any Lender;

(b) any statement of fact or representation made or deemed to be made by (i) the Borrower in this Agreement or by the Borrower or any of its officers in any certificate delivered pursuant to this Agreement or (ii) at such times as the Collateral and Guarantee Requirement is required to be satisfied, any Loan Party in any Loan Document or by any Loan Party or any of its respective officers in any certificate delivered pursuant to any Loan Document, shall prove to have been incorrect in any material respect when made or deemed made, and, if the consequences of such representation or statement being incorrect shall be susceptible of remedy in all material respects, such consequences shall not be remedied in all material respects within 30 days after any executive officer of the Borrower or any Financial Officer first becomes aware of or is advised that such representation or statement was incorrect in a material respect;

(c) (i) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.04 (with respect to the existence of the Borrower), 5.08, 5.10, 5.11, 5.12, 5.13, 5.17, 5.18, 5.19, 5.21 or 5.22 and if, the consequences of such failure shall be susceptible of remedy in all material respects, such consequences shall not be remedied in all material respects within 20 days after any executive officer of the Borrower or any Financial Officer first becomes aware or is advised of such failure or (ii) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.06, 5.07 or 5.14;

(d) (i) the Borrower or any Consolidated Subsidiary shall fail to pay principal of or interest on any Material Indebtedness and the longer of any periods within which the Borrower or such Consolidated Subsidiary shall be allowed to cure such nonpayment shall have elapsed, or 10 days shall have passed since such failure, in either case without curing such nonpayment or (ii) any event or condition shall occur which enables the holder of any Material Indebtedness or any Person acting on such holder's behalf to accelerate the maturity thereof, and the longer of any periods within which the Borrower or such Consolidated Subsidiary shall be allowed to cure such condition or event shall have elapsed, or 10 days shall have passed since the occurrence of such event or condition, in either case without curing such event or condition; provided no Default under this clause (d) shall be deemed to occur if (1) if at the time the relevant event or condition described in this clause (d) occurs, (A) if both rating agencies shall have a Credit Rating then in effect, the Credit Ratings are BBB and Baa2 or better, or (B) if only one rating agency shall have a Credit Rating then in effect, the Credit Rating from such rating agency is BBB or Baa2 or better, (2) the Borrower does not cease to have the Credit Ratings described in clause (1) above for reasons attributable to the relevant event or condition described in this clause (d), and (3) all Material Indebtedness that is affected by any event or condition described in this clause (d) is either (A) owed by a Consolidated Subsidiary not incorporated under the laws of any State of the United States, the District of Columbia or Canada or any province thereof, or (B) permitted under clause (a) of Section 5.10;

(e) the Borrower or any Consolidated Subsidiary shall (i) make a general assignment for the benefit of creditors, (ii) apply for or consent (by admission of material allegations of a petition or otherwise) to the appointment of a receiver, custodian, trustee or liquidator of the Borrower or any Consolidated Subsidiary or any substantial part of the properties of the Borrower or any Consolidated Subsidiary or authorize such application or consent, or proceedings seeking such appointment shall be commenced without such authorization, consent or application against the Borrower or any Consolidated Subsidiary and continue undismissed for 30 days (or if such dismissal of such unauthorized proceedings cannot reasonably be obtained within such 30 day period, the Borrower or any Consolidated Subsidiary shall fail either to proceed with due diligence to seek to obtain dismissal within such 30 day period or to obtain dismissal within 60 days), (iii) authorize or file a voluntary petition in bankruptcy, suffer an order for relief under any Federal bankruptcy law, or apply for or consent (by admission of material allegations of a petition or otherwise) to the application of any bankruptcy, reorganization, arrangement, readjustment of debt, insolvency, dissolution, liquidation or other similar law of any jurisdiction, or authorize such application or consent, or proceedings to such end shall be instituted against the Borrower or any Consolidated Subsidiary without such authorization, application or consent which are not vacated within 30 days from the date thereof (or if such vacation cannot reasonably be obtained within such 30 day period, the Borrower

shall fail either to proceed with due diligence to seek to obtain vacation within such 30 day period or to obtain vacation within 60 days), (iv) permit or suffer all or any substantial part of its properties to be sequestered, attached, or subjected to a Lien (other than a Lien expressly permitted by the exceptions to Section 5.08) through any legal proceeding or distraint which is not vacated within 30 days from the date thereof (or if such vacation cannot reasonably be obtained within such 30 day period, the Borrower shall fail either to proceed with due diligence to seek to obtain vacation within such 30 day period or to obtain vacation within 60 days), (v) generally not pay its debts as such debts become due or admit in writing its inability to do so, or (vi) conceal, remove, or permit to be concealed or removed, any material part of its property, with intent to hinder, delay or defraud its creditors or any of them; provided, however, that the foregoing events will not constitute an Event of Default if such events occur with respect to any Subsidiary which is: (1) a Consolidated Subsidiary not organized under the laws of any State of the United States, the District of Columbia or Canada or any province thereof and not engaged in the retail business, if the aggregate Value of the Borrower's and all Consolidated Subsidiaries' investments in and advances to such Consolidated Subsidiary and all such other Consolidated Subsidiaries to which these tests are being applied within a period of 18 months ending on the date of determination, does not exceed $100,000,000, and if at the time the relevant event or condition described in this clause (e) occurs, (A) both rating agencies shall have a Credit Rating then in effect, the Credit Ratings are BBB and Baa2 or better, (B) if only one rating agency shall have a Credit Rating then in effect, the Credit Rating from such rating agency is BBB or Baa2 or better and (C) the Borrower does not cease to have the Credit Ratings described in clause (A) or (B) above for reasons attributable to the relevant event or condition described in this clause (e); (2) a Consolidated Subsidiary (other than a Subsidiary Loan Party) organized under the laws of any State of the United States, the District of Columbia or Canada or any province thereof and not engaged in the retail business, if the aggregate Value of the Borrower's and all Consolidated Subsidiaries' investments in and advances to such Consolidated Subsidiary and all other such Consolidated Subsidiaries to which these tests are being applied within a period of 18 months ending on the date of determination, does not exceed $50,000,000, and if at the time the relevant event or condition described in this clause (e) occurs, (A) both rating agencies shall have a Credit Rating then in effect, the Credit Ratings are BBB and Baa2 or better, (B) if only one rating agency shall have a Credit Rating then in effect, the Credit Rating from such rating agency is BBB or Baa2 or better and (C) the Borrower does not cease to have the Credit Ratings described in clause (A) or (B) above for reasons attributable to the relevant event or condition described in this clause (e); or (3) any Consolidated Subsidiary (other than a Subsidiary Loan Party) not engaged in the retail business, if the aggregate Value of the Borrower's and all Consolidated Subsidiaries' investments in and advances to such Consolidated Subsidiary and all other such Consolidated Subsidiaries to which these tests are being applied within a period of 18 months ending on the date of determination, does not exceed $25,000,000;

(f) the Borrower or any ERISA Affiliate shall fail to pay when due an amount or amounts aggregating in excess of $50,000,000 which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA; or notice of intent to terminate a Plan or Plans having aggregate Unfunded Liabilities in excess of $100,000,000 (collectively a "Material Plan") shall be filed under Title IV of ERISA by the Borrower or any ERISA Affiliate, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate or to cause a trustee to be appointed to administer any Material Plan or a proceeding shall be instituted by a fiduciary of any Material Plan against the Borrower or any ERISA Affiliate to enforce Section 515 or 4219(c)(5) of ERISA and such proceeding shall not have been dismissed within 30 days thereafter; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated;

(g) the Borrower shall fail to perform or observe in any material respect any other term, covenant or agreement contained in any Loan Document (including without limitation Section 5.01 of this Agreement) on its part to be performed or observed and any such failure remains unremedied for 30 days after the Borrower shall have received written notice thereof from the Administrative Agent at the request of any Lender;

(h) a Change in Control shall occur; or

(i) one or more judgments for the payment of money in an aggregate amount in excess of $100,000,000, exclusive of amounts covered by third party insurance, shall be rendered against the Borrower, any Consolidated Subsidiary or any combination thereof and the same shall remain undischarged for a period of 60 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or any Consolidated Subsidiary to enforce any such judgment; provided that in calculating the amounts covered by third party insurance, amounts covered by third party insurance shall not include amounts for which the third party insurer has denied liability.

SECTION 6.02. Remedies. If any Event of Default shall occur and be continuing, the Administrative Agent shall (a) if requested by the Required Lenders, by notice to the Borrower terminate the Commitments and they shall thereupon terminate, and (b) if requested by Lenders holding more than 50% of the aggregate unpaid principal amount of the Loans, by notice to the Borrower declare the Loans (together with accrued interest thereon and all other amounts payable by the Borrower hereunder) to be, and the Loans (together with accrued interest thereon and all other amounts payable by the Borrower hereunder) shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; provided that in the case of any of the bankruptcy Events of Default specified in Section 6.01(e) with respect to the Borrower, without any notice to the Borrower or any other act by the Administrative Agent or the Lenders, the Commitments

shall thereupon terminate and the Loans (together with accrued interest thereon and all other amounts payable by the Borrower hereunder) shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

SECTION 6.03. Notice of Default. The Administrative Agent shall give notice to the Borrower under Section 6.01(a) or 6.01(g) promptly upon being requested to do so by any Lender and shall thereupon notify all the Lenders thereof.

ARTICLE VII

The Agents

Each of the Lenders hereby irrevocably appoints each of the Administrative Agent and the Collateral Agent as its agent and authorizes such Agent to take such actions on its behalf and to exercise such powers as are delegated to such Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto. In addition, to the extent required under the laws of any jurisdiction, each of the Lenders hereby grants to the Collateral Agent any required powers of attorney to execute and enforce any Collateral Document governed by the laws of such jurisdiction on such Lender's behalf.

Each of the banks serving as an Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not an Agent under the Loan Documents.

The Agents shall not have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) the Agents shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Agents shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that the applicable Agent is required to exercise in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 8.02) or, in the case of the Collateral Documents, the Required Secured Parties, and (c) except as expressly set forth in the Loan Documents, the Agents shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries that is communicated to or obtained by the banks serving as Agents or any of their respective Affiliates in any capacity. No Agent shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 8.02) or, in the case of the Collateral Documents, the Required Secured Parties, or in the absence of its own gross negligence or willful misconduct. Each Agent shall be deemed not to have

knowledge of any Default unless and until written notice thereof is given to such Agent by the Borrower or a Lender, and the Agents shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or in connection with any Loan Document, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the applicable Agent.

Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. Each of the Agents also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. Each Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Each of the Agents may perform any and all of its duties and exercise its rights and powers by or through any one or more sub-agents appointed by such Agent. Each of the Agents and any such sub-agent may perform any and all of its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of each Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as an Agent.

Subject to the appointment and acceptance of a successor Agent as provided in this paragraph, either Agent may resign at any time by notifying the Lenders and the Borrower. Upon any such resignation, the Required Lenders (or, in the case of the Collateral Agent, the Required Secured Parties) shall have the right, in consultation with the Borrower, to appoint a successor. If no successor shall have been so appointed by the Required Lenders (or, in the case of the Collateral Agent, the Required Secured Parties) and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as an Agent by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations under the Loan Documents. The fees payable by the Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After such Agent’s resignation hereunder, the provisions of this Article and Section 8.03 shall

continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as an Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Agents or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agents or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon any Loan Document, any related agreement or any document furnished hereunder or thereunder. The Joint Lead Arrangers and Joint Bookrunners, the Co-Syndication Agents and the Co-Documentation Agents (each as identified on the cover page of this Agreement), in their capacities as such, shall have no rights, powers, duties, liabilities, fiduciary relationships or obligations under any Loan Document or any of the other documents related hereto.

Each of the Lenders hereby (a) agrees to be bound by the provisions of the Collateral Documents, including those terms thereof applicable to the Collateral Agent and the provisions thereof authorizing the Required Secured Parties to approve amendments or modifications thereto or waivers thereof, and to control remedies thereunder, and (b) irrevocably authorizes the Collateral Agent to release any Lien on any Collateral in accordance with the Collateral Documents.

Each of the Lenders hereby (a) authorizes and instructs the Collateral Agent to enter into an Intercreditor Agreement if Indebtedness is incurred that is secured by Liens contemplated by clause (g) of Section 5.08 and (b) agrees that it will be bound by and will take no actions contrary to the provisions of such Intercreditor Agreement.

ARTICLE VIII

Miscellaneous

SECTION 8.01. Notices. Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to the last paragraph of this section), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(a) if to the Borrower, to it at Three Limited Parkway, P.O. Box 16000, Columbus, Ohio 43216, Attention of Treasurer (Telecopy No. (614) 415-8098) with copy to General Counsel (Telecopy No. (614) 415-7188);

(b) if to either Agent, to JPMorgan Chase Bank, N.A., Loan and Agency Services Group, 1111 Fannin Street, Houston, Texas 77002, Attention of Maria Saez, Loan & Agency Services (Telecopy No. 713-750-2956 and emailed, if applicable, to covenant.compliance@jpmorgan.com), with a copy to JPMorgan Chase Bank, N.A., 270 Park Avenue, New York, New York 10017, Attention of Barry Bergman (Telecopy No. 212-270-6637); and

(c) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. Either Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

SECTION 8.02. Waivers; Amendments. (a) No failure or delay by the Administrative Agent or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent or any Lender may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or reduce the rate of interest thereon, or reduce any fees payable by the Borrower hereunder, without the written consent of each Lender affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan, or any interest thereon, or any fees payable by the Borrower hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby, (iv) change Section 2.15(b) or (c) in a manner

that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, or (v) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent hereunder without the prior written consent of the Administrative Agent. Notwithstanding the foregoing, any provision of this Agreement may be amended by an agreement in writing entered into by the Borrower, the Required Lenders and the Administrative Agent if (i) by the terms of such agreement the Commitment of each Lender not consenting to the amendment provided for therein shall terminate upon the effectiveness of such amendment and (ii) at the time such amendment becomes effective, each Lender not consenting thereto receives payment in full of the principal of and interest accrued on each Loan made by it and all other amounts owing to it or accrued for its account under this Agreement.

SECTION 8.03. Expenses; Indemnity; Damage Waiver. (a) The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Agents and their respective Affiliates, including the reasonable fees, charges and disbursements of a single counsel for the Agents, as applicable, in connection with the syndication of the credit facilities provided for herein, the preparation and administration of the Loan Documents or any amendments, modifications or waivers of the provisions thereof (whether or not the transactions contemplated hereby or thereby shall be consummated) and (ii) if an Event of Default occurs, all reasonable out-of-pocket expenses incurred by either Agent or any Lender, including the fees, charges and disbursements of any counsel for either Agent or any Lender, in connection with the enforcement or protection of its rights in connection with the Loan Documents.

(b) The Borrower shall indemnify each Agent, and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable fees, charges and disbursements of any counsel for any Indemnitee in connection with any investigative, administrative or judicial proceeding, whether or not such Indemnitee shall be designated a party thereto, which may be incurred by any Indemnitee, relating to or arising out of any actual or proposed use of proceeds of Loans hereunder for the purpose of acquiring equity securities of any Person or any exercise of remedies under the Loan Documents; provided, that no Indemnitee shall have the right to be indemnified hereunder (i) with respect to the acquisition of equity securities of a wholly-owned Subsidiary, or of a Person who prior to such acquisition did not conduct any business, or (ii) for its own gross negligence or willful misconduct.

(c) To the extent that the Borrower fails to pay any amount required to be paid by it to either Agent under paragraph (a) or (b) of this Section, (i) each Lender, in the case of this Agreement, severally agrees to pay to the Administrative Agent such Lender's ratable share (determined in accordance with such Lender's share of the total Commitments or Loans outstanding as of the time that the applicable unreimbursed

expense or indemnity payment is sought or, if the Commitments are terminated and no Loans shall remain outstanding, determined in accordance with such Lender's share of the Loans outstanding at the time of repayment) of such unpaid amount and (ii) each Secured Party, in the case of the Collateral Agreement, severally agrees to pay to the Collateral Agent such Secured Party's ratable share (determined in accordance with such Secured Party's share of the Obligations) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against such Agent in its capacity as such.

(d) To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, the Loan Documents or any agreement or instrument contemplated hereby, the Transactions, any Loan or the use of the proceeds thereof; provided that the foregoing waiver shall not apply to special, indirect or consequential damages (but shall apply to punitive damages) attributable to the failure of a Lender to fund Loans, when required to do so hereunder, promptly after the receipt of notice of such failure.

(e) All amounts due under this Section shall be payable promptly after written demand therefor.

SECTION 8.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) other than pursuant to a merger permitted under Section 5.12, the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Agents and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld) of:

(A) the Borrower; provided that no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee; and

(B) the Administrative Agent.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $10,000,000 unless each of the Borrower and the Administrative Agent otherwise consents; provided that no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

For purposes of this Section 8.04(b), the term "Approved Fund" has the following meaning:

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by a Lender, an Affiliate of a Lender or an entity or an Affiliate of an entity that administers or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.12, 2.13, 2.14 and 8.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 8.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) (i) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce the Loan Documents and to approve any amendment, modification or waiver of any provision of the Loan Documents; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clause (i), (ii), (iii) or (iv) of the first proviso to Section 8.02(b) that affects such Participant. Subject to paragraph (c)(ii) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.12, 2.13 and 2.14 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 8.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.15(c) as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.12 or 2.14 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.14 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.14(e) as though it were a Lender.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 8.05. Survival. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to any Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid and so long as the Commitments have not expired or terminated. The provisions of Sections 2.12, 2.13, 2.14 and 8.03 and Article VII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

SECTION 8.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent and the initial Lenders constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties

hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 8.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 8.08. Right of Setoff. If any Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of the Borrower against any and all the obligations then due of the Borrower now or hereafter existing under this Agreement held by such Lender. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 8.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees, to the fullest extent permitted under applicable law, that all claims in respect of any such action or proceeding may be heard and determined in such New York State or Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in any Loan Document shall affect any right that either Agent or any Lender may otherwise have to bring any action or proceeding relating to any Loan Document against the Borrower or its properties in the courts of any jurisdiction.

(c) The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to any Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 8.01. Nothing in any Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 8.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 8.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 8.12. Confidentiality. Each of the Agents and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement or the Revolving Credit Agreement, (e) in connection with the exercise of any remedies under any Loan Document or any suit, action or proceeding relating to any Loan Document or the enforcement of rights thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, (g) with the consent of the Borrower or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to either Agent or any Lender on a nonconfidential basis from a source other than the Borrower. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to either Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 8.13. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 8.14. Collateral. Each of the Lenders represents to the Agents and each of the other Lenders that it in good faith is not relying upon any "margin stock" (as defined in Regulation U of the Board) as collateral in the extension or maintenance of the credit provided for in this Agreement. In addition, the Borrower will not use or permit any proceeds of the Loans to be used in any manner which would violate or cause any Lender to be in violation of Regulation U of the Board.

SECTION 8.15. USA Patriot Act. Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act") it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Patriot Act.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

SCHEDULE 3.05

Disclosed Matters

The litigation referred to in the Borrower’s Quarterly Report on Form 10-Q for the fiscal quarter ended November 1, 2008.

SCHEDULE 3.06

Consolidated Domestic Subsidiaries

	Subsidiary Name	Jurisdiction of Organization	Material Subsidiary as of the Restatement Effective Date (Yes/No)
1.	Bath & Body Works Brand Management, Inc.	Delaware	Yes
2.	Bath & Body Works, LLC	Delaware	Yes
3.	beautyAvenues, Inc.	Delaware	Yes
4.	Intimate Brands, Inc.	Delaware	Yes
5.	Limited Brands Direct Fulfillment, Inc.	Delaware	Yes
6.	Limited Service Corporation	Delaware	Yes
7.	Limited Store Planning, Inc.	Delaware	Yes
8.	Mast Industries, Inc.	Delaware	Yes
9.	Victoria’s Secret Direct Brand Management, LLC	Delaware	Yes
10.	Victoria’s Secret Stores Brand Management, Inc.	Delaware	Yes
11.	Victoria’s Secret Stores, LLC	Delaware	Yes
12.	American Licensing Group Limited Partnership	Delaware	No
13.	Aquatanica Spa, Inc.	Delaware	No
14.	Aura Science, LLC	Delaware	No
15.	Bath & Body Works Direct, Inc.	Delaware	No
16.	Bath & Body Works GC, LLC	Ohio	No
17.	Beachline, LLC	Delaware	No
18.	Bendelco, Inc.	Delaware	No
19.	Bigelow Merchandising, LLC	Delaware	No
20.	Boston Enterprises, LLC	Delaware	No
21.	Brymark, Inc.	Delaware	No
22.	Directional Visions, LLC	Delaware	No
23.	Distribution Land Corp.	Delaware	No
24.	Dolci Milano, Inc.	Delaware	No
25.	Eastern Key Properties, LLC	Delaware	No
26.	El Strategies, LLC	Delaware	No
27.	EXP Investments, Inc.	Delaware	No
28.	Far West Factoring, LLC	Nevada	No
29.	Freehold Properties, LLC	Delaware	No
30.	Hayes Productions, LLC	Delaware	No
31.	Henri Bendel, Inc.	Delaware	No
32.	Independent Production Services, Inc.	Delaware	No
33.	Intermark Development Group, Inc.	Delaware	No
34.	Intimissimi GC, LLC	Ohio	No
35.	L.B.I. Holdings, Inc.	Nevada	No
36.	Limco, Inc.	Delaware	No
37.	Limcourt, Inc.	Delaware	No
38.	Limhil, Inc.	Delaware	No
39.	Limited (Overseas), Inc.	Delaware	No
40.	Limited Assets, Inc.	Delaware	No

	Subsidiary Name	Jurisdiction of Organization	Material Subsidiary as of the Restatement Effective Date (Yes/No)
41.	Limited Brand and Creative Services, Inc.	Delaware	No
42.	Limited Brands Direct Holding, Inc.	Delaware	No
43.	Limited Brands Direct Marketing, Inc.	Delaware	No
44.	Limited Brands Direct Media Production, Inc.	Delaware	No
45.	Limited Brands Sourcing, Inc.	Delaware	No
46.	Limited Brands Store Operations, Inc.	Delaware	No
47.	Limited Brands, Inc.	Delaware	No
48.	Limited Customs Services, Inc.	Delaware	No
49.	Limited Direct, Inc.	Delaware	No
50.	Limited Factoring Inc.	Nevada	No
51.	Limited Logistics Services, Inc.	Delaware	No
52.	Limited Marketing Corp.	Delaware	No
53.	Limited Marketing Services, Inc.	Delaware	No
54.	Limited Merchandising, Inc.	Delaware	No
55.	Limited New York, Inc.	Delaware	No
56.	Limited Overseas Finance, LLC	Delaware	No
57.	Limited Service Corporation II	Delaware	No
58.	Limited Specialties, Inc.	Delaware	No
59.	Limited Technology Services, Inc.	Delaware	No
60.	Limres, Inc.	Delaware	No
61.	Limsoc, Inc.	Delaware	No
62.	Limtown, Inc.	Delaware	No
63.	Lone Mountain Factoring, LLC	Nevada	No
64.	MA Holdings, Inc.	Nevada	No
65.	Mast Industries (Delaware), Inc.	Delaware	No
66.	Mast Industries Sourcing, Inc.	Delaware	No
67.	Midwest Visions, LLC	Delaware	No
68.	MORSO Holding Co.	Delaware	No
69.	Nevada Fusion, Inc.	Nevada	No
70.	New Vision (U.S.), Inc.	Delaware	No
71.	Niacorp Commercial, Inc.	Nevada	No
72.	Niacorp Development, Inc.	Nevada	No
73.	North Port Enterprises, LLC	Delaware	No
74.	Oldco, Inc.	Delaware	No
75.	Overseas Holdings, Inc.	Delaware	No
76.	PENHAL Investments, Inc.	Delaware	No
77.	Retail Transportation Company	Delaware	No
78.	REYNO Holding Co.	Delaware	No
79.	Slatkin & Co., Inc.	New York	No
80.	Southern Key Properties, LLC	Delaware	No
81.	Tri-State Factoring, LLC	Nevada	No
82.	Victoria’s Secret Beauty Company	Delaware	No

	Subsidiary Name	Jurisdiction of Organization	Material Subsidiary as of the Restatement Effective Date (Yes/No)
83.	Victoria’s Secret Direct GC, LLC	Ohio	No
84.	Victoria’s Secret Direct Holding, LLC	Delaware	No
85.	Victoria’s Secret Direct New York, LLC	Delaware	No
86.	Victoria’s Secret Stores GC, LLC	Ohio	No

Existing Liens

NONE.

