

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

SCHEDULE 13E-4
Issuer Tender Offer Statement
(Pursuant to Section 13(e)(1) of the Securities Exchange Act of 1934)

THE LIMITED, INC.

(Name of issuer and person filing statement)

Common Stock, \$.50 par value

(Title of class of securities)

53271610

(CUSIP number of class of securities)

SAMUEL P. FRIED
Vice President and
General Counsel
THE LIMITED, INC.
Three Limited Parkway
P.O. Box 16000
Columbus, Ohio 43230

Telephone: (614) 479-7000

(Name, address and telephone number of person
authorized to receive notices and communications
on behalf of the person filing statement)

Copies to:

DENNIS S. HERSCH
DAVID L. CAPLAN
DAVIS POLK & WARDWELL
450 Lexington Avenue
New York, New York 10017
(212) 450-4000

February 1, 1996

(Date tender offer first published, sent or given to security holders)

CALCULATION OF FILING FEE

Transaction Valuation*	Amount of Filing Fee
\$1,615,000,000	\$323,000

* Determined pursuant to Rule 0-11(b)(1). Assumes purchase of 85,000,000 shares at \$19.00 per share.

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

Amount Previously Paid: Not applicable Filing Party: Not applicable
Form or Registration No.: Not applicable Date Filed: Not applicable

Item 1. Security and Issuer.

(a) The name of the issuer is The Limited, Inc., a Delaware corporation (the "Company"), which has its principal executive offices at Three Limited Parkway, Columbus, Ohio 43230 (telephone number (614) 479-7000).

(b) This schedule relates to the offer by the Company to purchase up to 85,000,000 outstanding shares of the Common Stock, \$.50 par value per share, of the Company (such shares, together with all other issued and outstanding shares of Common Stock of the Company, are herein referred to as the "Shares"), at a price of \$19.00 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase dated February 1, 1996 (the "Offer to Purchase"), and related Letter of Transmittal, copies of which are attached hereto as Exhibits (a)(1) and (a)(2), respectively. The information contained in the Introduction to, and in Sections 1, 9 and 11 of, the Offer to Purchase is incorporated herein by reference.

(c) The information set forth in the Introduction to and in Section 7 of the Offer to Purchase is incorporated herein by reference.

(d) Not applicable.

Item 2. Source and Amount of Funds or Other Consideration.

(a) The information set forth in Section 9 of the Offer to Purchase is incorporated herein by reference.

(b) Not applicable.

Item 3. Purpose of the Tender Offer and Plans or Proposals of the Issuer or Affiliate.

(a)-(j) The information set forth in the Introduction to and in the section entitled "Background and Purpose of the Offer" and in Section 10 of the Offer to Purchase is incorporated herein by reference.

Item 4. Interest in Securities of the Issuer.

The information set forth in Section 11 of the Offer to Purchase, and the information set forth in Schedule A thereto, is incorporated herein by reference.

Item 5. Contracts, Arrangements, Understandings or Relationships With Respect to the Issuer's Securities.

The information set forth in the section entitled "Background and Purpose of the Offer" and Section 11 of the Offer to Purchase is incorporated herein by reference.

Item 6. Persons Retained, Employed or to be Compensated.

The information set forth in Section 15 of the Offer to Purchase is incorporated herein by reference.

Item 7. Financial Information.

(a) The financial information set forth in Section 10 of the Offer to Purchase is incorporated herein by reference.

(b) The pro forma data set forth in Section 10 of the Offer to Purchase is incorporated herein by reference.

Item 8. Additional Information.

(a) Not applicable.

(b) The information set forth in Section 12 of the Offer to Purchase is incorporated herein by reference.

(c) None.

(d) None.

(e) Not applicable.

Item 9. Material to be Filed as Exhibits.

(a)(1) Form of Offer to Purchase dated February 1, 1996.

(a)(2) Form of Letter of Transmittal dated February 1, 1996, together with Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.

(a)(3) Form of Notice of Guaranteed Delivery.

(a)(4) Form of letter from Lazard Freres & Co. LLC and Goldman, Sachs & Co. to brokers, dealers, commercial banks, trust companies and other nominees dated February 1, 1996.

(a)(5) Form of letter from brokers, dealers, commercial banks and trust companies to their clients dated February 1, 1996.

(a)(6) Form of letter to stockholders from the Company, dated February 1, 1996.

(a)(7) Form of letter from Savings and Retirement Plan Administrative Committee, including Letter and Form of Notice of Instructions to all participants in the Company's Savings and Retirement Plan.

(a)(8) Form of letter from Savings and Retirement Plan Administrative Committee to all participants in the Company's Savings and Retirement Plan who are subject to Section 16 of the Securities Exchange Act of 1934, as amended.

(a)(9) Form of letter from Merrill Lynch, Pierce, Fenner & Smith to all participants in the Company's Stock Purchase Plan.

(a)(10) Form of Notice to holders of vested stock options who are not subject to Section 16 of the Securities Exchange Act of 1934, as amended.

(a)(11) Form of Notice to holders of vested stock options who are subject to Section 16 of the Securities Exchange Act of 1934, as amended.

- (a)(12) Form of Summary Advertisement dated February 1, 1996.
- (a)(13) Press Release dated January 28, 1996.
- (a)(14) The Limited, Inc. Stock Tender Offer - Associate Questions and Answers
- (b) Not applicable.
- (c)(1) Contingent Stock Redemption Agreement dated as of January 26, 1996 among The Limited, Inc., Leslie H. Wexner and The Wexner Children's Trust.
- (d) Not applicable.
- (e) Not applicable.
- (f) Not applicable.

SIGNATURE

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

THE LIMITED, INC.

By: /s/ Kenneth B. Gilman

 Kenneth B. Gilman
 Vice Chairman and
 Chief Financial Officer

Dated: February 1, 1996

EXHIBIT INDEX

Exhibit Number -----	Description -----	Page ----
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OFFER TO PURCHASE FOR CASH
BY
THE LIMITED, INC.

UP TO 85,000,000 SHARES OF ITS COMMON STOCK
AT
\$19.00 NET PER SHARE

THE OFFER, THE PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE
AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, MARCH 6, 1996
UNLESS THE OFFER IS EXTENDED.

The Limited, Inc., a Delaware corporation (the "Company"), invites its stockholders to tender shares of its Common Stock, \$.50 par value per share (such shares, together with all other outstanding shares of Common Stock of the Company, are herein referred to as the "Shares"), at a price of \$19.00 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth herein and in the related Letter of Transmittal (which together constitute the "Offer"). Upon the terms and subject to the conditions of the Offer, including the provisions thereof relating to proration and "odd lot" tenders, the Company will purchase all Shares validly tendered and not withdrawn.

During the past year, the Company has implemented a reconfiguration plan that has resulted in funds being made available to the Company in excess of those needed for its day-to-day operations. The purpose of the Offer is to allow those stockholders desiring to receive cash for a portion of their Shares an opportunity to do so at a price in excess of recent trading prices for the Shares. The Offer price per Share represents a premium to the recent market prices of the Shares, and, in the judgment of the Board of Directors of the Company, is likely to represent a premium over the market prices at which the Shares are likely to trade in the near term following the consummation of the Offer. While the Board of Directors of the Company believes that the Shares represent an attractive investment for its continuing stockholders, the Board of Directors recommends that those stockholders who wish to receive a premium over the recent, and anticipated near-term, market prices for the Shares tender some or all of their Shares pursuant to the Offer. See "Background and Purpose of the Offer."

On January 26, 1996, the Company entered into a Contingent Stock Redemption Agreement (the "Wexner Agreement") with Leslie H. Wexner, Chairman, President and Chief Executive Officer of the Company, and The Wexner Children's Trust (the "Trust") pursuant to which (i) the Trust acquired the opportunity to require the Company to redeem up to 18,750,000 Shares from it at a price of \$18.75 per Share, beginning on January 31, 1998, and ending on January 31, 2001, and (ii) the Company acquired the opportunity to redeem such Shares at a price of \$25.07 per Share, beginning on July 31, 2001, and ending on January 31, 2002. See Section 11.

The Shares are listed and principally traded on the New York Stock Exchange, Inc. (the "NYSE"). On January 26, 1996, the last full day of trading prior to the announcement of the Offer, the closing sale price of the Shares on the NYSE as reported on the Composite Tape was \$16 1/2 per Share. Stockholders are urged to obtain a current market quotation for the Shares.

THE OFFER IS NOT CONDITIONED UPON ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE OFFER IS SUBJECT, HOWEVER, TO CERTAIN OTHER CONDITIONS. SEE SECTION 6.

WHILE THE BOARD OF DIRECTORS OF THE COMPANY BELIEVES THAT THE SHARES REPRESENT AN ATTRACTIVE INVESTMENT FOR ITS CONTINUING STOCKHOLDERS, THE BOARD OF DIRECTORS RECOMMENDS THAT THOSE STOCKHOLDERS WHO WISH TO RECEIVE A PREMIUM OVER THE RECENT, AND ANTICIPATED NEAR-TERM, MARKET PRICES FOR THE SHARES TENDER SOME OR ALL OF THEIR SHARES PURSUANT TO THE OFFER. IN ACCORDANCE WITH THE WEXNER AGREEMENT, LESLIE H. WEXNER, CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE COMPANY, WILL NOT TENDER ANY SHARES PURSUANT TO THE OFFER. THE COMPANY HAS BEEN ADVISED THAT ITS OTHER DIRECTORS AND EXECUTIVE OFFICERS HAVE NOT DETERMINED WHETHER TO TENDER THEIR SHARES PURSUANT TO THE OFFER. STOCKHOLDERS MUST MAKE THEIR OWN DECISIONS WHETHER TO TENDER SHARES AND, IF SO, HOW MANY SHARES TO TENDER.

The Dealer Managers for the Offer are:

LAZARD FRERES & CO. LLC

GOLDMAN, SACHS & CO.

February 1, 1996

IMPORTANT

Any stockholder desiring to accept the Offer should either (1) request his or her broker, dealer, commercial bank, trust company or other nominee to effect the transaction for him or her or (2) complete the Letter of Transmittal or a facsimile thereof, sign it in the place required, have his or her signature thereon guaranteed if required by the Letter of Transmittal and forward it and any other required documents to First Chicago Trust Company of New York (the "Depository"), and either deliver the certificates for the Shares being tendered to the Depository along with the Letter of Transmittal or tender such Shares pursuant to the procedure for book-entry transfer set

forth in Section 3 hereof. Stockholders having Shares registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such person if they desire to tender their Shares. Stockholders who wish to tender Shares and whose certificates for such Shares are not immediately available should tender such Shares by following the procedures for guaranteed delivery set forth in Section 3 hereof. Participants in the Company's Savings and Retirement Plan and Stock Purchase Plan must review the separate materials enclosed herewith for instructions if they desire to tender Shares held pursuant to these plans. Holders of vested options may exercise such options for cash and tender some or all of the Shares issued upon such exercise.

Questions and requests for assistance or for additional copies of this Offer to Purchase, the Letter of Transmittal and Notice of Guaranteed Delivery may be directed to D. F. King & Co., Inc. (the "Information Agent") or Lazard Freres & Co. LLC and Goldman, Sachs & Co. (the "Dealer Managers") at their respective addresses and telephone numbers set forth on the back cover of this Offer to Purchase.

NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY RECOMMENDATION ON BEHALF OF THE COMPANY AS TO WHETHER STOCKHOLDERS SHOULD TENDER SHARES PURSUANT TO THE OFFER. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE OFFER OTHER THAN THOSE CONTAINED HEREIN OR IN THE LETTER OF TRANSMITTAL. IF GIVEN OR MADE, SUCH RECOMMENDATION AND SUCH INFORMATION AND REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY.

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Schedule A - Certain Transactions Involving the Shares
 Appendix A - Opinion of Smith Barney Inc.

To the Holders of Common Stock of
 The Limited, Inc.:

The Limited, Inc., a Delaware corporation (the "Company"), invites its stockholders to tender shares of its Common Stock, \$.50 par value per share (such shares, together with all other outstanding shares of Common Stock of the Company, are herein referred to as the "Shares"), at a price of \$19.00 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth herein and in the related Letter of Transmittal (which together constitute the "Offer").

Each stockholder who has properly tendered and not withdrawn Shares will receive \$19.00 per Share, net to the seller in cash, with respect to all Shares purchased, upon the terms and subject to the conditions of the Offer, including the provisions relating to proration and "odd lot" tenders described below. If, prior to the Expiration Date, more than 85,000,000 Shares (or such greater number of Shares as the Company may elect to purchase) are properly tendered and not withdrawn, the Company will, upon the terms and subject to the conditions of the Offer, accept Shares for purchase first from "odd lot" holders (as described in Section 2) who properly tender their Shares and then on a pro rata basis from other stockholders whose Shares are properly tendered and not withdrawn. Shares not purchased because of proration will be returned.

Tendering stockholders will not be obligated to pay brokerage commissions, solicitation fees or, subject to the Instructions to the Letter of Transmittal, stock transfer taxes on the purchase of Shares by the Company. The Company will pay all charges and expenses of the Depositary and the Information Agent incurred in connection with the Offer.

THE OFFER IS NOT CONDITIONED UPON ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE OFFER IS SUBJECT, HOWEVER, TO CERTAIN OTHER CONDITIONS. SEE SECTION 6. WHILE THE BOARD OF DIRECTORS OF THE COMPANY BELIEVES THAT THE SHARES REPRESENT AN ATTRACTIVE INVESTMENT FOR ITS CONTINUING STOCKHOLDERS, THE BOARD OF DIRECTORS RECOMMENDS THAT THOSE STOCKHOLDERS WHO WISH TO RECEIVE A PREMIUM OVER THE RECENT, AND ANTICIPATED NEAR-TERM, MARKET PRICES FOR THE SHARES TENDER SOME OR ALL OF THEIR SHARES PURSUANT TO THE OFFER. PURSUANT TO AN AGREEMENT (THE "WEXNER AGREEMENT") WITH LESLIE H. WEXNER, CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE COMPANY, AND THE WEXNER

CHILDREN'S TRUST, MR. WEXNER WILL NOT TENDER ANY SHARES PURSUANT TO THE OFFER. SEE SECTION 11. THE COMPANY HAS BEEN ADVISED THAT ITS OTHER DIRECTORS AND EXECUTIVE OFFICERS HAVE NOT DETERMINED WHETHER TO TENDER THEIR SHARES PURSUANT TO THE OFFER. STOCKHOLDERS MUST MAKE THEIR OWN DECISIONS WHETHER TO TENDER SHARES AND, IF SO, HOW MANY SHARES TO TENDER.

Stockholders who are participants in the Company's Savings and Retirement Plan (the "Savings and Retirement Plan") may instruct the trustee as set forth in the "Letter from Savings and Retirement Plan Administrative Committee" to tender some or all of the Shares attributed to the participant's account. Stockholders who are participants in the Company's Stock Purchase Plan (the "Stock Purchase Plan") may instruct the agent for the Stock Purchase Plan, Merrill, Lynch, Pierce, Fenner & Smith, to tender some or all of the Shares held in the participant's account under the Stock Purchase Plan. In addition, holders of vested but unexercised options under the 1993 Stock Option and Performance Incentive Plan, the 1987 Stock Option Plan and the 1981 Stock Option Plan (1987 Restatement) (collectively, the "Stock Option Plans") may exercise such options for cash and tender some or all of the Shares issued upon such exercise.

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

Stockholders who are participants in employee benefit plans not affiliated with the Company that hold Shares may tender some or all of such Shares as provided herein generally, subject to the provisions of such plans.

As of January 26, 1996, the Company had issued and outstanding approximately 355,305,077 Shares. In addition, as of such date, an aggregate of approximately 10,650,962 Shares were issuable upon exercise of stock options (of which options to purchase 4,801,952 Shares were exercisable). The 85,000,000 Shares that the Company is offering to purchase represent approximately 23.9% of the Shares then outstanding (approximately 29.2% excluding the Shares that Mr. Wexner has agreed not to tender). The Shares are listed and principally traded on the New York Stock Exchange, Inc. (the "NYSE"). On January 26, 1996, the last full day of trading prior to announcement of the Offer, the closing price of the Shares on the NYSE as reported on the Composite Tape was \$16 1/2 per Share. See Section 7. Stockholders are urged to obtain a current market quotation for the Shares.

On January 29, 1996, the Company declared a regular quarterly cash dividend of \$0.10 per Share, payable on March 29, 1996 to holders of record as of March 22, 1996. The dividend will not be payable with respect to Shares purchased pursuant to the Offer.

BACKGROUND AND PURPOSE OF THE OFFER

BACKGROUND

Over the past several years, the Company's Board of Directors and senior management have been engaged in a comprehensive review of the Company's organizational structure in order to better address the management requirements of a large, multi-division, specialty retail company. In their review, the Board and management sought to address various issues which have arisen as a result of the substantial growth experienced by the Company. In particular, the Board and management of the Company concluded that certain of the Company's businesses would benefit from separate management and ownership structures, thereby providing greater incentives to divisional management and greater accountability to public investors. In addition, the Board and management believe that the price of the Company's Common Stock has not reflected the inherent value of the Company's various businesses because of the differing characteristics of the businesses in which the Company is engaged.

During the latter part of 1994 and the first quarter of 1995, management considered several alternatives to address the objectives described above. Included among these alternatives were the creation of "tracking stocks" with respect to certain groups of the Company's businesses, the sale of controlling interests in one or more of the Company's businesses to financial investors and the spinoff to the Company's stockholders of one or more of its businesses. Because none of these alternatives adequately addressed the operational and structural issues identified by management, management did not recommend that these alternatives be pursued. Accordingly, with the assistance of the Company's financial advisor, Lazard Freres & Co. LLC ("Lazard"), management continued to explore additional alternatives.

On March 21, 1995, the Finance Committee of the Board of Directors of the Company received a presentation from management in which the principal elements of the reconfiguration plan described below were discussed. At that meeting, the Company's financial and legal advisors described various aspects of the proposed reconfiguration to the Committee. At the conclusion of the meeting, the Committee adopted a resolution recommending to the full Board that it consider the plan presented to the meeting.

On May 15, 1995, the Board of Directors of the Company approved a reconfiguration plan which seeks to create an organizational and financial structure that will enhance the long-term performance of the Company. The principal elements of the reconfiguration plan (the "Reconfiguration Plan") are as follows:

- (i) An initial public offering of common stock of Intimate Brands, Inc. ("Intimate Brands"), which consists of the Company's Victoria's Secret Stores, Victoria's Secret Catalogue, Bath & Body Works, Cacique, Penhaligon's and Gryphon businesses. In October and November 1995, Intimate Brands completed an initial public

offering of 42,700,000 shares of its common stock (the "Intimate Brands IPO"). The offering resulted in proceeds of approximately \$677 million (net of underwriting fees, commissions and discounts and all other expenses related to the offering). Pursuant to the Intimate Brands IPO, the Company retained approximately 83% of the economic interests in, and approximately 94% of the total voting power of, Intimate Brands.

- (ii) An initial public offering of a minority interest in a newly created entity to consist of the Company's Express, Lerner New York, Lane Bryant, Limited Stores and Henri Bendel women's apparel businesses. The Company's current intention is to pursue an initial public offering of these businesses, subject to the performance of the businesses as well as general market conditions.
- (iii) A sale of a significant interest in World Financial Network National Bank ("WFN"), the Company's credit card bank. On October 24, 1995, the Company entered into an agreement with Welsh, Carson, Anderson and Stowe VII, L.P. ("WCAS") pursuant to which WCAS agreed to acquire a 60% interest in WFN for \$165 million in cash (the "WFN Sale"). The closing of the transaction with WCAS occurred on January 31, 1996.
- (iv) The securitization (the "Receivables Securitization") of approximately \$1.3 billion of credit card accounts receivable owned by WFN. The Receivables Securitization was consummated in January 1996 and resulted in net proceeds of approximately \$1.2 billion.
- (v) A distribution of some or all of the cash made available as a result of the Reconfiguration Plan.

The Reconfiguration Plan is intended in part to address the fact that the price of the Company's Common Stock over the past several years has not, in the opinion of management and the Board, reflected the inherent value of the Company's various businesses. In order to provide value to stockholders, the Board of Directors has determined that the funds which have been made available as a result of the Reconfiguration Plan should be used to benefit stockholders. The Board, in consultation with Lazard and the Company's legal advisors, considered alternative methods for making the cash available to stockholders, including a one-time special cash dividend, open market share repurchases and a recapitalization. The Board determined to pursue the Offer because, in its view, the Offer was superior to the other alternatives. Among other things, the Board considered the Offer to be among the most tax efficient ways to distribute cash to the Company's stockholders, believed that a repurchase by the Company of its Shares demonstrates the confidence of the Board of Directors in the Company and recognized that a repurchase of Shares would have the effect of increasing earnings per share of Common Stock outstanding after consummation of the Offer. Furthermore, the Board elected to structure the Offer as a fixed price tender at a premium to recent trading prices of the Common Stock for several reasons, including its view that (i) an offer on those terms was most consistent with the concept of a special, one-time cash distribution contemplated at the time the Board approved the Reconfiguration Plan and (ii) a fixed price offer was the simplest, most easily understood structure for many of the Company's stockholders.

In connection with its consideration of alternative structures for the proposed cash distribution, the Board was advised by the Company's counsel that, by virtue of the size of his holdings of Shares and his position as Chairman, President and Chief Executive Officer of the Company, the tax effect of any such transaction on Leslie H. Wexner would likely be less favorable than the tax effect on other stockholders. In light of this possibility, the Board instructed the Finance Committee (which is comprised solely of Directors who are not officers of the Company), together with the Company's financial and legal advisors, to consider whether entering an alternative arrangement with Mr. Wexner might be appropriate and, if so, to negotiate, on behalf of the Company, the terms of any such arrangement. On August 18, 1995 the Finance Committee retained Smith Barney Inc. ("Smith Barney"), an investment banking firm that had not previously performed services for the Company, to render an opinion as to the terms of any separate arrangement negotiated with Mr. Wexner.

In connection with the Finance Committee's recommendation that the cash distribution be structured as an issuer tender offer, the Committee was advised by counsel that, by virtue of the size of his holdings and his position as Chairman, President and Chief Executive Officer of the Company, the tax effect of the Offer would likely be less favorable for Mr. Wexner than for other stockholders, unless, in connection with the Offer, he were to sell a very substantial portion of his holdings. In this regard, the Finance Committee concluded that (i) any sale of Shares by Mr. Wexner of the magnitude required to put him in the same position as other stockholders would not be in the best interests of the Company and its stockholders and (ii) more generally, structuring a transaction in which it was likely that Mr. Wexner would be treated less favorably than other stockholders was not in the best interests of the Company in consideration of, among other factors, the unique importance of Mr. Wexner to the growth and success of the Company and its future prospects. Accordingly, the Finance Committee concluded that it would be prepared to recommend an alternative transaction with Mr. Wexner, provided that the transaction was fair to the Company.

Thereafter, a representative of the Finance Committee and counsel to the Company entered into discussions with Mr. Wexner's financial and legal advisors to attempt to reach agreement on an alternative transaction structure involving Mr. Wexner. After considering a number of proposals, the Finance Committee determined, with the advice of Smith Barney, to pursue detailed discussions with respect to a transaction pursuant to which Mr. Wexner would be granted the opportunity to require the Company to redeem a fixed number of

Shares owned by Mr. Wexner, and the Company would be granted the opportunity to redeem such Shares, at specified prices and during specified time periods (the "Redemption Transactions").

After negotiations among the representative of the Finance Committee, Smith Barney and counsel to the Company and Mr. Wexner's legal and financial advisors, and after receiving presentations addressing the proposed arrangement with Mr. Wexner from Smith Barney and the Company's legal advisors, on January 26, 1996 the Finance Committee unanimously recommended the Wexner Agreement and, on January 26, 1996, the Board of Directors (excluding Mr. Wexner) by a unanimous vote of those directors present approved the Agreement. The Wexner Agreement, as executed, is summarized in Section 11 below and has been filed with the Securities and Exchange Commission (the "Commission") as an exhibit to the Schedule 13E-4 of which this Offer to Purchase is a part.

In recommending and approving the Wexner Agreement, the Finance Committee and the Board of Directors (excluding Mr. Wexner), respectively, considered a variety of factors, including: (i) the advice of counsel to the Company that, absent sales of significant amounts of Shares by Mr. Wexner, the tax effect on Mr. Wexner of the Offer would likely be less favorable than the tax effect on other stockholders; (ii) their view that such sales of Shares by Mr. Wexner would not be in the best interests of the Company; (iii) their view that it was not appropriate to structure a transaction in which it was likely that Mr. Wexner would be treated less favorably than other stockholders; (iv) the opinion of Smith Barney to the effect that the pre-tax net value of the Redemption Transactions per Share subject thereto (each such share, a "Subject Share") does not exceed the Tender Offer Premium (as such term is defined in the Smith Barney opinion) and, therefore, the net value per Subject Share of the Redemption Transactions in relation to the Tender Offer Premium is fair, from a financial point of view, to the Company; and (v) the funds necessary to satisfy the Company's obligations under the Wexner Agreement are somewhat less than the amounts that would have been paid to Mr. Wexner had he participated fully in the Offer (assuming such funds were used to purchase additional Shares in the Offer). For additional information concerning the Wexner Agreement, see Section 11.

A copy of the written opinion of Smith Barney, containing a discussion of the assumptions made, matters considered and scope of the review undertaken in rendering such opinion, is attached hereto as Appendix A. Such opinion addresses only the pre-tax net value per Subject Share of the Redemption Transactions in relation to the Tender Offer Premium and does not constitute an opinion as to the fairness of the Offer price or the Tender Offer Premium or a recommendation to any stockholder with respect to whether to tender Shares pursuant to the Offer.

Pursuant to a letter agreement, dated September 6, 1995, the Company has paid Smith Barney a retainer fee of \$100,000 and has agreed to pay an opinion fee of \$1,000,000, against which amount the retainer fee will be credited. The Company has also agreed to reimburse Smith Barney for its out-of-pocket expenses, including the reasonable fees and expenses of its legal counsel, and to indemnify Smith Barney and certain related persons against certain liabilities in connection with its engagement, including certain liabilities under the federal securities laws.

PURPOSE OF THE OFFER

The Offer is an integral part of the Reconfiguration Plan. The purpose of the Offer is to allow those stockholders desiring to receive cash for a portion of their Shares an opportunity to do so at a price in excess of the recent trading prices for the Shares. The Offer price per Share represents a premium to the recent market prices of the Shares, and, in the judgment of the Board of Directors of the Company, is likely to represent a premium over the market prices at which the Shares are likely to trade in the near term following consummation of the Offer. While the Board of Directors of the Company believes that the Shares represent an attractive investment for its continuing stockholders, the Board of Directors recommends that those stockholders who wish to receive a premium over the recent, and anticipated near-term, market prices for the Shares tender some or all of their Shares pursuant to the Offer. The funds made available as a result of the Reconfiguration Plan will be used to purchase Shares in the Offer.

THE OFFER

1. NUMBER OF SHARES; PRORATION; EXTENSION OF OFFER. Upon the terms and subject to the conditions described herein and in the Letter of Transmittal, the Company will purchase up to 85,000,000 Shares (or such greater number of Shares as the Company, in its sole discretion, may elect to purchase pursuant to the Offer) that are validly tendered and not withdrawn prior to the Expiration Date at a price of \$19.00 per Share, net to the seller in cash. The later of 12:00 midnight, New York City time, on Wednesday, March 6, 1996, or the latest time and date to which the Offer is extended, is referred to herein as the "Expiration Date". For a description of the Company's right to extend the period of time during which the Offer is open or to delay, terminate or amend the Offer, see Section 14. Only Shares validly tendered and not withdrawn prior to the Expiration Date will be eligible for purchase.

Upon the terms and subject to the conditions of the Offer, if not more than 85,000,000 Shares (or such greater number of Shares as the Company, in its sole discretion, may elect to purchase pursuant to the Offer) are validly tendered and not withdrawn prior to the Expiration Date, the Company will purchase all such Shares. Upon the terms and subject to the conditions of the Offer, if more than 85,000,000 Shares (or such greater number of Shares as the Company, in its sole discretion, may elect to purchase pursuant to the Offer) have been validly tendered and not withdrawn prior to the Expiration Date, the Company will purchase Shares in the following order of priority:

(a) all Shares validly tendered and not withdrawn prior to the Expiration Date by any stockholder who owned beneficially an aggregate of fewer than 100 Shares as of the close of business on January 31, 1996, and who validly tenders all of such Shares (partial tenders will not qualify for this preference) and completes the box captioned "Odd Lots" on the Letter of Transmittal and, if applicable, on the Notice of Guaranteed Delivery (see Section 2); and

(b) after purchase of all of the foregoing Shares, all other Shares validly tendered and not withdrawn prior to the Expiration Date on a pro rata basis, if necessary (with appropriate adjustments to avoid purchases of fractional Shares).