SCHEDULE 5.19

Restrictive Agreements

1. Indenture dated as of March 15, 1988 between the Borrower and The Bank of New York, as Trustee (the "**1988 Indenture**")
2. First Supplemental Indenture to the 1988 Indenture dated as of May 31, 2005 among the Borrower, The Bank of New York, as Resigning Trustee and The Bank of New York Trust Company, N.A., as Successor Trustee
3. Second Supplemental Indenture to 1988 Indenture dated as of July 17, 2007 between the Borrower and The Bank of New York Trust Company, N.A., as Trustee
4. Indenture dated as of February 19, 2003 between the Borrower and The Bank of New York, as Trustee

EXHIBIT A
TO THE AMENDED AND RESTATED
TERM LOAN CREDIT AGREEMENT

[FORM OF]

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [Insert name of Assignor] (the "Assignor") and [Insert name of Assignee] (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any letters of credit included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: _____

2. Assignee: _____
[and is an Affiliate/Approved Fund of [Identify Lender]] [1]

3. Borrower: Limited Brands, Inc.

[1] Select as applicable.

4. Administrative Agent: JPMorgan Chase Bank, N.A., as the Administrative Agent under the Credit Agreement

5. Credit Agreement: The Amended and Restated Term Loan Credit Agreement dated as of February 19, 2009, among Limited Brands, Inc., the Lenders parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other agents parties thereto.

6. Assigned Interest:

Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/ Loans[2]
$	$	%

Effective Date: , 20 [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR].

[2] Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR [NAME OF ASSIGNOR],

by

_____

Title:

ASSIGNEE [NAME OF ASSIGNEE],

by

_____

Title:

Consented to and Accepted:

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent,

by

_____

Title:

Consented to:

LIMITED BRANDS, INC.,

by

_____

Title:

LIMITED BRANDS, INC.
AMENDED AND RESTATED TERM LOAN CREDIT AGREEMENT

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other agreement, instrument or document related thereto (each, a "Loan Document"), (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.01 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender and (v) if it is a Foreign Lender, attached to this Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT C

GUARANTEE AND COLLATERAL AGREEMENT

dated as of

February 19, 2009,

among

LIMITED BRANDS, INC.,

THE SUBSIDIARIES OF LIMITED BRANDS, INC.
IDENTIFIED HEREIN

and

JPMORGAN CHASE BANK, N.A.,

as Collateral Agent

TABLE OF CONTENTS

GUARANTEE AND COLLATERAL AGREEMENT dated as of February 19, 2009, among LIMITED BRANDS, INC., the Subsidiaries from time to time party hereto and JPMORGAN CHASE BANK, N.A., as Collateral Agent.

Reference is made to (i) the Amended and Restated Five-Year Revolving Credit Agreement dated as of February 19, 2009 (as amended, supplemented or otherwise modified from time to time, the "*Revolving Credit Agreement*"), among Limited Brands, Inc. (the "*Borrower*"), the lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as administrative agent and collateral agent, and (ii) the Amended and Restated Term Loan Credit Agreement dated as of February 19, 2009 (as amended, supplemented or otherwise modified from time to time, the "*Term Credit Agreement*" and, together with the Revolving Credit Agreement, the "*Credit Agreements*"), among the Borrower, the lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as administrative agent and collateral agent. Subject to the terms and conditions set forth in the Restatement Agreement (as defined in the Credit Agreements), the Lenders have agreed to amend and restate the Existing Credit Agreements (as defined in the Restatement Agreement). The amendment and restatement of the Existing Credit Agreements is conditioned upon, among other things, the execution and delivery of this Agreement. The Subsidiary Parties are subsidiaries of the Borrower, will derive substantial benefits from the amendment and restatement of the Existing Credit Agreements and are willing to execute and deliver this Agreement in order to induce the Lenders to consent thereto. Accordingly, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. *Defined Terms.* (a) Each capitalized term used but not defined herein shall have the meaning or meanings specified in the Credit Agreements. Each term defined in the New York UCC and not defined in this Agreement shall have the meaning specified therein. The term "instrument" shall have the meaning specified in Article 9 of the New York UCC.

(b) The rules of construction specified in Sections 1.03 and 1.04 of the Credit Agreements also apply to this Agreement.

SECTION 1.02. *Other Defined Terms*. As used in this Agreement, the following terms have the meanings specified below:

"*Account Debtor*" means any Person who is or who may become obligated to any Grantor under, with respect to or on account of an Account.

"*Agents*" means the Administrative Agents under the Credit Agreements and the Collateral Agent.

"*Article 9 Collateral*" has the meaning assigned to such term in Section 4.01.

"*Borrower*" has the meaning assigned to such term in the introductory paragraph to this Agreement.

"*Collateral*" means Article 9 Collateral and Pledged Collateral.

"*Collateral Agent*" means JPMorgan Chase Bank, N.A., in its capacity as collateral agent for the Lenders under the Credit Agreements.

"*Contributing Party*" has the meaning assigned to such term in Section 6.02.

"*Copyright License*" means any written agreement, now or hereafter in effect, granting to any third party any right now or hereafter in existence under any Copyright now or hereafter owned by any Grantor or that such Grantor otherwise has the right to license, or granting any right to any Grantor under any Copyright now or hereafter owned by any third party, or that a third party now or hereafter otherwise has the right to license and all rights of such Grantor under any such agreement.

"*Copyrights*" means, with respect to any Person, all of the following now owned or hereafter acquired by such Person: (a) all copyright rights in any work subject to the copyright laws of the United States or any other country, whether as author, assignee, transferee or otherwise, and (b) all registrations and applications for registration of any such copyright in the United States or any other country, including registrations, recordings, supplemental registrations and pending applications for registration in the United States Copyright Office (or any similar office in any other country).

"*Credit Agreements*" has the meaning assigned to such term in the introductory paragraph of this Agreement.

"*Excluded Property*" means (a) any aircraft, motor vehicle, Fixture or Deposit Account and (b) any Intellectual Property that is usable primarily, or for use primarily, outside of the United States; provided that the treatment of Deposit Accounts as "Excluded Property" shall not be construed to result in Proceeds of Collateral being treated as "Excluded Property".

"*Existing Indentures*" means (a) the Indenture dated as of March 15, 1988, between The Limited, Inc. and The Bank of New York, as Trustee as supplemented by the First Supplemental Indenture dated as of May 31, 2005 to the 1988 Indenture, among Limited Brands, Inc. (f/k/a The Limited, Inc.), The Bank of New York, as Resigning Trustee, and The Bank of New York Trust Company, N.A., as Successor Trustee, and the Second Supplemental Indenture dated as of July 17, 2007 to the 1988 Indenture, between Limited Brands, Inc. (f/k/a The Limited, Inc.) and The Bank of New York Trust Company, N.A., as Trustee (the "*1988 Indenture*") and (b) the Indenture dated as of February 19, 2003, between Limited Brands, Inc. and The Bank of New York, as Trustee (the "*2003 Indenture*").

"*Existing LC Obligations*" means any obligations of the Borrower or any Consolidated Subsidiary in respect of any letters of credit (or any bankers acceptances resulting therefrom) outstanding on the Restatement Effective Date that were issued by any Lender or any Affiliate of a Lender, and identified to the Collateral Agent and the Borrower within three Business Days after the Restatement Effective Date.

"*Federal Securities Laws*" has the meaning assigned to such term in Section 5.04.

"*Grantors*" means the Borrower and the Subsidiary Parties.

"*Guarantors*" means the Borrower (except with respect to obligations of the Borrower) and the Subsidiary Parties.

"*Intellectual Property*" means all intellectual and similar property of every kind and nature now owned or hereafter acquired by any Grantor, including inventions, designs, Patents, Copyrights, Licenses, Trademarks, trade secrets, domain names, confidential or proprietary technical and business information, know-how, show-how or other data or information, software and databases and all embodiments or fixations thereof and related documentation, registrations and franchises, and all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing.

"*Lenders*" means the Revolving Lenders and the Term Lenders.

"*License*" means any Patent License, Trademark License, Copyright License or other license or sublicense agreement to which any Grantor is a party.

"*Loan Documents*" means the "Loan Documents", as defined in the Revolving Credit Agreement, and the "Loan Documents", as defined in the Term Credit Agreement.

"*Loan Document Obligations*" means (a) the due and punctual payment by the Borrower of (i) the principal of and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans made under the Credit Agreements, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (ii) each payment required to be made by the Borrower under the Revolving Credit Agreement in respect of any Letter of Credit, when and as due, including payments in respect of reimbursement of disbursements, interest thereon and obligations to provide cash collateral, and (iii) all other monetary obligations of the Borrower to any of the Secured Parties under the Credit Agreements and each of the other Loan Documents, including obligations to pay fees, expenses reimbursement obligations and indemnification obligations, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), (b) the due and punctual performance of all other obligations of the Borrower under or pursuant to the Credit

Agreements and each of the other Loan Documents, and (c) the due and punctual payment and performance of all the obligations of each other Loan Party under or pursuant to this Agreement and each of the other Loan Documents (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding).

"*New York UCC*" means the Uniform Commercial Code as from time to time in effect in the State of New York.

"*OA Payment Obligations*" has the meaning assigned to such term in the definition of "Open Account Agreement".

"*Obligations*" means (a) Loan Document Obligations, (b) any obligations of any Loan Party in respect of overdrafts and related liabilities owed to a Lender or an Affiliate of a Lender arising from treasury, depository or cash management services, (c) the due and punctual payment and performance of all obligations of each Loan Party under each Hedging Agreement that (i) is in effect on the Restatement Effective Date with a counterparty that is a Lender or an Affiliate of a Lender as of the Restatement Effective Date or (ii) is entered into after the Restatement Effective Date with any counterparty that is a Lender or an Affiliate of a Lender at the time such Hedging Agreement is entered into, (d) any OA Payment Obligations; provided that the aggregate amount of OA Payment Obligations included in the "Obligations" at any time shall not exceed $100,000,000 and (e) Existing LC Obligations. In the event that the aggregate amount of OA Payment Obligations exceeds $100,000,000, the portion of the OA Payment Obligations included in the "Obligations" shall be determined based on the chronological order in which such OA Payment Obligations (or the commitment to incur such OA Payment Obligation) arose.

"*Open Account Agreement*" means any agreement between or among a Lender or any of its Affiliates and any Loan Party, as identified to the Collateral Agent as an "Open Account Agreement" for purposes of this Agreement by the Borrower from time to time, pursuant to which such Loan Party has committed to pay such Lender or its Affiliates (a) amounts on account of any account receivable purchased by such Lender or its Affiliates from certain vendors of the Borrower and its Consolidated Subsidiaries, (b) the amount of any overdrafts created by such Lender or its Affiliates to pay vendors other than those referred to in clause (a) above, and (c) certain processing fees thereunder (the obligations to pay the amounts referred to in clauses (a), (b) and (c), collectively, the "*OA Payment Obligations*").

"*Patent License*" means any written agreement, now or hereafter in effect, granting to any third party any right to make, use or sell any invention on which a Patent, now or hereafter owned by any Grantor or that any Grantor now or hereafter otherwise has the right to license, or granting to any Grantor any right to make, use or sell any invention on which a patent, now or hereafter owned by any third party, is in existence, and all rights of any Grantor under any such agreement.

"*Patents*" means with respect to any Person all of the following now owned or hereafter acquired by such Person: (a) all letters patent of the United States or

the equivalent thereof in any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or the equivalent thereof in any other country, including registrations, recordings and pending applications in the United States Patent and Trademark Office or any similar offices in any other country and (b) all reissues, continuations, divisions, continuations-in-part, renewals or extensions thereof, and the inventions disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein.

"*Perfection Certificate*" means a certificate substantially in the form of Exhibit II, completed and supplemented with the schedules and attachments contemplated thereby, and duly executed by a Financial Officer and the chief legal officer of the Borrower.

"*Permitted Liens*" means Liens permitted under Sections 5.08(a), (b), (c), (d), (f) or (g) of the Credit Agreements.

"*Pledged Collateral*" has the meaning assigned to such term in Section 3.01.

"*Pledged Debt Securities*" has the meaning assigned to such term in Section 3.01.

"*Pledged Equity Interests*" has the meaning assigned to such term in Section 3.01.

"*Pledged Securities*" means any promissory notes, stock certificates, unit certificates, or other securities now or hereafter included in the Pledged Collateral, including all certificates, instruments or other documents representing or evidencing any Pledged Collateral.

"*Required Secured Parties*" means, at any time, Lenders having Revolving Credit Exposures (as defined in the Revolving Credit Agreement), unused Commitments (as defined in the Revolving Credit Agreement) and Loans (as defined in the Term Credit Agreement) representing more than 50% of the sum of the total Revolving Credit Exposures (as defined in the Revolving Credit Agreement), unused Commitments (as defined in the Revolving Credit Agreement) and Loans (as defined in the Term Credit Agreement) at such time.

"*Revolving Lenders*" means the Lenders (as defined in the Revolving Credit Agreement) from time to time party to the Revolving Credit Agreement.

"*Secured Parties*" means (a) the Lenders, (b) the Agents, (c) the Issuing Banks (d) each provider of treasury, depository or cash management services the liabilities in respect of which constitute Obligations, (e) each counterparty to any Hedging Agreement with a Loan Party the obligations under which constitute Obligations, (f) the beneficiaries of each indemnification obligation undertaken by any Loan Party under any Loan Document, (g) each Lender or Affiliate of a Lender party to any Open Account Agreement and (h) the successors and assigns of each of the foregoing.

"*Security Interest*" has the meaning assigned to such term in Section 4.01(a).

"*Subsidiary Parties*" means (a) the Subsidiaries identified on Schedule I and (b) each other Subsidiary that becomes a party to this Agreement after the Restatement Effective Date.

"*Term Lenders*" means the Lenders (as defined in the Term Credit Agreement) from time to time party to the Term Credit Agreement.

"*Trademark License*" means any written agreement, now or hereafter in effect, granting to any third party any right to use any Trademark now or hereafter owned by any Grantor or that any Grantor otherwise has the right to license, or granting to any Grantor any right to use any Trademark now or hereafter owned by any third party or that a third party now or hereafter otherwise has the right to license, and all rights of any Grantor under any such agreement.

"*Trademarks*" means, with respect to any Person, all of the following now owned or hereafter acquired by such Person: (a) all trademarks, service marks, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all registration and recording applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office or any similar offices in any State of the United States or any other country or any political subdivision thereof, and all extensions or renewals thereof, (b) all goodwill associated therewith or symbolized thereby and (c) all other assets, rights and interests that uniquely reflect or embody such goodwill.

ARTICLE II

Guarantee

SECTION 2.01. *Guarantee*. Each Guarantor irrevocably and unconditionally guarantees, jointly with the other Guarantors and severally, as a primary obligor and not merely as a surety, the due and punctual payment and performance of the Obligations. Each Guarantor further agrees that the Obligations may be extended or renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon its guarantee hereunder notwithstanding any such extension or renewal of any Obligation. Each Guarantor waives presentment to, demand of payment from and protest to the Borrower or any other Loan Party of any of the Obligations, and also waives notice of acceptance of its guarantee and notice of protest for nonpayment.

SECTION 2.02. *Guarantee of Payment; Continuing Guarantee*. Each Guarantor further agrees that its guarantee hereunder constitutes a guarantee of payment when due (whether or not any bankruptcy or similar proceeding shall have stayed the accrual or collection of any of the Obligations or operated as a discharge thereof) and not merely of collection, and waives any right to require that any resort be had by the

Collateral Agent or any other Secured Party to any security held for the payment of the Obligations or to any balance of any deposit account or credit on the books of the Collateral Agent or any other Secured Party in favor of the Borrower, any other party, or any other Person. Each Guarantor agrees that its guarantee hereunder is continuing in nature and applies to all Obligations, whether currently existing or hereafter incurred.

SECTION 2.03. *No Limitations.* (a) Except for termination of a Guarantor's obligations hereunder as expressly provided in Section 7.13 or the indefeasible payment in full in cash of the Obligations, the obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense or set-off, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Obligations, any impossibility in the performance of the Obligations, or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor hereunder shall not be discharged or impaired or otherwise affected by (i) the failure of the Collateral Agent or any other Secured Party to assert any claim or demand or to enforce any right or remedy under the provisions of any Loan Document or otherwise; (ii) any rescission, waiver, amendment or modification of, or any release from any of the terms or provisions of, any Loan Document or any other agreement, including with respect to any other Guarantor under this Agreement; (iii) the release of any security held by the Collateral Agent or any other Secured Party for the Obligations or any of them; (iv) any default, failure or delay, wilful or otherwise, in the performance of the Obligations; or (v) any other act or omission that may or might in any manner or to any extent vary the risk of any Guarantor or otherwise operate as a discharge of any Guarantor as a matter of law or equity (other than the indefeasible payment in full in cash of all the Obligations). Each Guarantor expressly authorizes the Secured Parties to take and hold security for the payment and performance of the Obligations, to exchange, waive or release any or all such security (with or without consideration), to enforce or apply such security and direct the order and manner of any sale thereof in their sole discretion or to release or substitute any one or more other guarantors or obligors upon or in respect of the Obligations, all without affecting the obligations of any Guarantor hereunder.

(b) To the fullest extent permitted by applicable law, each Guarantor waives any defense based on or arising out of any defense of the Borrower or any other Loan Party or the unenforceability of the Obligations or any part thereof from any cause, or the cessation from any cause of the liability of the Borrower or any other Loan Party, other than the indefeasible payment in full in cash of all the Obligations. The Collateral Agent and the other Secured Parties may, at their election, foreclose on any security held by one or more of them by one or more judicial or nonjudicial sales, accept an assignment of any such security in lieu of foreclosure, compromise or adjust any part of the Obligations, make any other accommodation with the Borrower or any other Loan Party or exercise any other right or remedy available to them against the Borrower or any other Loan Party, without affecting or impairing in any way the liability of any Guarantor hereunder except to the extent the Obligations have been fully and indefeasibly paid in full in cash. To the fullest extent permitted by applicable law, each Guarantor waives any defense arising out of any such election even though such election operates, pursuant to

applicable law, to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of such Guarantor against the Borrower or any other Loan Party, as the case may be, or any security.

SECTION 2.04. *Reinstatement*. Each of the Guarantors agrees that its guarantee hereunder shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Obligation is rescinded or must otherwise be restored by the Collateral Agent or any other Secured Party upon the bankruptcy or reorganization of the Borrower, any other Loan Party or otherwise.

SECTION 2.05. *Agreement To Pay; Subrogation.* In furtherance of the foregoing and not in limitation of any other right that the Collateral Agent or any other Secured Party has at law or in equity against any Guarantor by virtue hereof, upon the failure of the Borrower or any other Loan Party to pay any Obligation when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, each Guarantor hereby promises to and will forthwith pay, or cause to be paid, to the Collateral Agent for distribution to the applicable Secured Parties in cash the amount of such unpaid Obligation. Upon payment by any Guarantor of any sums to the Collateral Agent as provided above, all rights of such Guarantor against the Borrower or any other Loan Party arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subject to Article VI.

SECTION 2.06. *Information*. Each Guarantor (a) assumes all responsibility for being and keeping itself informed of the Borrower's and each other Loan Party's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Obligations and the nature, scope and extent of the risks that such Guarantor assumes and incurs hereunder, and (b) agrees that none of the Collateral Agent or the other Secured Parties will have any duty to advise such Guarantor of information known to it or any of them regarding such circumstances or risks.

ARTICLE III

Pledge of Securities

SECTION 3.01. *Pledge*. Subject to Section 3.04, as security for the payment or performance, as the case may be, in full of the Obligations, each Grantor hereby assigns and pledges to the Collateral Agent, its successors and assigns, for the benefit of the Secured Parties, and hereby grants to the Collateral Agent, its successors and assigns, for the benefit of the Secured Parties, a security interest in, all of such Grantor's right, title and interest in, to and under (a) (i) the shares of capital stock and other Equity Interests owned by it, (ii) any other Equity Interests obtained in the future by such Grantor and (iii) the certificates representing all such Equity Interests (collectively, the "*Pledged Stock*"); *provided* that the Pledged Stock shall not include more than 65% of the issued and outstanding voting Equity Interests of any Foreign Subsidiary; (b)(i) the debt securities owned by it, (ii) any debt securities in the future issued to such Grantor and (iii) the promissory notes and any other instruments evidencing all such debt securities (the "*Pledged Debt Securities*"); (c) subject to Section 3.03, all payments of

principal or interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of, in exchange for or upon the conversion of, and all other Proceeds received in respect of, the securities referred to in clauses (a) and (b) above; (d) subject to Section 3.03, all rights and privileges of such Grantor with respect to the securities and other property referred to in clauses (a), (b) and (c) above; and (e) all Proceeds of any of the foregoing (the items referred to in clauses (a) through (e) above being collectively referred to as the "*Pledged Collateral*").