The Company does not expect that it will be able to announce the final proration factor or to commence payment for any Shares purchased pursuant to the Offer until approximately five NYSE trading days after the Expiration Date, if proration of tendered Shares is required, because of the difficulty in determining the number of Shares validly tendered (including Shares tendered pursuant to the guaranteed delivery procedure described in Section 3) and not withdrawn prior to the Expiration Date and as a result of the "odd lot" procedure described in Section 2. Preliminary results of proration will be announced by press release as promptly as practicable after the Expiration Date. Holders of Shares may obtain such preliminary information from Lazard and Goldman, Sachs & Co. ("Goldman Sachs" and, together with Lazard, the "Dealer Managers") or the Information Agent and may also be able to obtain such information from their brokers.

The Company expressly reserves the right, in its sole discretion, at any time or from time to time, to extend the period of time during which the Offer is open by giving oral or written notice of such extension to the Depositary. See Section 14. There can be no assurance, however, that the Company will exercise its right to extend the Offer. If the Company decides, in its sole discretion, to increase (except for any increase not in excess of 2% of the outstanding Shares) or decrease the number of Shares being sought or to increase or decrease the consideration offered in the Offer to holders of Shares and, at the time that notice of such increase or decrease is first published, sent or given to holders of Shares in the manner specified below, the Offer is scheduled to expire at any time earlier than the tenth business day from the date that such notice is first so published, sent or given, the Offer will be extended until the expiration of such ten-business-day period. For purposes of the Offer, a "business day" means any day other than a Saturday, Sunday or federal holiday and consists of the time period from 12:01 a.m. through 12:00 midnight, New York City time.

2. TENDERS BY HOLDERS OF FEWER THAN 100 SHARES. All Shares validly tendered and not withdrawn by or on behalf of persons who beneficially owned an aggregate of fewer than 100 Shares as of the close of business on January 31, 1996, and who validly tender all such Shares and do not withdraw any of such Shares by the Expiration Date, will be accepted before proration, if any, of the purchase of other tendered Shares. See Section 1. Partial tenders will not qualify for this preference, and it is not available to beneficial holders of 100 or more Shares, even if such holders have separate stock certificates for fewer than 100 Shares. By accepting the Offer, a stockholder owning beneficially fewer than 100 Shares will avoid the payment of brokerage commissions and any applicable odd lot discount payable on a sale of Shares in a transaction effected on a securities exchange.

As of October 31, 1995 (disregarding Shares held in the Company's Savings and Retirement Plan), approximately 675,000 Shares were held of record by holders holding fewer than 100 Shares each. Because of the large number of Shares held in the names of brokers and nominees, the Company is unable to estimate the number of beneficial owners of fewer than 100 Shares or the aggregate number of Shares they own. Any stockholder wishing to tender all of his or her Shares pursuant to this Section should complete the box captioned "Odd Lots" on the Letter of Transmittal and, if applicable, on the Notice of Guaranteed Delivery.

3. PROCEDURE FOR TENDERING SHARES.

Proper Tender of Shares. To tender Shares pursuant to the Offer, either (a) a properly completed and duly executed Letter of Transmittal (or facsimile thereof) and any other documents required by the Letter of Transmittal must be received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase and either (i) certificates for the Shares to be tendered must be received by the Depositary at one of such addresses or (ii) such Shares must be delivered pursuant to the procedures for book-entry transfer described below (and a confirmation of such delivery received by the Depositary, including an Agent's Message (as defined below) if the tendering stockholder has not delivered a Letter of Transmittal), in each case by the Expiration Date, or (b) the guaranteed delivery procedure described below must be complied with. The term "Agent's Message" means a message, transmitted by a Book-Entry Transfer Facility (as hereinafter defined) to and received by the Depositary and forming a part of a book-entry confirmation, which states that such Book-Entry Transfer Facility has received an express acknowledgement from the participant in such Book-Entry Transfer Facility tendering the Shares which are the subject of such book-entry confirmation, that such participant has received and agrees to be bound by the terms of the Letter of Transmittal and that the Purchaser may enforce such agreement against such participant.

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

Letter of Transmittal.

Book Entry Delivery. The Depository will establish accounts with respect to the Shares at The Depository Trust Company, Midwest Securities Trust Company and Philadelphia Depository Trust Company (collectively referred to as the "Book-Entry Transfer Facilities") for purposes of the Offer within two business days after the date of this Offer to Purchase, and any financial institution that is a participant in the system of any Book-Entry Transfer Facility may make delivery of Shares by causing such Book-Entry Transfer Facility to transfer such Shares into the Depository's account in accordance with the procedures of such Book-Entry Transfer Facility. However, although delivery of Shares may be effected through book-entry transfer, a properly completed and duly executed Letter of Transmittal (or facsimile thereof) properly completed and duly executed together with any required signature guarantees or an Agent's Message and any other required documents must, in any case, be received by the Depository at one of its addresses set forth on the back cover of this Offer to Purchase by the Expiration Date, or the guaranteed delivery procedure described below must be complied with. Delivery of the Letter of Transmittal and any other required documents to a Book-Entry Transfer Facility does not constitute delivery to the Depository.

METHOD OF DELIVERY. THE METHOD OF DELIVERY OF ALL DOCUMENTS, INCLUDING SHARE CERTIFICATES, IS AT THE ELECTION AND RISK OF THE TENDERING STOCKHOLDER. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED.

Signature Guarantees. Except as otherwise provided below, all signatures on a Letter of Transmittal must be guaranteed by a financial institution (including most banks and brokerage houses) which is a participant in the Securities Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program, or the Stock Exchanges Medallion Program (each, an "Eligible Institution"). Signatures on a Letter of Transmittal need not be guaranteed if (a) the Letter of Transmittal is signed by the registered holder of the Shares tendered therewith and such holder has not completed either the box entitled "Special Payment Instructions" or the box entitled "Special Delivery Instructions" on the Letter of Transmittal or (b) such Shares are tendered for the account of an Eligible Institution. See Instructions 1 and 6 of the Letter of Transmittal.

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

(i) such tender is made by or through an Eligible Institution;

(ii) a properly completed and duly executed Notice of Guaranteed Delivery substantially in the form provided by the Company is received by the Depository (as provided below) by the Expiration Date; and

(iii) the certificates for such Shares (or a confirmation of a book-entry transfer of such Shares into the Depository's account at one of the Book-Entry Transfer Facilities), together with a properly completed and duly executed Letter of Transmittal (or facsimile thereof) with any required signature guarantee, or an Agent's Message and any other documents required by the Letter of Transmittal, are received by the Depository within three NYSE trading days after the date of execution of the Notice of Guaranteed Delivery.

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

Employee Plans. Participants in the Company's Savings and Retirement Plan who wish to have the Trustees of such Plan tender Shares attributable to their accounts should so indicate by completing, executing and returning to such trustees the election form included in the notice sent to such participants. Participants in the Company's Stock Purchase Plan who wish to have the Agent for such Plan tender Shares attributable to their accounts should so indicate by notifying such agent of the election as provided in the notice sent to such participants. Holders of vested but unexercised options may exercise such options for cash in accordance with the terms of the Stock Option Plans and tender the Shares received upon such exercise in accordance with the Offer. See "Proper Tender of Shares" above. The participants in the Stock Purchase Plan or the Savings and Retirement Plan may not use the Letter of Transmittal to direct the tender of the Shares, but must use the separate election form sent to them. Plan participants are urged to read the separate election form and related materials carefully. See Instruction 12 of the Letter of Transmittal.

Dividend Reinvestment Plan. Stockholders who are participants in the DRP who wish to tender some or all of the Shares attributable to their accounts may do so by so indicating on the Letter of Transmittal and by following the procedures outlined above under "Proper Tender of Shares".

Other Benefit Plans. Stockholders who are participants in employee benefit plans not affiliated with the Company that hold Shares may tender some or all of such Shares as provided herein generally, subject to the provisions of such plans. To the extent required under any such plan, participants will receive separate instructions to be followed in connection with any tender.

Federal Income Tax Withholding. Under the federal income tax backup withholding rules, unless an exemption applies under the applicable law and regulations, 31% of the gross proceeds payable to a stockholder or other payee pursuant to the Offer must be withheld and remitted to the United States Treasury, unless the stockholder or other payee provides his or her taxpayer

identification number (employer identification number or social security number) to the Depository and certifies that such number is correct. Therefore, unless such an exception exists and is proven in a manner satisfactory to the Depository, each tendering stockholder should complete and sign the Substitute Form W-9 included as part of the Letter of Transmittal so as to provide the information and certification necessary to avoid backup withholding. Certain stockholders (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. In order for a foreign individual to qualify as an exempt recipient, that stockholder must submit an IRS Form W-8, signed under penalties of perjury, attesting to that individual's exempt status. Such statements can be obtained from the Depository. See Instruction 9 of the Letter of Transmittal.

ANY TENDERING STOCKHOLDER OR OTHER PAYEE WHO FAILS TO COMPLETE FULLY AND SIGN THE SUBSTITUTE FORM W-9 INCLUDED IN THE LETTER OF TRANSMITTAL MAY BE SUBJECT TO REQUIRED FEDERAL INCOME TAX WITHHOLDING OF 31% OF THE GROSS PROCEEDS PAID TO SUCH SHAREHOLDER OR OTHER PAYEE PURSUANT TO THE OFFER. SEE SECTION 13.

Gross proceeds payable pursuant to the Offer to a foreign stockholder or his or her agent will be subject to withholding of federal income tax at a rate of 30%, unless the Company determines that a reduced rate of withholding is applicable pursuant to a tax treaty or that an exemption from withholding is applicable because such gross proceeds are effectively connected with the conduct of a trade or business within the United States. For this purpose, a foreign stockholder is any stockholder that is not (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or (iii) an estate or trust the income of which is subject to United States federal income taxation regardless of its source. The Company will determine the applicable rate of withholding by reference to a stockholder's address, unless the facts and circumstances indicate such reliance is not warranted or if applicable law (for example, an applicable tax treaty or Treasury regulations thereunder) requires some other method for determining a stockholder's residence. A foreign stockholder may be eligible to file for a refund of such tax or a portion of such tax if such stockholder meets the "complete redemption", "substantially disproportionate" or "not essentially equivalent to a dividend" tests described in Section 13, or if such stockholder is entitled to a reduced rate of withholding pursuant to a tax treaty and the Company withheld at a higher rate. In order to claim an exemption from withholding on the grounds that gross proceeds paid pursuant to the Offer are effectively connected with the conduct of a trade or business within the United States, a foreign stockholder must deliver to the Depository a properly executed IRS Form W-8 claiming such exemption. Such statements can be obtained from the Depository. See Instruction 9 of the Letter of Transmittal. Foreign stockholders are urged to consult their own tax advisors regarding the application of federal income tax withholding, including eligibility for a withholding tax reduction or exemption and the refund procedure.

Tender Constitutes An Agreement. The tender of Shares pursuant to any one of the procedures described above will constitute the tendering stockholder's acceptance of the terms and conditions of the Offer and an agreement between the tendering stockholder and the Company upon the terms and subject to the conditions of the Offer.

It is a violation of Rule 14e-4 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") for a person, directly or indirectly, to tender Shares for his own account unless the person so tendering (i) has a net long position equal to or greater than the number of (x) Shares tendered or (y) other securities immediately convertible into, or exercisable or exchangeable for, the number of Shares tendered and will acquire such Shares for tender by conversion, exercise or exchange of such other securities and (ii) will cause such Shares to be delivered in accordance with the terms of the Offer. Rule 14e-4 provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person. The tender of Shares pursuant to any one of the procedures described above will constitute the tendering stockholder's representation and warranty that (i) such stockholder has a net long position in the Shares being tendered within the meaning of Rule 14e-4 under the Exchange Act and (ii) the tender of such Shares complies with Rule 14e-4.

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

4. WITHDRAWAL RIGHTS. Tenders of Shares made pursuant to the Offer may be withdrawn at any time prior to the Expiration Date. Thereafter, such tenders are irrevocable, except that they may be withdrawn after March 28, 1996 unless theretofore accepted for payment as provided in this Offer to Purchase. If the Company extends the period of time during which the Offer is

open, is delayed in accepting for payment or paying for Shares or is unable to accept for payment or pay for Shares pursuant to the Offer for any reason, then, without prejudice to the Company's rights under the Offer, the Depository may, on behalf of the Company, retain all Shares tendered, and such Shares may not be withdrawn except as otherwise provided in this Section 4, subject to Rule 13e-4(f)(5) under the Exchange Act, which provides that the issuer making the tender offer shall either pay the consideration offered, or return the tendered securities, promptly after the termination or withdrawal of the tender offer.

To be effective, a written, telegraphic or facsimile transmission notice of withdrawal must be timely received by the Depository at one of its addresses set forth on the back cover of this Offer to Purchase and must specify the name of the person who tendered the Shares to be withdrawn and the number of Shares to be withdrawn and the name of the registered holder of the Shares, if different from that of the person who tendered such Shares. If the Shares to be withdrawn have been delivered to the Depository, a signed notice of withdrawal with signatures guaranteed by an Eligible Institution (except in the case of Shares tendered by an Eligible Institution) must be submitted prior to the release of such Shares. In addition, such notice must specify, in the case of Shares tendered by delivery of certificates, the name of the registered holder (if different from that of the tendering stockholder) and the serial numbers shown on the particular certificates evidencing the Shares to be withdrawn or, in the case of Shares tendered by book-entry transfer, the name and number of the account at one of the Book-Entry Transfer Facilities to be credited with the withdrawn Shares. Withdrawals may not be rescinded, and Shares withdrawn will thereafter be deemed not validly tendered for purposes of the Offer. However, withdrawn Shares may be retendered by again following one of the procedures described in Section 3 at any time prior to the Expiration Date.

All questions as to the form and validity (including time of receipt) of any notice of withdrawal will be determined by the Company, in its sole discretion, which determination shall be final and binding. None of the Company, the Dealer Managers, the Depository, the Information Agent or any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal or incur any liability for failure to give any such notification.

5. ACCEPTANCE FOR PAYMENT OF SHARES AND PAYMENT OF PURCHASE PRICE. Upon the terms and subject to the conditions of the Offer, and as promptly as practicable after the Expiration Date, the Company will (subject to the proration and "odd lot" provisions of the Offer) accept for payment (and thereby purchase) and pay for Shares validly tendered and not withdrawn as permitted in Section 4. In all cases, payment for Shares accepted for payment pursuant to the Offer will be made promptly (subject to possible delay in the event of proration) but only after timely receipt by the Depository of certificates for Shares (or of a confirmation of a book-entry transfer of such Shares into the Depository's account at one of the Book-Entry Transfer Facilities), a properly completed and duly executed Letter of Transmittal (or facsimile thereof) or Agent's Message and any other required documents.

For purposes of the Offer, the Company will be deemed to have accepted for payment (and thereby purchased), subject to the proration and "odd lot" provisions of the Offer, Shares that are validly tendered and not withdrawn as, if and when it gives oral or written notice to the Depository of its acceptance for payment of such Shares. Payment for Shares accepted for payment pursuant to the Offer will be made by depositing the aggregate purchase price with the Depository, which will act as agent for tendering stockholders for the purpose of receiving payment from the Company and transmitting payment to tendering stockholders. Under no circumstances will interest be paid on amounts to be paid to tendering stockholders by the Company by reason of any delay in making such payment.

Certificates for all Shares not purchased will be returned (or, in the case of Shares tendered by book-entry transfer, such Shares will be credited to an account maintained with a Book-Entry Transfer Facility) as soon as practicable without expense to the tendering stockholder. The Company will pay all stock transfer taxes, if any, payable on the transfer to it of Shares purchased pursuant to the Offer, except as set forth in Instruction 7 of the Letter of Transmittal.

Payment for Shares may be delayed in the event of difficulty in determining the number of Shares validly tendered or if proration is required. See Section 1. In addition, if certain events occur, the Company may not be obligated to purchase Shares pursuant to the Offer. See Section 6.

As provided in Rules 13e-4(f)(4) and (8)(ii) under the Exchange Act, the Company will pay the same amount per Share for each Share purchased pursuant to the Offer.

6. CERTAIN CONDITIONS OF THE OFFER. Notwithstanding any other provision of the Offer, the Company shall not be required to accept for payment or pay for any Shares tendered, and may terminate or amend the Offer or may postpone (subject to the requirements of the Exchange Act for prompt payment for or return of Shares) the acceptance for payment of, and payment for, Shares tendered, if, at any time on or after February 1, 1996, and before acceptance for payment of or payment for any such Shares, any of the following shall have occurred (or shall have been determined in the judgment of the Company to have occurred) and, in the judgment of the Company, in any such case and regardless of the circumstances (including any action or omission to act by the Company) giving rise to such condition, such event makes it inadvisable to proceed with the Offer or with such acceptance for payment or payment:

(a) there shall have been threatened, instituted or pending any action or proceeding by any government or governmental, regulatory or administrative agency, authority or tribunal or any other person, domestic or foreign,

before any court, authority, agency or tribunal which directly or indirectly (i) challenges the making of the Offer, the acquisition of some or all of the Shares pursuant to the Offer or otherwise relates in any manner to the Offer; or (ii) in the Company's reasonable judgment, could materially and adversely affect the business, condition (financial or other), income, operations or prospects of the Company and its subsidiaries, taken as a whole, or otherwise materially impair in any way the contemplated future conduct of the business of the Company or any of its subsidiaries or materially impair the contemplated benefits of the Offer to the Company;

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

(c) there shall have occurred (i) any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-counter market; (ii) the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States; (iii) the commencement of a war, armed hostilities or other international or national calamity directly or indirectly involving the United States; (iv) any limitation (whether or not mandatory) by any governmental, regulatory or administrative agency or authority on, or any event which, in the Company's reasonable judgment, might affect, the extension of credit by banks or other lending institutions in the United States; (v) any significant decrease in the market price of the Shares or any change in the general political, market, economic or financial conditions in the United States or abroad that could, in the reasonable judgment of the Company, have a material adverse effect on the Company's business, condition (financial or other), income, operations or prospects or the trading in the Shares; (vi) in the case of any of the foregoing existing at the time of the commencement of the Offer, a material acceleration or worsening thereof; or (vii) any decline in either the Dow Jones Industrial Average (5,304.98 at the close of business on January 29, 1996) or the Standard and Poor's Index of 500 Industrial Companies (624.22 at the close of business on January 29, 1996) by an amount in excess of 10 percent measured from the close of business on January 29, 1996;

(d) (i) the Company shall have entered into a definitive agreement or an agreement in principle with any person with respect to a merger, business combination or acquisition proposal, disposition of assets other than in the ordinary course of business or (ii) any tender or exchange offer with respect to some or all of the Shares (other than this Offer) shall have been commenced;

(e) any change shall occur or be threatened in the business, condition (financial or other), income, operations, Share ownership or prospects of the Company and its subsidiaries, taken as a whole, which, in the reasonable judgment of the Company, is or may be material to the Company or its subsidiaries; or

(f) (i) any person, entity or "group" (as that term is used in Section 13(d)(3) of the Exchange Act) shall have acquired, or proposed to acquire, beneficial ownership of more than 5% of the outstanding Shares (other than a person, entity or group which had publicly disclosed such ownership in a Schedule 13D or 13G (or an amendment thereto) on file with the Commission prior to January 20, 1996); (ii) any person, entity or group which had filed with the Commission on or before January 20, 1996 a Schedule 13G or a Schedule 13D with respect to the Shares shall have acquired, or proposed to acquire, beneficial ownership of additional Shares constituting more than 2% of the outstanding Shares; or (iii) any new group shall have been formed which beneficially owns more than 5% of the outstanding Shares (options for and other rights to acquire Shares which are acquired or proposed to be acquired being deemed for purposes of this clause (f) to be immediately exercisable or convertible).

The foregoing conditions are for the sole benefit of the Company and may be asserted by the Company regardless of the circumstances (including any action or inaction by the Company) giving rise to any such condition, and any such condition may be waived by the Company, in whole or in part, at any time and from time to time in its discretion. The Company's failure at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right; the waiver of any such right with respect to particular facts and circumstances shall not be deemed a waiver with respect to any other facts or circumstances; and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time. Any determination by the Company concerning the events described above will be final and binding on all parties.

7. PRICE RANGE OF SHARES; DIVIDENDS. The Shares are listed and principally traded on the NYSE. The following table sets forth the high and low closing prices of the Shares as reported on the Composite Tape, and dividends paid per Share, for the fiscal periods indicated:

FISCAL QUARTER

HIGH

LOW

DIVIDENDS

FISCAL QUARTER	HIGH	LOW	DIVIDENDS
1994			
First.....	\$22 1/4	\$16 3/4	\$0.09
Second.....	\$20	\$16 7/8	\$0.09
Third.....	\$21 5/8	\$17 1/4	\$0.09
Fourth.....	\$21 3/8	\$16 7/8	\$0.09
1995:			
First.....	\$23 1/8	\$16 3/4	\$0.10
Second.....	\$22 3/4	\$20 3/8	\$0.10
Third.....	\$21 1/8	\$18 1/4	\$0.10
Fourth (through January 30, 1996).....	\$19 1/2	\$15 3/8	\$0.10

On January 26, 1996, the last full day of trading prior to the announcement of the Offer, the closing price of the Shares on the NYSE as reported on the Composite Tape was \$16 1/2 per Share. Stockholders are urged to obtain a current market quotation for the Shares.

On January 29, 1996, the Company declared a regular quarterly cash dividend of \$0.10 per Share, payable on March 29, 1996 to holders of record as of March 22, 1996. The dividend will not be payable with respect to Shares purchased pursuant to the Offer.

8. CERTAIN EFFECTS OF THE OFFER. As of January 26, 1996, the Company had issued and outstanding approximately 355,305,077 Shares. The 85,000,000 Shares that the Company is offering to purchase pursuant to the Offer represent approximately 23.9% of the Shares outstanding as of that date (approximately 29.2% excluding the Shares Mr. Wexner has agreed not to tender). The Company does not believe that the purchase of Shares pursuant to the Offer will result in delisting of the Shares on the NYSE or termination of registration of the Shares under the Exchange Act.

On August 30, 1993, the Company announced the establishment of a program for the repurchase of up to \$500 million of its Common Stock, such purchases to be effected on the open market, in privately negotiated transactions or otherwise. Purchases made pursuant to the program in the 40 business days preceding February 1, 1996 are set forth on Schedule A. The Company has not acquired any Shares under its repurchase program since January 17, 1996 and does not have any current plans to acquire additional Shares through such program. Any future purchases of Shares by the Company would depend on many factors, including the market price of the Shares, the Company's business and financial position, and general economic and market conditions. If the Company should decide to purchase any of its Shares in the future, any such purchases may be on the same terms as, or on terms which are more or less favorable to stockholders than, the terms of the Offer. Rule 13e-4(f)(6) under the Exchange Act, however, prohibits the Company and its affiliates from purchasing any Shares, other than pursuant to the Offer, until at least ten business days after the Expiration Date.

Leslie H. Wexner, Chairman, President and Chief Executive Officer of the Company currently owns approximately 18% of the outstanding Shares and, pursuant to the Wexner Agreement, has agreed not to tender any such Shares in the Offer. See Section 11. Assuming the purchase of 85,000,000 Shares by the Company pursuant to the Offer, Mr. Wexner would own approximately 23.8% of the outstanding Shares.

The Company currently intends to cancel and retire Shares purchased pursuant to the Offer. Such Shares will return to the status of authorized and unissued Shares.

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

WHILE THE BOARD OF DIRECTORS OF THE COMPANY BELIEVES THAT THE SHARES REPRESENT AN ATTRACTIVE INVESTMENT FOR ITS CONTINUING STOCKHOLDERS, THE BOARD OF DIRECTORS RECOMMENDS THAT THOSE STOCKHOLDERS WHO WISH TO RECEIVE A PREMIUM OVER THE RECENT, AND ANTICIPATED NEAR-TERM, MARKET PRICES FOR THE SHARES TENDER SOME OR ALL OF THEIR SHARES PURSUANT TO THE OFFER. PURSUANT TO THE WEXNER AGREEMENT, LESLIE H. WEXNER, CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE COMPANY, HAS AGREED NOT TO TENDER ANY SHARES PURSUANT TO THE OFFER. THE COMPANY HAS BEEN ADVISED THAT ITS DIRECTORS AND EXECUTIVE OFFICERS OTHER THAN MR. WEXNER HAVE NOT DETERMINED WHETHER TO TENDER SOME OR ALL OF THEIR SHARES PURSUANT TO THE OFFER. STOCKHOLDERS MUST MAKE THEIR OWN DECISIONS WHETHER TO TENDER SHARES AND, IF SO, HOW MANY SHARES TO TENDER.

9. SOURCE AND AMOUNT OF FUNDS. Assuming that the Company purchases 85,000,000 Shares pursuant to the Offer at a price of \$19.00 per Share, the Company estimates that the total amount required by the Company to purchase such Shares and pay related fees and expenses will be approximately \$1,621 million. The Company will pay for the Shares purchased pursuant to the Offer with the funds made available by the Reconfiguration Plan. At January 26, 1996, the Company's cash, cash equivalents and temporary investments aggregated approximately \$2.1 billion.

10. CERTAIN INFORMATION CONCERNING THE COMPANY. The Company is principally engaged in the purchase, distribution and sale of women's apparel, lingerie, men's apparel, personal care products and children's apparel. The Company operates an integrated distribution system which supports the Company's retail activities. These activities are conducted under various

trade names through the retail stores and catalogue divisions of the Company. Merchandise is targeted to appeal to customers in specialty markets who have distinctive consumer characteristics. The Company's women's apparel divisions offer regular and special-sized fashion apparel at various price levels, including shirts, blouses, sweaters, pants, skirts, coats and dresses. The Company also offers men's and children's apparel. In addition, the Company owns approximately 83% of Intimate Brands, which offers lingerie and accessories, fragrances, bed, bath and personal care products, and specialty gift items.

The Company was reincorporated under the laws of the State of Delaware in 1982, and its principal executive offices are located at Three Limited Parkway, P.O. Box 16000, Columbus, Ohio 43230. The Company's telephone number is (614) 479-7000.

Certain Recent Developments. On January 28, 1996, the Company announced its current estimate that the Company's earnings for its 1995 fiscal year (ending February 3, 1996), excluding non-recurring items, principally resulting from the Reconfiguration Plan, will be in the range of \$305 million to \$320 million, or between \$0.85 to \$0.90 per Share, based upon the number of Shares outstanding on January 28, 1996. The Company is also currently estimating that Intimate Brands' earnings for fiscal year 1995 (on a pro forma basis assuming (i) the consummation of the Intimate Brands IPO at the beginning of the year and (ii) the elimination of interest expense on Intimate Brands' short term borrowings, which Intimate Brands expects to repay with fourth quarter cash flow and the proceeds from the over-allotment option in its initial public offering) will be approximately \$213 million, or approximately \$0.85 per share of Common Stock outstanding on January 28, 1996.

Also on January 28, 1996, the Company announced that, because of the difficulty in analyzing trends in light of the abnormally severe January weather in the midwest and northeast and a 1995 holiday season which was clearly off-trend, the Company would not make any prediction or projection for its 1996 fiscal year. The Company did announce, however, its current expectation that Intimate Brands should continue to meet the Company's expectations, and that the Company's total earnings for 1996 on an operating basis should be no less than the comparable results for fiscal year 1995, with the potential to show significant improvement. The Company also stated its expectation that the Company's cash flow for fiscal 1996 should be stronger than that for 1995.