SECTION 3.02. *Representations, Warranties and Covenants*. The Grantors jointly and severally represent, warrant and covenant to and with the Collateral Agent, for the benefit of the Secured Parties, that:

(a) except for the security interests granted hereunder, each of the Grantors (i) is and, subject to any transfers made in compliance with the Credit Agreements, will continue to be the direct owner, beneficially and of record, of the Pledged Securities, (ii) holds the same free and clear of all Liens, other than Liens created by this Agreement, Permitted Liens and transfers made in compliance with the Credit Agreements, (iii) will make no assignment, pledge, hypothecation or transfer of, or create or permit to exist any security interest in or other Lien on, the Pledged Collateral, other than Liens created by this Agreement, Permitted Liens and transfers made in compliance with the Credit Agreements, and (iv) will defend its title or interest thereto or therein against any and all Liens (other than the Liens created by this Agreement and Permitted Liens), however arising, of all Persons whomsoever;

(b) except for restrictions and limitations imposed by the Loan Documents, the agreements, instruments and documents governing or entered into in connection with secured indebtedness permitted under Section 5.08(g) of the Credit Agreements or securities laws generally, the Pledged Collateral is and will continue to be freely transferable and assignable, and none of the Pledged Collateral is or will be subject to any option, right of first refusal, shareholders agreement, charter or by-law provisions or contractual restriction of any nature that might prohibit, impair, delay or otherwise affect the pledge of such Pledged Collateral hereunder, the sale or disposition thereof pursuant hereto or the exercise by the Collateral Agent of rights and remedies hereunder;

(c) each of the Grantors has the power and authority to pledge the Pledged Collateral pledged by it hereunder in the manner hereby done or contemplated;

(d) no consent or approval of any Governmental Authority, any securities exchange or any other Person was or is necessary to the validity of the pledge effected hereby (other than such as have been obtained and are in full force and effect);

(e) by virtue of the execution and delivery by the Grantors of this Agreement, the Collateral Agent will obtain (i) a legal and valid lien upon and security interest in such Pledged Securities as security for the payment and performance of the Obligations and (ii) subject to the filings described in Section

4.02(b), a perfected security interest in all Pledged Securities in which a security interest may be perfected by filing of a Uniform Commercial Code financing statement (or analogous document) in the United States (or any political subdivision thereof) and its territories and possessions; and

(f) the pledge effected hereby is effective to vest in the Collateral Agent, for the benefit of the Secured Parties, the rights of the Collateral Agent in the Pledged Collateral as set forth herein.

SECTION 3.03. *Voting Rights; Dividends and Interest.* (a) Unless and until an Event of Default shall have occurred and be continuing and the Collateral Agent shall have notified the Grantors that their rights under this Section 3.03 are being suspended:

(i) each Grantor shall be entitled to exercise any and all voting and/or other consensual rights and powers inuring to an owner of Pledged Collateral or any part thereof for any purpose consistent with the terms of this Agreement, the Credit Agreements and the other Loan Documents; and

(ii) Each Grantor shall be entitled to receive and retain any and all dividends, interest, principal and other distributions paid on or distributed in respect of the Pledged Collateral to the extent and only to the extent that such dividends, interest, principal and other distributions are permitted by, and otherwise paid or distributed in accordance with, the terms and conditions of the Credit Agreements, the other Loan Documents and applicable laws.

(b) Upon the occurrence and during the continuance of an Event of Default, after the Collateral Agent shall have notified the Grantors of the suspension of their rights under paragraph (a)(ii) of this Section 3.03, then all rights of any Grantor to dividends, interest, principal or other distributions that such Grantor is authorized to receive pursuant to paragraph (a)(ii) of this Section 3.03 shall cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall have the sole and exclusive right and authority to receive and retain such dividends, interest, principal or other distributions. All dividends, interest, principal or other distributions received by any Grantor contrary to the provisions of this Section 3.03 shall be held in trust for the benefit of the Collateral Agent, shall be segregated from other property or funds of such Grantor and shall be forthwith delivered to the Collateral Agent upon demand in the same form as so received (with any necessary endorsement). Any and all money and other property paid over to or received by the Collateral Agent pursuant to the provisions of this paragraph (b) shall be retained by the Collateral Agent in an account to be established by the Collateral Agent upon receipt of such money or other property and shall be applied in accordance with the provisions of Section 5.02. After all Events of Default have been cured or waived and the Borrower has delivered to the Collateral Agent a certificate to that effect, the Collateral Agent shall promptly repay to each Grantor (without interest) all dividends, interest, principal or other distributions that such Grantor would otherwise be permitted to retain pursuant to the terms of paragraph (a)(ii) of this Section 3.03 and that remain in such account.

(c) Upon the occurrence and during the continuance of an Event of Default, after the Collateral Agent shall have notified the Grantors of the suspension of their rights under paragraph (a)(i) of this Section 3.03, then all rights of any Grantor to exercise the voting and consensual rights and powers it is entitled to exercise pursuant to paragraph (a)(i) of this Section 3.03, shall cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall have the sole and exclusive right and authority to exercise such voting and consensual rights and powers, *provided* that, unless otherwise directed by the Required Secured Parties, the Collateral Agent shall have the right from time to time following and during the continuance of an Event of Default to permit the Grantors to exercise such rights.

(d) Any notice given by the Collateral Agent to the Grantors suspending their rights under paragraph (a) of this Section 3.03 (i) may be given by telephone if promptly confirmed in writing, (ii) may be given to one or more of the Grantors at the same or different times and (iii) may suspend the rights of the Grantors under paragraph (a)(i) or paragraph (a)(ii) in part without suspending all such rights (as specified by the Collateral Agent in its sole and absolute discretion) and without waiving or otherwise affecting the Collateral Agent's right to give additional notices from time to time suspending other rights so long as an Event of Default has occurred and is continuing.

SECTION 3.04. *Existing Indentures*. Notwithstanding any provision herein to the contrary, none of the Collateral, the Pledged Collateral or the Article 9 Collateral shall include any "Voting Stock" of any "Significant Subsidiary" within the meaning of Section 504 of the 1988 Indenture and Section 5.04 of the 2003 Indenture, as in effect on the date hereof.

ARTICLE IV

Security Interests in Personal Property

SECTION 4.01. *Security Interest*. (a) Subject to Section 3.04, as security for the payment or performance, as the case may be, in full of the Obligations, each Grantor hereby grants to the Collateral Agent, its successors and assigns, for the benefit of the Secured Parties, a security interest (the "*Security Interest*") in, all right, title and interest in and to any and all of the following assets and properties now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "*Article 9 Collateral*"):

(i) all Accounts;

(ii) all Chattel Paper;

(iii) all Documents;

(iv) all Equipment;

(v) all General Intangibles;

(vi) all Instruments;

(vii) all Inventory;

(viii) all Investment Property;

(ix) Letter-of-Credit rights;

(x) Commercial Tort Claims included in the Article 9 Collateral pursuant to Section 4.04;

(xi) all books and records pertaining to the Article 9 Collateral; and

(xii) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing and all collateral security and guarantees given by any Person with respect to any of the foregoing.

(b) Each Grantor hereby irrevocably authorizes the Collateral Agent at any time and from time to time to file in any relevant jurisdiction any initial financing statements (other than fixture filings or other filings required to be made in any real estate recording office) with respect to the Article 9 Collateral or any part thereof and amendments thereto that contain the information required by Article 9 of the Uniform Commercial Code of each applicable jurisdiction for the filing of any financing statement (other than a fixture filing or other filing required to be made in any real estate recording office) or amendment, including whether such Grantor is an organization, the type of organization and any organizational identification number issued to such Grantor. Each Grantor agrees to provide such information to the Collateral Agent promptly upon request.

Each Grantor also ratifies its authorization for the Collateral Agent to file in any relevant jurisdiction any initial financing statements (other than fixture filings or other filings required to be made in any real estate recording office) or amendments thereto if filed prior to the date hereof.

(c) The Security Interest and the security interests granted pursuant to Article III are granted as security only and shall not subject the Collateral Agent or any other Secured Party to, or in any way alter or modify, any obligation or liability of any Grantor with respect to or arising out of the Collateral.

(d) Notwithstanding anything herein to the contrary, in no event shall the security interest granted hereunder attach to (i) any contract or agreement to which a Grantor is a party or any of its rights or interests thereunder if and for so long as the grant of such security interest shall constitute or result in (A) the unenforceability of any right of the Grantor therein or (B) a breach or termination pursuant to the terms of, or a default under, any such contract or agreement (other than to the extent that any such term would be rendered ineffective pursuant to Section 9-406, 9-407, 9-408 or 9-409 of the New York UCC or any other applicable law or principles of equity), *provided, however*, with respect to any contract or agreement described in clause (i) of this paragraph (d), that such security interest shall attach immediately at such time as the condition causing such

unenforceability shall be remedied and, to the extent severable, shall attach immediately to any portion of such contract or agreement that does not result in any of the consequences specified in subclauses (A) or (B) of this paragraph (d) including, any Proceeds of such contract or agreement, (ii) more than 65% of the issued and outstanding voting Equity Interests of any Foreign Subsidiary or (iii) any Excluded Property.

(e) Notwithstanding anything herein to the contrary, any Security Interest in any Intellectual Property shall be subordinate to any license thereof (other than a license to a Loan Party) permitted under the Credit Agreement.

SECTION 4.02. *Representations and Warranties*. The Grantors jointly and severally represent and warrant to the Collateral Agent and the Secured Parties that:

(a) Each Grantor has good and valid rights in and title to the Article 9 Collateral with respect to which it has purported to grant a Security Interest hereunder and has full power and authority to grant to the Collateral Agent the Security Interest in such Article 9 Collateral pursuant hereto and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other Person other than any consent or approval that has been obtained.

(b) (i) The Perfection Certificate has been duly prepared, completed and executed and the information set forth therein, including the exact legal name of each Grantor, is correct and complete as of the Restatement Effective Date and (ii) the Uniform Commercial Code financing statements prepared by the Collateral Agent based upon the information provided to the Collateral Agent in the Perfection Certificate for filing in each governmental office specified in Schedule 2 to the Perfection Certificate (or specified by notice from the Borrower to the Collateral Agent after the Restatement Effective Date in the case of filings required by Section 5.16 of the Credit Agreements), are all the filings, recordings and registrations that are necessary to publish notice of and protect the validity of and to establish a legal, valid and perfected security interest in favor of the Collateral Agent (for the benefit of the Secured Parties) in respect of all Article 9 Collateral in which the Security Interest may be perfected by the filing of a Uniform Commercial Code financing statement (or analogous document), other than a fixture filing or other filing required to be made in any real estate recording office, in the United States (or any political subdivision thereof) and its territories and possessions, and no further or subsequent filing, refiling, recording, rerecording, registration or reregistration of such a financing statement is necessary in any such jurisdiction, except as provided under applicable law with respect to the filing of continuation statements.

(c) The Security Interest constitutes (i) a legal and valid security interest in all the Article 9 Collateral securing the payment and performance of the Obligations and (ii) subject to the filings described in Section 4.02(b), a perfected security interest in all Article 9 Collateral in which a security interest may be perfected by filing a financing statement or analogous document in the United States (or any political subdivision thereof) and its territories and possessions pursuant to the Uniform Commercial Code. The Security Interest is and shall be prior to any other Lien on any of the Article 9 Collateral, other than Permitted Encumbrances and Liens expressly permitted to be prior to the Security Interest pursuant to clause (b), (c) or (d) of Section 5.08 of the Credit Agreements.

(d) The Article 9 Collateral is owned by the Grantors free and clear of any Lien, except for Liens created under this Agreement and Permitted Liens. None of the Grantors has filed or consented to the filing of (i) any financing statement or analogous document under the Uniform Commercial Code or any other applicable laws covering any Article 9 Collateral, (ii) any assignment in which any Grantor assigns any Collateral or any security agreement or similar instrument covering any Article 9 Collateral with the United States Patent and Trademark Office or the United States Copyright Office or (iii) any assignment in which any Grantor assigns any Article 9 Collateral or any security agreement or similar instrument covering any Article 9 Collateral with any foreign governmental, municipal or other office, which financing statement or analogous document, assignment, security agreement or similar instrument is still in effect, except (x) in each case, for Liens expressly permitted pursuant to Section 5.08 of the Credit Agreements and (y) in the case of subclauses (ii) and (iii) above, filings made in connection with transfers and licenses not prohibited by the Credit Agreements.

SECTION 4.03. *Covenants*. (a) Each Grantor shall, at its own expense, take any and all actions necessary to defend title to all material portions of the Article 9 Collateral against all Persons and to defend the Security Interest of the Collateral Agent in the Article 9 Collateral and the priority thereof against any Lien not permitted pursuant to Section 5.08 of the Credit Agreements.

(b) Each Grantor agrees, at its own expense, to execute, acknowledge, deliver and cause to be duly filed all such further instruments and documents and take all such actions as the Collateral Agent may from time to time reasonably request to better assure, preserve, protect and perfect the Security Interest and the rights and remedies created hereby, including the payment of any fees and taxes required in connection with the execution and delivery of this Agreement, the granting of the Security Interest and the filing of any financing statements or other documents in connection herewith or therewith; *provided* that (i) no filings shall be required other than the filing of UCC financing statements (other than fixture filings and other filings required to be made in any real estate recording office), (ii) except as set forth in Section 5.01 following the occurrence and during the continuation of an Event of Default, no Grantor shall be required to deliver Instruments, Chattel Paper or Securities to any Person and (iii) no Grantor shall be required to enter into any control agreement or similar agreement.

(c) The Collateral Agent and such Persons as the Collateral Agent may reasonably designate shall have the right, at the Grantors' own cost and expense, to inspect the Article 9 Collateral, all records related thereto (and to make extracts and copies from such records) and the premises upon which any of the Article 9 Collateral is located, to discuss the Grantors' affairs with the officers of the Grantors and their independent accountants and to verify under reasonable procedures, in accordance with Section 5.05 of the Credit Agreements, the validity, amount, quality, quantity, value, condition and status of, or any other matter relating to, the Article 9 Collateral, including, in the case of Accounts or Article 9 Collateral in the possession of any third party, if an Event of Default shall have occurred and be continuing, by contacting Account Debtors

or the third party possessing such Article 9 Collateral for the purpose of making such a verification. The Collateral Agent shall have the absolute right to share any information it gains from such inspection or verification with any Secured Party.

(d) At its option, the Collateral Agent may discharge past due taxes, assessments, charges, fees, Liens, security interests or other encumbrances at any time levied or placed on the Article 9 Collateral and not permitted pursuant to Section 5.08 of the Credit Agreements, and may pay for the maintenance and preservation of the Article 9 Collateral to the extent any Grantor fails to do so as required by the Credit Agreements or this Agreement, and each Grantor jointly and severally agrees to reimburse the Collateral Agent on demand for any payment made or any expense incurred by the Collateral Agent pursuant to the foregoing authorization, *provided* that nothing in this paragraph shall be interpreted as excusing any Grantor from the performance of, or imposing any obligation on the Collateral Agent or any Secured Party to cure or perform, any covenants or other promises of any Grantor with respect to taxes, assessments, charges, fees, Liens, security interests or other encumbrances and maintenance as set forth herein or in the other Loan Documents.

(e) Each Grantor shall remain liable to observe and perform all the conditions and obligations to be observed and performed by it under each contract, agreement or instrument relating to the Article 9 Collateral, all in accordance with the terms and conditions thereof, and each Grantor jointly and severally agrees to indemnify and hold harmless the Collateral Agent and the Secured Parties from and against any and all liability for such performance.

(f) None of the Grantors shall make or permit to be made an assignment, pledge or hypothecation of the Article 9 Collateral or shall grant any other Lien in respect of the Article 9 Collateral, except as permitted by the Credit Agreements. None of the Grantors shall make or permit to be made any transfer of the Article 9 Collateral, except that the Grantors may use and dispose of the Article 9 Collateral in any lawful manner not inconsistent with the provisions of this Agreement, the Credit Agreements or any other Loan Document.

(g) The Grantors, at their own expense, shall maintain or cause to be maintained insurance covering physical loss or damage to the Inventory and Equipment in accordance with the requirements set forth in Section 5.03 of the Credit Agreements. Each Grantor irrevocably makes, constitutes and appoints the Collateral Agent (and all officers, employees or agents designated by the Collateral Agent) as such Grantor's true and lawful agent (and attorney-in-fact) for the purpose, during the continuance of an Event of Default, of making, settling and adjusting claims in respect of Article 9 Collateral under policies of insurance, endorsing the name of such Grantor on any check, draft, instrument or other item of payment for the proceeds of such policies of insurance and for making all determinations and decisions with respect thereto. In the event that any Grantor at any time or times shall fail to obtain or maintain any of the policies of insurance required hereby or to pay any premium in whole or part relating thereto, the Collateral Agent may, without waiving or releasing any obligation or liability of the Grantors hereunder or any Event of Default, in its sole discretion, obtain and maintain such policies of insurance and pay such premium and take any other actions with respect

thereto as the Collateral Agent deems advisable. All sums disbursed by the Collateral Agent in connection with this paragraph, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be payable, upon demand, by the Grantors to the Collateral Agent and shall be additional Obligations secured hereby.

SECTION 4.04. *Commercial Tort Claims*. If requested by the Collateral Agent, a Grantor shall promptly deliver to the Collateral Agent a writing signed by such Grantor, including a summary description of any Commercial Tort Claim identified by the Collateral Agent as to which such Grantor has filed a complaint or counterclaim in which it has claimed an amount greater than $100,000,000 (or has made a claim in an amount that is not specified, but that the Collateral Agent reasonably believes, in consultation with the Borrower, will exceed $100,000,000), and grant to the Collateral Agent in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to the Collateral Agent.

ARTICLE V

Remedies

SECTION 5.01. *Remedies Upon Default*. Upon the occurrence and during the continuance of an Event of Default, each Grantor agrees to deliver each item of Collateral to the Collateral Agent on demand, and it is agreed that the Collateral Agent shall have the right to take any of or all the following actions at the same or different times: (a) with respect to any Article 9 Collateral consisting of Intellectual Property, on demand, to cause the Security Interest to become an assignment, transfer and conveyance of any of or all such Article 9 Collateral by the applicable Grantors to the Collateral Agent, or to license or sublicense, whether general, special or otherwise, and whether on an exclusive or nonexclusive basis, any such Article 9 Collateral throughout the world on such terms and conditions and in such manner as the Collateral Agent shall determine (other than in violation of any then-existing licensing arrangements to the extent that waivers cannot be obtained), and (b) with or without legal process and with or without prior notice or demand for performance, to take possession of the Article 9 Collateral and without liability for trespass, but without breach of the peace, to enter any premises where the Article 9 Collateral may be located for the purpose of taking possession of or removing the Article 9 Collateral and, generally, to exercise any and all rights afforded to a secured party under the Uniform Commercial Code or other applicable law. Without limiting the generality of the foregoing, each Grantor agrees that, upon the occurrence and during the continuance of an Event of Default, the Collateral Agent shall have the right, subject to the mandatory requirements of applicable law, to sell or otherwise dispose of all or any part of the Collateral at a public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery as the Collateral Agent shall deem appropriate. Each such purchaser at any sale of Collateral shall hold the property sold absolutely free from any claim or right on the part of any Grantor, and each Grantor hereby waives (to the extent permitted by law) all rights of redemption, stay and appraisal that such Grantor now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted.

The Collateral Agent shall give the applicable Grantors 10 days' written notice (which each Grantor agrees is reasonable notice within the meaning of Section 9-611 of the New York UCC or its equivalent in other jurisdictions) of the Collateral Agent's intention to make any sale of Collateral. Such notice, in the case of a public sale, shall state the time and place for such sale and, in the case of a sale at a broker's board or on a securities exchange, shall state the board or exchange at which such sale is to be made and the day on which the Collateral or portion thereof, will first be offered for sale at such board or exchange. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Collateral Agent may fix and state in the notice (if any) of such sale. At any such sale, the Collateral , or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Collateral Agent may (in its sole and absolute discretion) determine. The Collateral Agent shall not be obligated to make any sale of any Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Collateral shall have been given. The Collateral Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. In case any sale of all or any part of the Collateral is made on credit or for future delivery, the Collateral so sold may be retained by the Collateral Agent until the sale price is paid by the purchaser or purchasers thereof, but the Collateral Agent shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may be sold again upon like notice. At any public (or, to the extent permitted by law, private) sale made pursuant to this Agreement, subject to the Collateral Agent's consent, any Secured Party may bid for or purchase, free (to the extent permitted by law) from any right of redemption, stay, valuation or appraisal on the part of any Grantor (all said rights being also hereby waived and released to the extent permitted by law), the Collateral or any part thereof offered for sale and may make payment on account thereof by using any Obligation then due and payable to such Secured Party from any Grantor as a credit against the purchase price, and such Secured Party may, upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability to any Grantor therefor. For purposes hereof, a written agreement to purchase the Collateral or any portion thereof shall be treated as a sale thereof; the Collateral Agent shall be free to carry out such sale pursuant to such agreement and no Grantor shall be entitled to the return of the Collateral or any portion thereof subject thereto, notwithstanding the fact that after the Collateral Agent shall have entered into such an agreement all Events of Default shall have been remedied and the Obligations paid in full. As an alternative to exercising the power of sale herein conferred upon it, the Collateral Agent may proceed by a suit or suits at law or in equity to foreclose this Agreement and to sell the Collateral or any portion thereof pursuant to a judgment or decree of a court or courts having competent jurisdiction or pursuant to a proceeding by a court-appointed receiver. Any sale pursuant to the provisions of this Section 5.01 shall be deemed, to the fullest extent permitted under applicable law, to conform to the commercially reasonable standards as provided in Section 9-610(b) of the New York UCC or its equivalent in other jurisdictions.

SECTION 5.02. *Application of Proceeds*. The Collateral Agent shall apply the proceeds of any collection or sale of Collateral, including any Collateral consisting of cash, as follows:

FIRST, to the payment of all costs and expenses incurred by the Collateral Agent in connection with such collection or sale or otherwise in connection with this Agreement, any other Loan Document or any of the Obligations, including all court costs and the fees and expenses of its agents and legal counsel, the repayment of all advances made by the Collateral Agent hereunder or under any other Loan Document on behalf of any Grantor and any other costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any other Loan Document;

SECOND, to the payment in full of the Obligations (the amounts so applied to be distributed among the Secured Parties pro rata in accordance with the amounts of the Obligations owed to them on the date of any such distribution); and

THIRD, to the Grantors, their successors or assigns, or as a court of competent jurisdiction may otherwise direct.

The Collateral Agent shall have, to the fullest extent permitted under applicable law, absolute discretion as to the time of application of any such proceeds, moneys or balances in accordance with this Agreement. Upon any sale of Collateral by the Collateral Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the Collateral Agent or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Collateral Agent or such officer or be answerable in any way for the misapplication thereof.

SECTION 5.03. *Grant of License to Use Intellectual Property*. For the purpose of enabling the Collateral Agent to exercise rights and remedies under this Agreement at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby grants to the Collateral Agent an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to the Grantors) to use, license or sublicense any of the Article 9 Collateral consisting of Intellectual Property now owned or hereafter acquired by such Grantor, and wherever the same may be located, and including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof. The use of such license by the Collateral Agent may be exercised, at the option of the Collateral Agent, upon the occurrence and during the continuation of an Event of Default, *provided* that any license, sublicense or other transaction entered into by the Collateral Agent in accordance herewith shall be binding upon the Grantors notwithstanding any subsequent cure of an Event of Default.

SECTION 5.04. *Securities Act.* In view of the position of the Grantors in relation to the Pledged Collateral, or because of other current or future circumstances, a question may arise under the Securities Act of 1933, as now or hereafter in effect, or any similar statute hereafter enacted analogous in purpose or effect (such Act and any such similar statute as from time to time in effect being called the "*Federal Securities Laws*") with respect to any disposition of the Pledged Collateral permitted hereunder. Each Grantor understands that compliance with the Federal Securities Laws might very strictly limit the course of conduct of the Collateral Agent if the Collateral Agent were to attempt to dispose of all or any part of the Pledged Collateral, and might also limit the extent to which or the manner in which any subsequent transferee of any Pledged Collateral could dispose of the same. Similarly, there may be other legal restrictions or limitations affecting the Collateral Agent in any attempt to dispose of all or part of the Pledged Collateral under applicable Blue Sky or other state securities laws or similar laws analogous in purpose or effect. Each Grantor recognizes that in light of such restrictions and limitations the Collateral Agent may, with respect to any sale of the Pledged Collateral, limit the purchasers to those who will agree, among other things, to acquire such Pledged Collateral for their own account, for investment, and not with a view to the distribution or resale thereof. Each Grantor acknowledges and agrees that in light of such restrictions and limitations, the Collateral Agent, in its sole and absolute discretion, (a) may proceed to make such a sale whether or not a registration statement for the purpose of registering such Pledged Collateral or part thereof shall have been filed under the Federal Securities Laws and (b) may approach and negotiate with a single potential purchaser to effect such sale. Each Grantor acknowledges and agrees that any such sale might result in prices and other terms less favorable to the seller than if such sale were a public sale without such restrictions. In the event of any such sale, to the fullest extent permitted under applicable law, the Collateral Agent shall incur no responsibility or liability for selling all or any part of the Pledged Collateral at a price that the Collateral Agent, in its sole and absolute discretion, may in good faith deem reasonable under the circumstances, notwithstanding the possibility that a substantially higher price might have been realized if the sale were deferred until after registration as aforesaid or if more than a single purchaser were approached. The provisions of this Section 5.04 will apply notwithstanding the existence of a public or private market upon which the quotations or sales prices may exceed substantially the price at which the Collateral Agent sells.

SECTION 5.05. *Registration.* Each Grantor agrees that, upon the occurrence and during the continuance of an Event of Default, if for any reason the Collateral Agent desires to sell any of the Pledged Collateral (the issuer in respect of which is a Consolidated Subsidiary) at a public sale, it will, at any time and from time to time, upon the written request of the Collateral Agent, use its best efforts to take or to cause the issuer of such Pledged Collateral to take such action and prepare, distribute and/or file such documents, as are required or advisable in the reasonable opinion of counsel for the Collateral Agent to permit the public sale of such Pledged Collateral. Each Grantor further agrees to indemnify, defend and hold harmless the Collateral Agent, each other Secured Party, any underwriter and their respective affiliates and their respective officers, directors, affiliates and controlling persons from and against all loss, liability, expenses, costs of counsel (including reasonable fees and expenses to the Collateral Agent of legal counsel), and claims (including the costs of investigation) that they may incur insofar as such loss, liability, expense or claim arises out of or is based

upon any alleged untrue statement of a material fact contained in any prospectus (or any amendment or supplement thereto) or in any notification or offering circular, or arises out of or is based upon any alleged omission to state a material fact required to be stated therein or necessary to make the statements in any thereof not misleading, except insofar as the same may have been caused by any untrue statement or omission based upon information furnished in writing to such Grantor or the issuer of such Pledged Collateral by the Collateral Agent or any other Secured Party expressly for use therein. Each Grantor further agrees, upon such written request referred to above, to use its best efforts to qualify, file or register, or cause the issuer of such Pledged Collateral to qualify, file or register, any of the Pledged Collateral under the Blue Sky or other securities laws of such states as may be requested by the Collateral Agent and keep effective, or cause to be kept effective, all such qualifications, filings or registrations. Each Grantor will bear all costs and expenses of carrying out its obligations under this Section 5.05. Each Grantor acknowledges that there is no adequate remedy at law for failure by it to comply with the provisions of this Section 5.05 and that such failure would not be adequately compensable in damages, and therefore agrees that its agreements contained in this Section 5.05 may be specifically enforced.

ARTICLE VI

Indemnity, Subrogation and Subordination

SECTION 6.01. *Indemnity and Subrogation*. In addition to all such rights of indemnity and subrogation as the Guarantors may have under applicable law (but subject to Section 6.03), the Borrower agrees that (a) in the event a payment in respect of any obligation shall be made by any Guarantor under this Agreement, the Borrower shall indemnify such Guarantor for the full amount of such payment and such Guarantor shall be subrogated to the rights of the Person to whom such payment shall have been made to the extent of such payment and (b) in the event any assets of any Guarantor shall be sold pursuant to this Agreement or any other Security Document to satisfy in whole or in part an Obligation owed to any Secured Party, the Borrower shall indemnify such Guarantor in an amount equal to the greater of the book value or the fair market value of the assets so sold.

SECTION 6.02. *Contribution and Subrogation*. Each Guarantor and Grantor (a "*Contributing Party*") agrees (subject to Section 6.03) that, in the event a payment shall be made by any other Guarantor hereunder in respect of any Obligation or assets of any other Grantor (other than the Borrower) shall be sold pursuant to any Security Document to satisfy any Obligation owed to any Secured Party and such other Guarantor or Grantor (the "*Claiming Party*") shall not have been fully indemnified by the Borrower as provided in Section 6.01, the Contributing Party shall indemnify the Claiming Party in an amount equal to the amount of such payment or the greater of the book value or the fair market value of such assets, as the case may be, in each case multiplied by a fraction of which the numerator shall be the net worth of the Contributing Party on the date hereof and the denominator shall be the aggregate net worth of all the Guarantors and Grantors on the date hereof (or, in the case of any Guarantor or Grantor becoming a party hereto pursuant to Section 7.14, the date of the supplement hereto executed and delivered by such Guarantor or Grantor). Any Contributing Party making

any payment to a Claiming Party pursuant to this Section 6.02 shall (subject to Section 6.03) be subrogated to the rights of such Claiming Party under Section 6.01 to the extent of such payment.

SECTION 6.03. *Subordination*. (a) Notwithstanding any provision of this Agreement to the contrary, all rights of the Guarantors and Grantors under Sections 6.01 and 6.02 and all other rights of the Guarantors and Grantors of indemnity, contribution or subrogation under applicable law or otherwise shall be fully subordinated to the indefeasible payment in full in cash of the Obligations. No failure on the part of the Borrower or any Guarantor or Grantor to make the payments required by Sections 6.01 and 6.02 (or any other payments required under applicable law or otherwise) shall in any respect limit the obligations and liabilities of any Guarantor or Grantor with respect to its obligations hereunder, and each Guarantor and Grantor shall remain liable for the full amount of the obligations of such Guarantor or Grantor hereunder.

(b) Each Guarantor and Grantor hereby agrees that, in any bankruptcy, insolvency or other similar proceeding or at any time that remedies are being exercised hereunder in respect of an Event of Default that has occurred and is continuing, all Indebtedness and other monetary obligations owed by it to any other Guarantor, Grantor or any other Consolidated Subsidiary shall be fully subordinated to the indefeasible payment in full in cash of the Obligations.

ARTICLE VII

Miscellaneous

SECTION 7.01. *Notices*. All communications and notices hereunder shall (except as otherwise expressly permitted herein) be in writing and given as provided in Section 8.01 of the Credit Agreements. All communications and notices hereunder to any Subsidiary Party shall be given to it in care of the Borrower as provided in Section 8.01 of the Credit Agreements.

SECTION 7.02. *Waivers; Amendment*. (a) No failure or delay by any Agent, any Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Collateral Agent, any Issuing Bank and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section 7.02, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Collateral Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time. No notice or demand on any Loan Party in any case shall entitle any Loan Party to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Collateral Agent (with the written consent of the Required Secured Parties) and the Loan Party or Loan Parties with respect to which such waiver, amendment or modification is to apply.

SECTION 7.03. *Collateral Agent's Expenses; Indemnification*. The parties hereto agree that the Collateral Agent shall be entitled to reimbursement of its expenses incurred hereunder and to indemnification, in each case as provided in Section 8.03 of the Credit Agreements.

SECTION 7.04. *Successors and Assigns*. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of any Guarantor, Grantor or the Collateral Agent that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

SECTION 7.05. *Survival of Agreement*. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the Lenders and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any Lender or on its behalf and notwithstanding that the Collateral Agent, any Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended under either Credit Agreement, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under any Loan Document is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated.

SECTION 7.06. *Counterparts; Effectiveness; Several Agreement*. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Agreement by facsimile transmission shall be effective as delivery of a manually signed counterpart of this Agreement. This Agreement shall become effective as to any Loan Party when a counterpart hereof executed on behalf of such Loan Party shall have been delivered to the Collateral Agent and a counterpart hereof shall have been executed on behalf of the Collateral Agent, and thereafter shall be binding upon such Loan Party and the Collateral Agent and their respective permitted successors and assigns, and shall inure to the benefit of such Loan Party, the Collateral Agent and the other Secured Parties and their respective successors and assigns, except that no Loan Party shall have the right to assign or transfer its rights or obligations hereunder or any

interest herein or in the Collateral (and any such assignment or transfer shall be void) except as expressly contemplated by this Agreement or the Credit Agreements. This Agreement shall be construed as a separate agreement with respect to each Loan Party and may be amended, modified, supplemented, waived or released with respect to any Loan Party without the approval of any other Loan Party and without affecting the obligations of any other Loan Party hereunder.

SECTION 7.07. *Severability*. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 7.08. *Right of Set-Off*. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of any Guarantor against any of and all the obligations of such Guarantor now or hereafter existing under this Agreement owed to such Lender.

SECTION 7.09. *Governing Law; Jurisdiction; Consent to Service of Process*. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) Each of the Loan Parties hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees, to the fullest extent permitted under applicable law, that all claims in respect of any such action or proceeding may be heard and determined in such New York State or Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that any Agent, any Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Grantor, Guarantor, or their respective properties in the courts of any jurisdiction.

(c) Each of the Loan Parties hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section 7.09. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 7.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 7.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 7.10.

SECTION 7.11. *Headings*. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 7.12. *Security Interest Absolute*. All rights of the Collateral Agent hereunder, the Security Interest, the grant of a security interest in the Pledged Collateral and all obligations of each Grantor and Guarantor hereunder shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of either Credit Agreement, any other Loan Document, any agreement with respect to any of the Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from either Credit Agreement, any other Loan Document or any other agreement or instrument, (c) any exchange, release or non-perfection of any Lien on other collateral, or any release or amendment or waiver of or consent under or departure from any guarantee, securing or guaranteeing all or any of the Obligations, or (d) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Grantor or Guarantor in respect of the Obligations or this Agreement.

SECTION 7.13. *Termination or Release*. (a) This Agreement, the Guarantees made herein, the Security Interest and all other security interests granted hereby shall terminate when all the Loan Document Obligations have been paid in full and the Lenders have no further commitment to lend under the Credit Agreements, the LC Exposure has been reduced to zero and each Issuing Bank has no further obligations to issue Letters of Credit under the Revolving Credit Agreement.

(b) The Guarantees made herein, the Security Interest and all other security interests granted hereby shall be released at any time when (i) if both rating agencies shall have a Credit Rating then in effect, the Credit Ratings are BBB+ and Baa1 or better, or, if only one rating agency shall have a Credit Rating then in effect, the Credit Rating from such rating agency is BBB+ or Baa1 or better, (ii) no Default has occurred and is continuing or would result from such release (including as a result of the Subsidiary Parties ceasing to be Loan Parties) and (iii) the Collateral Agent shall have received a certificate from a Financial Officer confirming that the conditions described in clauses (i) and (ii) of this paragraph (b) are satisfied.

(c) A Subsidiary Party shall automatically be released from its obligations hereunder and the Security Interest in the Collateral of such Subsidiary Party shall be automatically released upon the consummation of any transaction permitted by the Credit Agreements as a result of which such Subsidiary Party ceases to be a Consolidated Subsidiary.

(d) Upon any sale or other transfer by any Grantor of any Collateral that is permitted under the Credit Agreements (other than a sale or other transfer to a Loan Party), the security interest in such Collateral shall be automatically released.

(e) In connection with any termination or release pursuant to paragraph (a), (b), (c) or (d) of this Section 7.13, the Collateral Agent shall execute and deliver to any Grantor, at such Grantor's expense, all documents that such Grantor shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section 7.13 shall be without recourse to or warranty by the Collateral Agent.

SECTION 7.14. *Additional Subsidiaries*. Pursuant to Section 5.16 of the Credit Agreements, each Material Subsidiary that was not in existence or not a Material Subsidiary on the Restatement Effective Date is required to enter into this Agreement as a Subsidiary Party upon becoming such a Material Subsidiary. Upon execution and delivery by the Collateral Agent and a Subsidiary of an instrument in the form of Exhibit I hereto, such Subsidiary shall become a Subsidiary Party hereunder with the same force and effect as if originally named as a Subsidiary Party herein. The execution and delivery of any such instrument shall not require the consent of any other party hereunder. The rights and obligations of each Loan Party hereunder shall remain in full force and effect notwithstanding the addition of any new Loan Party as a party to this Agreement.

SECTION 7.15. *Collateral Agent Appointed Attorney-in-Fact*. Each Grantor hereby appoints the Collateral Agent the attorney-in-fact of such Grantor for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instrument that the Collateral Agent may deem necessary or advisable to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, the Collateral Agent shall have

the right, upon the occurrence and during the continuance of an Event of Default, with full power of substitution either in the Collateral Agent's name or in the name of such Grantor (a) to receive, endorse, assign and/or deliver any and all notes, acceptances, checks, drafts, money orders or other evidences of payment relating to the Collateral or any part thereof; (b) to demand, collect, receive payment of, give receipt for and give discharges and releases of all or any of the Collateral; (c) to sign the name of any Grantor on any invoice or bill of lading relating to any of the Collateral; (d) to send verifications of Accounts Receivable to any Account Debtor; (e) to commence and prosecute any and all suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect or otherwise realize on all or any of the Collateral or to enforce any rights in respect of any Collateral; (f) to settle, compromise, compound, adjust or defend any actions, suits or proceedings relating to all or any of the Collateral; (g) to notify, or to require any Grantor to notify, Account Debtors to make payment directly to the Collateral Agent; and (h) to use, sell, assign, transfer, pledge, make any agreement with respect to or otherwise deal with all or any of the Collateral, and to do all other acts and things necessary to carry out the purposes of this Agreement, as fully and completely as though the Collateral Agent were the absolute owner of the Collateral for all purposes, *provided* that nothing herein contained shall be construed as requiring or obligating the Collateral Agent to make any commitment or to make any inquiry as to the nature or sufficiency of any payment received by the Collateral Agent, or to present or file any claim or notice, or to take any action with respect to the Collateral or any part thereof or the moneys due or to become due in respect thereof or any property covered thereby. The Collateral Agent and the other Secured Parties shall be accountable only for amounts actually received as a result of the exercise of the powers granted to them herein, and neither they nor their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

SECTION 7.16. *Collateral Agent*. The provisions set forth in Article VII of each of the Credit Agreements shall apply for the purpose of this Agreement as fully as if set forth herein. The Collateral Agent shall be fully protected in acting upon any instructions of the Required Secured Parties, and the holders of other Obligations shall not be entitled to direct any action by the Collateral Agent hereunder.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

LIMITED BRANDS, INC.,

by

_____

Name:
Title:

VICTORIA'S SECRET STORES BRAND MANAGEMENT, INC.,

by

_____

Name:
Title:

VICTORIA'S SECRET STORES, LLC,

by

_____

Name:
Title:

VICTORIA'S SECRET DIRECT BRAND MANAGEMENT, LLC,

by

_____

Name:
Title:

BATH & BODY WORKS BRAND MANAGEMENT, INC.,

by

_____

Name:
Title:

BATH & BODY WORKS, LLC,

by

_____

Name:
Title:

MAST INDUSTRIES, INC.,

by

_____

Name:
Title:

BEAUTYAVENUES, INC.,

by

_____

Name:
Title:

LIMITED SERVICE CORPORATION,

by

_____

Name:
Title:

INTIMATE BRANDS, INC.,

by

_____

Name:
Title:

LIMITED BRANDS DIRECT FULFILLMENT, INC.,

by

Name:
Title:

LIMITED STORE PLANNING, INC.,

by

Name:
Title:

JPMORGAN CHASE BANK, N.A., as Collateral Agent,

by

Name:
Title:

Schedule I to the
Guarantee and
Collateral Agreement

SUBSIDIARY PARTIES

Bath & Body Works Brand Management, Inc.

Bath & Body Works, LLC

beautyAvenues, Inc.

Intimate Brands, Inc.

Limited Brands Direct Fulfillment, Inc.

Limited Service Corporation

Limited Store Planning, Inc.

Mast Industries, Inc.

Victoria’s Secret Direct Brand Management, LLC

Victoria’s Secret Stores Brand Management, Inc.

Victoria’s Secret Stores, LLC

Exhibit I to the
Guarantee and
Collateral Agreement

SUPPLEMENT NO. dated as of [—], to the Guarantee and Collateral Agreement dated as of February 19, 2009 (the "Collateral Agreement"), among LIMITED BRANDS, INC., a Delaware corporation (the "*Borrower*"), certain subsidiaries of the Borrower party thereto (each such subsidiary individually a "*Subsidiary Guarantor*" and, collectively, the "*Subsidiary Guarantors*"; the Subsidiary Guarantors and the Borrower are referred to collectively herein as the "*Grantors*") and JPMORGAN CHASE BANK, N.A., a national banking association ("*JPMCB*"), as collateral agent (in such capacity, the "*Collateral Agent*").

A. Reference is made to (i) the Amended and Restated Five-Year Revolving Credit Agreement dated as of February 19, 2009 (as amended, supplemented or otherwise modified from time to time, the "*Revolving Credit Agreement*"), among the Borrower, the lenders party thereto and JPMCB, as administrative agent and collateral agent and (ii) the Amended and Restated Term Loan Credit Agreement dated as of February 19, 2009 (as amended, supplemented or otherwise modified from time to time, the "*Term Credit Agreement*" and together with the Revolving Credit Agreement, the "*Credit Agreements*") among the Borrower, the lenders from time to time party thereto and JPMCB, as administrative agent and collateral agent.

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreements and the Collateral Agreement.

C. The Grantors have entered into the Collateral Agreement in order to induce the Lenders to make and maintain Loans and the Issuing Banks to issue Letters of Credit. Section 7.14 of the Collateral Agreement provides that additional Subsidiaries of the Borrower may become Subsidiary Parties under the Collateral Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Subsidiary (the "*New Subsidiary*") is executing this Supplement to become a Subsidiary Party under the Collateral Agreement in order to induce the Lenders to make additional Loans and the Issuing Banks to issue additional Letters of Credit and as consideration for Loans previously made and Letters of Credit previously issued.

Accordingly, the Collateral Agent and the New Subsidiary agree as follows:

SECTION 1. In accordance with Section 7.14 of the Collateral Agreement, the New Subsidiary by its signature below becomes a Subsidiary Party, Grantor and Guarantor under the Collateral Agreement with the same force and effect as if originally named therein as a Subsidiary Party, Grantor and Guarantor and the New Subsidiary hereby (a) agrees to all the terms and provisions of the Collateral Agreement applicable to it as a Subsidiary Party, Grantor and Guarantor thereunder and (b) represents and warrants that the representations and warranties made by it as a

Grantor and Guarantor thereunder are true and correct on and as of the date hereof. In furtherance of the foregoing, the New Subsidiary, as security for the payment and performance in full of the Obligations (as defined in the Collateral Agreement), does hereby create and grant to the Collateral Agent, its successors and assigns, for the benefit of the Secured Parties, their successors and assigns, a security interest in and lien on all of the New Subsidiary's right, title and interest in and to the Collateral (as defined in the Collateral Agreement) of the New Subsidiary. Each reference to a "Guarantor" or "Grantor" in the Collateral Agreement shall be deemed to include the New Subsidiary. The Collateral Agreement is hereby incorporated herein by reference.

SECTION 2. The New Subsidiary represents and warrants to the Collateral Agent and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

SECTION 3. This Supplement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when the Collateral Agent shall have received a counterpart of this Supplement that bears the signature of the New Subsidiary and the Collateral Agent has executed a counterpart hereof. Delivery of an executed signature page to this Supplement by facsimile transmission shall be effective as delivery of a manually signed counterpart of this Supplement.

SECTION 4. The New Subsidiary hereby represents and warrants that set forth on Schedule I attached hereto is a schedule with the true and correct legal name of the New Subsidiary, its jurisdiction of formation and the location of its chief executive office.

SECTION 5. Except as expressly supplemented hereby, the Collateral Agreement shall remain in full force and effect.

SECTION 6. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 7. Any provision of this Supplement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof or of the Collateral Agreement, and the invalidity of a particular provision contained herein or in the Collateral Agreement in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. SECTION 8. All communications and notices hereunder shall be given as provided in Section 7.01 of the Collateral Agreement.

SECTION 9. The New Subsidiary agrees to reimburse the Collateral Agent for its reasonable out-of-pocket expenses in connection with this Supplement, including the reasonable fees, other charges and disbursements of counsel for the Collateral Agent.

IN WITNESS WHEREOF, the New Subsidiary and the Collateral Agent have duly executed this Supplement to the Collateral Agreement as of the day and year first above written.

[NAME OF NEW SUBSIDIARY],

by

_____

Name:
Title:

JPMORGAN CHASE BANK, N.A.,
as Collateral Agent

by

_____

Name:
Title:

Schedule I
to Supplement No. to the
Guarantee and
Collateral Agreement

NEW SUBSIDIARY INFORMATION

Name	Jurisdiction of Formation	Chief Executive Office

Exhibit II to the
Guarantee and
Collateral Agreement

PERFECTION CERTIFICATE

Reference is made to (i) the Amended and Restated Credit Agreement Five-Year Revolving Credit Agreement dated as of February 19, 2009 (as amended, supplemented or otherwise modified from time to time, the "*Revolving Credit Agreement*"), among Limited Brands, Inc. (the "*Borrower*"), the lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as administrative agent and collateral agent and (ii) the Amended and Restated Term Loan Credit Agreement dated as of February 19, 2009 (as amended, supplemented or otherwise modified from time to time, the "*Term Credit Agreement*" and together with the Revolving Credit Agreement, the "*Credit Agreements*") among the Borrower, the lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as administrative agent and collateral agent. Capitalized terms used but not defined herein have the meanings assigned in the Credit Agreements or the Collateral Agreement referred to therein, as applicable.

The undersigned, a Financial Officer and the chief legal officer, respectively, of the Borrower, in each case in his or her capacity as such and not in his or her personal capacity, hereby certify to the Collateral Agent and each other Secured Party as follows:

1. Names. (a) The exact legal name of each Grantor, as such name appears in its respective certificate of formation, is set forth in Schedule 1.

(b) Set forth in Schedule 1 is each other legal name each Grantor has had in the past five years, together with the date of the relevant change.

(c) Except as set forth in Schedule 1 hereto, no Grantor has changed its identity or corporate structure in any way within the past five years.

(d) Set forth in Schedule 1 is the Organizational Identification Number, if any, issued by the jurisdiction of formation of each Grantor that is a registered organization:

2. Current Locations. (a) The mailing address of each Grantor is set forth opposite its name in Schedule 1.

(b) The jurisdiction of formation of each Grantor that is a registered organization is set forth opposite its name in Schedule 1.

3. Unusual Transactions. All Accounts have been originated by the Grantors and all Inventory has been acquired by the Grantors in the ordinary course of business.

4. File Search Reports. File search reports have been obtained from each Uniform Commercial Code filing office identified with respect to such Grantor in Section 2 hereof, and such search reports reflect no liens against any of the Collateral other than those permitted under the Credit Agreement.

5. UCC Filings. Financing statements in substantially the form of Schedule 2 hereto have been prepared for filing in the proper Uniform Commercial Code filing office in the jurisdiction in which each Grantor is located as set forth with respect to such Grantor in Section 2 hereof.