THE PRECEDING TWO PARAGRAPHS CONTAIN FORWARD LOOKING STATEMENTS THAT INVOLVE RISKS AND UNCERTAINTIES, AND ARE BASED UPON JUDGMENTS CONCERNING VARIOUS FACTORS, THAT ARE BEYOND THE COMPANY'S CONTROL. FACTORS THAT MIGHT AFFECT THE FOREGOING STATEMENTS INCLUDE, AMONG OTHERS, OVERALL ECONOMIC CONDITIONS AND THE IMPACT OF COMPETITION, PRICING, CONSUMER BUYING TRENDS AND WEATHER PATTERNS. FOR MORE COMPLETE INFORMATION CONCERNING FACTORS THAT MIGHT AFFECT THE COMPANY'S PERFORMANCE OR THAT OF INTIMATE BRANDS, SEE THE COMPANY'S AND INTIMATE BRANDS' FILINGS UNDER THE EXCHANGE ACT AND THE SECURITIES ACT OF 1933, AS AMENDED. THE COMPANY AND INTIMATE BRANDS RELEASE SALES FIGURES ON A MONTHLY BASIS.

Summary Historical Financial Information. Set forth below is certain consolidated historical financial information of the Company and its subsidiaries. The historical financial information (other than the ratios of earnings to fixed charges) was derived from the audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended January 28, 1995 (the "Company's 1994 Annual Report"), and from the unaudited consolidated financial statements included in the Company's Quarterly Report on Form 10-Q for the period ended October 28, 1995 (the "Company's 1995 Third Quarter Report") and other information and data contained in the Company's 1994 Annual Report and the Company's 1995 Third Quarter Report. More comprehensive financial information is included in such reports and the financial information which follows is qualified in its entirety by reference to such reports and all of the financial statements and related notes contained therein, copies of which may be obtained as set forth below under "Additional Information About the Company".

THE LIMITED, INC. AND SUBSIDIARIES
SUMMARY HISTORICAL FINANCIAL INFORMATION
(IN THOUSANDS, EXCEPT PER SHARE DATA AND FINANCIAL RATIOS)

	THIRTY-NINE WEEKS ENDED		YEAR ENDED	
	OCTOBER 28, 1995	OCTOBER 29, 1994	JANUARY 28, 1995	JANUARY 29, 1994
	(unaudited)		(unaudited)	
CONDENSED CONSOLIDATED STATEMENTS OF INCOME:				
Net sales	\$5,110,072	\$4,782,196	\$7,320,792	\$7,245,088
Operating income	268,134	358,978	798,989	701,556
Gain on issuance of subsidiary stock (1)	613,500			
Net income	\$745,286	\$191,598	\$448,343	\$390,999
Net income per share	\$2.08	\$0.53	\$1.25	\$1.08
Weighted average number of shares outstanding	358,619	358,693	358,601	363,234
Ratio of earnings to fixed charges (2)	4.66	2.59	3.76	3.53

CONDENSED CONSOLIDATED
BALANCE SHEETS:

Assets				
Total current assets	\$3,016,893	\$2,488,094	\$2,522,971	\$2,198,284
Total assets	5,116,943	4,555,758	4,570,077	4,135,105
Total assets less intangible assets (3)	4,971,306	4,422,357	4,445,720	4,005,171
Liabilities and Shareholders' Equity				
Total current liabilities	\$800,175	\$1,029,837	\$797,555	\$707,444
Long-term debt	650,000	650,000	650,000	650,000
Total liabilities	1,699,984	2,019,374	1,809,121	1,693,812
Shareholders' equity	3,416,959	2,536,384	2,760,956	2,441,293
Book value per share outstanding (4)	9.54	7.09	7.72	6.82
Shares outstanding at end of period	358,166	357,658	357,604	357,801

- (1) Gain on the initial public offering of Intimate Brands resulted from the proceeds on issuance of 40 million shares. Excluding the gain on the initial public offering, net income would be \$131,786 and net income per share would be \$.37 for the Thirty-nine weeks ended October 28, 1995. In addition, no effect has been given in the statement of income to the gain from the sale of an additional 2.7 million shares sold in November 1995 which resulted in proceeds of approximately \$43.4 million.
- (2) For the purpose of calculating the ratio of earnings to fixed charges, earnings consists of pre-tax income plus fixed charges consisting of interest and the portion of minimum rent considered representative of interest.
- (3) Intangible assets include: unamortized catalogue costs, goodwill, trademarks and non-compete agreements.
- (4) Book value per share outstanding is based upon actual shares outstanding net of shares held in treasury and does not include the effect of stock options.

PRO FORMA FINANCIAL INFORMATION

Set forth below is certain unaudited pro forma consolidated financial information of the Company and its subsidiaries based on historical information which has been adjusted to reflect (i) the consummation of the Receivables Securitization and the consummation of the WFN Sale, (ii) the Intimate Brands IPO (Intimate Brands is sometimes referred to below as "IBI") and (iii) the purchase of 85,000,000 Shares at a price of \$19.00 per Share pursuant to the Offer. The assumptions on which the pro forma financial information is based are further described in the accompanying notes. The pro forma financial information does not purport to be indicative of the results which would actually have been achieved if the foregoing transactions had been completed as of such dates or which may be achieved in the future. The pro forma financial information should be read in conjunction with the accompanying notes thereto and the financial statements and related notes set forth in the Company's 1994 Annual Report and the Company's 1995 Third Quarter Report, as well as the summary historical financial information set forth above.

THE LIMITED, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF INCOME
(IN THOUSANDS, EXCEPT PER SHARE DATA AND FINANCIAL RATIOS)

	THIRTY-NINE WEEKS ENDED OCTOBER 28, 1995	WFN TRANSACTIONS (b)	IBI TRANSACTIONS (c)	SUBTOTAL	TENDER OFFER (e)	PRO FORMA THIRTY-NINE WEEKS ENDED OCTOBER 28, 1995
NET SALES	\$5,110,072			\$5,110,072		\$5,110,072
Cost of goods sold, occupancy and buying costs	(3,830,752)			(3,830,752)		(3,830,752)
GROSS INCOME	1,279,320			1,279,320		1,279,320
General, administrative and store operating operating expenses	(1,011,186)	\$(76,413)		(1,087,599)		(1,087,599)
OPERATING INCOME	268,134	(76,413)		191,721		191,721
Interest expense	(59,261)			(59,261)		(59,261)
Gain on issuance of subsidiary stock (1)	613,500			613,500		613,500
Other income	9,913			9,913		9,913
Minority interest in net earnings of subsidiary			\$(12,264)	(12,264)		(12,264)
INCOME BEFORE INCOME TAXES	832,286	(76,413)	(12,264)	743,609		743,609
Provision for income taxes	87,000	(33,000)		54,000		54,000

NET INCOME	\$745,286	\$(43,413)	\$(12,264)	\$689,609	\$689,609
NET INCOME PER SHARE	\$2.08				\$2.52
WEIGHTED AVERAGE SHARES OUTSTANDING	358,619			(85,000)	273,619
RATIO OF EARNINGS TO FIXED CHARGES (2)	4.66				4.29

(1) Gain on the initial public offering of Intimate Brands resulted from the proceeds on issuance of 40 million shares. Excluding the gain on the initial public offering, net income would be \$131,786 and net income per share would be \$.37 for the Thirty-nine weeks ended October 28, 1995 on a historical basis. On a pro forma basis, net income would be \$76,109 and net income per share would be \$.28. In addition, no effect has been given in the statement of income to the gain from the sale of an additional 2.7 million shares sold in November, 1995 which resulted in proceeds of approximately \$43.4 million.

(2) For the purpose of calculating the ratio of earnings to fixed charges, earnings consists of pre-tax income, but with no charge for the minority interest in Intimate Brands and excluding equity in earnings of 40% owned WFN, plus fixed charges consisting of interest and the portion of minimum rent considered representative of interest.

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

THE LIMITED, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF INCOME
(IN THOUSANDS, EXCEPT PER SHARE DATA AND FINANCIAL RATIOS)

	YEAR ENDED JANUARY 28, 1995	WFN TRANSACTIONS (b)	IBI TRANSACTIONS (c)	SUBTOTAL	TENDER OFFER (e)	PRO FORMA JANUARY 28, 1995
NET SALES	\$7,320,792			\$7,320,792		\$7,320,792
Cost of goods sold, occupancy and buying costs	(5,206,429)			(5,206,429)		(5,206,429)
GROSS INCOME	2,114,363			2,114,363		2,114,363
General, administrative and store operating expenses	(1,315,374)	\$(94,425)		(1,409,799)		(1,409,799)
OPERATING INCOME	798,989	(94,425)		704,564		704,564
Interest expense	(65,381)			(65,381)		(65,381)
Other income	10,735			10,735		10,735
Minority interest in net earnings of subsidiary			\$(34,508)	(34,508)		(34,508)
INCOME BEFORE INCOME TAXES	744,343	(94,425)	(34,508)	615,410		615,410
Provision for income taxes	296,000	(43,000)		253,000		253,000
NET INCOME	\$448,343	\$(51,425)	\$(34,508)	\$362,410		\$362,410
NET INCOME PER SHARE	\$1.25					\$1.32
WEIGHTED AVERAGE SHARES OUTSTANDING	358,601				(85,000)	273,601
RATIO OF EARNINGS TO FIXED CHARGES (1)	3.76					3.36

(1) For the purpose of calculating the ratio of earnings to fixed charges, earnings consists of pre-tax income, but with no charge for the minority interest in Intimate Brands and excluding equity in earnings of 40% owned WFN, plus fixed charges consisting of interest and the portion of minimum rent considered representative of interest.

The accompanying notes are an integral part of the Unaudited Pro Forma

Consolidated Financial Statements.

THE LIMITED, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET
(IN THOUSANDS, EXCEPT PER SHARE DATA AND FINANCIAL RATIOS)

	OCTOBER 28, 1995	WFN TRANSACTIONS (a), (b)	IBI TRANSACTIONS (c), (d)	SUBTOTAL	TENDER OFFER (e)	PRO FORMA OCTOBER 28, 1995
ASSETS						
Current assets						
Cash and equivalents	\$ 274,886	\$1,337,958	\$382,916	\$1,995,760	\$(1,966,600)	\$ 29,160
Accounts receivable	1,312,856	(1,213,259)		99,597		99,597
Inventories	1,287,969			1,287,969		1,287,969
Other	141,182	(21,097)		120,085		120,085
Total current assets	3,016,893	103,602	382,916	3,503,411	(1,966,600)	1,536,811
Property and equipment, net	1,770,134	(11,410)		1,758,724		1,758,724
Restricted cash					351,600	351,600
Other assets	329,916	47,821		377,737		377,737
TOTAL ASSETS	\$5,116,943	\$140,013	\$382,916	\$5,639,872	\$(1,615,000)	\$4,024,872(1)
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities						
Accounts payable	\$353,972	\$(7,472)		\$346,500		\$346,500
Accrued expenses	377,433	(21,675)		355,758		355,758
Commercial paper/CDs	54,200	81,938	\$340,000	476,138		476,138
Income taxes	14,570	31,203		45,773		45,773
Total current liabilities	800,175	83,994	340,000	1,224,169		1,224,169
Long-term debt	650,000			650,000		650,000
Deferred income taxes	174,499	10,276		184,775		184,775
Other long-term liabilities	53,810	(1,060)		52,750		52,750
Minority interest	21,500		6,949	28,449		28,449
Contingent stock redemption agreement					351,600	351,600
Total shareholders' equity	3,416,959	46,803	35,967	3,499,729	(1,966,600)	1,533,129
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$5,116,943	\$140,013	\$382,916	\$5,639,872	\$(1,615,000)	\$4,024,872
Book value per share outstanding (2)	\$9.54					\$5.61
Shares outstanding at end of period	358,167					273,167

(1) Total assets less intangible assets on a pro forma basis are \$3,879,235.

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

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

THE LIMITED, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET
(IN THOUSANDS, EXCEPT PER SHARE DATA AND FINANCIAL RATIOS)

	JANUARY 28, 1995	WFN TRANSACTIONS (a), (b)	IBI TRANSACTIONS (c), (d)	SUBTOTAL	TENDER OFFER (e)	PRO FORMA JANUARY 28, 1995
ASSETS						
Current assets						
Cash and equivalents	\$ 242,780	\$1,336,584	\$677,916	\$2,257,280	\$(1,966,600)	\$ 290,680
Accounts receivable	1,292,399	(1,219,545)		72,854		72,854
Inventories	870,440			870,440		870,440
Other	117,352	(21,982)		95,370		95,370

Total current assets	2,522,971	95,057	677,916	3,295,944	(1,966,600)	1,329,344
Property and equipment, net	1,692,145	(11,690)		1,680,455		1,680,455
Restricted cash					351,600	351,600
Other assets	354,961	46,647		401,608		401,608
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$4,570,077</u>	<u>\$130,014</u>	<u>\$677,916</u>	<u>\$5,378,007</u>	<u>\$(1,615,000)</u>	<u>\$3,763,007(1)</u>
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities						
Accounts payable	\$275,303	\$(5,124)		\$270,179		\$270,179
Accrued expenses	372,676	(6,285)		366,391		366,391
Commercial paper/CDs	25,200	35,220		60,420		60,420
Income taxes	124,376	38,705		163,081		163,081
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total current liabilities	797,555	62,516		860,071		860,071
Long-term debt	650,000			650,000		650,000
Deferred income taxes	306,139	10,276		316,415		316,415
Other long-term liabilities	55,427	(834)		54,593		54,593
Minority interest			\$28,449	28,449		28,449
Contingent stock redemption agreement					\$351,600	351,600
Total shareholders' equity	<u>2,760,956</u>	<u>58,056</u>	<u>649,467</u>	<u>3,468,479</u>	<u>(1,966,600)</u>	<u>1,501,879</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$4,570,077</u>	<u>\$130,014</u>	<u>\$677,916</u>	<u>\$5,378,007</u>	<u>\$(1,615,000)</u>	<u>\$3,763,007</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Book value per share outstanding (2)	7.72					5.51
Shares outstanding at end of period	357,604					272,604

(1) Total assets less intangible assets on a pro forma basis are \$3,638,650.

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

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

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

The unaudited pro forma consolidated statements of income are based on the historical financial statements of the Company and assume the transactions below had taken place as of the beginning of the periods presented. The pro forma consolidated balance sheets assume the transactions had taken place on the dates presented. The pro forma amounts are based on certain assumptions and estimates and, therefore, do not purport to be indicative of results that actually would have been achieved if the transactions had been completed as of such dates or indicative of future results of operations and financial condition.

The historical information has been adjusted to give effect to the following transactions and assumptions to the extent not reflected in the historical financial statements:

- (a) The pro forma balance sheets reflect the proceeds from the Receivables Securitization. Assumed net proceeds of approximately \$1.204 billion are used to repay intercompany loans and balances due to the Company.
- (b) The pro forma balance sheets and pro forma statements of income reflect deconsolidation of WFN as a result of the WFN Sale, which closed on January 31, 1996 and resulted in net proceeds of approximately \$150 million. An additional \$15 million was contributed by the purchaser and retained by WFN for working capital. The pro forma statements of income include equity in earnings of WFN which reflects the Company's 40% interest in WFN. The earnings of WFN are reflected as a reduction of General, administrative and store operating expenses on a pre-tax basis prior to interest expense in the historical statements of income and on an after interest, after tax basis in the pro forma statements of income. Since WFN's receivables balances at the time of the Receivables Securitization were higher than those reflected in the historical balance sheets at the dates presented, the excess of the assumed proceeds from the

Receivables Securitization over credit card receivables is reflected as commercial paper borrowings. The nonrecurring gain related to the WFN Sale has been excluded from the pro forma statements of income.

- (c) The pro forma balance sheet at January 28, 1995 reflects the Intimate Brands IPO, which resulted in proceeds of approximately \$643.2 million on the sale of 40 million shares, effective October 27, 1995, and the sale of 2.7 million additional shares, effective November 21, 1995, which resulted in additional proceeds of \$43.4 million. The pro forma balance sheet at October 28, 1995 reflects the sale of the 2.7 million shares of Intimate Brands. The nonrecurring gains resulting from the Intimate Brands IPO have been excluded from the pro forma statements of income to the extent not recognized in the historical financial statements. The pro forma statements of income reflect the minority interest in net income of Intimate Brands for the periods presented.
- (d) The pro forma balance sheet at October 28, 1995 assumes commercial paper borrowings of \$340 million related to seasonal working capital needs temporarily financed from the Intimate Brands IPO and later repaid by working capital from operations.
- (e) It is assumed that \$1.615 billion made available by the Reconfiguration Plan will be used to consummate the purchase of 85 million shares at \$19 per share pursuant to the Offer. It is assumed that Shares so purchased are retired. In addition, \$351.6 million will be restricted pursuant to the Wexner Agreement. An equal amount shown as Contingent Stock Redemption Agreement has been transferred from shareholders' equity.

Plans and Proposals. Except as disclosed in this Offer to Purchase, the Company has no other agreements or understandings as to either divestitures or acquisitions that would be material to the Company and does not have any plans or proposals which relate to or would result in: (a) the acquisition by any person of additional securities of the Company or the disposition of securities of the Company; (b) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Company or any of its subsidiaries; (c) a sale or transfer of a material amount of assets of the Company or any of its subsidiaries; (d) any change in the present Board of Directors or management of the Company; (e) any material change in the present dividend policy, indebtedness or capitalization of the Company; (f) any other material change in the Company's corporate structure or business; (g) any change in the Company's Certificate of Incorporation or By-Laws or any actions which may impede the acquisition of control of the Company by any person; (h) a class of equity security of the Company being terminated from quotation on the NYSE; (i) a class of equity security of the Company becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Exchange Act; or (j) the suspension of the Company's obligation to file reports pursuant to Section 15(d) of the Exchange Act.

Additional Information About the Company. The Company's Annual Report on Form 10-K for the year ended January 28, 1995, its Quarterly Report on Form 10-Q for the quarter ended July 29, 1995, its Quarterly Report on Form 10-Q for the quarter ended October 28, 1995 and its Proxy Statement with respect to its 1995 annual meeting have been filed with the Commission. Copies of such documents may be obtained from The Limited, Inc., Three Limited Parkway, Columbus, Ohio 43230, telephone (614) 479-7000.

The Company is subject to the informational filing requirements of the Exchange Act, and in accordance therewith is obligated to file reports and other information with the Commission relating to its business, financial statements and other matters. Certain information as of particular dates, concerning the Company's directors and officers, their remuneration, options granted to them, the principal holders of the Company's securities and any material interest of such persons in transactions with the Company, is filed with the Commission. Such reports, as well as such other material, may be inspected and copies obtained at prescribed rates at the Commission's public reference facilities at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549; 7 World Trade Center, 13th Floor, New York, New York 10048; and 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. The Company has also filed with the Commission a statement on Schedule 13E-4 that contains additional information with respect to the Offer. Such Schedule and certain amendments thereto may be examined and copies may be obtained at the same places and in the same manner as set forth above (except that such Schedule may not be available in the regional offices of the Commission). In addition, material filed by the Company may be inspected at the offices of the NYSE, 20 Broad Street, New York, New York 10005.

11. TRANSACTIONS AND AGREEMENTS CONCERNING THE SHARES. Except with respect to the Wexner Agreement (described below) and except as set forth in Schedule A hereto, neither the Company nor, to its knowledge, any of its subsidiaries, executive officers or directors or any associate of any such officer or director has engaged in any transactions involving the Shares during the 40 business days preceding the date hereof. Except with respect to the Wexner Agreement, neither the Company nor, to its knowledge, any of its executive officers or directors is a party to any contract, arrangement, understanding or relationship relating directly or indirectly to the Offer with any other person with respect to the Shares.

The Wexner Agreement. On January 26, 1996, the Company, Mr. Wexner and The Wexner Children's Trust (the "Trust") entered into the Wexner Agreement. The following summary of the material terms of the Wexner Agreement does not purport to be complete and is qualified in its entirety

by reference to the Wexner Agreement, a copy of which was filed with the Commission as an exhibit to the Schedule 13E-4 and is available for inspection as described in Section 10. A new, wholly-owned subsidiary (the "Subsidiary") of the Company will guarantee the Company's obligations under the Wexner Agreement, will be capitalized by the Company with \$351.6 million (representing the amount required to pay the Redemption Price in the event of an exercise in full of the Redemption Right (each, as defined below)) and will not engage in any actions or undertake any operations other than as contemplated by the Wexner Agreement. Pursuant to the terms of the Wexner Agreement, the Trust will deposit 18,750,000 Shares (the "Subject Shares") in a custody account established with Morgan Guaranty Trust Company of New York. For the purposes of the Agreement, a "Subject Share" will include, in the event of any spinoff or other distribution by the Company to its stockholders of any business controlled by the Company, in addition to a Share, such security (or portion thereof) as the Trust may receive in the spinoff or other distribution in respect of each Share.

Pursuant to the terms of the Wexner Agreement, the Trust will have the opportunity (the "Redemption Right"), commencing on January 31, 1998 and for a period of three years thereafter (the "Exercise Period"), to require the Company to redeem the Subject Shares, from time to time, in whole or in part (subject to specified minimum amounts), at a price per share equal to \$18.75, subject to certain adjustments (the "Redemption Price"). The Trust will have the right to transfer the Redemption Right, from time to time, in whole or in part, to (i) Mr. Wexner, (ii) any member of his immediate family, (iii) any corporation, partnership, trust or other entity, all of the owners or beneficiaries of which are Mr. Wexner or any member of his immediate family or any charitable trust, (iv) any estate or personal representative of Mr. Wexner or any member of his immediate family and (v) subject to certain conditions, third parties, in each case, provided such transferee agrees to be bound by the terms of the Wexner Agreement. The Trust will have the right to pledge the Redemption Right to a financial institution reasonably satisfactory to the Company to secure its obligations in respect of borrowed money under any credit or similar agreement. The Trust will be permitted to withdraw Subject Shares from the custody account provided such withdrawn shares are replaced by an amount in cash equal to 120% of the market value of the withdrawn shares. The Trust will be permitted to sell the withdrawn shares.

The Company will have the opportunity (the "Company Redemption Right"), beginning on July 31, 2001 and for six months thereafter, to redeem the Subject Shares, from time to time, in whole or in part (subject to specified minimum amounts), at a price per share equal to \$25.07, subject to certain adjustments (also referred to as the "Redemption Price"). The Company will have the right to transfer the Company Redemption Right, from time to time, in whole or in part, to any affiliate. The Company Redemption Right will be reduced on a share-for-share basis for any Subject Shares redeemed by the Company pursuant to the Redemption Right.

Subject to the terms of the Wexner Agreement, certain adjustments will be made to the number of Shares subject to the Redemption Right and the Company Redemption Right or to the Redemption Price, as the case may be, on the following events: (i) the payment of a dividend of Shares or any subdivision, split or reclassification of Shares; (ii) the issuance of Shares (or rights, warrants or other securities convertible into or exchangeable or exercisable for Shares) to all holders of Shares at a price less than its market price; (iii) the repurchase of Shares at a price in excess of its market price (other than the Offer); or (iv) any change, reclassification, conversion or other similar transaction involving the Shares.

Pursuant to the Wexner Agreement, Mr. Wexner has agreed not to tender any Shares pursuant to the Offer.

12. REGULATORY APPROVALS. The Company is not aware of any approval or other action by any government or governmental, administrative or regulatory authority or agency, domestic or foreign, that would be required for the Company's acquisition or ownership of Shares as contemplated by the Offer or of any license or regulatory permit that appears to be material to its business that might be adversely affected by its acquisition of Shares as contemplated in the Offer. Should any such approval or other action be required, the Company currently contemplates that it will seek such approval or other action. The Company cannot predict whether it may determine that it is required to delay the acceptance of, or payment for, Shares tendered pursuant to the Offer pending the outcome of any such matter. There can be no assurance that any such approval or other action, if needed, would be obtained or would be obtained without substantial conditions or that the failure to obtain any such approval or other action might not result in adverse consequences to the Company's business. The Company's obligations under the Offer to accept for payment and pay for Shares are subject to certain conditions. See Section 6.

13. CERTAIN FEDERAL INCOME TAX CONSEQUENCES. The following summary describes certain United States federal tax consequences relevant to the Offer. The discussion contained in the summary is based upon the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), existing and proposed Treasury Regulations, administrative pronouncements and judicial decisions, changes to which could materially affect the tax consequences described herein and could be made on a retroactive basis.

This summary discusses only Shares held as a capital asset within the meaning of Section 1221 of the Code and does not deal with all tax consequences that may be relevant to all categories of holders (such as dealers in securities or commodities, insurance companies, tax-exempt organizations or persons who hold Shares as a position in a straddle). In particular, the summary may not be applicable with respect to Shares

acquired as compensation (including Shares acquired upon the exercise of options or the vesting of restricted Shares). The summary does not address the state, local or foreign tax consequences of participating in the Offer. Holders of Shares should consult their tax advisors as to the particular consequences to them of participation in the Offer.

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

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

Exchange of Shares Pursuant to the Offer. An exchange of Shares for cash in the Offer by a Holder will be a taxable transaction for United States federal income tax purposes. As a consequence of the exchange, the Holder will, depending on such Holder's particular circumstances, be treated either as recognizing gain or loss from the disposition of the Shares or as receiving a dividend distribution from the Company.

Under Section 302 of the Code, a Holder will recognize gain or loss on an exchange of Shares for cash if the exchange (i) results in a "complete termination" of all such Holder's equity interest in the Company, (ii) results in a "substantially disproportionate" redemption with respect to such Holder or (iii) is "not essentially equivalent to a dividend" with respect to the Holder. In applying the Section 302 tests, a Holder must take account of stock that such Holder constructively owns under attribution rules, pursuant to which the Holder will be treated as owning stock of the Company owned by certain family members (except that in the case of a "complete termination" a Holder may, under certain circumstances, waive attribution from family members) and related entities and stock of the Company that the Holder has the right to acquire by exercise of an option. An exchange of Shares for cash will be a substantially disproportionate redemption with respect to a Holder if the percentage of the then outstanding Shares owned by such Holder immediately after the exchange is less than 80% of the percentage of the Shares owned by such Holder immediately before the exchange. If an exchange of Shares for cash fails to satisfy the "substantially disproportionate" test, the Holder may nonetheless satisfy the "not essentially equivalent to a dividend" test. An exchange of Shares for cash will satisfy the "not essentially equivalent to a dividend" test if it results in a "meaningful reduction" of the Holder's equity interest in the Company. An exchange of Shares for cash that results in a reduction of the proportionate equity interest in the Company of a Holder whose relative equity interest in the Company is minimal (an interest of less than one percent should satisfy this requirement) and who does not exercise any control over or participate in the management of the Company's corporate affairs should be treated as "not essentially equivalent to a dividend". It is possible that the Internal Revenue Service would take the position that, for purposes of calculating a Holder's proportionate equity interest in the Company immediately after the exchange, the total number of outstanding Shares should be reduced by the number of Shares subject to the Wexner Agreement. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE APPLICATION OF THE RULES OF SECTION 302 IN THEIR PARTICULAR CIRCUMSTANCES.

If a Holder is treated as recognizing gain or loss from the disposition of the Shares for cash, such gain or loss will be equal to the difference between the amount of cash received and such Holder's tax basis in the Shares exchanged therefor. Any such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the holding period of the Shares exceeds one year as of the date of the exchange. Gain or loss must be determined separately for each block of Shares (that is, Shares acquired at the same cost in a single transaction) that is exchanged for cash. A Holder may be able to designate (generally through its broker) which blocks of Shares are tendered pursuant to the Offer if less than all of such Holder's Shares are tendered, and the order in which blocks are exchanged for cash, in case of proration pursuant to the Offer. Each Holder should consult its tax advisor concerning the mechanics and desirability of such a designation.

If a Holder is not treated under the Section 302 tests as recognizing gain or loss on an exchange of Shares for cash, the entire amount of cash received by such Holder pursuant to the exchange will be treated as a dividend to the extent of the Holder's allocable portion of the Company's current and accumulated earnings and profits. Such a dividend will be includible in the Holder's gross income as ordinary income in its entirety, without reduction for the tax basis of the Shares exchanged, and no loss will be recognized. The Holder's tax basis in the Shares exchanged, however, will be added to such Holder's tax basis in the remaining Shares that it owns. To the extent that cash received in exchange for Shares is treated as a dividend to a corporate Holder, (i) it will be eligible for a dividend-received deduction (subject to applicable limitations) and (ii) it will be subject to the "extraordinary dividend" provisions of the Code. Corporate Holders should consult their tax advisors concerning the availability of the dividend-received deduction and the application of the "extraordinary dividend" provisions of the Code.

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

rules discussed above.