6. Schedule of Filings. Attached hereto as Schedule 3 is a schedule setting forth, with respect to the filings described in Section 5 above, each filing and the filing office in which such filing is to be made.

IN WITNESS WHEREOF, the undersigned have duly executed this certificate on this 19th day of February, 2008.

LIMITED BRANDS, INC.,

by

Name:
Title: [Financial Officer]

by

Name:
Title: [Chief Legal Officer]

Schedule 1

Names and Current Locations

	Name of Grantor (Section 1(a))	Previous Legal Names and Date of Change (Section 1(b))	Change in Identity or Corporate Structure[1] (Section 1(c))	Organizational Identification Number (Section 1(d))	Current Mailing Address (Section 2(a))	Jurisdiction of Formation (Section 2(b))
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						

[1] **Note to preparer: Put a "Yes" or "No" in this column, as appropriate. Changes in identity or corporate structure would include mergers, consolidations and acquisitions, as well as any change in the form, nature or jurisdiction of organization. If any such change has occurred, put a "Yes" in this column and fill in Schedule 1(a) for each acquiree or constituent party to a merger or consolidation.**

Schedule 1(a)

Changes in Corporate Identity/Structure

Name of Grantor	Corporate Change and Date	Organizational Identification Number of Predecessor Entity	Mailing Address of Predecessor Entity	Jurisdiction of Formation of Predecessor Entity

Name of Grantor	Corporate Change and Date	Organizational Identification Number of Predecessor Entity	Mailing Address of Predecessor Entity	Jurisdiction of Formation of Predecessor Entity

Schedule 2

Form of Financing Statements To Be Filed

Schedule 3

Filings/Filing Offices

Type of Filing	Grantor	Jurisdiction/Filing Office

EXHIBIT D-1

February [ ], 2009

To the Lenders, the Administrative Agent and the Collateral Agent
c/o JPMorgan Chase Bank, N.A.,
as Administrative Agent
270 Park Avenue
New York, NY 10017

Ladies and Gentlemen:

We have acted as special New York counsel for Limited Brands, Inc., a Delaware corporation (the "**Company**"), the entities listed on Schedule I, Part A hereto, each a Delaware corporation (and together with the Company, the "**Corporation Loan Parties**"), and the entities listed on Schedule I, Part B hereto, each a Delaware limited liability company (the "**LLC Loan Parties**", and together the Corporation Loan Parties, the "**Loan Parties**"), in connection with the Amendment and Restatement Agreement dated as of February [ ], 2009 (the "**Amendment and Restatement**") in respect of (i) the Amended and Restated Term Loan Credit Agreement dated as of August 3, 2007 among the Company, the lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as administrative agent and collateral agent, and (ii) the Amended and Restated Five-Year Revolving Credit Agreement (the "**Existing Revolving Credit Agreement**" and, as amended and restated pursuant to the Amendment and Restatement, the "**Amended and Restated Revolving Credit Agreement**") dated as of August 3, 2007 among the Company, the lenders party thereto on the date hereof (the "**Lenders**") and JPMorgan Chase Bank, N.A., as Administrative Agent (in such capacity, the "**Administrative Agent**") and Collateral Agent (in such capacity, the "**Collateral Agent**"). Terms defined in the Amended and Restated Revolving Credit Agreement and not otherwise defined herein are used herein as therein defined.

We have reviewed executed copies of :

(a) the Amendment and Restatement; and

(b) the Guarantee and Collateral Agreement dated as of February [ ], 2009 among the Loan Parties and the Collateral Agent (the "**Collateral Agreement**").

The documents listed in items (a) and (b) above are sometimes hereinafter referred to as the "**Opinion Documents**".

We have also examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates of public officials and other instruments and have conducted such other investigations of fact and law as we have deemed necessary or advisable for purposes of this opinion.

Based upon the foregoing, and subject to the qualifications set forth below, we are of the opinion that:

1. Each Corporation Loan Party is a corporation validly existing and in good standing under the laws of the State of Delaware. Each LLC Loan Party is a limited liability company validly existing and in good standing under the laws of the State of Delaware.

2. The execution, delivery and performance by each Loan Party of each Opinion Document to which it is party, and the performance by the Borrower of the Amended and Restated Revolving Credit Agreement, are within its corporate or limited liability company powers, as the case may be, and have been duly authorized by all necessary corporate or limited liability company action, as the case may be. Each Loan Party has duly executed and delivered each Opinion Document to which it is a party.

3. The execution, delivery and performance by each Loan Party of each Opinion Document to which it is a party, and the performance by the Borrower of the Amended and Restated Revolving Credit Agreement, (i) require no action by or in respect of, or filing with, any governmental body, agency or official under (a) United States federal or New York State law, (b) with respect to the Corporation Loan Parties, the Delaware General Corporation Law (the "**DGCL**") or (c) with respect to the LLC Loan Parties, the Delaware Limited Liability Company Act (the "**DLLCA**")(other than, in each case, filings and recordings to perfect security interests and liens granted under the Collateral Agreement), (ii) do not contravene, or constitute a default under, any provision of (a) applicable United States federal or New York State law or regulation or, with respect to the Corporation Loan Parties, the DGCL or, with respect to the LLC Loan Parties, the DLLCA, in each case that in our experience is normally applicable to general business corporations and limited liability companies, as the case may be, in relation to transactions of the type contemplated by the Opinion

Documents and the Amended and Restated Revolving Credit Agreement, (b) in the case of each Corporation Loan Party, its certificate of incorporation or by-laws or, in the case of each LLC Loan Party, its certificate of formation or operating agreement or (c) any agreement or instrument listed in Schedule II hereto (the "**Specified Agreements**") and (iii) do not result in or require the creation or imposition of any Lien on any asset of any Loan Party under any Specified Agreement.

4. Each of the Amendment and Restatement, the Amended and Restated Revolving Credit Agreement and the Collateral Agreement constitutes a valid and binding agreement of each Loan Party party thereto, enforceable against such Loan Party in accordance with its terms.

5. The Collateral Agreement is effective to create, in favor of the Collateral Agent for the benefit of the Secured Parties (as defined in the Collateral Agreement), as security for the Obligations (as defined in the Collateral Agreement), a valid security interest in each Loan Party's right, title and interest in that portion of the Collateral (as defined in the Collateral Agreement) described therein in which a security interest may be created pursuant to Article 9 of the Uniform Commercial Code as in effect in the State of New York on the date hereof (the "**New York UCC**").

6. None of the Loan Parties is required to register as an "investment company" under the Investment Company Act of 1940, as amended.

The foregoing opinions are subject to the following assumptions and qualifications:

(i) Our opinions in paragraphs 4 and 5 above are subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, concepts of reasonableness and equitable principles of general applicability.

(ii) We express no opinion as to the effect of fraudulent conveyance, fraudulent transfer or similar provisions of applicable law on the conclusions expressed above.

(iii) Except as expressly set forth in paragraph 6 above, we express no opinion as to United States federal or state securities laws.

(iv) We express no opinion as to the right, title or interest of any Loan Party in any collateral or the value given therefor.

(v) We express no opinion as to the perfection, effect of perfection or priority of any security interest or lien and, except as expressly set forth in paragraph 5 above, we express no opinion as to the creation or attachment of any security interest or lien. In addition, we express no opinion as to (a) the effect, if any, of the United States Assignment of Claims Act, as amended, or any similar state law, rule or regulation or (b) the creation or attachment of any security interest in or lien on any commercial tort claims, letter of credit rights, as extracted collateral, consumer goods, farm products or, except to the extent that Article 9 of the New York UCC is applicable thereto, intellectual property.

(vi) Our opinion in paragraph 5 above is limited to Article 9 of the New York UCC.

(vii) Any security interest in proceeds is subject to the limitations set forth in Section 9-315 of the New York UCC.

(viii) We note the possible unenforceability of certain remedial provisions contained in the Collateral Agreement; however, none of such provisions renders the Collateral Agreement invalid and, subject, to the extent applicable, to Section 9-408(c) of the New York UCC, the Collateral Agreement contains, in our judgment, adequate remedial provisions for the practical realization of the rights and benefits afforded thereby.

(ix) As to various provisions in the Opinion Documents or the Amended and Restated Revolving Credit Agreement that grant the Administrative Agent, the Collateral Agent or the Lenders certain rights to make determinations or take actions in their discretion, we assume that such discretion will be exercised in good faith and in a commercially reasonable manner.

(x) We express no opinion as to the effect (if any) of any law of any jurisdiction (except the State of New York) in which any Lender is located that may limit the rate of interest that such Lender may charge or collect.

(xi) We have assumed that (a) the Company was validly existing and in good standing at the time of its execution and delivery of the Restatement Agreement (as defined in the Existing Revolving Credit Agreement) (the "**Existing Restatement Agreement**"), (b) at the time of the execution and delivery of the Existing Restatement Agreement, the execution and delivery by the Company of the Existing Restatement Agreement and the performance by the Company of the Existing Revolving Credit Agreement were within its corporate powers and had been duly

authorized by all necessary corporate action and did not contravene its certificate of incorporation or bylaws, (c) the Existing Restatement Agreement was executed and delivered by the Company and (d) the execution, delivery and performance by the Company of the Existing Restatement Agreement, and the performance by the Company of the Existing Revolving Credit Agreement, did not contravene, or constitute a default under, any law, rule or regulation or any order, injunction, decree, agreement, contract or instrument to which it was a party or by which it is bound.

(xii) We express no opinion with respect to Section 7.12, or the last sentence of Section 5.05, of the Collateral Agreement.

The foregoing opinion is limited to the laws of the State of New York, the federal laws of the United States of America and, with respect to paragraphs 1 and 2 and clauses (i)(b), (i)(c), (ii)(a) and (ii)(b) of paragraph 3 above only, the DGCL and the DLLCA.

This opinion is rendered solely to you in connection with the above matter. This opinion may not be relied upon by you for any other purpose or relied upon by any other person without our prior written consent.

Very truly yours,

Schedule I

Part A

Bath & Body Works Brand Management, Inc.

beautyAvenues, Inc.

Intimate Brands, Inc.

Limited Brands Direct Fulfillment, Inc.

Limited Service Corporation

Limited Store Planning, Inc.

Mast Industries, Inc.

Victoria’s Secret Stores Brand Management, Inc.

Part B

Bath & Body Works, LLC

Victoria’s Secret Direct Brand Management, LLC

Victoria’s Secret Stores, LLC

Schedule II

Specified Agreements

1. Indenture dated as of March 15, 1988 between the Company and The Bank of New York, as Trustee (the "**1988 Indenture**").
2. First Supplemental Indenture to the 1988 Indenture dated as of May 31, 2005 among the Company, The Bank of New York, as Resigning Trustee, and The Bank of New York Trust Company, N.A., as Successor Trustee.
3. Second Supplemental Indenture to the 1988 Indenture dated as of July 17, 2007 between the Company and The Bank of New York Trust Company, N.A., as Trustee.
4. Indenture dated as of February 19, 2003 between the Company and The Bank of New York, as Trustee.

EXHIBIT D-2

February [ ], 2009

To the Lenders, the Administrative Agent and the Collateral Agent
c/o JPMorgan Chase Bank, N.A.,
as Administrative Agent
270 Park Avenue
New York, NY 10017

Ladies and Gentlemen:

We have acted as special New York counsel for Limited Brands, Inc., a Delaware corporation (the "**Company**"), the entities listed on Schedule I, Part A hereto, each a Delaware corporation (and together with the Company, the "**Corporation Loan Parties**"), and the entities listed on Schedule I, Part B hereto, each a Delaware limited liability company (the "**LLC Loan Parties**", and together the Corporation Loan Parties, the "**Loan Parties**"), in connection with the Amendment and Restatement Agreement dated as of February [ ], 2009 (the "**Amendment and Restatement**") in respect of (i) the Amended and Restated Term Loan Credit Agreement (the "**Existing Term Loan Credit Agreement**" and, as amended and restated pursuant to the Amendment and Restatement, the "**Amended and Restated Term Loan Credit Agreement**") dated as of August 3, 2007 among the Company, the lenders party thereto on the date hereof (the "**Lenders**") and JPMorgan Chase Bank, N.A., as Administrative Agent (in such capacity, the "**Administrative Agent**") and Collateral Agent (in such capacity, the "**Collateral Agent**"), and (ii) the Amended and Restated Five-Year Revolving Credit Agreement dated as of August 3, 2007 among the Company, the lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as administrative agent and collateral agent. Terms defined in the Amended and Restated Term Loan Credit Agreement and not otherwise defined herein are used herein as therein defined.

We have reviewed executed copies of :

(a) the Amendment and Restatement; and

(b) the Guarantee and Collateral Agreement dated as of February [ ], 2009 among the Loan Parties and the Collateral Agent (the "**Collateral Agreement**").

The documents listed in items (a) and (b) above are sometimes hereinafter referred to as the "**Opinion Documents**".

We have also examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates of public officials and other instruments and have conducted such other investigations of fact and law as we have deemed necessary or advisable for purposes of this opinion.

Based upon the foregoing, and subject to the qualifications set forth below, we are of the opinion that:

1. Each Corporation Loan Party is a corporation validly existing and in good standing under the laws of the State of Delaware. Each LLC Loan Party is a limited liability company validly existing and in good standing under the laws of the State of Delaware.

2. The execution, delivery and performance by each Loan Party of each Opinion Document to which it is party, and the performance by the Borrower of the Amended and Restated Term Loan Credit Agreement, are within its corporate or limited liability company powers, as the case may be, and have been duly authorized by all necessary corporate or limited liability company action, as the case may be. Each Loan Party has duly executed and delivered each Opinion Document to which it is a party.

3. The execution, delivery and performance by each Loan Party of each Opinion Document to which it is a party, and the performance by the Borrower of the Amended and Restated Term Loan Credit Agreement, (i) require no action by or in respect of, or filing with, any governmental body, agency or official under (a) United States federal or New York State law, (b) with respect to the Corporation Loan Parties, the Delaware General Corporation Law (the "**DGCL**") or (c) with respect to the LLC Loan Parties, the Delaware Limited Liability Company Act (the "**DLLCA**")(other than, in each case, filings and recordings to perfect security interests and liens granted under the Collateral Agreement), (ii) do not contravene, or constitute a default under, any provision of (a) applicable United States federal or New York State law or regulation or, with respect to the Corporation Loan Parties, the DGCL or, with respect to the LLC Loan Parties, the DLLCA, in each case that in our experience is normally applicable to general business corporations and limited liability companies, as the case may be, in relation to transactions of the type contemplated by the Opinion

Documents and the Amended and Restated Term Loan Credit Agreement, (b) in the case of each Corporation Loan Party, its certificate of incorporation or by-laws or, in the case of each LLC Loan Party, its certificate of formation or operating agreement or (c) any agreement or instrument listed in Schedule II hereto (the "**Specified Agreements**") and (iii) do not result in or require the creation or imposition of any Lien on any asset of any Loan Party under any Specified Agreement.

4. Each of the Amendment and Restatement, the Amended and Restated Term Loan Credit Agreement and the Collateral Agreement constitutes a valid and binding agreement of each Loan Party party thereto, enforceable against such Loan Party in accordance with its terms.

5. The Collateral Agreement is effective to create, in favor of the Collateral Agent for the benefit of the Secured Parties (as defined in the Collateral Agreement), as security for the Obligations (as defined in the Collateral Agreement), a valid security interest in each Loan Party's right, title and interest in that portion of the Collateral (as defined in the Collateral Agreement) described therein in which a security interest may be created pursuant to Article 9 of the Uniform Commercial Code as in effect in the State of New York on the date hereof (the "**New York UCC**").

6. None of the Loan Parties is required to register as an "investment company" under the Investment Company Act of 1940, as amended.

The foregoing opinions are subject to the following assumptions and qualifications:

(i) Our opinions in paragraphs 4 and 5 above are subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, concepts of reasonableness and equitable principles of general applicability.

(ii) We express no opinion as to the effect of fraudulent conveyance, fraudulent transfer or similar provisions of applicable law on the conclusions expressed above.

(iii) Except as expressly set forth in paragraph 6 above, we express no opinion as to United States federal or state securities laws.

(iv) We express no opinion as to the right, title or interest of any Loan Party in any collateral or the value given therefor.

(v) We express no opinion as to the perfection, effect of perfection or priority of any security interest or lien and, except as expressly set forth in paragraph 5 above, we express no opinion as to the creation or attachment of any security interest or lien. In addition, we express no opinion as to (a) the effect, if any, of the United States Assignment of Claims Act, as amended, or any similar state law, rule or regulation or (b) the creation or attachment of any security interest in or lien on any commercial tort claims, letter of credit rights, as extracted collateral, consumer goods, farm products or, except to the extent that Article 9 of the New York UCC is applicable thereto, intellectual property.

(vi) Our opinion in paragraph 5 above is limited to Article 9 of the New York UCC.

(vii) Any security interest in proceeds is subject to the limitations set forth in Section 9-315 of the New York UCC.

(viii) We note the possible unenforceability of certain remedial provisions contained in the Collateral Agreement; however, none of such provisions renders the Collateral Agreement invalid and, subject, to the extent applicable, to Section 9-408(c) of the New York UCC, the Collateral Agreement contains, in our judgment, adequate remedial provisions for the practical realization of the rights and benefits afforded thereby.

(ix) As to various provisions in the Opinion Documents or the Amended and Restated Term Loan Credit Agreement that grant the Administrative Agent, the Collateral Agent or the Lenders certain rights to make determinations or take actions in their discretion, we assume that such discretion will be exercised in good faith and in a commercially reasonable manner.

(x) We express no opinion as to the effect (if any) of any law of any jurisdiction (except the State of New York) in which any Lender is located that may limit the rate of interest that such Lender may charge or collect.

(xi) We have assumed that (a) the Company was validly existing and in good standing at the time of its execution and delivery of the Restatement Agreement (as defined in the Existing Term Loan Credit Agreement) (the "**Existing Restatement Agreement**"), (b) at the time of the execution and delivery of the Existing Restatement Agreement, the execution and delivery by the Company of the Existing Restatement Agreement and the performance by the Company of the Existing Term Loan Credit Agreement were within its corporate powers and had been duly

authorized by all necessary corporate action and did not contravene its certificate of incorporation or bylaws, (c) the Existing Restatement Agreement was executed and delivered by the Company and (d) the execution, delivery and performance by the Company of the Existing Restatement Agreement, and the performance by the Company of the Existing Term Loan Credit Agreement, did not contravene, or constitute a default under, any law, rule or regulation or any order, injunction, decree, agreement, contract or instrument to which it was a party or by which it is bound.

(xii) We express no opinion with respect to Section 7.12, or the last sentence of Section 5.05, of the Collateral Agreement.

The foregoing opinion is limited to the laws of the State of New York, the federal laws of the United States of America and, with respect to paragraphs 1 and 2 and clauses (i)(b), (i)(c), (ii)(a) and (ii)(b) of paragraph 3 above only, the DGCL and the DLLCA.

This opinion is rendered solely to you in connection with the above matter. This opinion may not be relied upon by you for any other purpose or relied upon by any other person without our prior written consent.

Very truly yours,

Schedule I

Part A

Bath & Body Works Brand Management, Inc.

beautyAvenues, Inc.

Intimate Brands, Inc.

Limited Brands Direct Fulfillment, Inc.

Limited Service Corporation

Limited Store Planning, Inc.

Mast Industries, Inc.

Victoria’s Secret Stores Brand Management, Inc.

Part B

Bath & Body Works, LLC

Victoria’s Secret Direct Brand Management, LLC

Victoria’s Secret Stores, LLC

Schedule II

Specified Agreements

1. Indenture dated as of March 15, 1988 between the Company and The Bank of New York, as Trustee (the "**1988 Indenture**").
2. First Supplemental Indenture to the 1988 Indenture dated as of May 31, 2005 among the Company, The Bank of New York, as Resigning Trustee, and The Bank of New York Trust Company, N.A., as Successor Trustee.
3. Second Supplemental Indenture to the 1988 Indenture dated as of July 17, 2007 between the Company and The Bank of New York Trust Company, N.A., as Trustee.
4. Indenture dated as of February 19, 2003 between the Company and The Bank of New York, as Trustee.

EXHIBIT D-3
FORM OPINION

[Letterhead of Morris, Nichols, Arsht & Tunnell LLP]

February 19, 2009

To the Lenders, the Administrative Agent and the Collateral Agent
c/o JPMorgan Chase Bank, N.A.,
as Administrative Agent
270 Park Avenue
New York, NY 10017

Re: Limited Brands, Inc. et al.

Ladies and Gentlemen:

We have acted as special Delaware counsel to Limited Brands, Inc., a Delaware corporation ("Limited Brands"), Limited Brands' subsidiary corporations identified and defined in Annex A attached hereto (the "Subsidiary Corporations") and Limited Brands' subsidiary limited liability companies identified and defined in Annex B attached hereto (the "Subsidiary LLCs" and, collectively with Limited Brands and the Subsidiary Corporations, the "Delaware Companies" and, each individually, a "Delaware Company"), in connection with certain matters of Delaware law set forth below relating to (i) the Amendment and Restatement Agreement dated as of February 19, 2009 (the "Amendment and Restatement Agreement"), among Limited Brands, the lenders identified on the signature pages thereto (the "Lenders"), JP Morgan Chase Bank, N.A. ("JPMCB"), as the administrative agent for the Lenders (in its capacity as administrative agent, the "Administrative Agent"), and JPMCB, as the collateral agent for the Lenders (in its capacity as collateral agent, the "Collateral Agent"); and (ii) the Guarantee and Collateral Agreement dated as of February 19, 2009 (the "Guarantee Agreement"), among Limited Brands, the subsidiaries of Limited Brands party thereto and the Collateral Agent. The Guarantee Agreement and the Amendment and Restatement Agreement are collectively referred to herein as the "Transaction Documents". Capitalized terms used herein and not otherwise herein defined are used as defined in the Guarantee Agreement. Non-capitalized terms used in connection with the opinions given herein with respect to matters within the scope of Article 9 of the Uniform Commercial Code are used as defined in the Uniform Commercial Code as enacted and presently in effect in the State of Delaware (the "Delaware UCC"), to the extent that they are defined in the Delaware UCC.

In rendering this opinion, we have examined and relied upon copies of the following documents in the forms provided to us: the Guarantee Agreement; the Amendment and Restatement Agreement (including the Amended and Restated Five-Year Revolving Credit Agreement dated as of February 19, 2009 amending and restating the Five-Year Revolving Credit Agreement dated as of October 6, 2004, previously amended and restated as of November 4, 2004, March 22, 2006 and August 3, 2007, attached thereto as Exhibit A); the Financing Statements (as identified and defined in Annex C attached hereto); and certifications of good standing of each of the Delaware Companies obtained as of a recent date from the Office of the Secretary of State of the State of Delaware (the "State Office"). In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as copies or drafts of documents to be executed and the legal competence and capacity of natural persons to complete the execution of documents. We have further assumed for purposes of this opinion: (i) the due formation or organization, valid existence and good standing of each entity that is a signatory to any of the documents examined by us under the laws of the jurisdiction of its formation or organization; (ii) the due authorization, authentication, adoption, approval, certification, acknowledgement, execution, filing, indexing and delivery, as applicable, of each of the above-referenced documents by each of the parties thereto; (iii) that each Financing Statement accurately provides the mailing address of the Delaware Company named as "debtor" therein and the name and mailing address of the Collateral Agent and sufficiently indicates the Filing Collateral (as defined below) in accordance with Section 9-502 of the Delaware UCC; (iv) that each of the Delaware Companies was not originally, is not and will not be organized or existing under the laws of any jurisdiction other than the State of Delaware; (v) that each of the Transaction Documents constitutes a legal, valid and binding agreement of each of the parties thereto and is enforceable against each of the parties thereto in accordance with its terms; and (vi) that the documents examined by us are in full force and effect, express the entire understanding of the parties thereto with respect to the subject matter thereof and have not been supplemented, amended or otherwise modified, except as herein referenced. No opinion is expressed herein with respect to the requirements of, or compliance with, federal or state securities or blue sky laws. As to any facts material to our opinion, other than those assumed, we have relied without independent investigation on the above-referenced documents and on the accuracy as of the date hereof of the matters therein contained. We have not reviewed any document other than those referenced above in connection with rendering this opinion and we have assumed there are no documents that are contrary to or inconsistent with the opinions herein expressed.