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

14. EXTENSION OF TENDER PERIOD; TERMINATION; AMENDMENTS. The Company expressly reserves the right, in its sole discretion and regardless of whether any of the conditions specified in Section 6 shall have been satisfied, at any time or from time to time, to (i) extend the period of time during which the Offer is open by giving oral or written notice of such extension to the Depositary or (ii) amend the Offer in any respect by making a public announcement of such amendment. During any such extension, all Shares previously tendered and not purchased or withdrawn will remain subject to the Offer, except to the extent that such Shares may be withdrawn as set forth in Section 4. The Company also expressly reserves the right, in its sole discretion, to terminate the Offer and not accept for payment or pay for any Shares not theretofore accepted for payment or paid for or, subject to applicable law, to postpone payment for Shares upon the occurrence of any of the conditions specified in Section 6 hereof by giving oral or written notice of such termination or postponement to the Depositary and making a public announcement thereof. The Company's reservation of the right to delay payment for Shares which it has accepted for payment is limited by Rule 13e-4(f)(5) promulgated under the Exchange Act, which requires that the Company must pay the consideration offered or return the Shares tendered promptly after termination or withdrawal of a tender offer. Subject to compliance with applicable law, the Company further reserves the right, in its sole discretion, to amend the Offer in any respect. Amendments to the Offer may be made at any time or from time to time effected by public announcement thereof, such announcement, in the case of an extension, to be issued no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date. Any public announcement made pursuant to the Offer will be disseminated promptly to stockholders in a manner reasonably designed to inform stockholders of such change. Without limiting the manner in which the Company may choose to make a public announcement, except as required by applicable law, the Company shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release to the Dow Jones News Service.

If the Company materially changes the terms of the Offer or the information concerning the Offer, the Company will extend the Offer to the extent required by Rules 13e-4(d)(2) and 13e-4(e)(2) promulgated under the Exchange Act. These rules provide that the minimum period during which an offer must remain open following material changes in the terms of the offer or information concerning the offer (other than a change in price, change in the dealer's soliciting fee or a change in percentage of securities sought) will depend on the facts and circumstances, including the relative materiality of such terms or information. If (i) the Company increases or decreases the consideration offered for Shares pursuant to the Offer or the amount of the dealer's soliciting fee or the Company increases the number of Shares being sought by an amount exceeding 2% of the outstanding Shares, or the Company decreases the number of Shares being sought and (ii) the Offer is scheduled to expire at any time earlier than the expiration of a period ending on the tenth business day from, and including, the date that notice of such increase or decrease is first published, sent or given, the Offer will be extended until the expiration of such period of ten business days.

15. FEES. Other than as described below, no fees will be paid to brokers, dealers or others by the Company in connection with the Offer.

Dealer Managers. Lazard and Goldman Sachs have been retained by the Company to act as Dealer Managers in connection with the Offer. Lazard and Goldman, Sachs will each receive a fee of \$750,000 for their services as Dealer Managers. Lazard and Goldman Sachs will also be reimbursed by the Company for their out-of-pocket expenses, including attorneys' fees, and will be indemnified against certain liabilities, including liabilities under the federal securities laws, in connection with the Offer. Lazard has from time to time provided investment banking services to the Company, including acting as co-lead manager of the Intimate Brands IPO and financial advisor to the Company in connection with the WFN Sale and other matters, for which Lazard has received, or will receive, customary compensation. Goldman Sachs has from time to time provided investment banking services to the Company, including acting as co-lead manager of the Intimate Brands IPO, for which Goldman Sachs has received, or will receive, customary compensation. It is expected that Lazard Freres and Goldman Sachs will continue to provide such services to the Company in the future.

Depositary and Information Agent. The Company has retained D. F. King & Co., Inc. to act as Information Agent and First Chicago Trust Company of New York to act as Depositary in connection with the Offer. The Information Agent may contact holders of Shares by mail, telephone, telex, telegraph and personal interviews and may request brokers, dealers and other nominee stockholders to forward materials relating to the Offer to beneficial owners. The Information Agent and the Depositary will each receive reasonable and customary compensation for their respective services, will be reimbursed for certain reasonable out-of-pocket expenses and will be indemnified against certain liabilities and expenses in connection with the Offer, including liabilities under the Federal securities laws. The Depositary has also rendered transfer services to the Company in the past for which it has received customary compensation, and can be expected to render similar services to the Company in the future. The Information Agent may render information services to the Company in the future. Neither the Depositary nor the Information Agent has been retained to, or is authorized to, make recommendations in connection with the Offer.

Brokers, dealers, commercial banks and trust companies will, upon

request, be reimbursed by the Company for reasonable and necessary costs and expenses incurred by them in forwarding materials to their customers.

16. MISCELLANEOUS. The Offer is not being made to, nor will the Company accept tenders from, holders of Shares in any state of the United States or any foreign jurisdiction in which the Offer or the acceptance thereof would not be in compliance with the laws of such state or foreign jurisdiction. The Company is not aware of any state or foreign jurisdiction the laws of which would prohibit the Offer or such acceptance. In those jurisdictions whose laws require the Offer to be made by a licensed broker or dealer, the Offer is being made on behalf of the Company by the Dealer Managers or one or more registered brokers or dealers licensed under laws of such jurisdictions.

SCHEDULE A

TRANSACTIONS CONCERNING
THE SHARES OF THE LIMITED, INC.

The following transactions were effected by The Limited, Inc. during the 40 business-day period preceding February 1, 1996. All of these transactions were effected as open-market purchases.

DATE OF TRANSACTION	NUMBER OF SHARES PURCHASED	PRICE PER SHARE	AGGREGATE PURCHASE PRICE
11/28/95	2,000	\$16.875	\$ 33,750
12/21/95	113,100	16.75	1,894,425
12/22/95	134,900	16.75	2,259,575
12/26/95	12,000	16.125	193,500
	5,000	16.25	81,250
	105,400	16.375	1,725,925
12/27/95	36,300	16.25	589,875
	34,500	16.125	556,313
	172,900	16.375	2,831,238
12/28/95	324,500	15.875	5,151,438
	100,000	16.00	1,600,000
	75,000	16.125	1,209,375
12/29/95	2,000	16.25	32,500
	13,300	16.375	217,788
	70,000	16.50	1,155,000
	3,000	16.75	50,250
	50,000	16.875	843,750
1/5/96	80,000	16.50	1,320,000
	100,000	16.625	1,662,500
1/10/96	24,000	16.25	390,000
	350,000	16.375	5,731,250
	100,000	16.50	1,650,000
1/11/96	79,100	16.25	1,285,375
	90,000	16.375	1,473,750
1/12/96	120,400	16.125	1,941,450
	229,600	16.25	3,731,000
	20,000	16.375	327,500
1/15/96	150,000	16.00	2,400,000
	180,000	16.25	2,925,000
1/16/96	1,000	15.50	15,500
	50,000	15.875	793,750

APPENDIX A

[SMITH BARNEY
LETTERHEAD]

January 26, 1996

The Board of Directors
The Limited, Inc.
Three Limited Parkway
Columbus, OH 43230

Ladies and Gentlemen:

We understand that The Limited, Inc. (the "Company"), intends to enter into a stock redemption agreement (the "Agreement") with Leslie H. Wexner, chief executive officer of the Company and the beneficial owner of approximately 17.5% of the Company's outstanding common stock, par value \$.50 per share (the "Common Stock"), and a trust created by Mr. Wexner (Mr. Wexner and such trust being collectively referred to as "Mr. Wexner"), providing for (i) the grant to Mr. Wexner by the Company of a right (the "Redemption Right") to sell to the Company up to 18.75 million shares (the "Shares") of the Common Stock currently held by Mr. Wexner, at a price of \$18.75 per Share, and (ii) the grant to the Company by Mr. Wexner of a right (the "Purchase Right") to buy any and all of the Shares at a price of \$25.07 per Share. The Redemption Right and the Purchase Right are sometimes collectively referred to as the "Redemption Transactions." All obligations of the Company in respect of the Redemption Right will be guaranteed by a newly formed wholly owned subsidiary of the

Company (the "Subsidiary"). We also understand that the Company intends to make a cash tender offer (the "Tender Offer") for up to 85 million shares of Common Stock at a price of \$19.00 per share (the excess of such per share Tender Offer price paid for Common Stock purchased pursuant to the Tender Offer over the unaffected market price per share of the Common Stock shortly following the date of consummation of the Tender Offer being hereinafter referred to as the "Tender Offer Premium"). Pursuant to the Agreement, Mr. Wexner has agreed not to tender any Common Stock in the Tender Offer. You have requested the opinion of Smith Barney Inc. ("Smith Barney") as to the fairness to the Company from a financial point of view of the net value per Share of the Redemption Transactions in relation to the Tender Offer Premium on a pre-tax basis.

The Redemption Right will be exercisable, from time to time, in whole or in part, commencing on the second anniversary of the earlier to occur of (i) the day immediately preceding the date of the commencement of the Tender Offer or (ii) February 2, 1996 (such date, the "Effective Date") and for a period of three years thereafter. The Subsidiary will be capitalized with \$351,562,500 and will not be permitted to take any actions or undertake any operations other than in connection with (i) the holding and investing of such funds in accordance with specified guidelines and (ii) the Redemption and Purchase Rights. The Purchase Right will be exercisable, from time to time, in whole or in part, commencing on the date five and one-half years from the Effective Date and for a period of six months thereafter. The Redemption Right and the Purchase Right are subject to certain limitations on transferability and anti-dilution provisions. The Shares will be placed in a custody account. Mr. Wexner will be permitted to withdraw Shares from the custody account and to sell such withdrawn Shares, provided such withdrawn Shares are replaced by an amount in cash equal to 120% of their market value at the time of withdrawal and an amount of cash equal to 120% of the market value of such securities, calculated on a weekly basis, is maintained in such account. The descriptions of the Agreement, the Redemption Right and the Purchase Right contained herein are not intended to be complete and are qualified in their entirety by reference to the Agreement.

In arriving at our opinion, Smith Barney has (i) reviewed a draft of the Agreement dated January 26, 1996, and discussed certain changes being made thereto with counsel for the Company, (ii) reviewed a draft dated January 26, 1996 of the offer to purchase (the "Offer to Purchase") to be disseminated to shareholders of the Company in connection with the Tender Offer, (iii) reviewed the historical market prices and trading activity for the Common Stock and for the common stock of certain publicly traded companies in the retailing industry which we deemed to be reasonably comparable to the Company and (iv) reviewed such other information, conducted analyses, including a Black-Scholes option valuation, and reviewed such other information, performed such other investigations and took into account such other matters as we deemed relevant, provided, however, that this opinion does not take into account the tax consequences to the Company, Mr. Wexner or any tendering stockholder of the entry into the Agreement, the grant or exercise of the Redemption Right or the Purchase Right or the purchase or sale of Common Stock pursuant to the Tender Offer. In addition, in arriving at our opinion, Smith Barney has assumed, with your consent, (i) execution of the Agreement substantially in the form reviewed with changes as discussed, (ii) consummation of the Tender Offer and (iii) that, through the expiration dates of the Redemption Right and the Purchase Right, increases in dividends on the Common Stock will not materially exceed the Company's historical pattern over the past five years.

Smith Barney did not participate in the formulation, structuring, negotiation or any other aspect of the Company's restructuring transactions described in the Offer to Purchase or of the Tender Offer, nor has Smith Barney evaluated alternatives thereto. This opinion is necessarily based on economic and market conditions and other circumstances as they exist and can be evaluated by us as of the date hereof, and values the Redemption Transactions and Tender Offer Premium as of a time shortly after the consummation of the Tender Offer. This opinion does not address, nor should it be construed to address, (i) the pro forma financial condition of the Company and its subsidiaries following consummation of the restructuring transactions and the Tender Offer, (ii) the decision of the Board of Directors to engage in such transactions or (iii) the fairness of the consideration to be paid in the Tender Offer or the Tender Offer Premium.

Smith Barney and certain of its affiliates, in the ordinary course of their respective businesses, may own or actively trade the equity securities of the Company for our or their own account and for the accounts of customers and, accordingly, may at any time hold a long or short position in such securities.

It is understood that this letter is being furnished for the use and benefit of the Board of Directors of the Company in its consideration of the Agreement and may not be reproduced, disseminated, quoted or referred to at any time, in any manner or for any purpose without our prior written consent, provided, however, that this letter may be reproduced in full in the Offer to Purchase. This letter does not constitute a recommendation to any stockholder with respect to whether to tender Common Stock pursuant to the Tender Offer.

Subject to the foregoing, we are of the opinion that the net value per Share of the Redemption Transactions does not exceed the Tender Offer Premium and, therefore, the net value per Share of the Redemption Transactions in relation to the Tender Offer Premium is fair, from a financial point of view, to the Company.

Very truly yours,

/s/ SMITH BARNEY INC.
SMITH BARNEY INC.

The Depository will accept legible copies of the Letter of Transmittal, which should be sent, together with certificates for the Shares tendered and any other required documents, to the Depository at one of its addresses below:

The Depository for the Offer is:

FIRST CHICAGO TRUST COMPANY OF NEW YORK

By Mail:

First Chicago Trust Company of New York
Tenders & Exchanges
Suite 4660-LTD
P.O. Box 2559
Jersey City, New Jersey 07303-2559

By Hand:

First Chicago Trust Company
of New York
Tenders & Exchanges
Suite 4680-LTD
14 Wall Street, 8th Floor
New York, New York 10005

Please contact the Information Agent at the telephone numbers and address below with any questions or requests for assistance or additional copies of the Offer to Purchase and Letters of Transmittal and Notices of Guaranteed Delivery.

The Information Agent for the Offer is:

D. F. KING & CO., INC.
77 Water Street
New York, New York 10005
(212) 269-5550 (Call Collect)
or
Call Toll-Free (800) 549-6864

The Dealer Managers for the Offer are:

LAZARD FRERES & CO. LLC
30 Rockefeller Plaza
New York, New York 10020
(212) 632-6717

GOLDMAN, SACHS & CO.
85 Broad Street
New York, New York 10004
(800) 323-5678

LETTER OF TRANSMITTAL
To Tender Shares of Common Stock
of
THE LIMITED, INC.
Pursuant to its Offer to Purchase
dated February 1, 1996

THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, MARCH 6, 1996, UNLESS THE OFFER IS EXTENDED.

To: FIRST CHICAGO TRUST COMPANY OF NEW YORK, Depository

By Mail:

By Hand:

First Chicago Trust
Company of New York
Tenders & Exchanges
Suite 4660 - LTD
P.O. Box 2559
Jersey City, NJ 07303-2559

First Chicago Trust
Company of New York
Tenders & Exchanges
Suite 4680 - LTD
14 Wall Street, 8th Floor
New York, NY 10005

DELIVERY OF THIS INSTRUMENT TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

This Letter of Transmittal is to be used only if certificates are to be forwarded herewith, unless an Agent's Message (as defined in the Offer to Purchase) is utilized, or if delivery of Shares (as defined below) is to be made by book-entry transfer to the Depository's account at The Depository Trust Company ("DTC"), Midwest Securities Trust Company ("MSTC") or Philadelphia Depository Trust Company ("PHILADEP", and, together with DTC and MSTC, the "Book-Entry Transfer Facilities") pursuant to the procedures set forth in Section 3 of the Offer to Purchase.

Stockholders who cannot deliver their Shares and all other documents required hereby to the Depository by the Expiration Date (as defined in the Offer to Purchase) (or who are unable to comply with the procedures for book-entry transfer on a timely basis) must tender their Shares pursuant to the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase. See Instruction 2. Delivery of documents to one of the Book-Entry Transfer Facilities does not constitute delivery to the Depository.

DESCRIPTION OF SHARES TENDERED

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

* Need not be completed by stockholders tendering by book-entry transfer.
** Unless otherwise indicated, it will be assumed that all Shares represented by any certificates delivered to the Depository are being tendered. See Instruction 4.

[] CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER TO THE DEPOSITARY'S ACCOUNT AT ONE OF THE BOOK-ENTRY TRANSFER FACILITIES AND COMPLETE THE FOLLOWING:

Name of Tendering Institution_____

[] DTC [] MSTC [] PHILADEP (check one) Account No. _____

Transaction Code No. _____

[] CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE THE FOLLOWING:

Name(s) of Tendering Stockholder(s)_____

Date of Execution of Notice of Guaranteed Delivery_____

Name of Institution which Guaranteed Delivery_____

If delivery is by book-entry transfer:

Name of Tendering Institution _____

DTC MSTC PHILADEP (check one) Account No. _____

Transaction Code No. _____

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

Ladies and Gentlemen:

The undersigned hereby tenders to The Limited, Inc., a Delaware corporation (the "Company"), the above-described shares of Common Stock, \$.50 par value per share (such shares, together with all other outstanding shares of Common Stock of the Company, are herein referred to as the "Shares"), pursuant to the Company's offer to purchase up to 85,000,000 Shares at a price of \$19.00 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase dated February 1, 1996 (the "Offer to Purchase"), receipt of which is hereby acknowledged, and in this Letter of Transmittal (which together constitute the "Offer").

Subject to, and effective upon, acceptance for payment of and payment for the Shares tendered herewith in accordance with the terms of the Offer, the undersigned hereby sells, assigns and transfers to or upon the order of the Company all right, title and interest in and to all the Shares that are being tendered hereby and appoints the Depository the true and lawful agent and attorney-in-fact of the undersigned with respect to such Shares, with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), to (a) deliver certificates for such Shares, or transfer ownership of such Shares on the account books maintained by any of the Book-Entry Transfer Facilities, together, in any such case, with all accompanying evidences of transfer and authenticity, to or upon the order of the Company, (b) present such Shares for transfer and cancellation on the books of the Company and (c) receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares, all in accordance with the terms of the Offer.

The undersigned hereby represents and warrants that the undersigned has a net long position in Shares at least equal to the Shares being tendered and has full power and authority to tender, sell, assign and transfer the Shares tendered hereby and that, when the same are accepted for payment by the Company, the Company will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claims. The undersigned will, upon request, execute and deliver any additional documents deemed by the Depository or the Company to be necessary or desirable to complete the sale, assignment and transfer of the Shares tendered hereby and has read, understands and agrees with all of the terms of the Offer.

The undersigned understands that, upon the terms and subject to the conditions of the Offer, the Company will pay \$19.00 per Share for Shares validly tendered and not withdrawn pursuant to the Offer, taking into account the number of Shares so tendered. The undersigned understands that tenders of Shares pursuant to any one of the procedures described in Section 2 or 3 of the Offer to Purchase and in the instructions hereto will constitute an agreement between the undersigned and the Company upon the terms and subject to the conditions of the Offer.

Unless otherwise indicated under "Special Payment Instructions", please issue the check for the purchase price of any Shares purchased (less the amount of any federal income or backup withholding tax required to be withheld), and return any Shares not tendered or not purchased, in the name(s) of the undersigned (or, in the case of Shares tendered by book-entry transfer, by credit to the account at the Book-Entry Transfer Facility designated above). Similarly, unless otherwise indicated under "Special Delivery Instructions", please mail the check for the purchase price of any Shares purchased (less the amount of any federal income or backup withholding tax required to be withheld) and any certificates for Shares not tendered or not purchased (and accompanying documents, as appropriate) to the undersigned at the address shown below the undersigned's signature(s). In the event that both "Special Payment Instructions" and "Special Delivery Instructions" are completed, please issue the check for the purchase price of any Shares purchased (less the amount of any federal income or backup withholding tax required to be withheld) and return any Shares not tendered or not purchased in the name(s) of, and mail said check and any certificates to, the person(s) so indicated. The undersigned recognizes that the Company has no obligation, pursuant to the "Special Payment Instructions", to transfer any Shares from the name of the registered holder(s) thereof or to order the registration or transfer of such Shares tendered by book-entry transfer, if the Company does not accept for payment any of the Shares so tendered.

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

ODD LOTS
(SEE INSTRUCTION 5)

To be completed ONLY if Shares are being tendered by or on behalf of a

person owning beneficially, as of the close of business on January 31, 1996, an aggregate of fewer than 100 Shares.

The undersigned either (check one box):

- was the beneficial owner as of the close of business on January 31, 1996, of an aggregate of fewer than 100 Shares, all of which are being tendered; or
- is a broker, dealer, commercial bank, trust company or other nominee which
 - (a) is tendering, for the beneficial owners thereof, Shares with respect to which it is the record owner, and
 - (b) believes, based upon representations, made to it by such beneficial owners, that each such person was the beneficial owner as of the close of business on January 31, 1996, of an aggregate of fewer than 100 Shares and is tendering all of such Shares.

SPECIAL PAYMENT INSTRUCTIONS (See Instructions 1, 4, 6, 7 and 8)	SPECIAL DELIVERY INSTRUCTIONS (See Instructions 1, 4, 6, 7 and 8)
To be completed ONLY if the check for the purchase price of Shares purchased (less the amount of any federal income and backup withholding tax required to be withheld) or certificates for Shares not tendered or not purchased are to be issued in the name of someone other than the undersigned.	To be completed ONLY if the check for the purchase price of Shares purchased or certificates (less the amount of any federal income and backup withholding tax required to be withheld) or certificate for Shares not tendered or not purchased are to be mailed to someone other than the undersigned or to the undersigned at an address other than that shown below the undersigned's signature(s).
Issue <input type="checkbox"/> check <input type="checkbox"/> certificates to:	Deliver <input type="checkbox"/> check <input type="checkbox"/> certificates to:
Name _____ (Please Print)	Name _____ (Please Print)
Address _____ (Zip Code)	Address _____ (Zip Code)
_____ (Taxpayer Identification No.)	_____ (Zip Code)

**TENDER OF DIVIDEND REINVESTMENT PLAN SHARES
(SEE INSTRUCTION 13)**

To be completed ONLY if the undersigned intends to tender Shares held in the Company's Dividend Reinvestment Plan.

// By checking this space, I represent that I wish to tender _____ Shares of Company Common Stock held in my account under the Dividend Reinvestment Plan.

SIGN HERE
(Please complete Substitute Form W-9 below)

Signature(s) of Owner(s)

Name(s) _____
 (Please Print)

Capacity (full title) _____

Address _____

(Zip Code)

Area Code and Telephone Number _____

Dated _____

(Must be signed by registered holder(s) exactly as name(s) appear(s) on stock certificate(s) or on a security position listing or by person(s) authorized to become registered holder(s) by certificates and documents transmitted herewith. If signature is by

a trustee, executor, administrator, guardian, attorney-in-fact, agent, officer of a corporation or other person acting in a fiduciary or representative capacity, please set forth full title and see Instruction 6.)

GUARANTEE OF SIGNATURE(S), IF REQUIRED
(SEE INSTRUCTIONS 1 AND 6)

Name of Firm _____
Authorized Signature _____
Dated _____

Payer's Name: FIRST CHICAGO TRUST COMPANY OF NEW YORK

SUBSTITUTE FORM W-9	Part I Taxpayer Identification No.-- For All Accounts	Part II For Payees Exempt From Backup Withholding (see enclosed Guidelines)
Department of the Treasury Internal Revenue Service Payer's Request for Taxpayer Identification No.	Enter your taxpayer identification number in the appropriate box. For most individuals, this is your social security number. If you do not have a number, see How to Obtain a TIN in the enclosed Guidelines. Note: If the account is in more than one name, see the chart on page 2 of enclosed Guidelines to determine which number to give.	

Certification. -- Under penalties of perjury, I certify that:

- (1) The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me), and
- (2) I am not subject to backup withholding either because I have not been notified by the Internal Revenue Service ("IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the IRS has notified me that I am no longer subject to backup withholding.

SIGNATURE _____ DATE _____

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

INSTRUCTIONS

Forming Part of the Terms and Conditions of the Offer

1. Guarantee of Signatures. Except as otherwise provided below, all signatures on this Letter of Transmittal must be guaranteed by a financial institution (including most banks and brokerage houses) which is a participant in the Securities Transfer Agents Medallion Program, the New York Stock Exchange Medallion Program, or the Stock Exchange Medallion Program (an "Eligible Institution"). Signatures on this Letter of Transmittal need not be guaranteed (a) if this Letter of Transmittal is signed by the registered holder(s) of the Shares (which term, for purposes of this document, shall include any participant in one of the Book-Entry Transfer Facilities whose name appears on a security position listing as the owner of Shares) tendered herewith and such holder(s) have not completed either the box entitled "Special Payment Instructions" or the box entitled "Special Delivery Instructions" on this Letter of Transmittal or (b) if such Shares are tendered for the account of an Eligible Institution. See Instruction 6.

2. Delivery of Letter of Transmittal and Shares; Guaranteed Delivery Procedure. This Letter of Transmittal is to be used only if certificates are to be forwarded herewith or if delivery of Shares is to be made by book-entry transfer pursuant to the procedures set forth in Section 3 of the Offer to Purchase. For a stockholder to validly tender Shares, certificates for all physically delivered Shares, or a confirmation of a book-entry transfer of all Shares delivered electronically into the Depository's account at one of the Book-Entry Transfer Facilities, as well as a properly completed and duly executed Letter of Transmittal (or facsimile thereof) and any other documents required by this Letter of Transmittal, must be received by the Depository at one of its addresses set forth on the front page of this Letter of Transmittal by the Expiration Date.

Stockholders who cannot deliver their Shares and all other required documents to the Depository by the Expiration Date must tender their Shares

pursuant to the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase. Pursuant to such procedure: (a) such tender must be made by or through an Eligible Institution, (b) a properly completed and duly executed Notice of Guaranteed Delivery substantially in the form provided by the Purchaser must be received by the Depository by the Expiration Date, and (c) the certificates for all physically delivered Shares, or a confirmation of a book-entry transfer of all Shares delivered electronically into the Depository's account at one of the Book-Entry Transfer Facilities, as well as a properly completed and duly executed Letter of Transmittal (or facsimile thereof) and any other documents required by this Letter of Transmittal, must be received by the Depository within three New York Stock Exchange, Inc. trading days after the date of execution of such Notice of Guaranteed Delivery, all as provided in Section 3 of the Offer to Purchase.

THE METHOD OF DELIVERY OF ALL DOCUMENTS, INCLUDING SHARE CERTIFICATES, IS AT THE OPTION AND RISK OF THE TENDERING STOCKHOLDER. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED.

No alternative, conditional or contingent tenders will be accepted, and no fractional Shares will be purchased. By executing this Letter of Transmittal (or facsimile thereof), the tendering stockholder waives any right to receive any notice of the acceptance for payment of the Shares.

3. Inadequate Space. If the space provided in the box captioned "Description of Shares Tendered" is inadequate, the certificate numbers and/or the number of Shares should be listed on a separate signed schedule attached hereto.

4. Partial Tenders (not applicable to stockholders who tender by book-entry transfer). If fewer than all the Shares represented by any certificates delivered to the Depository are to be tendered, fill in the number of Shares which are to be tendered in the box entitled "Number of Shares Tendered". In such case, a new certificate for the remainder of the Shares represented by the old certificate will be sent to the person(s) signing this Letter of Transmittal, unless otherwise provided in the appropriate box on this Letter of Transmittal, as promptly as practicable after the expiration or termination of the Offer. All Shares represented by certificates delivered to the Depository will be deemed to have been tendered unless otherwise indicated.

5. Odd Lots. As described in Section 2 of the Offer to Purchase, if the Company purchases less than all Shares tendered before the Expiration Date and not withdrawn, the Shares purchased first will consist of all Shares tendered by any stockholder who owned beneficially, as of the close of business on January 31, 1996, an aggregate of fewer than 100 Shares and who tenders all such Shares. This preference will not be available unless the box captioned "Odd Lots" is completed.

6. Signatures on Letter of Transmittal; Stock Powers and Endorsements. If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the certificates without any change whatsoever.

If any of the Shares tendered hereby are held of record by two or more persons, all such persons must sign this Letter of Transmittal.

If any of the Shares tendered hereby are registered in different names on different certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of certificates.

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

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

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

7. Stock Transfer Taxes. Except as provided in this Instruction, the Company will pay any stock transfer taxes with respect to the sale and transfer of any Shares to it or its order pursuant to the Offer. If, however, payment of the purchase price is to be made to, or Shares not tendered or not purchased are to be returned in the name of, any person other than the registered holder(s), or tendered Shares are registered in the name of a person other than the name of the person(s) signing this Letter of Transmittal, the amount of any stock transfer taxes (whether imposed on the registered holder(s), such other person or otherwise) payable on account of the transfer to such person will be deducted from the

purchase price unless satisfactory evidence of the payment of such taxes, or exemption therefrom, is submitted.

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

9. Federal Income Tax Withholding. Under the federal income tax laws, the Depository will be required to withhold 31% of the amount of any payments made to certain stockholders pursuant to the Offer. In order to avoid such backup withholding, each tendering stockholder must provide the Depository with such stockholder's correct taxpayer identification number by completing the Substitute Form W-9 set forth above. In general, if a stockholder is an individual, the taxpayer identification number is the social security number of such individual. If the Depository is not provided with the correct taxpayer identification number, the stockholder may be subject to a \$50 penalty imposed by the Internal Revenue Service and payments that are made to such stockholder pursuant to the Offer may be subject to backup withholding. Certain stockholders (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. In order to satisfy the Depository that a foreign individual qualifies as an exempt recipient, such stockholder must submit an IRS Form W-8, signed under penalties of perjury, attesting to that individual's exempt status. Such statements can be obtained from the Depository. For further information concerning backup withholding and instructions for completing the Substitute Form W-9 (including how to obtain a taxpayer identification number if you do not have one and how to complete the Substitute Form W-9 if Shares are held in more than one name), consult the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.

Failure to complete the Substitute Form W-9 will not, by itself, cause Shares to be deemed invalidly tendered, but may require the Depository to withhold 31% of the amount of any payments made pursuant to the Offer. Backup withholding is not an additional federal income tax. Rather, the federal income tax liability of a person subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained.

NOTE: FAILURE TO COMPLETE AND RETURN THE SUBSTITUTE FORM W-9 MAY RESULT IN BACKUP WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

Unless the Company determines that a reduced rate of withholding is applicable pursuant to a tax treaty or that an exemption from withholding is applicable because gross proceeds paid pursuant to the Offer are effectively connected with the conduct of a trade or business within the United States, the Company will be required to withhold federal income tax at a rate of 30% from such gross proceeds paid to a foreign stockholder or his agent. For this purpose, a foreign stockholder is any stockholder that is not (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States, or (iii) any estate or trust the income of which is subject to United States federal income taxation regardless of its source. The Company will determine the applicable rate of withholding by reference to a stockholder's address, except if facts and circumstances indicate such reliance is not warranted or if applicable law (for example, an applicable tax treaty or Treasury regulations thereunder) requires some other method for determining a stockholder's residence. A foreign stockholder may be eligible to file for a refund of such tax or a portion of such tax if such stockholder meets the "complete redemption", "substantially disproportionate" or "not essentially equivalent to a dividend" tests described in the Offer to Purchase under the caption "The Offer--13. Certain Federal Income Tax Consequences" or if such stockholder is entitled to a reduced rate of withholding pursuant to a treaty and the Company withheld at a higher rate. In order to claim an exemption from withholding on the grounds that gross proceeds paid pursuant to the Offer are effectively connected with the conduct of a trade or business within the United States, a foreign stockholder must deliver to the Depository a properly executed Form 4224 claiming exemption. Such Forms can be obtained from the Depository. Foreign stockholders are urged to consult their own tax advisors regarding the application of federal income tax withholding, including eligibility for a withholding tax reduction or exemption and the refund procedure.

10. Irregularities. All questions as to the number of Shares accepted, the form of documents and the validity, eligibility (including time of receipt) and acceptance for payment of any tender of Shares will be determined by the Company in its sole discretion, which determinations shall be final and binding on all parties. The Company reserves the absolute right to reject any or all tenders of Shares it determines not to be in proper form or the acceptance of which or payment for which may, in the opinion of the Company's counsel, be unlawful. The Company also reserves the absolute right to waive any of the conditions of the Offer and any defect or irregularity in the tender of any particular Shares, and the Company's interpretation of the terms of the Offer (including these instructions) will be final and binding on all parties. No tender of Shares will be deemed to be properly made until all defects and irregularities have been cured or waived. Unless waived, any defects or

irregularities in connection with tenders must be cured within such time as the Company shall determine. None of the Company, the Dealer Managers, the Depository, the Information Agent (as the foregoing are defined in the Offer to Purchase) or any other person is or will be obligated to give notice of any defects or irregularities in tenders and none of them will incur any liability for failure to give any such notice.

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

12. Stock Option Plans. Participants in the Stock Option Plans holding vested options may at any time exercise such vested options by paying the cash exercise price and receive Shares which may be tendered by following the instructions set forth in the Offer to Purchase and this Letter of Transmittal.

13. Dividend Reinvestment Plan. Shares held in the Company's Dividend Reinvestment Plan may be tendered by checking the appropriate space in the box captioned "Tender of Dividend Reinvestment Plan Shares" on this Letter of Transmittal and indicating the number of Dividend Reinvestment Plan Shares tendered. See Section 3 of the Offer to Purchase for a further explanation of the procedures for tendering Dividend Reinvestment Plan Shares.

PARTICIPANTS IN THE SAVINGS AND RETIREMENT PLAN AND THE STOCK PURCHASE PLAN MAY NOT USE THIS LETTER OF TRANSMITTAL TO DIRECT THE TENDER OF THE SHARES ATTRIBUTABLE TO THE PARTICIPANT'S ACCOUNT BUT MUST USE THE "TENDER INSTRUCTION FORMS" SENT TO THEM. PARTICIPANTS IN THE SAVINGS AND RETIREMENT PLAN AND THE STOCK PURCHASE PLAN ARE URGED TO READ THE SEPARATE "TENDER INSTRUCTION FORMS" AND RELATED MATERIALS CAREFULLY.

The Information Agent for the Offer is:

D. F. KING & CO., INC.
77 Water Street
New York, New York 10005
(212) 269-5550 (Call Collect)
or
Call Toll-Free (800) 549-6864

The Dealer Managers for the Offer are:

Lazard Freres & Co. LLC
30 Rockefeller Plaza
New York, New York 10020
(212) 632-6717

Goldman, Sachs & Co.
85 Broad Street
York, New York 10004
(800) 323-5678

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

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

PAYEES AND PAYMENTS EXEMPT FROM BACKUP WITHHOLDING.--Payees specifically exempted from backup withholding on ALL payments include the following:

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

(12) A financial institution.

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

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

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

- bullet Payments of interest on obligations issued by individuals.

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

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

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

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

PENALTIES

FAILURE TO FURNISH TAXPAYER IDENTIFICATION NUMBER.--If you fail to furnish your correct taxpayer identification number to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

CIVIL PENALTY FOR FALSE INFORMATION WITH RESPECT TO WITHHOLDING.--If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

CRIMINAL PENALTY FOR FALSIFYING INFORMATION.--Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

PRIVACY ACT NOTICE.--Section 6109 requires most recipients of dividends, interest, or other payments to furnish their correct taxpayer identification number to persons who must file information returns with the IRS. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. You must provide your taxpayer identification number whether or not you are required to file a tax return. Payers must generally withhold 31% of taxable interest, dividends, and certain other payments to a payee who does not furnish a taxpayer identification number to a payer. Certain penalties may also apply.

What Name and Number to Give the Requester

=====

FOR THIS TYPE OF ACCOUNT:	GIVE THE NAME AND SOCIAL SECURITY NUMBER OF:
---------------------------	--

=====

- | | |
|---|---|
| 1. Individual | The individual |
| 2. Two or more individuals (joint account) | The actual owner of the account or, if combined funds, the first individual on the account(1) |
| 3. Custodian account of a minor (Uniform Gift to Minors Act) | The minor(2) |
| 4. a. The usual revocable savings trust (grantor is also trustee) | The grantor-trustee.(1) |
| b. So-called trust account that is not a legal or valid trust under | The actual owner(1) |

state law

5. Sole proprietorship

The owner(3)

FOR ADDITIONAL INFORMATION CONTACT YOUR TAX CONSULTANT OR THE INTERNAL REVENUE SERVICE.

=====
FOR THIS TYPE OF ACCOUNT: GIVE THE NAME AND
 EMPLOYER IDENTIFICATION
 NUMBER OF:
=====

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

=====

1 List first and circle the name of the person whose number you furnish.

2 Circle the minor's name and furnish the minor's social security number.

3 You must show your individual name, but you may also enter your business or "doing business as" name. You may use either your social security number or employer identification number.

4 List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the taxpayer identification number of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

NOTE: IF NO NAME IS CIRCLED WHEN THERE IS MORE THAN ONE NAME, THE NUMBER WILL BE CONSIDERED TO BE THAT OF THE FIRST NAME LISTED.

NOTICE OF GUARANTEED DELIVERY
(NOT TO BE USED FOR SIGNATURE GUARANTEE)
TO TENDER SHARES OF COMMON STOCK
OF

THE LIMITED, INC.

Pursuant to its Offer to Purchase dated February 1, 1996

The attached form, or a form substantially equivalent to the attached form, must be used to accept the Offer (as defined below) if certificates for shares of Common Stock of The Limited, Inc. and all other documents required by the Letter of Transmittal cannot be delivered to the Depository by the expiration of the Offer. Such form may be delivered by hand, facsimile transmission, or mail to the Depository. See Section 3 of the Offer to Purchase.

To: FIRST CHICAGO TRUST COMPANY OF NEW YORK, DEPOSITARY

By Mail:
First Chicago Trust
Company of New York
Tenders & Exchanges
Suite 4660 - LTD
P.O. Box 2559
Jersey City, NJ 07303-2559

Facsimile Transmission:
(201) 222-4720
or
(201) 222-4721

By Hand:
First Chicago Trust
Company of New York
Tenders & Exchanges
Suite 4680 - LTD
14 Wall Street, 8th Floor
New York, NY 10005

Facsimile Confirmation:
(201) 222-4707

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN THOSE SHOWN ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA A FACSIMILE NUMBER OTHER THAN THAT LISTED ABOVE DOES NOT CONSTITUTE A VALID DELIVERY. THIS NOTICE OF GUARANTEED DELIVERY IS NOT TO BE USED TO GUARANTEE SIGNATURES. IF A SIGNATURE ON A LETTER OF TRANSMITTAL IS REQUIRED TO BE GUARANTEED BY AN "ELIGIBLE INSTITUTION" UNDER THE INSTRUCTIONS THERETO, SUCH SIGNATURE GUARANTEE MUST APPEAR IN THE APPLICABLE SPACE PROVIDED IN THE SIGNATURE BOX ON THE LETTER OF TRANSMITTAL.

Ladies and Gentlemen:

The undersigned hereby tenders to The Limited, Inc., (the "Company"), upon the terms and subject to the conditions set forth in the Offer to Purchase dated February 1, 1996 (the "Offer to Purchase") and the related Letter of Transmittal (which together constitute the "Offer"), receipt of which is hereby acknowledged, the number (indicated below) of shares of Common Stock, \$.50 par value per share (such shares, together with all other outstanding shares of Common Stock of the Company, are herein referred to as the "Shares"), of the Company, pursuant to the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase.

NUMBER OF SHARES BEING TENDERED HEREBY: _____

ODD LOTS
(SEE INSTRUCTION 5 OF THE LETTER OF TRANSMITTAL)

The undersigned either (check one box):

was the beneficial owner as of the close of business on January 31, 1996, of an aggregate of fewer than 100 Shares, all of which are being tendered, or

is a broker, dealer, commercial bank, trust company or other nominee that (i) is tendering, for the beneficial owners thereof, Shares with respect to which it is the record owner, and (ii) believes, based upon representations made to it by each such beneficial owner, that such beneficial owner owned beneficially as of the close of business on January 31, 1996, an aggregate of fewer than 100 Shares, and is tendering all of such Shares.

Number of Shares _____
Certificate Nos. (if available):

If Shares will be tendered by book-entry transfer:

Name of Tendering Institution: _____

Account No. _____ at

- The Depository Trust Company
- Midwest Securities Trust Company
- Philadelphia Depository Trust Company

SIGN HERE

Signature(s)

Dated: _____

Name(s) of Stockholders:

(Please Type or Print)

(Address)

(Zip Code)

(Area Code and Telephone No.)

(Taxpayer ID No. or Social Security No.)

GUARANTEE
(Not to be used for signature guarantee)

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

(Name of Firm)

(Authorized Signature)

(Name)

(Address)

(Zip Code)

(Area Code and Telephone No.)

Dated: _____

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

Lazard Freres & Co. LLC
30 Rockefeller Plaza
New York, New York 10020
(212) 632-6717

Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004
(800) 323-5678

OFFER BY
THE LIMITED, INC.
TO PURCHASE FOR CASH

UP TO 85,000,000 SHARES OF ITS COMMON STOCK

AT

\$19.00 NET PER SHARE

February 1, 1996

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

We have been appointed by The Limited, Inc., a Delaware corporation (the "Company"), to act as Dealer Managers in connection with the Company's offer to purchase for cash up to 85,000,000 shares of its Common Stock, \$.50 par value per share (such shares, together with all other outstanding shares of Common Stock, are herein referred to as the "Shares"), at a price of \$19.00 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Company's Offer to Purchase dated February 1, 1996 (the "Offer to Purchase") and the related Letter of Transmittal (which together constitute the "Offer"). The Company will purchase all Shares validly tendered and not withdrawn upon the terms and subject to the conditions set forth in the Offer to Purchase and in the related Letter of Transmittal, including the provisions relating to "odd lot" tenders and proration described in the Offer to Purchase.

The Offer is not conditioned upon any minimum number of shares being tendered. The Offer is subject, however, to certain conditions set forth in Section 6 of the Offer to Purchase.

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

1. Offer to Purchase dated February 1, 1996;
2. Letter of Transmittal for your use and for the information of your clients, together with Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 providing information relating to backup federal income tax withholding;
3. Notice of Guaranteed Delivery to be used to accept the Offer if the Shares and all other required documents cannot be delivered to the Depository by the Expiration Date (as defined in the Offer to Purchase);
4. Letter dated February 1, 1996 from the Company to its stockholders;
5. A form of letter that may be sent to your clients for whose accounts you hold Shares registered in your name or in the name of your nominee, with space provided for obtaining such clients' instructions with regard to the Offer;
6. Return envelope addressed to First Chicago Trust Company of New York, the Depository.

WE URGE YOU TO CONTACT YOUR CLIENTS AS PROMPTLY AS POSSIBLE. THE OFFER, THE PRORATION PERIOD AND WITHDRAWAL RIGHTS EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, MARCH 6, 1996, UNLESS THE OFFER IS EXTENDED.

The Company will not pay any fees or commissions to any broker, dealer or other person (other than the Dealer Managers as described in the Offer to Purchase) for soliciting tenders of Shares pursuant to the Offer. The Company will, however, upon request, reimburse brokers, dealers, commercial banks and trust companies for reasonable and necessary costs and expenses incurred by them in forwarding materials to their customers. The Company will pay all stock transfer taxes applicable to its purchase of Shares pursuant to the Offer, subject to Instruction 7 of the Letter of Transmittal. No broker, dealer, bank, trust company or fiduciary shall be deemed to be either our agent or the agent of the Company, the Information Agent or the Depository for the purposes of the Offer.

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

Very truly yours,

LAZARD FRERES & CO. LLC
GOLDMAN, SACHS & CO.

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

OFFER BY
THE LIMITED, INC.

TO PURCHASE FOR CASH

UP TO 85,000,000 SHARES OF ITS COMMON STOCK

AT

\$19.00 NET PER SHARE

THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS EXPIRE AT 12:00
MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, MARCH 6, 1996,
UNLESS THE OFFER IS EXTENDED.

To Our Clients:

Enclosed for your consideration are the Offer to Purchase dated February 1, 1996 (the "Offer to Purchase") and the related Letter of Transmittal (which together constitute the "Offer") in connection with the Offer by The Limited, Inc., a Delaware corporation (the "Company"), to purchase for cash up to 85,000,000 shares of its Common Stock, \$.50 par value per share (such shares, together with all other outstanding shares of Common Stock of the Company, are herein referred to as the "Shares"), at a price of \$19.00 net to the seller in cash, upon the terms and subject to the conditions of the Offer. The Company will purchase all Shares validly tendered and not withdrawn upon the terms and subject to the conditions of the Offer, including the provisions relating to "odd lot" tenders and proration described in the Offer to Purchase. We are the holder of record of Shares held for your account. A tender of such Shares can be made only by us as the holder of record and pursuant to your instructions. THE LETTER OF TRANSMITTAL IS FURNISHED TO YOU FOR YOUR INFORMATION ONLY AND CANNOT BE USED BY YOU TO TENDER SHARES HELD BY US FOR YOUR ACCOUNT.

As described in the Offer to Purchase, the Company reserves the right to purchase more than 85,000,000 Shares but does not currently plan to do so. The Company will return all Shares not purchased, including Shares not purchased as a result of proration.

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

Please note carefully the following:

1. Price: The tender price is \$19.00 per Share, net to you in cash.
2. Expiration Date: The Offer, the proration period and withdrawal rights expire at 12:00 midnight, New York City time, on Wednesday, March 6, 1996, unless the Company extends the Offer.
3. Conditions: The Offer is not conditioned upon any minimum number of Shares being tendered. The Offer is subject, however, to the conditions set forth in Section 6 of the Offer to Purchase.
4. Transfer Taxes: Any stock transfer taxes applicable to the sale of Shares to the Company pursuant to the Offer will be paid by the Company, except as otherwise provided in Instruction 7 of the Letter of Transmittal.
5. Special Treatment for "Odd Lot" Holders: If you owned beneficially as of the close of business on January 31, 1996, an aggregate of fewer than 100 Shares and you instruct us to tender on your behalf all such Shares prior to the expiration of the Offer and check the box captioned "Odd Lots" on the instruction form, all such Shares will be accepted for purchase before proration, if any, of the purchase of other Shares properly tendered and not withdrawn.

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

YOUR INSTRUCTIONS SHOULD BE FORWARDED TO US IN AMPLE TIME TO PERMIT US TO SUBMIT A TENDER ON YOUR BEHALF ON OR BEFORE THE EXPIRATION OF THE OFFER. THE OFFER, THE PRORATION PERIOD AND WITHDRAWAL RIGHTS EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, MARCH 6, 1996, UNLESS THE COMPANY EXTENDS THE OFFER.

As described in the Offer to Purchase, if fewer than all Shares validly tendered and not withdrawn prior to the expiration of the Offer are to be purchased by the Company, the Company will purchase Shares in the following order of priority: (a) all "odd lot" Shares tendered and not withdrawn prior to the expiration of the Offer by any stockholder who owned beneficially as of the close of business on January 31, 1996, an aggregate of fewer than 100 Shares, and who validly tenders all of such Shares (partial tenders will not qualify for this preference); and (b) then, after purchase of all of the foregoing Shares, all other Shares validly tendered and not withdrawn prior to the expiration of the Offer on a pro rata basis, if necessary (with appropriate adjustments to avoid purchases of fractional Shares).

The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of Shares in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the laws of such jurisdiction. In those jurisdictions the laws of which require that the Offer be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of the Company by Lazard Freres & Co. LLC and Goldman, Sachs & Co. or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

Instructions with Respect to
Offer to Purchase for Cash
Up to 85,000,000 Shares of Common Stock

of

THE LIMITED, INC.

The undersigned acknowledge(s) receipt of your letter and the enclosed Offer to Purchase dated February 1, 1996, and the related Letter of Transmittal (which together constitute the "Offer"), in connection with the offer by The Limited, Inc. to purchase for cash up to 85,000,000 shares of its Common Stock, \$.50 par value per share (such shares, together with all other outstanding shares of Common Stock of the Company, are herein referred to as the "Shares"), at a price of \$19.00 per Share, net to the undersigned in cash.

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

By checking this box, all Shares held by us for your account, excluding fractional Shares, will be tendered. If fewer than all Shares are to be tendered, please check the box and indicate below the aggregate number of Shares to be tendered by us.

_____ Shares*

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

ODD LOTS

By checking this box, the undersigned represents that the undersigned owned beneficially as of the close of business on January 31, 1996, an aggregate of fewer than 100 Shares and is tendering all of such Shares.

SIGN HERE

Signature(s)

Area Code and Telephone Number _____

Date _____

Please print name(s) and
address(es) here

Taxpayer ID No. or
Social Security No. _____

[LETTERHEAD OF THE LIMITED]

February 1, 1996

Dear Stockholder:

The Limited, Inc. is offering to purchase up to 85,000,000 shares of its Common Stock at a price of \$19.00 per share. This offer, which has been approved by your Board of Directors, is explained in detail in the enclosed Offer to Purchase and Letter of Transmittal. We encourage you to read these materials carefully.

We have retained D. F. King & Co., Inc. as our Information Agent to help you respond to this tender offer. Please contact D. F. King between the hours of 8:00 a.m. and 6:00 p.m., Eastern Standard Time, at their toll free number, 1-800-549-6864, if you have any questions. Their representatives will be pleased to answer your questions and can help you complete the correct documents.

Very truly yours,

THE LIMITED, INC.

LETTER FROM SAVINGS AND RETIREMENT PLAN
ADMINISTRATIVE COMMITTEE

February 1, 1996

OFFER TO PURCHASE COMMON STOCK OF THE LIMITED, INC.

NAME/ADDRESS

Dear :

We are enclosing materials being sent to all stockholders of The Limited, Inc. (the "Company") in connection with its recently announced offer to purchase up to 85,000,000 shares of the Company's Common Stock, \$.50 par value per share (together with all other outstanding shares of Common Stock of the Company, the "Shares"), at a price per share equal to \$19.00 upon the terms and subject to the conditions set forth in the Offer to Purchase dated February 1, 1996 and in the related Letter of Transmittal (which together constitute the "Offer"). Also enclosed is a brief description of the Offer in connection with the Company's Savings and Retirement Plan ("Savings and Retirement Plan") and questions and answers describing how the process works.

As a participant in the Savings and Retirement Plan you may elect to "tender" (offer to sell) some or all of the Shares (excluding fractional Shares) currently allocated to your Company Stock Fund in the Savings and Retirement Plan by following the procedures described in the attachments to this letter. PLEASE NOTE THAT, ALTHOUGH THE DEADLINE FOR THE TRUSTEE OF THE SAVINGS AND RETIREMENT PLAN ("TRUSTEE") TO TENDER YOUR SHARES IS MARCH 6, 1996, YOU MUST SEND YOUR TENDER INSTRUCTION FORM TO THE ADMINISTRATIVE COMMITTEE FOR RECEIPT BY MARCH 4, 1996. You also may withdraw any tender you have made under the Offer provided you do so prior to the stated deadline.

Our records indicate that you hold _____ Shares allocated to your Company Stock Fund under the Savings and Retirement Plan as of January 31, 1996, excluding any December and January contributions. You may tender some or all of such Shares held in your Company Stock Fund (excluding fractional Shares).

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

THE OFFER IS NOT CONDITIONED UPON ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE OFFER IS SUBJECT, HOWEVER, TO CERTAIN OTHER CONDITIONS. SEE SECTION 6 OF THE OFFER TO PURCHASE. WHILE THE BOARD OF DIRECTORS OF THE COMPANY BELIEVES THAT THE SHARES REPRESENT AN ATTRACTIVE INVESTMENT FOR ITS CONTINUING STOCKHOLDERS, THE BOARD OF DIRECTORS RECOMMENDS THAT THOSE STOCKHOLDERS WHO WISH TO RECEIVE A PREMIUM OVER THE RECENT, AND ANTICIPATED NEAR-TERM, MARKET PRICES FOR THE SHARES TENDER SOME OR ALL OF THEIR SHARES PURSUANT TO THE OFFER. PURSUANT TO AN AGREEMENT WITH LESLIE H. WEXNER, CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE COMPANY, AND THE WEXNER CHILDREN'S TRUST, MR. WEXNER WILL NOT TENDER ANY SHARES PURSUANT TO THE OFFER. SEE SECTION 11 OF THE OFFER TO PURCHASE. THE COMPANY HAS BEEN ADVISED THAT ITS OTHER DIRECTORS AND EXECUTIVE OFFICERS HAVE NOT DETERMINED WHETHER TO TENDER THEIR SHARES PURSUANT TO THE OFFER. STOCKHOLDERS MUST MAKE THEIR OWN DECISIONS WHETHER TO TENDER SHARES AND, IF SO, HOW MANY SHARES TO TENDER.

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

If more Shares are tendered than the Company has offered to purchase, only a pro rata portion of any shares you direct the Trustee to tender may be purchased (See Q&A #1).

For any Savings and Retirement Plan participant, during the period the Offer is open (and thereafter for so long as legal restrictions apply), the Trustee will not purchase any Shares for the Savings and Retirement Plan. Instead, the Trustee will accumulate any of your contributions and Company matching contributions that you have directed into the Company Stock Fund. The Trustee will invest these amounts in a money market fund and will resume purchases of Shares once the tender offer period is concluded.

ANY DISTRIBUTIONS THAT MAY BE REQUESTED DURING THE OFFER PERIOD MAY BE DELAYED UNTIL AFTER THE EXPIRATION OF THE OFFER.

IF YOU ELECT TO TENDER SHARES FROM YOUR COMPANY STOCK FUND, THE ENCLOSED YELLOW TENDER INSTRUCTION FORM MUST BE RECEIVED BY THE ADMINISTRATIVE COMMITTEE BY MARCH 4, 1996. PLEASE USE THE ENCLOSED REPLY ENVELOPE TO RETURN YOUR TENDER INSTRUCTION FORM.

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

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

ADMINISTRATIVE COMMITTEE
The Limited, Inc. Savings
and Retirement Plan

As described in the Offer to Purchase, if fewer than all Shares validly tendered and not withdrawn prior to the expiration of the Offer are to be purchased by the Company, the Company will purchase Shares in the following order of priority: (a) all "odd lot" Shares tendered prior to the expiration of the Offer by any stockholder who owned beneficially as of the close of business on January 31, 1996, an aggregate of fewer than 100 Shares, and who validly tenders all of such Shares (partial tenders will not qualify for this preference); and (b) then, after purchase of all of the foregoing Shares, all other Shares validly tendered and not withdrawn prior to the expiration of the Offer on a pro rata basis, if necessary (with appropriate adjustments to avoid purchases of fractional Shares).

The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of Shares in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the laws of such jurisdiction. In those jurisdictions the laws of which require that the Offer be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of the Company by Lazard Freres & Co. LLC and Goldman, Sachs & Co. or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

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

(NOTE: Before completing this Tender Instruction Form, you should refer to the attached Letter from the Administrative Committee of The Limited, Inc. Savings and Retirement Plan indicating the balance of Shares in your Company Stock Fund as of January 31, 1996, excluding any December and January contributions, which will be available for tender.)

TO THE TRUSTEE OF THE SAVINGS AND RETIREMENT PLAN:

I am a participant in the above-referenced Savings and Retirement Plan who has Shares in the Company Stock Fund and, as such, I have received a copy of the Offer to Purchase dated February 1, 1996, relating to the Offer by The Limited, Inc., a Delaware corporation (the "Company"), to purchase up to 85,000,000 shares of the outstanding shares of its Common Stock (such shares, together with all other outstanding shares of Common Stock of the Company, are herein referred to as the "Shares") at a price of \$19.00 per Share, net to the seller in cash.

I wish to tender the Shares in my Company Stock Fund as indicated below:

TENDER INSTRUCTIONS

/ / By checking this space, I represent that I wish to have the Plan Trustee tender ___ Shares of Company Common Stock, held in my Company Stock Fund in the Savings and Retirement Plan.

ODD LOTS

/ / By checking this box, I represent that I owned beneficially as of the close of business on January 31, 1996, and will continue to own beneficially as of the Expiration Date (as defined in the Offer to Purchase), an aggregate (including shares held beneficially in the Savings and Retirement Plan or the Company's Stock Purchase Plan or otherwise) of fewer than 100 shares, and I am instructing the Trustee to tender all Shares of Company Common Stock held in my Company Stock Fund in the Savings and Retirement Plan.

In either case the tender is to be made at the price per Share set forth above.

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

DATE

SIGNATURE OF PARTICIPANT

SOCIAL SECURITY NUMBER

PLEASE PRINT NAME AND
ADDRESS HERE

NOTE: THIS TENDER INSTRUCTION FORM MUST BE COMPLETED AND SIGNED IF SHARES HELD IN THE SAVINGS AND RETIREMENT PLAN ARE TO BE TENDERED. IF THE FORM IS NOT SIGNED, THE DIRECTIONS INDICATED WILL NOT BE ACCEPTED. PLEASE RETURN THIS TENDER INSTRUCTION FORM TO THE ADMINISTRATIVE COMMITTEE FOR THE SAVINGS AND RETIREMENT PLAN, 82 SOUTH STREET, HOPKINTON, MA 01748-9918, USING THE PREAMDRESSED REPLY ENVELOPE PROVIDED WITH YOUR TENDER MATERIALS. YOUR INSTRUCTION FORM MUST BE RECEIVED BY MARCH 4, 1996.