Based on and subject to the foregoing and to the further assumptions and qualifications set forth below, and limited in all respects to matters of Delaware law, it is our opinion that:

1. Solely to the extent that the Delaware UCC is applicable to the perfection of the security interest of the Collateral Agent in the Article 9 Collateral owned or acquired by

Limited Brands (the "Limited Brands Collateral"), (A) the Limited Brands Financing Statement (as identified and defined in Annex C attached hereto) is in sufficient form for filing with the State Office under the Delaware UCC with respect to the portion of the Limited Brands Collateral as to which a security interest can be perfected by filing a financing statement in the State Office under the Delaware UCC (the "Limited Brands Filing Collateral") and (B) upon the proper filing of the Limited Brands Financing Statement in the State Office pursuant to the provisions of the Delaware UCC, the security interest of the Collateral Agent in the Limited Brands Filing Collateral will be perfected.

2. Solely to the extent that the Delaware UCC is applicable to the perfection of the security interest of the Collateral Agent in the Article 9 Collateral owned or acquired by VS Stores BM (as identified and defined in Annex A attached hereto) (the "VS Stores BM Collateral"), (A) the VS Stores BM Financing Statement (as identified and defined in Annex C attached hereto) is in sufficient form for filing with the State Office under the Delaware UCC with respect to the portion of the VS Stores BM Collateral as to which a security interest can be perfected by filing a financing statement in the State Office under the Delaware UCC (the "VS Stores BM Filing Collateral") and (B) upon the proper filing of the VS Stores BM Financing Statement in the State Office pursuant to the provisions of the Delaware UCC, the security interest of the Collateral Agent in the VS Stores BM Filing Collateral will be perfected.

3. Solely to the extent that the Delaware UCC is applicable to the perfection of the security interest of the Collateral Agent in the Article 9 Collateral owned or acquired by VS Stores (as identified and defined in Annex B attached hereto) (the "VS Stores Collateral"), (A) the VS Stores Financing Statement (as identified and defined in Annex C attached hereto) is in sufficient form for filing with the State Office under the Delaware UCC with respect to the portion of the VS Stores Collateral as to which a security interest can be perfected by filing a financing statement in the State Office under the Delaware UCC (the "VS Stores Filing Collateral") and (B) upon the proper filing of the VS Stores Financing Statement in the State Office pursuant to the provisions of the Delaware UCC, the security interest of the Collateral Agent in the VS Stores Filing Collateral will be perfected.

4. Solely to the extent that the Delaware UCC is applicable to the perfection of the security interest of the Collateral Agent in the Article 9 Collateral owned or acquired by VS Direct BM (as identified and defined in Annex B attached hereto) (the "VS Direct BM Collateral"), (A) the VS Direct BM Financing Statement (as identified and defined in Annex C attached hereto) is in sufficient form for filing with the State Office under the Delaware UCC with respect to the portion of the VS Direct BM Collateral as to which a security interest can be perfected by filing a financing statement in the State Office under the Delaware UCC (the "VS Direct BM Filing Collateral") and (B) upon the proper filing of the VS Direct BM Financing Statement in the State Office pursuant to the provisions of the Delaware UCC, the security interest of the Collateral Agent in the VS Direct BM Filing Collateral will be perfected.

5. Solely to the extent that the Delaware UCC is applicable to the perfection of the security interest of the Collateral Agent in the Article 9 Collateral owned or acquired by B&BW BM (as identified and defined in Annex A attached hereto) (the "B&BW BM

Collateral"), (A) the B&BW BM Financing Statement (as identified and defined in Annex C attached hereto) is in sufficient form for filing with the State Office under the Delaware UCC with respect to the portion of the B&BW BM Collateral as to which a security interest can be perfected by filing a financing statement in the State Office under the Delaware UCC (the "B&BW BM Filing Collateral") and (B) upon the proper filing of the B&BW BM Financing Statement in the State Office pursuant to the provisions of the Delaware UCC, the security interest of the Collateral Agent in the B&BW BM Filing Collateral will be perfected.

6. Solely to the extent that the Delaware UCC is applicable to the perfection of the security interest of the Collateral Agent in the Article 9 Collateral owned or acquired by B&BW (as identified and defined in Annex B attached hereto) (the "B&BW Collateral"), (A) the B&BW Financing Statement (as identified and defined in Annex C attached hereto) is in sufficient form for filing with the State Office under the Delaware UCC with respect to the portion of the B&BW Collateral as to which a security interest can be perfected by filing a financing statement in the State Office under the Delaware UCC (the "B&BW Filing Collateral") and (B) upon the proper filing of the B&BW Financing Statement in the State Office pursuant to the provisions of the Delaware UCC, the security interest of the Collateral Agent in the B&BW Filing Collateral will be perfected.

7. Solely to the extent that the Delaware UCC is applicable to the perfection of the security interest of the Collateral Agent in the Article 9 Collateral owned or acquired by Mast (as identified and defined in Annex A attached hereto) (the "Mast Collateral"), (A) the Mast Financing Statement (as identified and defined in Annex C attached hereto) is in sufficient form for filing with the State Office under the Delaware UCC with respect to the portion of the Mast Collateral as to which a security interest can be perfected by filing a financing statement in the State Office under the Delaware UCC (the "Mast Filing Collateral") and (B) upon the proper filing of the Mast Financing Statement in the State Office pursuant to the provisions of the Delaware UCC, the security interest of the Collateral Agent in the Mast Filing Collateral will be perfected.

8. Solely to the extent that the Delaware UCC is applicable to the perfection of the security interest of the Collateral Agent in the Article 9 Collateral owned or acquired by beautyAvenues (as identified and defined in Annex A attached hereto) (the "beautyAvenues Collateral"), (A) the beautyAvenues Financing Statement (as identified and defined in Annex C attached hereto) is in sufficient form for filing with the State Office under the Delaware UCC with respect to the portion of the beautyAvenues Collateral as to which a security interest can be perfected by filing a financing statement in the State Office under the Delaware UCC (the "beautyAvenues Filing Collateral") and (B) upon the proper filing of the beautyAvenues Financing Statement in the State Office pursuant to the provisions of the Delaware UCC, the security interest of the Collateral Agent in the beautyAvenues Filing Collateral will be perfected.

9. Solely to the extent that the Delaware UCC is applicable to the perfection of the security interest of the Collateral Agent in the Article 9 Collateral owned or acquired by Limited Service (as identified and defined in Annex A attached hereto) (the "Limited Service Collateral"), (A) the Limited Service Financing Statement (as identified and defined in Annex C

attached hereto) is in sufficient form for filing with the State Office under the Delaware UCC with respect to the portion of the Limited Service Collateral as to which a security interest can be perfected by filing a financing statement in the State Office under the Delaware UCC (the "Limited Service Filing Collateral") and (B) upon the proper filing of the Limited Service Financing Statement in the State Office pursuant to the provisions of the Delaware UCC, the security interest of the Collateral Agent in the Limited Service Filing Collateral will be perfected.

10. Solely to the extent that the Delaware UCC is applicable to the perfection of the security interest of the Collateral Agent in the Article 9 Collateral owned or acquired by Intimate Brands (as identified and defined in Annex A attached hereto) (the "Intimate Brands Collateral"), (A) the Intimate Brands Financing Statement (as identified and defined in Annex C attached hereto) is in sufficient form for filing with the State Office under the Delaware UCC with respect to the portion of the Intimate Brands Collateral as to which a security interest can be perfected by filing a financing statement in the State Office under the Delaware UCC (the "Intimate Brands Filing Collateral") and (B) upon the proper filing of the Intimate Brands Financing Statement in the State Office pursuant to the provisions of the Delaware UCC, the security interest of the Collateral Agent in the Intimate Brands Filing Collateral will be perfected.

11. Solely to the extent that the Delaware UCC is applicable to the perfection of the security interest of the Collateral Agent in the Article 9 Collateral owned or acquired by Limited Brands DF (as identified and defined in Annex A attached hereto) (the "Limited Brands DF Collateral"), (A) the Limited Brands DF Financing Statement (as identified and defined in Annex C attached hereto) is in sufficient form for filing with the State Office under the Delaware UCC with respect to the portion of the Limited Brands DF Collateral as to which a security interest can be perfected by filing a financing statement in the State Office under the Delaware UCC (the "Limited Brands DF Filing Collateral") and (B) upon the proper filing of the Limited Brands DF Financing Statement in the State Office pursuant to the provisions of the Delaware UCC, the security interest of the Collateral Agent in the Limited Brands DF Filing Collateral will be perfected.

12. Solely to the extent that the Delaware UCC is applicable to the perfection of the security interest of the Collateral Agent in the Article 9 Collateral owned or acquired by Limited Store Planning (as identified and defined in Annex A attached hereto) (the "Limited Store Planning Collateral"), (A) the Limited Store Planning Financing Statement (as identified and defined in Annex C attached hereto) is in sufficient form for filing with the State Office under the Delaware UCC with respect to the portion of the Limited Store Planning Collateral as to which a security interest can be perfected by filing a financing statement in the State Office under the Delaware UCC (the "Limited Store Planning Filing Collateral") and (B) upon the proper filing of the Limited Store Planning Financing Statement in the State Office pursuant to the provisions of the Delaware UCC, the security interest of the Collateral Agent in the Limited Store Planning Filing Collateral will be perfected.

In connection with the opinions set forth above, we have assumed (i) that the Guarantee Agreement creates or, with respect to after acquired property, will create in favor of the Collateral Agent a valid security interest in and to the Limited Brands Filing Collateral, the VS Stores BM Filing Collateral, the VS Stores Filing Collateral, the VS Direct BM Filing Collateral, the B&BW BM Filing Collateral, the B&BW Filing Collateral, the Mast Filing Collateral, the beautyAvenues Filing Collateral, the Limited Service Filing Collateral, the Intimate Brands Filing Collateral, the Limited Brands DF Filing Collateral and the Limited Store Planning Filing Collateral (collectively, the "Filing Collateral"), which security interest has attached or, with respect to after acquired property, will attach under the Uniform Commercial Code as in effect in the State of New York (the "New York UCC"), and (ii) that under the New York UCC, the substantive laws of the Delaware UCC (and not the Delaware UCC choice-of-law rules) govern the perfection of a security interest in the Filing Collateral.

In addition, in connection with the opinions set forth above, we express no opinion as to (i) the effect of perfection or nonperfection or the priority of any security interest of the Collateral Agent in any portion of the Filing Collateral, (ii) the existence, legality, validity, binding effect or enforceability of any security interest under the Guarantee Agreement or otherwise, (iii) the rights or interests of any of the parties to the Guarantee Agreement or any other person or entity in, or title of any such parties, persons or entities to, any of the Collateral, or as to the value of any such Collateral, (iv) any Collateral until such Collateral is acquired by the applicable Delaware Company, (v) in the case of any Collateral that is secured by other property, the rights or interests of any of the parties to the Guarantee Agreement or any other person or entity in, or title of any such parties, persons or entities to, any of such underlying property, (vi) any Collateral other than the Filing Collateral, (vii) any Filing Collateral due from any government or any agency or instrumentality thereof, (viii) any Filing Collateral that constitutes fixtures, as-extracted collateral or timber to be cut, (ix) any Filing Collateral that constitutes commercial tort claims, (x) any Filing Collateral that constitutes consumer goods and (xi) transactions excluded from the application of Article 9 of the Delaware UCC pursuant to the provisions of Section 9-109 thereof. Further, to the extent the opinions set forth above relate to proceeds, such opinions are subject to the qualification that the perfection of an interest in proceeds is subject to the limitations and requirements of Section 9-315 of the Delaware UCC.

Further, in connection with the opinions set forth above, we note that the security interest of the Collateral Agent in certain Filing Collateral may be subject to the rights of account debtors in respect of such Filing Collateral, claims and defenses of such account debtors and terms of agreements with such account debtors.

In addition, in connection with the opinions set forth above, we express no opinion as to any actions that may be required to be taken periodically under the Delaware UCC or other applicable law in order for the effectiveness of each Financing Statement, or the perfection of the security interest of the Collateral Agent in the Filing Collateral, to be maintained. We note, however, that the perfection of the security interest of the Collateral Agent in the Filing Collateral and the effectiveness of each Financing Statement will either terminate or be materially limited (i) unless an appropriate continuation statement is properly filed (a) within the period of six months prior to the expiration of the five-year period from the date of the

original filing of such Financing Statement and (b) if a prior continuation statement has been filed, within the period of six months prior to the expiration of the Financing Statement continued by such prior continuation statement, (ii) if a Delaware Company changes its name so as to make the relevant Financing Statement seriously misleading, unless an amendment to such Financing Statement that renders such Financing Statement not seriously misleading is properly filed within four months after such a change in name, (iii) if a Delaware Company changes its jurisdiction of formation or organization to another jurisdiction, four months after such Delaware Company changes its jurisdiction of formation or organization to another jurisdiction, unless such security interest is perfected in such new jurisdiction within such time, (iv) if a Delaware Company transfers the relevant Filing Collateral to a person or entity that thereby becomes a debtor and is located in another jurisdiction, one year after such Delaware Company transfers such Filing Collateral to a person or entity that thereby becomes a debtor and is located in another jurisdiction, unless such security interest is perfected in such new jurisdiction within such time, and (v) if a Delaware Company becomes organized under the laws of another jurisdiction in addition to the State of Delaware.

Further, the opinions set forth above are subject to the effect of (i) bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other laws of general application relating to or affecting the enforcement of creditors' rights and remedies, as from time to time in effect, (ii) application of equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law) and (iii) principles of course of dealing or course of performance and standards of good faith, fair dealing, materiality and reasonableness that may be applied by a court to the exercise of rights and remedies by, and other acts of, a creditor.

The opinions expressed herein are intended solely for the benefit of the addressees hereof in connection with the matters contemplated hereby and may not be relied upon by any other person or entity or for any other purpose without our prior written consent; provided, that the addressees' successors and permitted assigns under the Amendment and Restatement Agreement may rely as to matters of Delaware law upon this opinion in connection with the matters set forth herein. This opinion speaks only as of the date hereof and is based on our understandings and assumptions as to present facts and our review of the above-referenced documents and the application of Delaware law as the same exist on the date hereof, and we undertake no obligation to update or supplement this opinion after the date hereof for the benefit of any person or entity (including any successor or assign of any addressee) with respect to any facts or circumstances that may hereafter come to our attention or any changes in facts or law that may hereafter occur or take effect.

Very truly yours,

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

Louis G. Hering

ANNEX A

SUBSIDIARY CORPORATIONS

1. Victoria's Secret Stores Brand Management, Inc., a Delaware corporation ("VS Stores BM")
2. Bath & Body Works Brand Management, Inc., a Delaware corporation ("B&BW BM")
3. Mast Industries, Inc., a Delaware corporation ("Mast")
4. beautyAvenues, Inc., a Delaware corporation ("beautyAvenues")
5. Limited Service Corporation, a Delaware corporation ("Limited Service")
6. Intimate Brands, Inc., a Delaware corporation ("Intimate Brands")
7. Limited Brands Direct Fulfillment, Inc., a Delaware corporation ("Limited Brands DF")
8. Limited Store Planning, Inc., a Delaware corporation ("Limited Store Planning")

ANNEX B

SUBSIDIARY LLCs

1. Victoria's Secret Stores, LLC, a Delaware limited liability company ("VS Stores")
2. Victoria's Secret Direct Brand Management, LLC, a Delaware limited liability company ("VS Direct BM")
3. Bath & Body Works, LLC, a Delaware limited liability company ("B&BW")

ANNEX C

FINANCING STATEMENTS

1. UCC-1 Financing Statement naming Limited Brands as “debtor” and the Collateral Agent as “secured party” to be filed in the State Office in the form attached hereto as Exhibit 1 (the “Limited Brands Financing Statement”)
2. UCC-1 Financing Statement naming VS Stores BM as “debtor” and the Collateral Agent as “secured party” to be filed in the State Office in the form attached hereto as Exhibit 2 (the “VS Stores BM Financing Statement”)
3. UCC-1 Financing Statement naming VS Stores as “debtor” and the Collateral Agent as “secured party” to be filed in the State Office in the form attached hereto as Exhibit 3 (the “VS Stores Financing Statement”)
4. UCC-1 Financing Statement naming VS Direct BM as “debtor” and the Collateral Agent as “secured party” to be filed in the State Office in the form attached hereto as Exhibit 4 (the “VS Direct BM Financing Statement”)
5. UCC-1 Financing Statement naming B&BW BM as “debtor” and the Collateral Agent as “secured party” to be filed in the State Office in the form attached hereto as Exhibit 5 (the “B&BW BM Financing Statement”)
6. UCC-1 Financing Statement naming B&BW as “debtor” and the Collateral Agent as “secured party” to be filed in the State Office in the form attached hereto as Exhibit 6 (the “B&BW Financing Statement”)
7. UCC-1 Financing Statement naming Mast as “debtor” and the Collateral Agent as “secured party” to be filed in the State Office in the form attached hereto as Exhibit 7 (the “Mast Financing Statement”)
8. UCC-1 Financing Statement naming beautyAvenues as “debtor” and the Collateral Agent as “secured party” to be filed in the State Office in the form attached hereto as Exhibit 8 (the “beautyAvenues Financing Statement”)
9. UCC-1 Financing Statement naming Limited Service as “debtor” and the Collateral Agent as “secured party” to be filed in the State Office in the form attached hereto as Exhibit 9 (the “Limited Service Financing Statement”)
10. UCC-1 Financing Statement naming Intimate Brands as “debtor” and the Collateral Agent as “secured party” to be filed in the State Office in the form attached hereto as Exhibit 10 (the “Intimate Brands Financing Statement”)
11. UCC-1 Financing Statement naming Limited Brands DF as “debtor” and the Collateral Agent as “secured party” to be filed in the State Office in the form attached hereto as Exhibit 11 (the “Limited Brands DF Financing Statement”)

12. UCC-1 Financing Statement naming Limited Store Planning as “debtor” and the Collateral Agent as “secured party” to be filed in the State Office in the form attached hereto as Exhibit 12 (the “Limited Store Planning Financing Statement”)

The Limited Brands Financing Statement, the VS Stores BM Financing Statement, the VS Stores Financing Statement, the VS Direct BM Financing Statement, the B&BW BM Financing Statement, the B&BW Financing Statement, the Mast Financing Statement, the beautyAvenues Financing Statement, the Limited Service Financing Statement, the Intimate Brands Financing Statement, the Limited Brands DF Financing Statement and the Limited Store Planning Financing Statement are collectively referred to as the “Financing Statements” and, each individually, a “Financing Statement”.

THE FINANCING STATEMENTS ARE NOT ATTACHED

FORM OPINION

[Letterhead of Morris, Nichols, Arsht & Tunnell LLP]

February 19, 2009

To the Lenders, the Administrative Agent and the Collateral Agent
c/o JPMorgan Chase Bank, N.A.,
as Administrative Agent
270 Park Avenue
New York, NY 10017

Re: Limited Brands, Inc. et al.

Ladies and Gentlemen:

We have acted as special Delaware counsel to Limited Brands, Inc., a Delaware corporation ("Limited Brands"), Limited Brands' subsidiary corporations identified and defined in Annex A attached hereto (the "Subsidiary Corporations") and Limited Brands' subsidiary limited liability companies identified and defined in Annex B attached hereto (the "Subsidiary LLCs" and, collectively with Limited Brands and the Subsidiary Corporations, the "Delaware Companies" and, each individually, a "Delaware Company"), in connection with certain matters of Delaware law set forth below relating to (i) the Amendment and Restatement Agreement dated as of February 19, 2009 (the "Amendment and Restatement Agreement"), among Limited Brands, the lenders identified on the signature pages thereto (the "Lenders"), JP Morgan Chase Bank, N.A. ("JPMCB"), as the administrative agent for the Lenders (in its capacity as administrative agent, the "Administrative Agent"), and JPMCB, as the collateral agent for the Lenders (in its capacity as collateral agent, the "Collateral Agent"); and (ii) the Guarantee and Collateral Agreement dated as of February 19, 2009 (the "Guarantee Agreement"), among Limited Brands, the subsidiaries of Limited Brands party thereto and the Collateral Agent. The Guarantee Agreement and the Amendment and Restatement Agreement are collectively referred to herein as the "Transaction Documents". Capitalized terms used herein and not otherwise herein defined are used as defined in the Guarantee Agreement. Non-capitalized terms used in connection with the opinions given herein with respect to matters within the scope of Article 9 of the Uniform Commercial Code are used as defined in the Uniform Commercial Code as enacted and presently in effect in the State of Delaware (the "Delaware UCC"), to the extent that they are defined in the Delaware UCC.

In rendering this opinion, we have examined and relied upon copies of the following documents in the forms provided to us: the Guarantee Agreement; the Amendment and Restatement Agreement (including the Amended and Restated Term Loan Credit Agreement dated as of February 19, 2009 amending and restating the Term Loan Credit Agreement dated as of October 6, 2004, previously amended and restated as of November 4, 2004, March 22, 2006 and August 3, 2007, attached thereto as Exhibit B); the Financing Statements (as identified and defined in Annex C attached hereto); and certifications of good standing of each of the Delaware Companies obtained as of a recent date from the Office of the Secretary of State of the State of Delaware (the "State Office"). In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as copies or drafts of documents to be executed and the legal competence and capacity of natural persons to complete the execution of documents. We have further assumed for purposes of this opinion: (i) the due formation or organization, valid existence and good standing of each entity that is a signatory to any of the documents examined by us under the laws of the jurisdiction of its formation or organization; (ii) the due authorization, authentication, adoption, approval, certification, acknowledgement, execution, filing, indexing and delivery, as applicable, of each of the above-referenced documents by each of the parties thereto; (iii) that each Financing Statement accurately provides the mailing address of the Delaware Company named as "debtor" therein and the name and mailing address of the Collateral Agent and sufficiently indicates the Filing Collateral (as defined below) in accordance with Section 9-502 of the Delaware UCC; (iv) that each of the Delaware Companies was not originally, is not and will not be organized or existing under the laws of any jurisdiction other than the State of Delaware; (v) that each of the Transaction Documents constitutes a legal, valid and binding agreement of each of the parties thereto and is enforceable against each of the parties thereto in accordance with its terms; and (vi) that the documents examined by us are in full force and effect, express the entire understanding of the parties thereto with respect to the subject matter thereof and have not been supplemented, amended or otherwise modified, except as herein referenced. No opinion is expressed herein with respect to the requirements of, or compliance with, federal or state securities or blue sky laws. As to any facts material to our opinion, other than those assumed, we have relied without independent investigation on the above-referenced documents and on the accuracy as of the date hereof of the matters therein contained. We have not reviewed any document other than those referenced above in connection with rendering this opinion and we have assumed there are no documents that are contrary to or inconsistent with the opinions herein expressed.

Based on and subject to the foregoing and to the further assumptions and qualifications set forth below, and limited in all respects to matters of Delaware law, it is our opinion that:

13. Solely to the extent that the Delaware UCC is applicable to the perfection of the security interest of the Collateral Agent in the Article 9 Collateral owned or acquired by Limited Brands (the "Limited Brands Collateral"), (A) the Limited Brands Financing Statement

(as identified and defined in Annex C attached hereto) is in sufficient form for filing with the State Office under the Delaware UCC with respect to the portion of the Limited Brands Collateral as to which a security interest can be perfected by filing a financing statement in the State Office under the Delaware UCC (the "Limited Brands Filing Collateral") and (B) upon the proper filing of the Limited Brands Financing Statement in the State Office pursuant to the provisions of the Delaware UCC, the security interest of the Collateral Agent in the Limited Brands Filing Collateral will be perfected.

14. Solely to the extent that the Delaware UCC is applicable to the perfection of the security interest of the Collateral Agent in the Article 9 Collateral owned or acquired by VS Stores BM (as identified and defined in Annex A attached hereto) (the "VS Stores BM Collateral"), (A) the VS Stores BM Financing Statement (as identified and defined in Annex C attached hereto) is in sufficient form for filing with the State Office under the Delaware UCC with respect to the portion of the VS Stores BM Collateral as to which a security interest can be perfected by filing a financing statement in the State Office under the Delaware UCC (the "VS Stores BM Filing Collateral") and (B) upon the proper filing of the VS Stores BM Financing Statement in the State Office pursuant to the provisions of the Delaware UCC, the security interest of the Collateral Agent in the VS Stores BM Filing Collateral will be perfected.

15. Solely to the extent that the Delaware UCC is applicable to the perfection of the security interest of the Collateral Agent in the Article 9 Collateral owned or acquired by VS Stores (as identified and defined in Annex B attached hereto) (the "VS Stores Collateral"), (A) the VS Stores Financing Statement (as identified and defined in Annex C attached hereto) is in sufficient form for filing with the State Office under the Delaware UCC with respect to the portion of the VS Stores Collateral as to which a security interest can be perfected by filing a financing statement in the State Office under the Delaware UCC (the "VS Stores Filing Collateral") and (B) upon the proper filing of the VS Stores Financing Statement in the State Office pursuant to the provisions of the Delaware UCC, the security interest of the Collateral Agent in the VS Stores Filing Collateral will be perfected.

16. Solely to the extent that the Delaware UCC is applicable to the perfection of the security interest of the Collateral Agent in the Article 9 Collateral owned or acquired by VS Direct BM (as identified and defined in Annex B attached hereto) (the "VS Direct BM Collateral"), (A) the VS Direct BM Financing Statement (as identified and defined in Annex C attached hereto) is in sufficient form for filing with the State Office under the Delaware UCC with respect to the portion of the VS Direct BM Collateral as to which a security interest can be perfected by filing a financing statement in the State Office under the Delaware UCC (the "VS Direct BM Filing Collateral") and (B) upon the proper filing of the VS Direct BM Financing Statement in the State Office pursuant to the provisions of the Delaware UCC, the security interest of the Collateral Agent in the VS Direct BM Filing Collateral will be perfected.

17. Solely to the extent that the Delaware UCC is applicable to the perfection of the security interest of the Collateral Agent in the Article 9 Collateral owned or acquired by B&BW BM (as identified and defined in Annex A attached hereto) (the "B&BW BM Collateral"), (A) the B&BW BM Financing Statement (as identified and defined in Annex C

attached hereto) is in sufficient form for filing with the State Office under the Delaware UCC with respect to the portion of the B&BW BM Collateral as to which a security interest can be perfected by filing a financing statement in the State Office under the Delaware UCC (the "B&BW BM Filing Collateral") and (B) upon the proper filing of the B&BW BM Financing Statement in the State Office pursuant to the provisions of the Delaware UCC, the security interest of the Collateral Agent in the B&BW BM Filing Collateral will be perfected.

18. Solely to the extent that the Delaware UCC is applicable to the perfection of the security interest of the Collateral Agent in the Article 9 Collateral owned or acquired by B&BW (as identified and defined in Annex B attached hereto) (the "B&BW Collateral"), (A) the B&BW Financing Statement (as identified and defined in Annex C attached hereto) is in sufficient form for filing with the State Office under the Delaware UCC with respect to the portion of the B&BW Collateral as to which a security interest can be perfected by filing a financing statement in the State Office under the Delaware UCC (the "B&BW Filing Collateral") and (B) upon the proper filing of the B&BW Financing Statement in the State Office pursuant to the provisions of the Delaware UCC, the security interest of the Collateral Agent in the B&BW Filing Collateral will be perfected.

19. Solely to the extent that the Delaware UCC is applicable to the perfection of the security interest of the Collateral Agent in the Article 9 Collateral owned or acquired by Mast (as identified and defined in Annex A attached hereto) (the "Mast Collateral"), (A) the Mast Financing Statement (as identified and defined in Annex C attached hereto) is in sufficient form for filing with the State Office under the Delaware UCC with respect to the portion of the Mast Collateral as to which a security interest can be perfected by filing a financing statement in the State Office under the Delaware UCC (the "Mast Filing Collateral") and (B) upon the proper filing of the Mast Financing Statement in the State Office pursuant to the provisions of the Delaware UCC, the security interest of the Collateral Agent in the Mast Filing Collateral will be perfected.

20. Solely to the extent that the Delaware UCC is applicable to the perfection of the security interest of the Collateral Agent in the Article 9 Collateral owned or acquired by beautyAvenues (as identified and defined in Annex A attached hereto) (the "beautyAvenues Collateral"), (A) the beautyAvenues Financing Statement (as identified and defined in Annex C attached hereto) is in sufficient form for filing with the State Office under the Delaware UCC with respect to the portion of the beautyAvenues Collateral as to which a security interest can be perfected by filing a financing statement in the State Office under the Delaware UCC (the "beautyAvenues Filing Collateral") and (B) upon the proper filing of the beautyAvenues Financing Statement in the State Office pursuant to the provisions of the Delaware UCC, the security interest of the Collateral Agent in the beautyAvenues Filing Collateral will be perfected.

21. Solely to the extent that the Delaware UCC is applicable to the perfection of the security interest of the Collateral Agent in the Article 9 Collateral owned or acquired by Limited Service (as identified and defined in Annex A attached hereto) (the "Limited Service Collateral"), (A) the Limited Service Financing Statement (as identified and defined in Annex C attached hereto) is in sufficient form for filing with the State Office under the Delaware UCC

with respect to the portion of the Limited Service Collateral as to which a security interest can be perfected by filing a financing statement in the State Office under the Delaware UCC (the "Limited Service Filing Collateral") and (B) upon the proper filing of the Limited Service Financing Statement in the State Office pursuant to the provisions of the Delaware UCC, the security interest of the Collateral Agent in the Limited Service Filing Collateral will be perfected.

22. Solely to the extent that the Delaware UCC is applicable to the perfection of the security interest of the Collateral Agent in the Article 9 Collateral owned or acquired by Intimate Brands (as identified and defined in Annex A attached hereto) (the "Intimate Brands Collateral"), (A) the Intimate Brands Financing Statement (as identified and defined in Annex C attached hereto) is in sufficient form for filing with the State Office under the Delaware UCC with respect to the portion of the Intimate Brands Collateral as to which a security interest can be perfected by filing a financing statement in the State Office under the Delaware UCC (the "Intimate Brands Filing Collateral") and (B) upon the proper filing of the Intimate Brands Financing Statement in the State Office pursuant to the provisions of the Delaware UCC, the security interest of the Collateral Agent in the Intimate Brands Filing Collateral will be perfected.

23. Solely to the extent that the Delaware UCC is applicable to the perfection of the security interest of the Collateral Agent in the Article 9 Collateral owned or acquired by Limited Brands DF (as identified and defined in Annex A attached hereto) (the "Limited Brands DF Collateral"), (A) the Limited Brands DF Financing Statement (as identified and defined in Annex C attached hereto) is in sufficient form for filing with the State Office under the Delaware UCC with respect to the portion of the Limited Brands DF Collateral as to which a security interest can be perfected by filing a financing statement in the State Office under the Delaware UCC (the "Limited Brands DF Filing Collateral") and (B) upon the proper filing of the Limited Brands DF Financing Statement in the State Office pursuant to the provisions of the Delaware UCC, the security interest of the Collateral Agent in the Limited Brands DF Filing Collateral will be perfected.

24. Solely to the extent that the Delaware UCC is applicable to the perfection of the security interest of the Collateral Agent in the Article 9 Collateral owned or acquired by Limited Store Planning (as identified and defined in Annex A attached hereto) (the "Limited Store Planning Collateral"), (A) the Limited Store Planning Financing Statement (as identified and defined in Annex C attached hereto) is in sufficient form for filing with the State Office under the Delaware UCC with respect to the portion of the Limited Store Planning Collateral as to which a security interest can be perfected by filing a financing statement in the State Office under the Delaware UCC (the "Limited Store Planning Filing Collateral") and (B) upon the proper filing of the Limited Store Planning Financing Statement in the State Office pursuant to the provisions of the Delaware UCC, the security interest of the Collateral Agent in the Limited Store Planning Filing Collateral will be perfected.

In connection with the opinions set forth above, we have assumed (i) that the Guarantee Agreement creates or, with respect to after acquired property, will create in favor of

the Collateral Agent a valid security interest in and to the Limited Brands Filing Collateral, the VS Stores BM Filing Collateral, the VS Stores Filing Collateral, the VS Direct BM Filing Collateral, the B&BW BM Filing Collateral, the B&BW Filing Collateral, the Mast Filing Collateral, the beautyAvenues Filing Collateral, the Limited Service Filing Collateral, the Intimate Brands Filing Collateral, the Limited Brands DF Filing Collateral and the Limited Store Planning Filing Collateral (collectively, the "Filing Collateral"), which security interest has attached or, with respect to after acquired property, will attach under the Uniform Commercial Code as in effect in the State of New York (the "New York UCC"), and (ii) that under the New York UCC, the substantive laws of the Delaware UCC (and not the Delaware UCC choice-of-law rules) govern the perfection of a security interest in the Filing Collateral.

In addition, in connection with the opinions set forth above, we express no opinion as to (i) the effect of perfection or nonperfection or the priority of any security interest of the Collateral Agent in any portion of the Filing Collateral, (ii) the existence, legality, validity, binding effect or enforceability of any security interest under the Guarantee Agreement or otherwise, (iii) the rights or interests of any of the parties to the Guarantee Agreement or any other person or entity in, or title of any such parties, persons or entities to, any of the Collateral, or as to the value of any such Collateral, (iv) any Collateral until such Collateral is acquired by the applicable Delaware Company, (v) in the case of any Collateral that is secured by other property, the rights or interests of any of the parties to the Guarantee Agreement or any other person or entity in, or title of any such parties, persons or entities to, any of such underlying property, (vi) any Collateral other than the Filing Collateral, (vii) any Filing Collateral due from any government or any agency or instrumentality thereof, (viii) any Filing Collateral that constitutes fixtures, as-extracted collateral or timber to be cut, (ix) any Filing Collateral that constitutes commercial tort claims, (x) any Filing Collateral that constitutes consumer goods and (xi) transactions excluded from the application of Article 9 of the Delaware UCC pursuant to the provisions of Section 9-109 thereof. Further, to the extent the opinions set forth above relate to proceeds, such opinions are subject to the qualification that the perfection of an interest in proceeds is subject to the limitations and requirements of Section 9-315 of the Delaware UCC.

Further, in connection with the opinions set forth above, we note that the security interest of the Collateral Agent in certain Filing Collateral may be subject to the rights of account debtors in respect of such Filing Collateral, claims and defenses of such account debtors and terms of agreements with such account debtors.

In addition, in connection with the opinions set forth above, we express no opinion as to any actions that may be required to be taken periodically under the Delaware UCC or other applicable law in order for the effectiveness of each Financing Statement, or the perfection of the security interest of the Collateral Agent in the Filing Collateral, to be maintained. We note, however, that the perfection of the security interest of the Collateral Agent in the Filing Collateral and the effectiveness of each Financing Statement will either terminate or be materially limited (i) unless an appropriate continuation statement is properly filed (a) within the period of six months prior to the expiration of the five-year period from the date of the original filing of such Financing Statement and (b) if a prior continuation statement has been filed, within the period of six months prior to the expiration of the Financing Statement

continued by such prior continuation statement, (ii) if a Delaware Company changes its name so as to make the relevant Financing Statement seriously misleading, unless an amendment to such Financing Statement that renders such Financing Statement not seriously misleading is properly filed within four months after such a change in name, (iii) if a Delaware Company changes its jurisdiction of formation or organization to another jurisdiction, four months after such Delaware Company changes its jurisdiction of formation or organization to another jurisdiction, unless such security interest is perfected in such new jurisdiction within such time, (iv) if a Delaware Company transfers the relevant Filing Collateral to a person or entity that thereby becomes a debtor and is located in another jurisdiction, one year after such Delaware Company transfers such Filing Collateral to a person or entity that thereby becomes a debtor and is located in another jurisdiction, unless such security interest is perfected in such new jurisdiction within such time, and (v) if a Delaware Company becomes organized under the laws of another jurisdiction in addition to the State of Delaware.

Further, the opinions set forth above are subject to the effect of (i) bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other laws of general application relating to or affecting the enforcement of creditors' rights and remedies, as from time to time in effect, (ii) application of equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law) and (iii) principles of course of dealing or course of performance and standards of good faith, fair dealing, materiality and reasonableness that may be applied by a court to the exercise of rights and remedies by, and other acts of, a creditor.

The opinions expressed herein are intended solely for the benefit of the addressees hereof in connection with the matters contemplated hereby and may not be relied upon by any other person or entity or for any other purpose without our prior written consent; provided, that the addressees' successors and permitted assigns under the Amendment and Restatement Agreement may rely as to matters of Delaware law upon this opinion in connection with the matters set forth herein. This opinion speaks only as of the date hereof and is based on our understandings and assumptions as to present facts and our review of the above-referenced documents and the application of Delaware law as the same exist on the date hereof, and we undertake no obligation to update or supplement this opinion after the date hereof for the benefit of any person or entity (including any successor or assign of any addressee) with respect to any facts or circumstances that may hereafter come to our attention or any changes in facts or law that may hereafter occur or take effect.

Very truly yours,

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

Louis G. Hering

ANNEX A

SUBSIDIARY CORPORATIONS

9. Victoria's Secret Stores Brand Management, Inc., a Delaware corporation ("VS Stores BM")
10. Bath & Body Works Brand Management, Inc., a Delaware corporation ("B&BW BM")
11. Mast Industries, Inc., a Delaware corporation ("Mast")
12. beautyAvenues, Inc., a Delaware corporation ("beautyAvenues")
13. Limited Service Corporation, a Delaware corporation ("Limited Service")
14. Intimate Brands, Inc., a Delaware corporation ("Intimate Brands")
15. Limited Brands Direct Fulfillment, Inc., a Delaware corporation ("Limited Brands DF")
16. Limited Store Planning, Inc., a Delaware corporation ("Limited Store Planning")

ANNEX B

SUBSIDIARY LLCs

4. Victoria's Secret Stores, LLC, a Delaware limited liability company ("VS Stores")
5. Victoria's Secret Direct Brand Management, LLC, a Delaware limited liability company ("VS Direct BM")
6. Bath & Body Works, LLC, a Delaware limited liability company ("B&BW")

ANNEX C

FINANCING STATEMENTS

13. UCC-1 Financing Statement naming Limited Brands as “debtor” and the Collateral Agent as “secured party” to be filed in the State Office in the form attached hereto as Exhibit 1 (the “Limited Brands Financing Statement”)
14. UCC-1 Financing Statement naming VS Stores BM as “debtor” and the Collateral Agent as “secured party” to be filed in the State Office in the form attached hereto as Exhibit 2 (the “VS Stores BM Financing Statement”)
15. UCC-1 Financing Statement naming VS Stores as “debtor” and the Collateral Agent as “secured party” to be filed in the State Office in the form attached hereto as Exhibit 3 (the “VS Stores Financing Statement”)
16. UCC-1 Financing Statement naming VS Direct BM as “debtor” and the Collateral Agent as “secured party” to be filed in the State Office in the form attached hereto as Exhibit 4 (the “VS Direct BM Financing Statement”)
17. UCC-1 Financing Statement naming B&BW BM as “debtor” and the Collateral Agent as “secured party” to be filed in the State Office in the form attached hereto as Exhibit 5 (the “B&BW BM Financing Statement”)
18. UCC-1 Financing Statement naming B&BW as “debtor” and the Collateral Agent as “secured party” to be filed in the State Office in the form attached hereto as Exhibit 6 (the “B&BW Financing Statement”)
19. UCC-1 Financing Statement naming Mast as “debtor” and the Collateral Agent as “secured party” to be filed in the State Office in the form attached hereto as Exhibit 7 (the “Mast Financing Statement”)
20. UCC-1 Financing Statement naming beautyAvenues as “debtor” and the Collateral Agent as “secured party” to be filed in the State Office in the form attached hereto as Exhibit 8 (the “beautyAvenues Financing Statement”)
21. UCC-1 Financing Statement naming Limited Service as “debtor” and the Collateral Agent as “secured party” to be filed in the State Office in the form attached hereto as Exhibit 9 (the “Limited Service Financing Statement”)
22. UCC-1 Financing Statement naming Intimate Brands as “debtor” and the Collateral Agent as “secured party” to be filed in the State Office in the form attached hereto as Exhibit 10 (the “Intimate Brands Financing Statement”)
23. UCC-1 Financing Statement naming Limited Brands DF as “debtor” and the Collateral Agent as “secured party” to be filed in the State Office in the form attached hereto as Exhibit 11 (the “Limited Brands DF Financing Statement”)

24. UCC-1 Financing Statement naming Limited Store Planning as “debtor” and the Collateral Agent as “secured party” to be filed in the State Office in the form attached hereto as Exhibit 12 (the “Limited Store Planning Financing Statement”)

The Limited Brands Financing Statement, the VS Stores BM Financing Statement, the VS Stores Financing Statement, the VS Direct BM Financing Statement, the B&BW BM Financing Statement, the B&BW Financing Statement, the Mast Financing Statement, the beautyAvenues Financing Statement, the Limited Service Financing Statement, the Intimate Brands Financing Statement, the Limited Brands DF Financing Statement and the Limited Store Planning Financing Statement are collectively referred to as the “Financing Statements” and, each individually, a “Financing Statement”.

THE FINANCING STATEMENTS ARE NOT ATTACHED

Exhibit 10.25

EMPLOYMENT AGREEMENT

THIS AGREEMENT is entered into, by and between Bath & Body Works, Inc. (hereinafter the "Company"), and Diane Neal (the "Executive") (hereinafter collectively referred to as "the parties").

WHEREAS, the Executive will be employed as the President and Chief Operating Officer for Bath & Body Works, Inc. and will be 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

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 Executive's first day of employment with the Company (the "Commencement Date") and ending on the first anniversary of the Commencement Date (the "Initial Term"); provided, however, that thereafter this Agreement shall be automatically renewed from year to year, unless (a) either the Company or the Executive shall have given written notice to the other at least thirty (30) days prior thereto that the term of this Agreement shall not be so renewed or (b) the Agreement is terminated pursuant to the provisions of Section 9 of this Agreement.

2. Employment.

(a) Position. The Executive shall be employed as the President and Chief Operating Officer of Bath & Body Works, Inc, 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.

(b) Obligations. The Executive agrees to devote the Executive's 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 the Executive an annual Base Salary at the rate of $800,000.00, less applicable withholding. This Base Salary will be subject to annual review and may be increased from time to time in the discretion of the Company, based on factors such as the Executive's responsibilities, compensation of similar executives within the Company and in other companies, the Executive's performance, and other pertinent factors. Such Base Salary shall be payable in accordance with the Company's customary practices applicable to its executives.

4. Equity Compensation. The Company shall use its best efforts to have the Compensation Committee grant to the Executive, on or about its next regularly scheduled meeting, options to acquire 25,000 shares of the Company stock. In addition, the Company shall use its best efforts to have the Compensation Committee grant to the

Executive on or about its next regularly scheduled meeting 25,000 restricted shares of the Company's common stock, Further, depending on the Executive's election, the Company shall use its best effort to have the Compensation Committee grant to the Executive at the above said meeting either options to acquire an additional 30,000 shares of the Company stock or an additional 10,000 restricted shares of the Company's common stock. The stock options and restricted shares shall be priced and vest and become exercisable as set forth in the Executive's October 17, 2006 Offer Letter ("Offer Letter") a copy of which is attached as Schedule A and which is expressly incorporated herein.

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 similarly situated 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 similarly situated executives of the Company generally.

6. Bonus.

(a) The Executive shall be entitled to participate in the Company's applicable incentive compensation plan at a target level of eighty (80%) of the Executive's Base Salary on such terms and conditions as determined from time to time by the Board.

(b) The Company agrees to pay the Executive a separate sign-on bonus in the amount of Five Hundred Sixty Thousand Dollars ($560,000) less applicable tax withholdings, within the first two (2) weeks of January 2007, The Executive agrees that if she voluntarily resigns (other than for Good Reason or due to Disability, in each case as defined below) prior to her first year anniversary date, she shall pay back to the Company an amount equal to the after tax portion of the entire amount of the sign-on bonus, and that, if she so resigns (other than for Good Reason or due to Disability) after her first year anniversary date but prior to her second year anniversary date, she shall pay back to the Company an amount equal to the after-tax portion of one-half of the sign-on bonus.

7. Other Benefits.

(a) Benefits. The Executive shall be entitled to all other benefits as similarly situated executives.

(b) Expenses. Subject to applicable Company policies, the Executive shall be entitled to receive prompt reimbursement of all expenses reasonably incurred in connection with the performance of the Executive's 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 the Executive's 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 Company 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 the Executive's duties under this Agreement for a period of at least six months in any twelve-month calendar period as determined in accordance with the Company's 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) failed to perform the Executive's 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 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 Company of a termination for Cause, which shall state in detail the particular act or acts or failures to act that constitute the grounds on which the termination for Cause is based.