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

THE LIMITED, INC.

NOTICE TO SAVINGS AND RETIREMENT PLAN PARTICIPANTS

February 1, 1996

TO: ALL PARTICIPANTS IN THE LIMITED, INC. SAVINGS AND RETIREMENT PLAN (THE "SAVINGS AND RETIREMENT PLAN") WITH ACCOUNTS INVESTED IN THE LIMITED, INC. STOCK FUND

The Limited, Inc. (the "Company") has announced an offer to purchase up to 85,000,000 shares of the outstanding shares of its Common Stock, par value \$.50 per share (such shares, together with all other outstanding shares of Common Stock of the Company, are referred to herein as the "Shares"), at a price of \$19.00 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase dated February 1, 1996 and in the related Letter of Transmittal (which together constitute the "Offer"). This Offer became effective Thursday, February 1, 1996, and will expire at 12:00 midnight, New York City time, on Wednesday, March 6, 1996, unless the Offer is extended. You, as a Savings and Retirement Plan participant, may participate in this Offer by instructing the Trustee of the Savings and Retirement Plan (by March 4, 1996) to tender your Shares in the Company Stock Fund ("Plan Shares") for purchase by the Company.

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

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

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

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

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

A. DESCRIPTION OF THE OFFER

1. WHAT IS THE OFFER? On February 1, 1996, the Company offered to purchase up to 85,000,000 Shares of its Common Stock at a price of \$19.00. This Offer will be open from February 1, 1996 until it expires at 12:00 midnight, New York City time, March 6, 1996, unless it is extended by the Company. Savings and Retirement Plan participants who hold Shares in the Company Stock Fund ("Plan Shares") may provide for the tender of Shares for purchase pursuant to this Offer by so indicating on the enclosed Tender Instructions Form and returning it as directed by March 4, 1996.

If the number of Shares tendered exceeds the total number of Shares to be purchased, all Shares tendered would be accepted on a pro rata basis. "Pro rata" simply means that each person can sell an equal proportion of the Shares offered to the Company. For example, if the number of Shares tendered (assume, 170,000,000) exceeds the number to be purchased, 85,000,000, the Company would calculate a proration percentage which would equal 50%, the ratio of the total number of Shares to be purchased, 85,000,000, divided by the total number of Shares tendered, 170,000,000. Therefore, if you tendered 1,000 Shares, the Company would purchase 500 Shares at \$19.00 per Share. If the total number of your Shares (including those held under Savings and Retirement Plan or the Company's Stock Purchase Plan or otherwise) is less than 100, the proration percentage will not be applied to your Shares tendered. (If you hold fewer than 100 Shares, in the aggregate, you must check the

second box on the Tender Instruction form to avoid proration.)

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

2. WHAT ARE MY RIGHTS UNDER THE OFFER? The records of the Savings and Retirement Plan indicate that Shares are allocated to your Company Stock Fund. You may tender some or all of these Shares. Because all of these Shares are held in trust for your benefit, they are registered in the name of the Trust. So, the Trust will actually tender Plan Shares as you instruct the Trustee.

YOU MUST DIRECT THE TRUSTEE IF YOU WANT TO TENDER YOUR PLAN SHARES. THE TRUSTEE WILL TENDER YOUR PLAN SHARES ONLY IF DIRECTED. IF YOU DO NOT RESPOND, YOUR PLAN SHARES WILL REMAIN IN YOUR COMPANY STOCK FUND ACCOUNT.

3. WHICH DOCUMENTS DID I RECEIVE IN THE TENDER MATERIALS AND WHAT IS THEIR PURPOSE? You received the following materials in this mailing:

- Letter from the Company. This announces the Offer.
- Offer to Purchase dated February 1, 1996. This document (white, bound document) describes the Offer. PLEASE READ IT CAREFULLY.
- Letter of Transmittal. This document (long blue document) is part of the "Offer" and therefore is being provided to you. However, it does not apply to, or provide detailed instructions for, tendering Plan Shares. Do NOT use it to tender Plan Shares. If you hold Shares outside of the Savings and Retirement Plan, please refer to this Letter of Transmittal for instructions on how to tender those Shares.
- Letter from the Savings and Retirement Plan Administrative Committee. This transmits information about the Savings and Retirement Plan and the Offer.
- Notice to Savings and Retirement Plan Participants (white document you are reading) which includes Questions and Answers on Savings and Retirement Plan Tender Rights and Procedures.
- Tender Instruction Form. (yellow form) YOU MUST COMPLETE, SIGN AND MAIL THIS DOCUMENT TO THE ADMINISTRATIVE COMMITTEE IN THE ENCLOSED ENVELOPE IF YOU WISH TO DIRECT THE TRUSTEE TO TENDER YOUR PLAN SHARES. THIS DOCUMENT IS POSTED WITH YOUR NAME AND SOCIAL SECURITY NUMBER. USE IT IF YOU WISH TO DIRECT A TENDER OF YOUR SHARES.
- Reply Envelope. A preaddressed envelope for your reply.

4. HOW DO I DIRECT THE PLAN TRUSTEE? The only way that you can tender your Plan Shares is by completing the Tender Instruction Form (yellow) as described, signing and returning it to the Administrative Committee for the Savings and Retirement Plan, 82 South Street, Hopkinton, MA 07148-9918, which will process your instructions. The address is on the return envelope you should use to return the Tender Instruction form.

THE TENDER INSTRUCTION FORM MUST BE RECEIVED BY THE ADMINISTRATIVE COMMITTEE BEFORE 5:00 P.M., NEW YORK CITY TIME, ON MARCH 4, 1996. YOU MUST SIGN AND COMPLETE THE FORM FOR YOUR DIRECTION TO BE VALID.

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

- INSTRUCTIONS. Read carefully and follow exactly the instructions in the Letter from Savings and Retirement Plan Administrative Committee and the Tender Instructions Form. These will tell you how to direct the Plan Trustee regarding your Shares.
- FORM. Complete the enclosed yellow Tender Instruction Form.
- SHARES. Designate on the Tender Instruction Form the number of Shares (excluding fractional shares) you wish to be tendered.
- SIGNATURE. You must sign the Tender Instruction Form to complete your instruction. Unless you sign the Tender Instruction Form, your direction cannot be honored and the Tender Instruction Form will be void.
- MAILING. A preaddressed return envelope has been enclosed with your Tender materials. Use this envelope to return your completed Tender Instruction form if you wish to have the Plan Trustees tender your Plan Shares.

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

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

5. HOW DO I SEND INSTRUCTIONS TO THE ADMINISTRATIVE COMMITTEE? Please return your instructions PROMPTLY, recognizing the slow delivery time inherent in the U.S. mail today. You may mail your Tender Instruction Form to the Administrative Committee for the Savings and Retirement Plan, 82 South Street, Hopkinton, MA 07148-9918 in the preaddressed reply envelope that has been provided for your reply or send it by an alternate faster means (such as overnight courier). You may NOT fax your instructions. DO NOT DELIVER YOUR INSTRUCTIONS TO YOUR HUMAN RESOURCES DEPARTMENT OR TO YOUR BENEFITS ADMINISTRATOR.

6. MUST I PROVIDE DIRECTIONS TO THE ADMINISTRATIVE COMMITTEE? You must respond IF you wish the Trustee to tender your Plan Shares. Do not

respond if you do not wish to tender your Plan Shares.

7. HOW MANY PLAN SHARES MAY I TENDER AND HOW DO I LEARN THAT NUMBER? The number of Plan Shares that you held under the Savings and Retirement Plan as of January 31, 1996, excluding December and January contributions, is set forth in the Letter to you from the Administrative Committee. You may tender all or any number of such Shares (excluding fractional Shares, if any).
8. WHAT IF I HAVE SHARES IN MY SAVINGS AND RETIREMENT PLAN ACCOUNT AND HOLD SHARES OUTSIDE OF THE SAVINGS AND RETIREMENT PLAN? If you have Shares in the Savings and Retirement Plan and have actual Shares in your possession (or at a brokerage firm), you will receive two or more sets of Offer materials. You should be careful to follow the directions that apply to each kind of Shares.
9. WHO WILL KNOW WHETHER I TENDERED MY PLAN SHARES? Your directions to the Trustee are CONFIDENTIAL. Individual instructions will only be disclosed to the recordkeeper as necessary to complete the tender.
10. CAN I CHANGE MY MIND AND WITHDRAW MY PLAN SHARES THAT I DIRECTED TO BE TENDERED? Yes, but only if you perform the following steps:
 - You must send a signed notice of withdrawal to the Administrative Committee for the Savings and Retirement Plan, 82 South Street, Hopkinton, MA 01748-9918.
 - The notice of withdrawal must be in writing. You may fax your notice of withdrawal to the Administrative Committee for the Savings and Retirement Plan at fax number (508) 435-3165.
 - The notice of withdrawal must state your name, social security number, the number of Plan Shares that you wish to withdraw from the Offer and that you are withdrawing Plan Shares that you instructed the Trustee to direct the Plan Trustee to tender on your behalf.
 - The notice of withdrawal must be received by the Administrative Committee before 5:00 p.m., New York City time, on March 4, 1996.
11. CAN I RE-TENDER MY PLAN SHARES? Yes, If you wish to re-tender your Plan Shares you must complete another Tender Instruction Form and return it to the Administrative Committee for receipt by March 4, 1996. You may obtain another copy by faxing your request to (508) 435-3165.

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

12. WILL ALL PLAN SHARES THAT I DIRECT THE TRUSTEE TO TENDER BE PURCHASED? This depends upon the total number of Shares tendered. If more Shares are tendered by all stockholders than the Company had offered to purchase, a pro rata portion of the Shares that you directed to be tendered will be purchased. See Q&A #1 for a description of how proration will operate.

Plan Shares held in your Savings and Retirement Plan Account that are not accepted will remain in the Company Stock Fund subject to normal Savings and Retirement Plan rules.
13. HOW WILL I KNOW IF MY PLAN SHARES HAVE BEEN PURCHASED? After expiration of the Offer, all tender directions will be tabulated, which may take up to two weeks. Soon thereafter you will be sent a statement of the number of your Plan Shares which were accepted.

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

14. WHAT HAPPENS TO COMPANY STOCK FUND CONTRIBUTIONS MADE AFTER JANUARY 31, 1996? Beginning January 31, 1996, the Plan Trustee stopped purchasing Shares for the Company Stock Fund. Company and participant contributions made to the Company Stock Fund, and dividends and other funds which are normally allocated to the Company Stock Fund, which are received by the Savings and Retirement Plan during the period of the Offer and for 10 business days thereafter (while the results are tabulated) will be accumulated and invested in a money market fund. Thereafter, upon the cessation of legal restrictions, purchases by the Plan Trustee will resume and the accumulated funds will be invested pursuant to the investment elections then in effect.
15. WHAT HAPPENS IF I REQUEST A DISTRIBUTION, WITHDRAWAL OR REALLOCATION FOLLOWING THE ANNOUNCEMENT OF THE TENDER OFFER DURING THE OFFER PERIOD? Distributions, withdrawals or reallocations from the Savings and Retirement Plan may be delayed until after the conclusion of the Offer. Authorized distributions, withdrawals or reallocations received before or during this period will be processed as soon as reasonably feasible.
16. WHEN MAY I REQUEST A CHANGE IN MY INVESTMENT ELECTIONS? You may change your investment election for future contributions or reallocate your existing Account balances at the beginning of each month under the Savings and Retirement Plan's normal rules. You must call the SARP Line by the 20th day of the month for your investment election change to be effective the first day of the following month, subject to delays required in connection with the Offer. UNDER THE TERMS OF THE SAVINGS AND RETIREMENT PLAN, SECTION 16 INSIDERS WHO TENDER SHARES WILL NOT BE PERMITTED TO ALLOCATE ANY AMOUNTS OR CONTRIBUTIONS TO THE COMPANY'S STOCK FUND FOR SIX MONTHS.
17. WILL I BE TAXED ON ANY PROCEEDS RECEIVED IN 1996 FROM THE COMPANY STOCK

THAT IS TENDERED UNDER THE SAVINGS AND RETIREMENT PLAN? No. Because tender proceeds received from Plan Shares will be received by and held in the Savings and Retirement Plan, they will not be subject to current income taxes.

D. REINVESTMENT OF TENDER OFFER PROCEEDS

18. HOW WILL THE SAVINGS AND RETIREMENT PLAN INVEST THE PROCEEDS RECEIVED FROM THE PLAN SHARES THAT ARE TENDERED? Proceeds received from this Offer will be reinvested by the Trustee in a money market fund and reinvested in the Savings and Retirement Plan as soon as practicable in accordance with your future contribution election in effect at the date of such reinvestment.

E. CERTAIN TAX INFORMATION

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

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

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

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

LETTER FROM SAVINGS AND RETIREMENT PLAN
ADMINISTRATIVE COMMITTEE

February 1, 1996

OFFER TO PURCHASE COMMON STOCK OF THE LIMITED, INC.

NAME/ADDRESS

Dear []:

We enclose materials being sent to all stockholders of The Limited, Inc. (the "Company") in connection with its recently announced offer to purchase up to 85,000,000 shares of the Company's Common Stock (such shares, together with all other outstanding shares of Common Stock of the Company, are herein referred to as the "Shares") at a price per share equal to \$19.00 upon the terms and subject to the conditions set forth in the Offer to Purchase dated February 1, 1996 and in the related Letter of Transmittal, which together constitute the "Offer". Also enclosed is a brief description of the Offer in connection with the Company's Savings and Retirement Plan ("Savings and Retirement Plan") and questions and answers describing how the process works.

As a participant in the Savings and Retirement Plan you may elect to "tender" (offer to sell) some or all of the Shares (excluding fractional Shares) currently allocated to your Company Stock Fund in the Savings and Retirement Plan by following the procedures described in the enclosed materials.

SINCE YOU ARE SUBJECT TO THE REPORTING AND LIABILITY PROVISIONS OF SECTION 16 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "EXCHANGE ACT"), YOU SHOULD BE AWARE THAT A TENDER BY YOU OF SHARES HELD IN THE SAVINGS PLAN MAY BE SUBJECT TO SHORT-SWING PROFIT RECOVERY UNDER SECTION 16(b) OF THE EXCHANGE ACT. SUCH TENDER WILL NOT BE SUBJECT TO SHORT-SWING PROFIT RECOVERY IF (1) YOU HAVE NOT ELECTED WITHIN THE PREVIOUS SIX MONTHS AN INTRA-PLAN TRANSFER INVOLVING THE SAVINGS AND RETIREMENT PLAN COMPANY STOCK FUND, (2) YOU SUBMIT THE TENDER INSTRUCTION FORM, COMPLETED AS SET FORTH IN THE ENCLOSED MATERIALS, TO THE ADMINISTRATIVE COMMITTEE DURING THE PERIOD BEGINNING ON THE THIRD BUSINESS DAY FOLLOWING THE DATE OF RELEASE FOR PUBLICATION OF QUARTERLY SUMMARY STATEMENTS OF SALES AND EARNINGS AND ENDING ON THE 12TH BUSINESS DAY FOLLOWING SUCH DATE AND (3) YOU DO NOT ALLOCATE ANY AMOUNTS OR CONTRIBUTIONS TO THE COMPANY STOCK FUND FOR SIX MONTHS THEREAFTER.

Please consult the enclosed materials for further information as to the Offer.

ADMINISTRATIVE COMMITTEE
The Limited, Inc. Savings
and Retirement Plan

[LETTER OF MERRILL LYNCH, PIERCE, FENNER & SMITH]

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

OFFER TO PURCHASE FOR CASH

BY

THE LIMITED, INC.

UP TO 85,000,000 SHARES OF ITS COMMON STOCK

AT

\$19.00 PER SHARE NET

February 1, 1996

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

Dear Client:

Enclosed for your consideration are the Offer to Purchase dated February 1, 1996 and the related Letter of Transmittal (which together constitute the "Offer") in connection with the offer by The Limited, Inc., a Delaware corporation (the "Company"), to purchase up to 85,000,000 shares of its Common Stock, \$.50 par value per share (such shares, together with all other outstanding shares of Common Stock of the Company, are herein referred to as the "Shares"), at \$19.00 per Share, net to the seller in cash.

Merrill Lynch is the holder of record of Shares held for your account in The Limited, Inc. Stock Purchase Plan (the "Plan"). A tender of your Shares in your Plan account can only be made by us as your agent, pursuant to your instructions.

If you wish to participate in this tender offer, you must notify Merrill Lynch no later than 5:00 p.m. on March 5, 1996. If you wish to tender all or any number of your Shares, please instruct us by the deadline. If you do not respond to this notice, no Shares will be tendered.

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

Merrill Lynch customers who wish to tender their Shares must contact our Customer Service Unit by 7:00 p.m. EST on Tuesday, March 5, 1996. The phone number to call is: 1-800-621-3777.

Our operators are available to take your call Monday through Friday between the hours of 8:00 a.m. and 7:00 p.m. EST.

Your attention is invited to the following:

1. The tender price is \$19.00 per Share, net to you in cash.
2. The expiration date, the withdrawal deadline and the proration deadline are on Wednesday, March 6, 1996, at 12:00 midnight, New York City time, unless the Company extends the Offer.
3. The Offer is not conditioned upon any minimum number of Shares being tendered. The Offer is subject, however, to the conditions as set forth in Section 6 of the Offer to Purchase.
4. Any stock transfer taxes applicable to the sale of Shares to the Company pursuant to the Offer will be paid by the Company, except as otherwise provided in Instruction 7 of the Letter of Transmittal.
5. Special Treatment for "Odd Lot" Holders: If you owned beneficially as of the close of business on January 31, 1996, an aggregate of fewer than 100 Shares and you instruct us to tender on your behalf all such Shares prior to the expiration of the Offer, all such Shares will be accepted for purchase before proration, if any, of the purchase of other Shares properly tendered.

THE OFFER IS NOT CONDITIONED UPON ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE OFFER IS SUBJECT, HOWEVER, TO CERTAIN OTHER CONDITIONS. SEE SECTION 6 OF THE OFFER TO PURCHASE. WHILE THE BOARD OF DIRECTORS OF THE COMPANY BELIEVES THAT THE SHARES REPRESENT AN ATTRACTIVE INVESTMENT FOR ITS CONTINUING STOCKHOLDERS, THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS WISHING TO RECEIVE A PREMIUM OVER THE RECENT, AND ANTICIPATED NEAR-TERM, MARKET PRICES FOR THE SHARES TENDER SOME OR ALL OF THEIR SHARES PURSUANT TO THE OFFER. PURSUANT TO AN AGREEMENT WITH LESLIE H. WEXNER, CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE COMPANY, AND THE WEXNER CHILDREN'S TRUST, MR. WEXNER WILL NOT TENDER ANY SHARES PURSUANT TO THE OFFER. SEE SECTION 11 OF THE OFFER TO PURCHASE. THE COMPANY HAS BEEN ADVISED THAT ITS OTHER DIRECTORS AND EXECUTIVE OFFICERS HAVE NOT DETERMINED WHETHER TO TENDER THEIR SHARES PURSUANT TO THE OFFER. STOCKHOLDERS MUST MAKE THEIR OWN DECISIONS WHETHER TO TENDER SHARES AND, IF SO, HOW MANY SHARES TO TENDER.

YOUR INSTRUCTIONS TO US MUST BE FORWARDED TO US PROMPTLY IN ORDER TO PERMIT US TO SUBMIT A TENDER ON YOUR BEHALF IN ACCORDANCE WITH THE PROVISIONS

OF THE OFFER TO PURCHASE. THE EXPIRATION DATE, THE WITHDRAWAL DEADLINE AND THE PRORATION DEADLINE ARE ON WEDNESDAY, MARCH 6, 1996, AT 12:00 MIDNIGHT, NEW YORK CITY TIME, UNLESS THE OFFER IS EXTENDED BY THE COMPANY.

Very truly yours,

Merrill Lynch, Pierce, Fenner
& Smith Incorporated

Agent, The Limited, Inc. Stock
Purchase Plan

As described in the Offer to Purchase, if fewer than all Shares validly tendered prior to the expiration of the Offer are to be purchased by the Company, the Company will purchase Shares in the following order of priority: (a) all "odd lot" Shares tendered prior to the expiration of the Offer by any stockholder who owned beneficially as of the close of business on January 31, 1996, an aggregate of fewer than 100 Shares, and who validly tenders all of such Shares (partial tenders will not qualify for this preference); and (b) then, after purchase of all of the foregoing Shares, all other Shares validly tendered and not withdrawn prior to the expiration of the Offer on a pro rata basis, if necessary (with appropriate adjustments to avoid purchases of fractional Shares).

The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of Shares in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the laws of such jurisdiction. In those jurisdictions the laws of which require that the Offer be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of the Company by Lazard Freres & Co. LLC and Goldman, Sachs & Co. or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

[NOTICE FROM THE LIMITED, INC.]

February 1, 1996

Offer to Purchase Common Stock of The Limited, Inc.

Notice to Holders of Vested Stock Options:

Under separate cover, you have been sent materials (the "Tender Offer Documents") being sent to all stockholders of The Limited, Inc. (the "Company") in connection with its recently announced offer to purchase up to 85,000,000 shares of the Company's Common Stock, \$.50 par value per share (such shares, together with all other outstanding shares of Common Stock of the Company, are herein referred to as the "Shares"), at a price per share of \$19.00 upon the terms and subject to the conditions set forth in the Offer to Purchase dated February 1, 1996 and in the related Letter of Transmittal, which together constitute the "Offer".

As a holder of vested stock options, you may wish to exercise any or all of your vested options, and then tender the Shares so acquired to the Company pursuant to the terms of the Offer. To assist you, attached is a summary of your stock option grants, including the grant date, exercise price, and the number of shares from each grant that are currently available for you to exercise.

You will need to evaluate the Offer and Tender Offer Documents to determine if participation would be advantageous to you, based on your stock option exercise prices, the date of your stock option grants and the years left yet to exercise, the tender price, and the provisions for pro rata purchases by the Company outlined in the Offer.

We strongly encourage you to discuss the Offer with your tax advisor or broker. Merrill Lynch is also available to assist in answering any questions you may have. They can be reached at (614) 225-3194, if calling from Columbus, Ohio, or (800) 873-5870 (toll-free), if calling from outside Columbus, Ohio.

If you decide to exercise any of your stock options, attached is a form B for you to use. The Offer expires Wednesday, March 6, 1996, unless extended by the Company. If you do exercise in order to tender, you will need to exercise your shares by February 26, 1996, in order to obtain Shares to tender by March 6, 1996.

As described in the Offer to Purchase, if fewer than all Shares validly tendered prior to the expiration of the Offer are to be purchased by the Company, the Company will purchase Shares in the following order of priority: (a) all "odd lot" Shares tendered prior to the expiration of the Offer by any stockholder who owned beneficially as of the close of business on January 31, 1996, an aggregate of fewer than 100 Shares, and who validly tenders all of such Shares (partial tenders will not qualify for this preference); and (b) then, after purchase of all of the foregoing Shares, all other Shares validly tendered and not withdrawn prior to the expiration of the Offer on a pro rata basis, if necessary (with appropriate adjustments to avoid purchases of fractional Shares).

The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of Shares in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the laws of such jurisdiction. In those jurisdictions the laws of which require that the Offer be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of the Company by Lazard Freres & Co. LLC and Goldman, Sachs & Co. or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

[NOTICE FROM THE LIMITED, INC.]

February 1, 1996

OFFER TO PURCHASE COMMON STOCK OF THE LIMITED, INC.

Notice to Holders of Vested Stock Options:

Under separate cover, you have been sent materials (the "Tender Offer Documents") being sent to all stockholders of The Limited, Inc. (the "Company") in connection with its recently announced offer to purchase up to 85,000,000 shares of the Company's Common Stock (such shares, together with all other outstanding shares of Common Stock of the Company, are herein referred to as the "Shares") at a price per share of \$19.00 upon the terms and subject to the conditions set forth in the Offer to Purchase dated February 1, 1996 and in the related Letter of Transmittal, which together constitute the "Offer".

As a holder of vested stock options, you may wish to exercise any or all of your vested options and then tender the Shares so acquired to the Company pursuant to the terms of the Offer. To assist you, attached is a summary of your stock option grants, including the grant date, exercise price, and the number of shares from each grant that are currently available for you to exercise.

We encourage you to evaluate the Offer and Tender Offer Documents to determine if participation would be advantageous to you, based on your stock option exercise prices, the date of your stock option grants and the years left to exercise, the tender price, and the provisions for pro rata purchases by the Company outlined in the Offer.

SINCE YOU ARE SUBJECT TO THE REPORTING AND LIABILITY PROVISIONS OF SECTION 16 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "EXCHANGE ACT"), PLEASE NOTE THAT ANY TENDER OF SHARES BY YOU, WHETHER ACQUIRED UPON THE EXERCISE OF OPTIONS OR OTHERWISE, WILL BE SUBJECT TO THE SHORT-SWING PROFIT RECOVERY PROVISIONS OF SECTION 16(b) OF THE EXCHANGE ACT EXCEPT IN CONNECTION WITH CERTAIN TENDERS OF SHARES UNDER THE COMPANY SAVINGS AND RETIREMENT PLAN, AND WILL BE MATCHABLE WITH ANY NON-EXEMPT PURCHASE OF SHARES OCCURRING WITHIN THE SIX-MONTH PERIOD PRIOR TO OR SUCCEEDING SUCH TENDER.

We strongly encourage you to discuss the Offer with your tax advisor or broker. Merrill Lynch is also available to assist in answering any questions you may have. They can be reached at (614) 225-3194, if calling from Columbus, Ohio, or (800) 873-5870 (toll-free), if calling from outside Columbus, Ohio.

If you decide to exercise any of your stock options, attached is a form B for you to use. The Offer expires Wednesday, March 6, 1996, unless extended by the Company. If you do exercise in order to tender, you will need to exercise your shares by February 26, 1996, in order to obtain Shares to tender by March 6, 1996.

As described in the Offer to Purchase, if fewer than all Shares validly tendered prior to the expiration of the Offer are to be purchased by the Company, the Company will purchase Shares in the following order of priority: (a) all "odd lot" Shares tendered prior to the expiration of the Offer by any stockholder who owned beneficially as of the close of business on January 31, 1996, an aggregate of fewer than 100 Shares, and who validly tenders all of such Shares (partial tenders will not qualify for this preference); and (b) then, after purchase of all of the foregoing Shares, all other Shares validly tendered and not withdrawn prior to the expiration of the Offer on a pro rata basis, if necessary (with appropriate adjustments to avoid purchases of fractional Shares).

The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of Shares in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the laws of such jurisdiction. In those jurisdictions the laws of which require that the Offer be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of the Company by Lazard Freres & Co. LLC and Goldman, Sachs & Co. or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares. The Offer is made solely by the Offer to Purchase dated February 1, 1996 and the related Letter of Transmittal and is not being made to, nor will tenders be accepted from or on behalf of, holders of Shares in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the laws of such jurisdiction. In those jurisdictions whose laws require that the Offer be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of the Company by Lazard Freres & Co. LLC and Goldman, Sachs & Co. or one or more registered brokers or dealers licensed under the laws of such jurisdictions.

NOTICE OF OFFER TO PURCHASE FOR CASH

BY

THE LIMITED, INC.

UP TO 85,000,000 SHARES OF ITS COMMON STOCK

AT

\$19.00 NET PER SHARE

The Limited, Inc., a Delaware corporation (the "Company"), invites holders of its Common Stock, \$.50 par value per share (the "Shares"), to tender their Shares at a price of \$19.00 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase dated February 1, 1996 (the "Offer to Purchase"), and in the related Letter of Transmittal, which together constitute the "Offer".

The Offer is not conditioned upon any minimum number of Shares being tendered. The Offer is subject, however, to certain conditions. See Section 6 of the Offer to Purchase for a description of the conditions to the Offer.

THE OFFER, THE PRORATION PERIOD AND WITHDRAWAL RIGHTS EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, MARCH 6, 1996 (THE "EXPIRATION DATE"), UNLESS THE OFFER IS EXTENDED.

Upon the terms and subject to the conditions of the Offer, if not more than 85,000,000 Shares have been validly tendered and not withdrawn prior to the Expiration Date, the Company will purchase all such Shares. Upon the terms and subject to the conditions of the Offer, if more than 85,000,000 Shares have been validly tendered and not withdrawn prior to the Expiration Date, the Company will purchase Shares in the following order of priority:

- (a) all Shares validly tendered and not withdrawn prior to the Expiration Date by any stockholder who owned beneficially an aggregate of fewer than 100 Shares as of the close of business on January 31, 1996, and who validly tenders all of such Shares (partial tenders will not qualify for this preference); and
- (b) after purchase of all of the foregoing Shares, all other Shares validly tendered and not withdrawn prior to the Expiration Date on a pro rata basis, if necessary (with appropriate adjustments to avoid purchases of fractional Shares).

The Company expressly reserves the right, in its sole discretion, to (i) extend the period of time during which the Offer is open by giving oral or written notice of such extension to the Depositary (as defined below) or (ii) amend the Offer in any respect by making a public announcement of such amendment.

Tenders of Shares made pursuant to the Offer may be withdrawn at any time prior to the Expiration Date. Thereafter, such tenders are irrevocable, except that they may be withdrawn after March 28, 1996 unless theretofore accepted for payment as provided in the Offer to Purchase. To be effective, a written, telegraphic or facsimile transmission notice of withdrawal must be timely received by the Depositary at one of its addresses set forth in the Offer to Purchase and must specify the name of the person who tendered the Shares to be withdrawn and the number of Shares to be withdrawn and the name of the registered holder of the Shares, if different from that of the person who tendered such Shares. If the Shares to be withdrawn have been delivered to the Depositary, a signed notice of withdrawal (with signatures guaranteed by an "Eligible Institution" (as defined in the Offer to Purchase), except in the case of shares tendered by an Eligible Institution) must be submitted prior to the release of such Shares. In addition, such notice must specify, in the case of Shares tendered by delivery of certificates, the name of the registered holder (if different from that of the tendering stockholder) and the serial numbers shown on the particular certificates evidencing the Shares to be withdrawn or, in the case of Shares tendered by book-entry transfer, the name and number of the account at one of the Book-Entry Transfer Facilities to be credited with the withdrawn Shares. Withdrawals may not be rescinded and Shares withdrawn will thereafter be deemed not validly tendered for purposes of the Offer. However, withdrawn Shares may be retendered by again following one of the procedures described in Section 3 of the Offer to Purchase at any time prior to the Expiration Date.

For purposes of the Offer, the Company will be deemed to have accepted for payment, subject to the proration and "odd lot" provisions of the Offer, Shares that are validly tendered and not withdrawn as, if and when it

gives oral or written notice to First Chicago Trust Company of New York (the "Depository") of its acceptance for payment of such Shares.

During the past year, the Company has implemented a reconfiguration plan that has resulted in funds being made available to the Company in excess of those needed for its day-to-day operations. The purpose of the Offer is to allow those stockholders wishing to receive cash for a portion of their Shares an opportunity to do so at a price in excess of recent trading prices for the Shares.

While the Board of Directors of the Company believes that the Shares represent an attractive investment for its continuing stockholders, the Board of Directors recommends that those stockholders who wish to receive a premium over the recent, and anticipated near-term, market prices for the Shares tender some or all of their Shares pursuant to the Offer. The Company has entered into an agreement (the "Agreement") with Leslie H. Wexner, Chairman, President and Chief Executive Officer of the Company and The Wexner Children's Trust (the "Trust"), pursuant to which Mr. Wexner has agreed not to tender any Shares pursuant to the Offer. Under the terms of the Agreement (described more fully in the Offer to Purchase), Mr. Wexner, the Trust and the Company have entered into certain alternative transactions with respect to Shares held by the Trust. The Company has been advised that its other directors and executive officers have not determined whether to tender their Shares pursuant to the Offer. Stockholders must make their own decision whether to tender Shares and, if so, how many Shares to tender.

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

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

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

Requests for copies of the Offer to Purchase and the related Letter of Transmittal and other tender offer materials may be directed to the Information Agent or the Dealer Managers as set forth below, and copies will be furnished promptly at the Company's expense.

The Information Agent for the Offer is:

D.F. King & Co., Inc.
77 Water Street
New York, New York 10005
(212) 269-5550 (Call Collect)
or
Call Toll-Free (800) 549-6864

The Dealer Managers for the Offer are:

Lazard Freres & Co. LLC
30 Rockefeller Plaza
New York, New York 10020

Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004

February 1, 1996

Columbus, Ohio (January 28, 1996) -- The Limited, Inc. (NYSE/LSE: LTD) announced today that it will effect the previously announced special cash distribution to shareholders through a fixed-price issuer tender offer which is expected to commence to Thursday, February 1, 1996, and end on Wednesday, March 6, 1996. Pursuant to the tender offer, which has been approved by the Company's Board of Directors, the Company will offer to purchase up to 85 million shares of common stock at a price of \$19 per share.

Allan R. Tessler, speaking for the Board as Chairman of the Finance Committee, said, "The Board's decision to repurchase shares demonstrates our confidence in the Company and its future. This cash distribution is part of a wider reconfiguration plan announced last May which is designed to enable the Company's businesses to best compete in the current retailing environment and beyond, while providing shareholders with a special cash distribution."

In addition, The Limited, Inc. has entered into a contingent stock redemption agreement with Leslie H. Wexner, Chairman and Chief Executive Officer, approved by the Board, under which it has been agreed that he will not participate in the tender offer; rather, he will have the opportunity for three years beginning in 1998 to cause the Company to redeem 18.750 million shares at a price of \$18.75 per share. The Company will have the opportunity to redeem 18.750 million shares from him, from July 2001 until January, 2002, at a price of \$25.07 per share. The 18.750 million shares which are subject to this agreement represent something less than the number of shares Mr. Wexner could have sold had he fully participated in the tender.

Mr. Tessler continue, "Given Mr. Wexner's unique position as founder, Chairman and creative force of the Company, it was important to the Board that Mr. Wexner not be disadvantaged in comparison to other shareholders which might have resulted by virtue of his holdings in the Company."

Leslie H. Wexner, Chairman and Chief Executive Officer, stated, "Because of today's tender offer announcement, I believe it is important to share a preliminary view of 1995 earnings with investors as our audited financial results for the year will not be released until late February. Our current estimate is that for 1995 (excluding gains attributable to the Company's reconfiguration activities) earnings will be in the range of \$305 million to \$320 million, or between \$.85 to \$.90 per share, based upon shares outstanding prior to completion of the tender. Intimate Brands, Inc., our 83% owned subsidiary, is expected to report earnings for the year on a pro forma basis of \$213 million, or \$.85 per share.

"Looking forward to 1996," Mr. Wexner continued, "we are approaching our apparel businesses cautiously and conservatively, but we are prepared to be aggressive where we clearly see the opportunity. Because of the difficulty in analyzing trends in light of the abnormally sever January weather in the Midwest and the Northeast, and a holiday season which was clearly off-trend, we will not make a prediction or projection for 1996. However, we are prepared to say that Intimate Brands should continue to meet our expectations and that total Limited, Inc. earnings on an operating basis should be no less than 1995, with the potential to show significant improvement."

Mr. Wexner added, "Our financial position is excellent and 1996 cash flow will be even stronger than 1995."

The preceding two paragraphs contain forward looking statements that involve risks and uncertainties, including overall economic conditions, the impact of competition, pricing, consumer buying trends, weather patterns, and other factors. The Company releases sales figures on a monthly basis. For more complete information concerning factors which could affect the Company's financial results, reference is made to the Company's SEC reports.

The Limited, Inc., through Express, Lerner New York, Lane Bryant, Limited Stores, Henri Bendel, Structure, Abercrombie & Fitch, Limited Too, and Galyan's, presently operates 4,033 specialty stores. The Company also owns approximately 83% of Intimate Brands, Inc. which, through Victoria's Secret Stores, Bath & body Works, Cacique, and Penhaligon's, presently operates 1,291 specialty stores and distributes apparel internationally through the Victoria's Secret Catalogue.

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For further information, please contact: Alfred S. Dietzel
The Limited, Inc.
614/479-7070

LIMITED, INC. STOCK TENDER OFFER
ASSOCIATE - QUESTIONS AND ANSWERS

WHAT IS A TENDER OFFER?

Tender means sell, so a tender offer simply means that you have the opportunity to sell your shares. It is completely your choice in deciding if you want to tender your shares of Limited, Inc. stock at the offered price or not.

WHY IS THE COMPANY DOING THIS?

There has been considerable analysis over the past several months of how to appropriately distribute to our shareholders, the cash made available through our recent reconfiguration. As a result of that analysis, it has been determined, and approved by our Board of Directors, that a stock buy-back is the best way to distribute this cash to our shareholders and is in the best interest of associates, shareholders, and the Company.

WHAT WILL HAPPEN WITH THE SHARES OF LIMITED STOCK THAT I OWN IN THE SAVINGS AND RETIREMENT PLAN?

If you own Limited stock in your Savings and Retirement Plan account, you will also have the opportunity to tender these shares - however, the money from the sale of your shares will not be distributed to you, they will be reinvested in your SARP account. The reinvestment in your account will be based on what investment election you have made for investment of your future contributions. As previously announced, if you would like to change your future investment election, you may do so by calling the SARP Line. If you do have Limited stock in your SARP account, you will be getting a separate package at your home next week, describing in detail what choices you have.

WHAT HAPPENS WITH THE SHARES I OWN THROUGH THE EMPLOYEE STOCK PURCHASE PLAN?

If you have shares of Limited, Inc. stock in your Employee Stock Purchase Plan, you will be receiving a copy of the tender offer package from Merrill Lynch. It will provide all of the details of the offer, and will give you instructions about how to tender your shares if you wish to do so.

HOW DO I TENDER (SELL) MY SHARES OF LIMITED, INC. STOCK?

If you own shares of Limited, Inc. stock, you will receive a tender offer package. This package will provide you with the complete details of the offer, and provide you with instructions about how to tender your shares, if you wish to do so. Remember that if you own shares through multiple plans or brokers, you will be receiving packages from each.

IF I HAVE LIMITED, INC. STOCK OPTIONS, WHAT HAPPENS WITH THOSE?

If you have been granted Limited, Inc. stock options, you will receive a letter outlining what you should do if you choose to exercise those options in order to tender your shares. It will also provide you with information of who to call should you have questions.

HOW DO I KNOW HOW MANY SHARES I ACTUALLY OWN AND CAN TENDER (SELL)?

If you have shares of Limited stock outright, or through SARP or ESPP, you will be receiving detailed information regarding the tender offer and how many shares you own. You may receive multiple packages, if you own shares through more than one plan or brokerage account, therefore it is important that you read each package in detail.

WHO CAN I TALK WITH TO GET MORE INFORMATION ABOUT WHAT THIS ALL MEANS TO ME?

If you own shares of Limited, Inc. stock, we recommend that you wait until you receive your tender offer package(s) in the mail, and have had an opportunity to review the details of the offer. Then, if you have questions regarding your personal situation, beginning on Thursday, February 1, you may call Merrill Lynch at 1-800-621-3777 for assistance. This number is available from 8 a.m. through 7 p.m. EST Monday through Friday - again beginning on February 1.

WHAT PRICE WILL I GET FOR THE LIMITED SHARES THAT I SELL?

If you decide to tender (sell) some or all of your shares, you will receive \$19 for each share that is accepted to be purchased. What this means, is that the Company is offering to pay \$19 for each share it accepts, but can only purchase a total of 85 million shares. If, at the end of the tender period, more than 85 million shares has been tendered (offered to be sold), then the number of shares will be "prorated". For example, if 85 million shares can be bought by the company, and 170 million shares are tendered by shareholders, then 50% of what each shareholder offered to sell will actually be bought. Special procedures will apply to shareholders whose total shares owned are less than 100 shares. The tender offer package will explain these procedures.

HOW LONG DO I HAVE TO DECIDE WHAT I WANT TO DO?

The tender period will begin on Thursday, February 1, and end on Wednesday, March 6, unless extended by the Company. You will need to read your tender materials carefully to ensure you comply with and respond by the deadline outlined in each package.

WHEN WILL I KNOW HOW MANY OF MY LIMITED, INC. SHARES HAVE BEEN SOLD?

At the end of the tender period, all of the shares that have been offered to be sold by shareholders will be tallied, and if there is a need to prorate the number of shares, it will be done at that time. Once all of that is complete, you will be notified within a couple of weeks of the percentage of the shares tendered that were sold.

WHAT IF I DO NOT WANT TO SELL?

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

IF I DECIDE TO SELL, WHEN WILL I GET MY MONEY?

If you decide to sell, the purchase price will be paid to you as soon as practicable after the percentage of the shares tendered that the Company will "purchase" is determined.

WILL I HAVE TO PAY BROKERAGE FEES IF I DECIDE TO SELL SOME OF MY LIMITED SHARES?

No

WILL I HAVE TO PAY ANY TAXES IF I DECIDE TO SELL SOME OF MY LIMITED SHARES?

You may owe taxes on the sale of your shares, as you would normally. If you have questions, we encourage you to talk to your tax advisor about your personal situation.

IF I OWN STOCK IN INTIMATE BRANDS, ARE THOSE AFFECTED?

This tender offer applies only to shares of Limited, Inc. stock. It does not apply to any shares you may own in Intimate Brands.

CONFORMED COPY

CONTINGENT
STOCK REDEMPTION AGREEMENT
dated as of
January 26, 1996
among
THE LIMITED, INC.,
LESLIE H. WEXNER
and
THE WEXNER CHILDREN'S TRUST

CONTINGENT STOCK REDEMPTION AGREEMENT

THIS CONTINGENT STOCK REDEMPTION AGREEMENT (the "AGREEMENT") is made and entered into as of January 26, 1996 among The Limited, Inc., a Delaware corporation (the "COMPANY"), Leslie H. Wexner, in his individual capacity, (in such capacity, the "PRINCIPAL STOCKHOLDER"), and Leslie H. Wexner, as Trustee (in such capacity, the "TRUSTEE") of The Wexner Children's Trust under a Trust Agreement dated January 24, 1996 (the "TRUST").

ARTICLE I
DEFINITIONS

Section 1.01. Definitions. (a) The following terms, as used herein, have the following meanings:

"AFFILIATE" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person. For the purpose of this definition, the term "control" (including with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

"BUSINESS DAY" means each day other than Saturdays, Sundays and days when commercial banks are authorized or required to be closed for business in New York City, New York.

"CLOSING" means any closing of a redemption of Subject Shares pursuant to Section 2.01 or 2.02 hereof, as the case may be.

"COMMON STOCK" means the common stock, par value \$.50 per share, of the Company (or any successor thereto).

"CREDIT AGREEMENT" means any credit or similar agreement providing for the making of loans or other financial accommodations to a Holder of the Section 2.01 Redemption Right or any portion thereof.

"EFFECTIVE DATE" means the earlier to occur of (i) the day immediately preceding the date of the commencement of the Tender Offer or (ii) February 2, 1996.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended.

"GUARANTY" means any guaranty of the obligations of the Company hereunder entered into pursuant to Section 3.06.

"HOLDER" means the Trust, any Permitted Transferee and any other Person to whom rights or obligations under this Agreement have been transferred in accordance with the terms hereof.

"IMMEDIATE FAMILY" shall be defined as in Rule 16a-1(e) under the Exchange Act.

"PERMITTED TRANSFEREE" means (i) the Principal Stockholder, (ii) any member of the Immediate Family of the Principal Stockholder, (iii) any corporation, partnership, trust or other entity all of the stockholders, partners, owners or beneficiaries of which are the Principal Stockholder, members of the Immediate Family of the Principal Stockholder or any Person qualified as tax-exempt under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and (iv) the estate or personal representative of (A) the Principal Stockholder or (B) any member of the Immediate Family of the Principal Stockholder.

"PERSON" means an individual or a corporation, partnership, trust, or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"REDEMPTION PRICE" means the price per share, as adjusted from time to time in accordance with the terms of Sections 2.07 and 2.08 hereof, at which the Subject Shares may be redeemed in accordance with the terms and conditions of this Agreement.

"SUBJECT SHARES" means (i) as of the Effective Date, 18,750,000 shares of Common Stock, and (ii) as of any subsequent date, the number of shares of Common Stock (and the number of shares, units or amounts of each such other security or other property, which, as of such date, is a Subject Share in accordance with the terms and provisions hereof) which are subject to redemption hereunder (either pursuant to Section 2.01 or 2.02), as adjusted from time to time in accordance with the terms hereof.

"TENDER OFFER" means the offer by the Company to purchase up to 85 million shares of Common Stock to be commenced on or about February 1, 1996.

"TRANSFeree" means a Person to whom a Transfer has been made.

"TRUST AGREEMENT" means the Declaration of Trust made as of January 24, 1996 by Leslie H. Wexner, as Settlor and as Trustee.

(b) Each of the following terms is defined in the Section set forth opposite such term:

Term	Section
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Aggregate Common Stock Component	2.07(c)
Cash Collateral	3.05(a)
Constituent Person	2.09
Current Market Price	
Per Common Share	2.07(d)
Custodian	3.04(a)
Custodian's Notice	3.05(a)
Custody Account	3.04
DGCL	2.03(c)
Daily Price	2.07(d)
Determination Date	2.07(c)
Designated Subject Shares	2.07(a)(ii)
Distributee Company	2.06(a)
Extraordinary Dividend	2.07(b)
Minimum Required Amount	3.05
Pledge Agreement	3.04(a)
Permitted Pledgee	2.04(c)
Pre-Distribution	
Subject Shares	2.07(a)(i)(c)
Redemption Notice	2.01 and 2.02
Relevant Distribution	2.06(a)
Replaced Shares	2.04(d)
Repurchased Designated	
Common Stock	2.07(c)
Rights	2.07(a)
Section 2.01 Redemption Right	2.01
Section 2.02 Redemption Right	2.02
Specified Number	2.07(a)(i)(A)
Subject Share Shortfall	2.07(a)(iii)
Transfer	2.04(a)
Transferee Agreement	2.04(b)
Withdrawn Shares	3.05(a)

ARTICLE II

REDEMPTION RIGHTS

Section 2.01. Redemption Right of the Holder. Subject to the final sentence of this Section 2.01, from time to time during the period commencing upon the second annual anniversary of the Effective Date and ending on the day prior to the fifth annual anniversary of the Effective Date, a Holder shall be entitled to require the Company to redeem Subject Shares, in whole or in part, subject to the terms and conditions hereof, if, and only if, during such period such Holder gives written notice (a "REDEMPTION NOTICE") to the Company stating the number of Subject Shares to be redeemed (the "SECTION 2.01 REDEMPTION RIGHT"). In such event, the Redemption Price shall be a price equal to \$18.75 per share in cash, as adjusted from time to time in accordance with Sections 2.07 and 2.08 hereof. The Company shall not be required to redeem a number of Subject Shares pursuant to this Section 2.01 having an aggregate Redemption Price of less than \$200 million, unless all other Subject Shares shall have been previously, or shall be simultaneously, redeemed by the Company pursuant to the terms of this Agreement. The number of Subject Shares from time to time subject to the Section 2.01 Redemption Right shall be reduced by the number of Subject Shares theretofore redeemed pursuant to this Section 2.01.

Section 2.02. Redemption Right of the Company. Subject to the final sentence of this Section 2.02, from time to time during the period commencing upon the 66th monthly anniversary of the Effective Date and ending on the day prior to the 72nd monthly anniversary of the Effective Date, the Company shall have the right to redeem Subject Shares from a Holder that holds such Subject Shares (or has withdrawn Subject Shares from the Custody Account

in accordance with Section 3.05) subject to the Section 2.02 Redemption Right, in whole or in part, subject to the terms and conditions hereof, if, and only if, during such period the Company gives written notice (a "REDEMPTION NOTICE") to such Holder stating the number of Subject Shares to be redeemed (the "SECTION 2.02 REDEMPTION RIGHT"). In such event, the Redemption Price shall be a price equal to \$25.07 per share in cash, as adjusted from time to time in accordance with Sections 2.07 and 2.08 hereof. The Company shall not be entitled to redeem a number of Subject Shares pursuant to this Section 2.02 having an aggregate Redemption Price of less than \$200 million unless all other Subject Shares shall have been previously, or shall be simultaneously, redeemed by the Company pursuant to the terms of this Agreement. The number of Subject Shares from time to time subject to the Section 2.02 Redemption Right shall be reduced by the number of Subject Shares theretofore redeemed pursuant to either the Section 2.01 Redemption Right or the Section 2.02 Redemption Right.

Section 2.03. Closing. (a) Any Closing shall occur no later than five Business Days following the receipt by the Company or the Holder, as the case may be, of a Redemption Notice. A Closing shall be permitted to occur following the periods specified in Section 2.01 and 2.02 provided that the Redemption Notice shall have been given prior to the expiration of the applicable period.

(b)(i) At any Closing, the relevant Holder shall deliver, or cause to be delivered, to the Company a certificate or certificates representing the securities included in the Subject Shares to be redeemed at such Closing, duly endorsed for transfer or accompanied by duly executed instruments of transfer, in each case, with signature guaranteed, against payment therefor pursuant to paragraph (ii) below. If less than all the securities included in the Subject Shares represented by any such certificate or certificates are being redeemed, the Company shall, at any such Closing (or, to the extent that the applicable Subject Shares are not shares of Common Stock, as soon as practicable thereafter), deliver to the Custodian, Trust or other Holders, as applicable, new certificates representing the securities included in the Subject Shares equal to the difference between the securities included in the Subject Shares represented by the certificate(s) delivered to the Company and the securities included in the Subject Shares redeemed. To the extent Subject Shares to be redeemed at any Closing include property other than securities, title to such property shall be conveyed, and possession of such property surrendered, to the Company in a manner appropriate for such property. In the event any Closing shall occur following a record date for a distribution with respect to any security constituting a part of the Subject Shares, but prior to such distribution, the relevant Holder shall not be required to deliver the security or other property to be distributed in such distribution but, instead, shall be obligated to deliver an instrument assigning such Holder's right to receive such security or other property in such distribution with respect to the Subject Shares so delivered.

(ii) At any Closing, the Company shall deliver to the relevant Holder, against receipt of the Subject Shares being redeemed at such Closing in accordance with paragraph (i) above, the aggregate Redemption Price for the Subject Shares to be redeemed from such Holder at such Closing by wire transfer of immediately available funds to such bank account as such Holder shall have specified in writing no later than two Business Days prior to the Closing.

(c) Notwithstanding any provision of this Agreement to the contrary, the Company's obligation to effect any Closing shall be subject to the following conditions: (i) as of the date of the Closing, the relevant Holder (A) has the legal capacity to deliver for redemption the Subject Shares and (B) owns the Subject Shares (or is a Permitted Pledgee), and is delivering such shares to the Company, free and clear of (x) in the case of any pledgee to whom any Section 2.01 Redemption Right and related Subject Shares shall have been pledged in accordance with Section 2.04(c) hereof, or any other Holder following a Transfer contemplated by clause (ii), (iii) or (iv) of such Section 2.04(c), all claims, charges, encumbrances, or security interests created by or arising or attaching through such pledgee or Holder and (y) in the case of any other Holder, all claims, charges, encumbrances or security interests of any nature whatsoever, except, in each case, a pledge or security interest granted pursuant to Section 3.04 hereof; (ii) as of the date of the Closing, the Company is not prohibited from redeeming the Subject Shares by reason of clause (a)(1) of Section 160 of the Delaware General Corporation Law ("DGCL"); (iii) no preliminary or permanent injunction or other order by any court of competent jurisdiction prohibiting the consummation of the transaction shall be in effect and (iv) the relevant Holder shall have confirmed in writing to the Company as of the Closing Date the accuracy of the matters referred to in clause (i) of this Section 2.03(c).

Section 2.04. Transfer of the Section 2.01 Redemption Right and the Subject Shares. (a) Any Holder shall have the right to transfer, sell, assign, bequeath or otherwise dispose of (together, "TRANSFER"), from time to time, in whole or in part, the Section 2.01 Redemption Right to any Permitted Transferee; provided the Transferee of the Section 2.01 Redemption Right, at the time of the Transfer and at all times during which such Transferee holds the Section 2.01 Redemption Right, holds the number of Subject Shares from time to time required to exercise the Section 2.01 Redemption Right in full (it being understood that such Subject Shares need not have been owned by the Transferor of the Section 2.01 Redemption Right), and provided further, that as a condition to such Transfer, such Transferee shall enter into a written agreement reasonably satisfactory to the Company to the effect that such Transferee shall be bound by the terms and provisions of this Agreement applicable to Holders of a Section 2.01 Redemption Right, including, without limitation, the terms of the immediately foregoing proviso.

(b) Each of the Trust and any Permitted Transferee shall have the right to Transfer at any time following the third annual anniversary of the

Effective Date, in whole or, subject to the final sentence of this Section 2.04(b), in part, the Section 2.01 Redemption Right, to any Person other than a Permitted Transferee, provided that (A) the number of Subject Shares to which the Transferred Section 2.01 Redemption Right relates shall be Transferred together with such Section 2.01 Redemption Right and (B) as a condition to such Transfer, the Transferee shall enter into a written agreement reasonably satisfactory to the Company to the effect that such Transferee shall (i) be a "Holder" hereunder, (ii) be bound by the terms and provisions of this Agreement applicable to Holders, (iii) hold such Section 2.01 Redemption Right (or portion thereof) (and the related Subject Shares) for investment purposes only, (iv) not engage (and shall not permit any other Person to engage) in any options, hedging, derivatives or similar transactions or arrangements with respect to such Section 2.01 Redemption Right (or portion thereof) or the Subject Shares related thereto and (v) not Transfer such Section 2.01 Redemption Right (or portion thereof) or Subject Shares except in accordance with this Section 2.04 (such agreement, a "TRANSFEREE AGREEMENT"). Unless such Transferee shall continue to hold Subject Shares subject to the Section 2.02 Redemption Right, upon expiration or termination of the Section 2.01 Redemption Right, any Transferee Agreement relating thereto shall also expire or terminate. In the case of a partial Transfer of the Section 2.01 Redemption Right pursuant to this Section 2.04(b), such Transfer shall be made only with respect to a portion of such Section 2.01 Redemption Right in respect of Subject Shares having an aggregate Redemption Price at least equal to \$200 million, unless the number of Subject Shares which have not been previously or simultaneously redeemed pursuant to this Agreement shall have an aggregate Redemption Price of less than \$200 million (in which case the Section 2.01 Redemption Right may be Transferred only in its entirety).

(c) The Trust or any Permitted Transferee shall have the right to pledge the Section 2.01 Redemption Right (and related Subject Shares), from time to time, in whole or in part, to any financial institution reasonably satisfactory to the Company to secure such Holder's obligations under a Credit Agreement; provided that, as a condition to such pledge, the pledgee shall enter into a written agreement reasonably satisfactory to the Company intended to protect the Company's rights under this Agreement. Any such pledgee is referred to herein as a "PERMITTED PLEDGEE". Notwithstanding any contrary provision of Section 2.01, the Section 2.01 Redemption Right shall be exercisable beginning on the first annual anniversary of the Effective Date by a Permitted Pledgee following the occurrence of a default under the applicable Credit Agreement or by any Holder of the Section 2.01 Redemption Right and related Subject Shares following a Transfer thereof pursuant to an exercise of remedies by a Permitted Pledgee (whether by foreclosure of its pledge or the exercise of other legal or equitable remedies) or pursuant to a Transfer made in lieu of foreclosure following a default under the applicable Credit Agreement. In the event of any default under a Credit Agreement entitling a Permitted Pledgee to exercise or Transfer the Section 2.01 Redemption Right, then such Permitted Pledgee shall have the right to:

(i) exercise the Section 2.01 Redemption Right at any time prior to effecting any Transfer thereof, by foreclosure or otherwise;

(ii) effect a Transfer of the Section 2.01 Redemption Right (and related Subject Shares), by foreclosure or otherwise, to a Permitted Transferee, but in such event the Section 2.01 Redemption Right shall not be exercisable prior to the second annual anniversary of the Effective Date (except in accordance with this Section 2.04(c) if pledged by such Permitted Transferee to another Permitted Pledgee);

(iii) effect a Transfer of the Section 2.01 Redemption Right (and related Subject Shares), by foreclosure or otherwise, to any Person (including, without limitation, itself); provided that the Transferee executes and delivers a Transferee Agreement and holds the Section 2.01 Redemption Right (and related Subject Shares) subject to the terms thereof; or

(iv) effect a Transfer of the Section 2.01 Redemption Right (and related Subject Shares), by foreclosure or otherwise, to any Person (including, without limitation, itself) other than in accordance with the foregoing clauses, but in such event the Section 2.01 Redemption Right so Transferred shall terminate 15 Business Days after the date of consummation of such Transfer unless such Person is a Permitted Pledgee (or an affiliate thereof) and executes an agreement whereby such Person agrees not to Transfer the Section 2.01 Redemption Right (and related Subject Shares) other than in accordance with clause (ii) or (iii) above, in which case the Section 2.01 Redemption Right so Transferred shall terminate 15 Business Days after the later to occur of (A) the date of consummation of such Transfer and (B) the first annual anniversary of the Effective Date.