(c) Termination by the Executive. The Executive may terminate employment hereunder without "Good Reason" by delivering to the Company, not less than thirty (30) days prior to the Termination Date, a written Notice of Termination. The Executive may terminate employment hereunder for "Good Reason" by delivering to the Company not less than thirty (30) days prior to the Termination Date, a written Notice of Termination setting forth in reasonable detail the facts and circumstances which constitute Good Reason. For purposes of this Agreement, "Good Reason" means (i) the failure to continue the Executive in a capacity contemplated by Section 2, above; (ii) the assignment to the Executive of any duties materially inconsistent with the Executive's positions, duties, authority, responsibilities or 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 material respects not later than thirty (30) days from the date of receipt by the Company of a written Notice of Termination identifying in reasonable detail the act or acts constituting "Good Reason" or (B) acts taken by the Company by reason of the Executive's physical or mental infirmity which infirmity impairs the Executive's ability to substantially perform his duties under this Agreement,

(d) Termination for Reasons Other Than for Cause. The Company shall be entitled to terminate the Executive's employment for reasons other than cause by providing the Executive with at least Thirty (30) days written notice of the "Termination Date".

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 in the applicable Change in Control Agreement), the Executive's employment is terminated by the Company for Cause

or by reason of the Executive's death, or if the Executive gives the Company a written Notice of Termination other than one for Good Reason, 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"). 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 (including a termination 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) or by the Executive for Good Reason, in each case other than during the 24-month period immediately following a Change in Control (as defined in the applicable Change in Control Agreement), 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 any incentive compensation under the plan described in Section 6 that the Executive would have received if the Executive had remained employed with the Company for a period of one (1) year after the Termination Date; (B) pay the Executive her Base Salary for one additional year after payments have ended under Section 10(b)(ii); and

(iv) provided, however, that in the event Executive becomes entitled to any payments resulting from a Change in Control, the Company's obligations to Executive pursuant to the Change in Control shall thereafter be determined solely by the terms of the applicable Change in Control Agreement.

(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; and

(ii) the Executive shall be entitled to receive any disability benefits available under the applicable Long Term Disability Plan.

(d) For up to twelve (12) months during the period the Executive is receiving salary continuation pursuant to Section 10(b)(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 (i) Executive's becoming eligible for such benefits as the result of employment

with another employer or (ii) the expiration of Executive's rights to continue such medical and dental benefits under COBRA.

(e) 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).

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 his 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 Unauthorized Disclosure shall not include the use or disclosure by the Executive 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 the longer of (a) one (1) year from the Termination Date or (b) the period during which the Executive receives salary continuation as described in Section 10(b) above.

(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 the longer of (a) one (1) year from the Termination Date or (b) the period during which the Executive receives salary continuation as described in Section 10(b), above.

(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 the Executive's employment with the Company including those developed on the Executive's 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 to, without any additional consideration, execute all documents and take all other actions needed to convey the Executive's 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 the Executive assigns to the Company, except as otherwise disclosed in writing at the time of assignment, will be the Executive's sole exclusive original work. The Executive also represents that the Executive 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. 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 confidentiality provisions and the covenants not to compete and solicit contained in this Section 11 are reasonable and that the Company would not have entered into this Agreement but for the inclusion of such covenants herein. The parties agree that the prevailing party shall be entitled to all costs and expenses, including reasonable attorneys' fees and costs, in addition to any other remedies to which either may be entitled at law or in equity. 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 asserting or defending a legal claim regarding 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. 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.

14. 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 a single arbitrator whose award shall be accepted as final and binding upon the parties. The American Arbitration Association, under its Employment Arbitration Rules, shall administer the binding arbitration. The arbitration shall take place in Columbus, Ohio. 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 and agree that the arbitrator shall have the authority to award costs and attorney fees to the prevailing party.

15. 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:
Diane Neal
3439 Sacramento Street, #302
San Francisco, CA 94118

To the Company:
Limited Brands, Inc.
Three Limited Parkway
Columbus, Ohio 43230
Attn: Secretary

16. 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.

17. 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.

18. 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,

19. 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.

20. Entire Agreement. This Agreement along with the Executive's Offer Letter 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.

BATH & BODY WORKS, INC.

By: _____ _____
Name: Neil Fiske Date
Title: Chief Executive Officer

/S/ DIANE NEAL 10/18/06
Diane Neal Date

AMENDMENT TO AGREEMENT

WHEREAS, Limited Brands, Inc. (the "Company"), and Diane Neal, an employee of the Company (the "Executive") have previously entered into an agreement regarding the terms and conditions of Executive's employment with the Company, October 18, 2006 (the "Agreement"); and

WHEREAS, the parties desire to amend the Agreement in a manner that reflects the parties best good faith efforts to comply with the provisions of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), for the benefit of the Executive.

NOW, THEREFORE, the Company and the Executive, intending to be legally bound hereby agree that the Agreement will be amended as follows:

1. Section 6(a) of the Agreement is amended by adding the following new sentence at the end thereof:

   "The bonus will be paid at such time and in such manner as set forth in the applicable incentive compensation plan."

2. Section 7(b) of the Agreement is amended by inserting the following new sentence at the end thereof:

   "In no event shall such an expense be reimbursed after the last day of the year following the year in which the expense was incurred."

3. Section 10(a) of the Agreement is amended by adding the following after the first sentence therein:

   "In the event the Executive's employment is terminated under this Subsection (a), Accrued Compensation will be paid within 60 days of the date of the Executive's Termination Date or death."

4. Section 10(b)(i) of the Agreement is amended by inserting the following at the end thereof:

   "within 60 days of the Executive's Termination Date."

5. Section 10(b)(ii) of the Agreement is amended by inserting the following new paragraph at the end thereof

   "Each of the payments of severance under this Section l0(b)(ii) are designated as separate payments for purposes of determining if the payment qualifies as a Short-Term Deferral or as Involuntary Separation Pay. Payments that are (i) Short-Term Deferrals, and (ii) any additional payments that are Involuntary Separation Pay are excepted from the requirements of Code Section 409A. To the

extent payments of severance under this Section 10(b)(ii) during the first six month period following Executive's Termination Date do not qualify as a Short-Term Deferral or Involuntary Separation Pay, the payments shall be withheld and the amount of the payments withheld will be paid in a lump sum on the last day that any such severance is considered a Short-Term Deferral or Involuntary Separation Pay."

6. Subclause (A) of Section 10(b)(iii) is amended by inserting the following at the end thereof:

", at such time and in such manner as set forth in the applicable incentive compensation plan; and"

7. Section 10(c)(i) of the Agreement is by inserting the following at the end thereof:

"within 60 days of the Executive's Termination Date."

8. The following new Section 10(f) is added to the Agreement as follows:

"(f) Certain Definitions.

(i) For purposes of this Agreement, 'Short-Term Deferral' means payments pursuant to the rules under Treasury Regulation Section 1.409A-1(b)(4)(i) that are made on or before the 15th day of the third month of (i) the calendar year following the applicable year of termination, or (ii) if later, the Company's tax year following the applicable year of termination. Such amounts are excepted from Code Section 409A. A payment that will or may occur later than the end of the applicable 2 1/2 month period is not considered to be a Short-Term Deferral.

(ii) For purposes of this Agreement 'Involuntary Separation Pay' means payments pursuant to the rules under Treasury Regulation Section 1.409A-1(b)(9)(iii) that are made on or before the last day of the second calendar year following the year of Executive's involuntary separation from service and do not exceed the lesser of two times Base Salary or two times the limit under Code Section 401(a)(17) then in effect."

IN WITNESS WHEREOF, the parties have executed this amendment, in duplicate, on the dates set forth below.

LIMITED BRANDS, INC.

By:

Douglas L. Williams — Date Signed
Senior Vice President,
General Counsel

EXECUTIVE

Diane Neal — Date Signed

Exhibit 12

Limited Brands, Inc.
Computation of Ratio of Earnings to Fixed Charges

	Fiscal Year Ended				
	January 30, 2010	January 31, 2009	February 2, 2008	February 3, 2007	January 28, 2006
			(in millions)		
Earnings:					
Income before income taxes, noncontrolling interest and cumulative effect of change in accounting principle	$ 650	$ 449	$ 1,107	$ 1,096	$ 958
Fixed charges (excluding capitalized interest)	357	297	268	230	247
Distributions from equity method investments, net of income or loss from equity investees	(5)	102	(3)	6	26
Total earnings	$ 1,002	$ 848	$ 1,372	$ 1,332	$ 1,231
Fixed charges:					
Portion of minimum rent representative of interest	$ 118	$ 115	$ 117	$ 128	$ 153
Interest on indebtedness (including capitalized interest)	238	184	156	106	94
Total fixed charges	$ 356	$ 299	$ 273	$ 234	$ 247
Ratio of earnings to fixed charges	2.8	2.8	5.0	5.7	5.0

For the purpose of calculating the ratios of earnings to fixed charges, we calculate earnings by adding fixed charges and distributions from equity method investees, net of income or losses from equity method investees, to pre-tax income from continuing operations before noncontrolling interests in consolidated subsidiaries and cumulative effect of changes in accounting principle. Fixed charges include total interest and a portion of rent expense, which we believe is representative of the interest factor of our rent expense. Interest associated with income tax liabilities is excluded from our calculation.

Exhibit 21

SUBSIDIARIES OF THE REGISTRANT

Subsidiaries (a)	Jurisdiction of Incorporation
Bath & Body Works Direct, Inc (b)	Delaware
Mast Industries, N.V. (c)	Cayman Islands
Henri Bendel, Inc. (d)	Delaware
Mast Industries, Inc. (e)	Delaware
Mast Industries (Far East) Limited (f)	Hong Kong
Limited Logistics Services, Inc. (g)	Delaware
Limited Service Corporation (h)	Delaware
Limited Technology Services, Inc. (i)	Delaware
Limited Brands Store Operations, Inc. (j)	Delaware
Limited Brands Direct Fulfillment, Inc. (k)	Delaware
Victoria's Secret Direct Brand Management, LLC (l)	Delaware
Victoria's Secret Stores, LLC (m)	Delaware
Victoria's Secret Stores Brand Management, Inc. (n)	Delaware
Bath & Body Works, LLC (o)	Delaware
Bath & Body Works Brand Management, Inc. (p)	Delaware
beautyAvenues, Inc. (q)	Delaware
Intimate Brands, Inc. (r)	Delaware
La Senza Corporation (s)	Canada
La Senza International, Inc. (t)	Canada
Bath & Body Works (Canada) Corporation (u)	Canada
Victoria's Secret (Canada) Corporation (v)	Canada

(a) The names of certain subsidiaries are omitted since such unnamed subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary as of January 30, 2010.

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

(c) Mast Industries N.V. a Cayman Islands corporation and wholly owned subsidiary of Mast Industries (Far East) Limited., a Hong Kong corporation , and a wholly owned subsidiary of Limited (Overseas) Holdings LP, an Alberta corporation and majority owned by Limited (Overseas) Inc., a Delaware corporation and a wholly owned subsidiary of Mast Industries, Inc., a Delaware corporation and a wholly owned subsidiary of Mast Industries (Delaware), Inc., a Delaware corporation and a wholly owned subsidiary of the registrant.

(d) Henri Bendel, Inc., a Delaware corporation, is a wholly owned subsidiary of Limited Brands Store Operations, Inc., a Delaware corporation and a wholly owned subsidiary of Intimate Brands, Inc., a Delaware corporation and a wholly owned subsidiary of the registrant.

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

(f) Mast Industries (Far East) Limited, a Hong Kong corporation, is a wholly owned subsidiary of Limited (Overseas) Holdings LP, an Alberta corporation and majority owned by Limited (Overseas) Inc., a Delaware corporation and wholly owned subsidiary of Mast Industries, Inc., a Delaware corporation and a wholly owned subsidiary of Mast Industries (Delaware), Inc., a Delaware corporation and a wholly owned subsidiary of the registrant.

(g) Limited Logistics Services, Inc., a Delaware corporation, is a wholly owned subsidiary of the registrant.

(h) Limited Service Corporation, a Delaware corporation, is a majority owned subsidiary of Limited (Overseas), Inc., a Delaware corporation and a wholly owned subsidiary of Mast Industries, Inc., a Delaware corporation and a wholly owned subsidiary of Mast Industries (Delaware), Inc., a Delaware corporation and a wholly owned subsidiary of the registrant.

(i) Limited Technology Services, Inc., a Delaware corporation, is a wholly owned subsidiary of Limited Service Corporation, a Delaware corporation and a majority owned subsidiary of Limited (Overseas), Inc., a Delaware corporation and a wholly owned subsidiary of Mast Industries, Inc., a Delaware corporation and a wholly owned subsidiary of Mast Industries (Delaware), Inc., a Delaware corporation and a wholly owned subsidiary of the registrant.

(j) Limited Brands Store Operations, Inc., a Delaware corporation, is a wholly owned subsidiary of Intimate Brands, Inc., a Delaware corporation and a wholly owned subsidiary of the registrant.

(k) Limited Brands Direct Fulfillment, Inc., a Delaware corporation and a wholly owned subsidiary of Intimate Brands, Inc., a Delaware corporation, and a wholly owned subsidiary of the registrant.

(l) Victoria's Secret Direct Brand Management, LLC, a Delaware limited liability company, is a wholly owned subsidiary of Victoria's Secret Stores Brand Management, Inc., a Delaware Corporation and a wholly owned subsidiary of Intimate Brands, Inc., a Delaware corporation and a wholly owned subsidiary of the registrant.

(m) Victoria's Secret Stores, LLC, a Delaware limited liability company, is a wholly owned subsidiary of Limited Brands Store Operations, Inc., a Delaware corporation and a wholly owned subsidiary of Intimate Brands, Inc., a Delaware corporation and a wholly owned subsidiary of the registrant.

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

(o) Bath & Body Works, LLC, a Delaware limited liability company, and a wholly owned subsidiary of Limited Brands Store Operations, Inc., a Delaware corporation and a wholly owned subsidiary of Intimate Brands, Inc., a Delaware corporation and a wholly owned subsidiary of the registrant.

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

(q) beautyAvenues, Inc., a Delaware corporation, is a wholly owned subsidiary of the registrant.

(r) Intimate Brands, Inc., a Delaware corporation, is a wholly owned subsidiary of the registrant.

(s) La Senza Corporation, a Canadian corporation, is a wholly owned subsidiary of MOS Maple Acquisition Corp, a Nova Scotia corporation and a wholly owned subsidiary of Luxembourg (Overseas) Holdings S.a.r.l, a Luxembourg corporation and a wholly owned subsidiary of Limited (Overseas) Holdings LP, an Alberta corporation and majority owned by Limited (Overseas) Inc., a Delaware corporation and a wholly owned subsidiary of Mast Industries, Inc., a Delaware corporation and wholly owned subsidiary of Mast Industries (Delaware), Inc., a Delaware corporation and a wholly owned subsidiary of the registrant.

(t) La Senza International, Inc., a Canadian corporation, is a wholly owned subsidiary of La Senza Corporation, a Canadian corporation and a wholly owned subsidiary of MOS Maple Acquisition Corp, a Nova Scotia corporation and a wholly owned subsidiary of Luxembourg (Overseas) Holdings S.a.r.l, a Luxembourg corporation and a wholly owned subsidiary of Limited (Overseas) Holdings LP, an Alberta corporation and majority owned by Limited (Overseas) Inc., a Delaware corporation and a wholly owned subsidiary of Mast Industries, Inc., a Delaware corporation and wholly owned subsidiary of Mast Industries (Delaware), Inc., a Delaware corporation and a wholly owned subsidiary of the registrant.

(u) Bath & Body Works (Canada) Corporation, a Nova Scotia corporation and a wholly-owned subsidiary of Limited Brands International S.a.r.l, a Luxembourg corporation and a wholly-owned subsidiary of Limited (Overseas) Holdings LP, an Alberta corporation and majority owned by Limited (Overseas) Inc., a Delaware corporation and a wholly-owned subsidiary of Mast Industries, Inc., a Delaware corporation and wholly-owned subsidiary of Mast Industries (Delaware), Inc., a Delaware corporation and a wholly-owned subsidiary of the registrant.

(v) Victoria's Secret (Canada) Corporation, a Nova Scotia corporation and a wholly-owned subsidiary of Victoria's Secret International S.a.r.l, a Luxembourg corporation and a wholly-owned subsidiary of Limited (Overseas) Holdings LP, an Alberta corporation and majority owned by Limited (Overseas) Inc., a Delaware corporation and a wholly-owned subsidiary of Mast Industries, Inc., a Delaware corporation and wholly-owned subsidiary of Mast Industries (Delaware), Inc., a Delaware corporation and a wholly-owned subsidiary of the registrant.

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements of Limited Brands, Inc. and, with respect to the Registration Statement on Form S-3, in the related Prospectus:

Registration Statement (Form S-3ASR No. 333-146420)

Registration Statement (Form S-4 No. 333-163026)

Registration Statement (Form S-8 No. 33-49871)

Registration Statement (Form S-8 No. 333-110465)

Registration Statement (Form S-8 No. 333-04927)

Registration Statement (Form S-8 No. 333-04941)

Registration Statement (Form S-8 No. 333-118407)

Registration Statement (Form S-8 No. 333-161841);

of our reports dated March 26, 2010, with respect to the consolidated financial statements of Limited Brands, Inc. and subsidiaries, and the effectiveness of internal control over financial reporting of Limited Brands, Inc. and subsidiaries, included in this Annual Report (Form 10-K) for the year ended January 30, 2010.

/s/ Ernst & Young LLP

Columbus, Ohio
March 26, 2010

Exhibit 24

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

The undersigned officer and/or director of Limited Brands, Inc., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for its fiscal year ended January 30, 2010 under the provisions of the Securities Exchange Act of 1934 with the Securities and Exchange Commission, Washington, DC, hereby constitutes and appoints Leslie H. Wexner and Martyn R. Redgrave, and each of them, with full powers of substitution and resubstitution, as attorney to sign for the undersigned in any and all capacities such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 28th day of January 2010.

/s/ LESLIE H. WEXNER
Leslie H. Wexner

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

The undersigned officer and/or director of Limited Brands, Inc., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for its fiscal year ended January 30, 2010 under the provisions of the Securities Exchange Act of 1934 with the Securities and Exchange Commission, Washington, DC, hereby constitutes and appoints Leslie H. Wexner and Martyn R. Redgrave, and each of them, with full powers of substitution and resubstitution, as attorney to sign for the undersigned in any and all capacities such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 28th day of January 2010.

/s/ DENNIS S. HERSCH

Dennis S. Hersch

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

The undersigned officer and/or director of Limited Brands, Inc., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for its fiscal year ended January 30, 2010 under the provisions of the Securities Exchange Act of 1934 with the Securities and Exchange Commission, Washington, DC, hereby constitutes and appoints Leslie H. Wexner and Martyn R. Redgrave, and each of them, with full powers of substitution and resubstitution, as attorney to sign for the undersigned in any and all capacities such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 28th day of January 2010.

/s/ JAMES L. HESKETT

James L. Heskett

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

The undersigned officer and/or director of Limited Brands, Inc., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for its fiscal year ended January 30, 2010 under the provisions of the Securities Exchange Act of 1934 with the Securities and Exchange Commission, Washington, DC, hereby constitutes and appoints Leslie H. Wexner and Martyn R. Redgrave, and each of them, with full powers of substitution and resubstitution, as attorney to sign for the undersigned in any and all capacities such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 28th day of January 2010.

/s/ DONNA A. JAMES

Donna A. James

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

The undersigned officer and/or director of Limited Brands, Inc., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for its fiscal year ended January 30, 2010 under the provisions of the Securities Exchange Act of 1934 with the Securities and Exchange Commission, Washington, DC, hereby constitutes and appoints Leslie H. Wexner and Martyn R. Redgrave, and each of them, with full powers of substitution and resubstitution, as attorney to sign for the undersigned in any and all capacities such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 28th day of January 2010.

/s/ DAVID T. KOLLAT

David T. Kollat

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

The undersigned officer and/or director of Limited Brands, Inc., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for its fiscal year ended January 30, 2010 under the provisions of the Securities Exchange Act of 1934 with the Securities and Exchange Commission, Washington, DC, hereby constitutes and appoints Leslie H. Wexner and Martyn R. Redgrave, and each of them, with full powers of substitution and resubstitution, as attorney to sign for the undersigned in any and all capacities such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 28th day of January 2010.

/s/ WILLIAM R. LOOMIS, JR.

William R. Loomis, Jr.

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

The undersigned officer and/or director of Limited Brands, Inc., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for its fiscal year ended January 30, 2010 under the provisions of the Securities Exchange Act of 1934 with the Securities and Exchange Commission, Washington, DC, hereby constitutes and appoints Leslie H. Wexner and Martyn R. Redgrave, and each of them, with full powers of substitution and resubstitution, as attorney to sign for the undersigned in any and all capacities such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 28th day of January 2010.

/s/ JEFFREY H. MIRO

Jeffrey H. Miro

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

The undersigned officer and/or director of Limited Brands, Inc., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for its fiscal year ended January 30, 2010 under the provisions of the Securities Exchange Act of 1934 with the Securities and Exchange Commission, Washington, DC, hereby constitutes and appoints Leslie H. Wexner and Martyn R. Redgrave, and each of them, with full powers of substitution and resubstitution, as attorney to sign for the undersigned in any and all capacities such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 28th day of January 2010.

/s/ JEFFREY B. SWARTZ

Jeffrey B. Swartz

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

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EXECUTED as of the 28th day of January 2010.

/s/ ALLAN R. TESSLER

Allan R. Tessler

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

The undersigned officer and/or director of Limited Brands, Inc., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for its fiscal year ended January 30, 2010 under the provisions of the Securities Exchange Act of 1934 with the Securities and Exchange Commission, Washington, DC, hereby constitutes and appoints Leslie H. Wexner and Martyn R. Redgrave, and each of them, with full powers of substitution and resubstitution, as attorney to sign for the undersigned in any and all capacities such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 28th day of January 2010.

/s/ ABIGAIL S. WEXNER

Abigail S. Wexner

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

The undersigned officer and/or director of Limited Brands, Inc., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for its fiscal year ended January 30, 2010 under the provisions of the Securities Exchange Act of 1934 with the Securities and Exchange Commission, Washington, DC, hereby constitutes and appoints Leslie H. Wexner and Martyn R. Redgrave, and each of them, with full powers of substitution and resubstitution, as attorney to sign for the undersigned in any and all capacities such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 28th day of January 2010.

/s/ RAYMOND ZIMMERMAN

Raymond Zimmerman

Exhibit 31.1

Section 302 Certification

I, Leslie H. Wexner, certify that:

1. I have reviewed this annual report on Form 10-K of Limited Brands, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ LESLIE H. WEXNER

Leslie H. Wexner
Chairman and Chief Executive Officer

Date: March 26, 2010

Exhibit 31.2

Section 302 Certification

I, Stuart B. Burgdoerfer, certify that:

1. I have reviewed this annual report on Form 10-K of Limited Brands, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ STUART B. BURGDOERFER

Stuart B. Burgdoerfer
Executive Vice President and
Chief Financial Officer

Date: March 26, 2010

Exhibit 32

Section 906 Certification

Leslie H. Wexner, the Chairman and Chief Executive Officer, and Stuart B. Burgdoerfer, the Executive Vice President and Chief Financial Officer, of Limited Brands, Inc. (the "Company"), each certifies that, to the best of his knowledge:

(i) the Annual Report of the Company on Form 10-K dated March 26, 2010 for the fiscal year ended January 30, 2010 (the "Form 10-K"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(ii) the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ LESLIE H. WEXNER
Leslie H. Wexner
Chairman and Chief Executive Officer

/s/ STUART B. BURGDOERFER
Stuart B. Burgdoerfer
Executive Vice President and
Chief Financial Officer

Date: March 26, 2010