A Transfer may be made as contemplated by clause (ii), (iii) or (iv) above only if the Person to whom such Transfer is made assumes the obligations of a Holder hereunder with respect to the Section 2.02 Redemption Right to the extent of the Subject Shares Transferred; provided that such assumption shall not be required if such Subject Shares constitute Withdrawn Shares, or Replaced Shares, at the time of such Transfer.

In addition to the foregoing, following the expiration of the Section 2.01 Redemption Right, the Trust or any Permitted Transferee shall be permitted to pledge the Subject Shares, subject to the Section 2.02 Redemption Right, on the same terms as are applicable to a pledge of the Section 2.01 Redemption Right (and the related Subject Shares) under this Section 2.04(c).

(d) No Holder shall be permitted to Transfer any Subject Shares except (i) in connection with a Transfer of the Section 2.01 Redemption Right in accordance with Section 2.04(a), (b) or (c) or (ii) Withdrawn Shares or Replaced Shares. All Subject Shares (other than Withdrawn Shares or Replaced

Shares) Transferred in accordance with Section 2.04(a), (b) or (c) shall at all times remain subject to the Section 2.02 Redemption Right. Notwithstanding the foregoing, the Trust shall be entitled from time to time to deposit into the Custody Account (or to establish a separate Custody Account and deposit therein) additional Subject Shares which shall immediately become subject to the Section 2.02 Redemption Right (or cash in the Minimum Required Amount) in lieu of an equivalent number of Subject Shares then held by another Holder (designated by the Trustee) ("REPLACED SHARES"), and (i) the Company shall thereupon issue or, to the extent possible, cause to be issued to such Holder new certificates representing the Replaced Shares without the legend referred to in Section 2.04(f) and (ii) such Replaced Shares shall no longer be subject to the Section 2.02 Redemption Right.

(e) Except as expressly permitted by Section 2.04(a), (b), and (c), a Section 2.01 Redemption Right may not be Transferred by any Holder; provided that, notwithstanding any contrary provision in this Section 2.04, it is understood that any Transfer of Subject Shares and the Section 2.01 Redemption Right pursuant to enforcement of the Guaranty (or any drawing under a letter of credit issued to support obligations under the Guaranty) shall not be prohibited by any provision of this Agreement.

(f) All Subject Shares from time to time subject to the Section 2.02 Redemption Right shall bear a legend to such effect.

Section 2.05. Transfer of Section 2.02 Redemption Right. The Company shall have the right to transfer, from time to time, in whole or in part, the Section 2.02 Redemption Right to any Affiliate, including, without limitation to a Distributee Company in connection with any Relevant Distribution; provided, however, that (i) no such transfer shall relieve the Company of its obligation to pay the aggregate Redemption Price in respect of the Section 2.01 Redemption Right, unless the Distributee Company shall have assumed such obligation, and (ii) the Guaranty and all other credit support referred to in Section 3.06 hereof shall remain in effect.

Section 2.06. Certain Adjustments to the Subject Shares. (a) In the event the Company shall fix a record date for the distribution to holders of Common Stock of any security representing an interest in any business theretofore owned or controlled by the Company, immediately following the effective date of such distribution (a "RELEVANT DISTRIBUTION"), each Subject Share shall be deemed to consist of the share or shares of Common Stock and other securities and other assets, if any, which, as of the date immediately prior to such distribution, constituted a Subject Share, plus such security, or portion thereof, to be received by the holders of Common Stock in such distribution in respect of the share or shares of Common Stock included in one Subject Share immediately prior to such distribution. If, in connection with any such distribution, the Company's obligations under the Section 2.01 Redemption Right and the Company's rights under the Section 2.02 Redemption Right are transferred to the entity the stock of which is being distributed to holders of Common Stock (the "DISTRIBUTE COMPANY"), (i) an adjustment in the number and type of securities included in one Subject Share shall be made in accordance with the first sentence of this Section 2.06(a), (ii) the Distributee Company shall be deemed the successor to the Company for all purposes of this Agreement and (iii) without limiting the generality of the foregoing, for purposes of determining whether any adjustment is required pursuant to Section 2.06, 2.07, 2.08 or 2.09 as a result of any action taken or event occurring after the date of such distribution, all references to the Company shall be deemed to be references to the Distributee Company and all references to Common Stock shall be deemed to be references to the common stock of the Distributee Company received in the Relevant Distribution. The foregoing adjustments shall be made successively whenever a record date is fixed and, in the event that such distribution is not so made, the composition of the Subject Shares shall again be adjusted to be such Subject Shares which would then be in effect if such record date had not been fixed.

(b) In case the Company shall at any time after the date hereof (i) declare a dividend, or make a distribution on Common Stock, payable in Common Stock, (ii) subdivide or split the outstanding Common Stock, (iii) combine or reclassify the outstanding Common Stock into a smaller number of shares, or (iv) issue any shares of its capital stock in a reclassification of Common Stock (including any such reclassification in connection with a consolidation or merger in which the Company is the continuing corporation), each Subject Share shall thereafter consist of (x) the number of shares of Common Stock or portions thereof resulting from such dividend, distribution, subdivision, split, combination or reclassification in respect of the number of shares of Common Stock or portions thereof thereto contained in a Subject Share and (y) all other assets and property theretofore contained in a Subject Share. Such adjustment shall be made successively whenever any event listed above shall occur.

(c) All calculations required by this Section 2.06 shall be made to the nearest one hundredth of a share.

Section 2.07. Certain Additional Adjustments.

(a)(i) In case the Company shall fix a record date for the issuance to all holders of Common Stock of rights, options, warrants, convertible securities or other securities entitling such holders to subscribe for or purchase shares of Common Stock (or securities convertible into shares of Common Stock) (collectively, "RIGHTS") and the price per share of Common Stock (or the conversion price per share of Common Stock, if a security convertible into shares of Common Stock) to be paid upon exercise or conversion thereof is less than the Current Market Price Per Common Share on such record date, then:

(A) unless the relevant Holder elects to have the provisions of clause (iii) of this Section 2.07(a) apply, the Specified Number of shares of Common Stock theretofore withdrawn from the Custody Account as a result of the substitution of Cash Collateral shall be replaced

in the Custody Account at least two Business Days prior to the record date for such issuance and such replacement shares of Common Stock shall remain in the Custody Account through such record date (For purposes of this clause (A), the term "Specified Number" means a number of shares of Common Stock equal to the excess, if any, of (1) the number of shares of Common Stock then required (together with all other assets comprising Subject Shares) to satisfy the Section 2.02 Redemption Right in full over (2) the sum of the number of shares of Common Stock then subject to a security interest of Permitted Pledgees and the number of shares of Common Stock subject to the Section 2.02 Redemption Right but not subject to such security interest.);

(B) all Rights received in respect of Common Stock constituting a part of the Designated Subject Shares, from and after the distribution thereof, may not be Transferred (other than in connection with a Transfer of Subject Shares);

(C) until such time as such Rights included in the Designated Subject Shares expire or are exercised or converted, each Subject Share shall be deemed to consist of each share of Common Stock included in a Subject Share in respect of which such Rights were issued and such other securities and other assets, if any, which, as of such record date constituted a Subject Share (together, a "Pre-Distribution Subject Share") plus the number of Rights determined by dividing (1) the total number of unexercised or unconverted Rights included in the Designated Subject Shares, by (2) the number of Subject Shares;

(D) to the extent such Rights included in the Designated Subject Shares are exercised or converted, from and after the time of such exercise or conversion each Subject Share shall be deemed to consist of a Pre-Distribution Subject Share plus any unexpired, unexercised and unconverted Rights included therein pursuant to clause (C) above, plus (x) a number of shares of Common Stock with a Current Market Price Per Common Share (measured as of the record date) equal to the difference between (1) the aggregate Current Market Price Per Common Share (determined as aforesaid) of the shares of Common Stock received upon such exercise or conversion of Rights included in the Designated Subject Shares minus (2) the aggregate price paid by the relevant Holder upon such exercise or conversion divided by (y) the number of Subject Shares.

(ii) For purposes hereof, "DESIGNATED SUBJECT SHARES" means, at any time, particular Subject Shares equal to the total number of Subject Shares at the time, determined by reference to (A) first, to the extent that any Subject Shares have been pledged, together with related Section 2.01 Redemption Rights, to a Permitted Pledgee, the number of Subject Shares so pledged and (B) second, to the extent that the total number of Subject Shares at the time exceeds the Designated Subject Shares specified in clause (A) of this Section 2.07(a)(ii), the Subject Shares in the Custody Account.

(iii) For purposes of this Section 2.07(a), if on any record date referred to in clause (i) of this Section 2.07(a), the aggregate number of Designated Subject Shares shall be less than the aggregate number of Subject Shares (such shortfall, the "SUBJECT SHARE SHORTFALL") each Subject Share shall be adjusted pursuant to clause (i)(D) of this Section 2.07(a) as if, in addition to the Rights actually exercised in respect of actual Designated Subject Shares, all Rights in respect of a number of Designated Subject Shares equal to the Subject Share Shortfall had been exercised on such record date.

(iv) The adjustments set forth above shall be made successively whenever a record date is fixed or any Right is exercised or converted, as the case may be; and in the event that such Rights are not so issued or expire unexercised, each Subject Share shall again be adjusted to be such Subject Shares which would then be in effect if such record date had not been fixed.

(b) In case the Company shall fix a record date for the making of a distribution to all holders of Common Stock (including any such distribution made in connection with a consolidation or merger in which the Company is the continuing corporation) of evidences of indebtedness, assets or other property (other than (w) distributions payable in Common Stock or Rights referred to in, and for which an adjustment is made pursuant to, Section 2.07(a) hereof, (x) distributions referred to in, and for which an adjustment is made pursuant to Section 2.06, (y) any regular quarterly or semi-annual dividend payable in cash or (z) any dividend payable in cash other than a regular quarterly or semi-annual dividend (an "EXTRAORDINARY DIVIDEND") which, individually or together with all other Extraordinary Dividends paid in such fiscal year, does not exceed 50% of the aggregate amount of any regular quarterly or semi-annual dividend or dividends paid in the preceding fiscal year) then (i) in the case of any distribution of cash, the Redemption Price to be in effect after such record date shall be reduced by the amount of cash distributed in respect of the number of shares of Common Stock included in one Subject Share and (ii) in the case of a distribution of evidences of indebtedness, assets or other property (other than cash), from and after such record date, each Subject Share shall be deemed to consist of such number of shares of Common Stock included in one Subject Share as of such record date, and such other securities and other assets, if any, which, as of such record date, constituted one Subject Share, plus such evidences of indebtedness, assets or other property received by the Holder in respect of such number of shares of Common Stock in such distribution. Such adjustments shall be made successively whenever such a record date is fixed; and in the event that such distribution is not so made, each Redemption Price or the composition of the Subject Shares, as the case may be, shall again be adjusted to be such Redemption Price or such Subject Shares, as the case may be, which would then be in effect if such record date had not been fixed.

(c) In case at any time or from time to time the Company or any subsidiary thereof shall repurchase, by self tender offer (excluding for this purpose, open market purchases), any shares of Common Stock of the Company included in any Designated Subject Shares at a weighted average purchase price in excess of the Current Market Price Per Common Share on the Business Day immediately prior to the earliest date of such repurchase, the commencement of an offer to repurchase or the public announcement of either (such date being referred to as the "DETERMINATION DATE"), (i) each Subject Share shall thereafter consist of (A) all property and assets other than shares of Common Stock included in one Subject Share on the Determination Date and (B) a number of shares of Common Stock equal to the number of shares of Common Stock included in one Subject Share on the Determination Date multiplied by a fraction the numerator of which is (I) the aggregate number of shares of Common Stock included in the total number of Subject Shares on the Determination Date (such aggregate number of shares of Common Stock, the "AGGREGATE COMMON STOCK COMPONENT") less (II) the number of shares of Common Stock included in all Designated Subject Shares on the Determination Date that are purchased pursuant to such repurchase (the "REPURCHASED DESIGNATED COMMON STOCK") and the denominator of which is the Aggregate Common Stock Component as of the Determination Date and (ii) each Redemption Price shall be adjusted to equal the amount determined by dividing (x) the difference between (A) the product of the number of Subject Shares outstanding on the Determination Date multiplied by the Redemption Price theretofore in effect minus (B) the number of shares of Repurchased Designated Common Stock multiplied by the purchase price per share of Repurchased Designated Common Stock paid by the Company or any subsidiary in such repurchase by (y) the total number of Subject Shares. For purposes of this Section 2.07(c), if on any Determination Date in respect of any self tender offer there shall exist a Subject Share Shortfall, the adjustments set forth in the foregoing sentence shall be made as if the number of shares of Repurchased Designated Common Stock included, in addition to any shares of Common Stock included in any Designated Subject Shares actually purchased pursuant to such repurchase, a number of Shares of Common Stock equal to the number that would have been purchased had a number of shares of Common Stock equal to the number of shares included in a number of Subject Shares equal to the Subject Share Shortfall been tendered and purchased on the basis of the maximum proration possible in respect of such tender offer. In addition, for purposes of this Section 2.07(c), neither (A) the Tender Offer, (B) the exercise of the Section 2.01 Redemption Right or the Section 2.02 Redemption Right nor (C) the repurchase or repurchases by the Company or any subsidiary thereof within any 12 month period of not more than 15% of the shares of Common Stock outstanding as of the first date of such period, at a price not in excess of 115% of the Current Market Price Per Common Share as of the Determination Date of any such repurchase, shall be deemed to constitute a repurchase to which this Section 2.07(c) applies. An adjustment made pursuant to this Section 2.07(c) shall become effective immediately after the effective date of such repurchase.

(d) For the purpose of any computation under Sections 2.07(a), (b) or (c) hereof, on any Determination Date the "CURRENT MARKET PRICE PER COMMON SHARE" shall be deemed to be the average (weighted by daily trading volume) of the Daily Prices (as defined below) per share of the applicable class of Common Stock for the 20 consecutive trading days immediately prior to such date. "DAILY PRICE" means the closing price on such day as reported on the New York Stock Exchange, Inc. Composite Transactions Tape.

(e) No adjustment in the Redemption Price shall be required unless such adjustment would require an adjustment of at least one percent in such price; provided that any adjustments which by reason of this Section 2.07(e) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 2.07 shall be made to the nearest one tenth of a cent.

2.08. Other Adjustments. In the event that the Subject Shares shall include any shares of capital stock of the Company other than Common Stock or any shares of capital stock of any other Person, the number of such other shares and/or the applicable Redemption Price shall thereafter be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions contained in Sections 2.06, 2.07 and 2.09 hereof. In addition, if (i) the Company effects any distribution or similar transaction to or in respect of holders of Common Stock involving any securities representing an interest in any business theretofore owned by the Company and (ii) the effect of such distribution or similar transaction on the composition of the Subject Shares is not addressed in Section 2.06, 2.07 or 2.09 hereof, the composition of the Subject Shares shall thereafter be adjusted in an equitable manner to reflect both the nature of the distribution or transaction and the purposes of the provisions of Sections 2.06, 2.07 and 2.08.

2.09. Merger, Consolidation or Sale of Assets. In case of any consolidation of the Company with, or merger of the Company into, any other Person, any merger of another Person into the Company (other than a merger which does not result in any reclassification, conversion, exchange or cancellation of outstanding shares of Common Stock) or any sale or transfer of all or substantially all of the assets of the Company or of the Person formed by such consolidation or resulting from such merger or which acquires such assets, as the case may be, the portion of one Subject Share consisting of Common Stock shall thereafter be the kind and amount of securities receivable upon such consolidation, merger, sale or transfer by a holder of the number of shares of Common Stock equal to the number of shares of Common Stock included in one Subject Share immediately prior to such consolidation, merger, sale or transfer, assuming (i) such holder of Common Stock is not a Person with which the Company consolidated or into which the Company merged or which merged into the Company or to which such sale or transfer was made, as the case may be ("CONSTITUENT PERSON"), or an Affiliate of a Constituent Person and (ii) in the case of a consolidation, merger, sale or transfer which includes an election as to the consideration to be received by the holders, (A) such holder made the election actually made in respect of the Designated Subject

Shares and (B) if there is a Subject Share Shortfall at the time at which any such election is to be made, no election was made in respect of a number of Subject Shares equal to such Subject Share Shortfall, (provided that in the case of this clause (B), if the kind or amount of securities and other property receivable upon such consolidation, merger, sale or transfer is not the same for each share of Common Stock held immediately prior to such consolidation, merger, sale or transfer by other than a Constituent Person or an Affiliate thereof and in respect of which such rights of election shall not have been exercised ("non-electing share"), then for the purpose of clause (B) of this Section 2.09 the kind and amount of securities and other property receivable upon such consolidation, merger, sale or transfer by each non-electing share shall be deemed to be the kind and amount so receivable per share by a plurality of the non-electing shares). Adjustments for events subsequent to the effective date of such a consolidation, merger and sale of assets shall be as nearly equivalent as may be practicable to the adjustments provided for in this Agreement. In the event the Company is not the surviving entity, this Agreement shall be assumed by the Person with whom such transaction is effected and any such resulting or surviving corporation shall expressly assume the obligation to deliver, upon exercise of the Section 2.01 Redemption Right and the Section 2.02 Redemption Right, the aggregate Redemption Price. The provisions of this Section 2.09 shall similarly apply to successive consolidations, mergers, sales, leases or transfers.

ARTICLE III

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 3.01. Representations and Warranties of the Company. The Company represents and warrants to the Principal Stockholder and the Trust that (a) the Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has the corporate power and authority to enter into this Agreement and to carry out its obligations hereunder, (b) the execution and delivery of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Company and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or any of the transactions contemplated hereby, and (c) this Agreement has been duly executed and delivered by the Company and, assuming this Agreement constitutes a valid and binding obligation of the Principal Stockholder and the Trust, constitutes a valid and binding obligation of the Company and is enforceable against the Company in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting the enforcement of creditors' rights generally and the availability of equitable remedies may be limited by equitable principles of general applicability.

Section 3.02. Representations and Warranties of the Trustee. The Trustee represents and warrants to the Company that (i) the Trust has been duly constituted and is validly existing under the laws of the State of Ohio, and has the requisite power and authority to enter into this Agreement and to carry out its obligations hereunder, (ii) the execution and delivery of this Agreement by the Trustee and the consummation by the Trustee and/or its successors in trust of the transactions contemplated hereby have been duly authorized by all necessary action under the Trust Agreement and no other proceedings on the part of the Trustee or any other Person are necessary to authorize this Agreement or any of the transactions contemplated hereby, and (iii) this Agreement has been duly executed and delivered by the Trustee and, assuming this Agreement constitutes a valid and binding obligation of the Company and the Principal Stockholder, constitutes a valid and binding obligation of the Trustee and/or its successors in trust, enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting the enforcement of creditors' rights generally and the availability of equitable remedies may be limited by equitable principles of general applicability.

Section 3.03. Covenants of the Principal Stockholder. The Principal Stockholder agrees that he (a) will not, and will cause all members of his Immediate Family who reside in his household and all other non-natural Persons referred to in the definition of Permitted Transferees over which he exercises control not to, tender any shares of Common Stock in the Tender Offer, and (b) will cause the Trust to comply with all of its obligations under this Agreement.

Section 3.04. Certain Other Covenants. (a) The Trust agrees that it will (i) not tender any shares of Common Stock in the Tender Offer, (ii) on the Effective Date, own not less than 18,750,000 shares of Common Stock and deposit the certificate or certificates representing such Shares in a custody account (the "CUSTODY ACCOUNT") with a financial or similar institution (the "CUSTODIAN") in the manner contemplated in the Pledge Agreement referred to below; (iii) deposit any certificate or certificates representing any shares of capital stock or other securities which hereinafter become Subject Shares in the Custody Account as soon as practicable following the date on which such securities become Subject Shares, (iv) upon any exercise of the Section 2.02 Redemption Right unless such Section 2.02 Redemption Right shall have been assumed by another Holder in accordance with the terms hereof, will deliver all the Subject Shares being redeemed free and clear of all liens, charges, encumbrances, or security interests of any nature whatsoever, (v) at the Effective Date, own the Subject Shares free and clear of any claims, charges, encumbrances or security interests other than those created under the Pledge Agreement or those securing a Credit Agreement as permitted under Section 2.04(c) and (vi) on or prior to the Effective Date, (A) execute a pledge or similar agreement (the "PLEDGE AGREEMENT") in form and substance reasonably satisfactory to the Trust and the Company pursuant to which the Trust shall grant to the Company and its permitted assigns a security interest in the

Subject Shares and any Cash Collateral that may be collateral after the date hereof, (B) to the fullest extent permitted by applicable law, give, execute, file and record any notice, financing statement, continuation statement or other instrument, document or agreement that the Company may reasonably consider necessary or desirable to create, perfect, continue or validate such security interest or to exercise or enforce the Company's rights with respect to such security interest and (C) appoint the Company as its attorney-in-fact to execute, file and record any such documents. The Company hereby acknowledges and agrees that, in the event the Trust shall enter into a Credit Agreement containing an obligation on the part of the Trust for borrowed money for which any Subject Shares shall be pledged as security, the security interest referred to in this Section 3.04(a)(vi) shall be subordinated to any security interest in such Subject Shares required by and granted to any lender (or agent thereof) in connection with any such borrowing.

(b) Upon any exercise of the Section 2.02 Redemption Right, each Holder (other than the Trust (the obligations of which are set forth in Section 3.04(a)) and a Permitted Pledgee (the obligations of which will be set forth in agreements to be entered into between the Company and such Permitted Pledgee) shall deliver the Subject Shares being redeemed free and clear of (x) in the case of any pledgee to whom the Subject Shares shall have been pledged in accordance with Section 2.04(c) hereof, or any other Holder following a Transfer contemplated by clause (ii), (iii) or (iv) of such Section 2.04(c), all claims, charges, encumbrances or security interests created by or arising or attaching through such pledgee or Holder and (y) in the case of any other Holder, all claims, charges, encumbrances or security interests of any nature whatsoever.

Section 3.05. Substitution of Collateral. (a) The Trust shall be permitted, from time to time, to withdraw Subject Shares from the Custody Account and the security interest under the Pledge Agreement, provided, however, that the Trust shall substitute therefor, in a manner and pursuant to agreements and arrangements reasonably satisfactory to the Company under which the Company shall have a perfected security interest therein subject to no prior liens or security interests other than liens and security interests theretofore applicable to the Subject Shares withdrawn prior to or concurrently with any such withdrawal, either (i) an amount in cash (the "CASH COLLATERAL") at least equal to the Minimum Required Amount or (ii) an equal number of Subject Shares (the number of Subject Shares from time to time so withdrawn, "WITHDRAWN SHARES"). The "MINIMUM REQUIRED AMOUNT" means 120% of the product of the fair market value of the assets comprising a Subject Share and the number of Withdrawn Shares. For purposes of the preceding sentence, the fair market value (i) of a share of Common Stock shall be the Current Market Price Per Common Share as of the Determination Date or (ii) of any other publicly traded securities shall be deemed to be the average (weighted by trading volume) of the daily closing prices (as reported in The Wall Street Journal or other recognized source of financial information) of such securities on the principal securities exchange on which, or the principal securities market in which, such securities are traded during the 20 consecutive trading days immediately prior to such date and (iii) of any other assets, as determined in good faith by the Board of Directors of the Company. The required amount of Cash Collateral shall be recalculated weekly by the Custodian, which shall deliver promptly (by telecopier in accordance with Section 4.05) a written notice of such recalculation to the Trust (a "CUSTODIAN'S NOTICE"). Cash Collateral shall be remitted by the Custodian to, or additional Cash Collateral (or Subject Shares) which may be required shall be deposited in the Custody Account by, the Trust based upon the most recent Custodian's Notice, to the extent, but only to the extent, the value of the Cash Collateral is greater or less than, as the case may be, the then current Minimum Required Amount. Any payment by or to the Trust shall be made on the second Business Day after the date of the Custodian's Notice. Any income in respect of the Cash Collateral shall be paid to the Trust; provided that any such income shall be retained by the Custodian to the extent necessary to bring the Trust into compliance with the provisions of this Section 3.05. Cash Collateral may be invested only in U.S. Government debt securities having a maturity of less than 90 days.

(b) If the Company exercises its Section 2.02 Redemption Right, or the Trust fails to satisfy its obligations pursuant to Section 3.05(a), upon the Company's instruction the Custodian shall utilize the Cash Collateral to purchase (within three Business Days after the Redemption Notice in respect of the Section 2.02 Redemption Right shall have been given) such number of Subject Shares as are required to satisfy the Trust's obligations in respect of the Section 2.02 Redemption Right so exercised.

Section 3.06. Covenants of the Company. The Company agrees that it shall, prior to the Effective Date (or as promptly as practicable thereafter), provide credit support in respect of its obligations hereunder on terms reasonably satisfactory to the Company and the Trust which may include, among other things, the creation of a bankruptcy remote vehicle, the funding of such vehicle and the provision by such vehicle of guarantees of or collateral to support such obligations of the Company, letters of credit to support such guarantees or obligations and/or reimbursement obligations in respect of such letters of credit.

ARTICLE IV

MISCELLANEOUS

Section 4.01. Expenses. (a) Except as otherwise agreed by the parties and except as provided in Section 4.01(b) hereof, each party hereto will pay all of its own expenses in connection with the transactions contemplated by this Agreement, including, without limitation, the fees and expenses of its counsel and other advisers, whether or not the transactions

contemplated herein are consummated. Any fees, commissions, and other payments owing to a party's financial advisors in connection with this Agreement shall be borne solely by that party.

(b) The Company shall pay any transfer taxes incurred by the Holder as a result of the exercise of the Section 2.01 Redemption Right or the Section 2.02 Redemption Right, provided, however, that if the Holder shall request the Company to pay any portion of the aggregate Redemption Price to a Person other than the registered holder of the Subject Shares represented by the certificate or certificates surrendered in exchange therefor, it shall be a condition to such payment that the Holder shall pay to the Company any transfer taxes required to be paid as a result of such payment to a Person other than the registered holder of such Subject Shares or establish to the satisfaction of the Company that such tax has been paid or is not payable.

Section 4.02. Public Announcements. Except as required by applicable law or regulations, the Principal Stockholder and the Company shall jointly approve any public announcements relating to the transactions described herein. Each party agrees to cooperate with the other in the preparation of any governmental filing relating to the transactions contemplated hereby.

Section 4.03. Mutual Cooperation. Each of the parties hereto hereby agrees to reasonably cooperate with each other party in seeking the successful consummation of the transactions contemplated herein and to use its or his best efforts promptly to take all such actions as may be necessary or appropriate to consummate the transactions contemplated herein.

Section 4.04. Amendment; Assigns. This Agreement may not be modified, amended, altered or supplemented except by an agreement in writing executed by each of the parties hereto. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

Section 4.05. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be either (i) hand-delivered, (ii) delivered by reputable overnight courier delivery or (iii) sent by telecopy (with receipt confirmed) and shall be deemed given upon delivery when hand-delivered, or one business day after having been deposited with the overnight courier service or upon receipt of confirmation of telecopier, addressed as follows (or to such other address as a party may designate by notice to the other):

If to the Principal Stockholder:

Leslie H. Wexner
c/o The Limited, Inc.
Three Limited Parkway
P. O. Box 16000
Columbus, Ohio 43216
Facsimile: (614) 479-7208

If to the Trust:

The Wexner Children's Trust
c/o The Limited, Inc.
Three Limited Parkway
P. O. Box 16000
Columbus, Ohio 43216
Attn: Leslie H. Wexner, Trustee
Facsimile: (614) 479-7208

With a copy to:

Weil Gotshal & Manges
767 Fifth Avenue
New York, New York 10153
Attn: Dennis J. Block
Facsimile: (212) 310-8007

If to the Company:

The Limited, Inc.
Three Limited Parkway
P.O. Box 16000
Columbus, Ohio 43216
Attn: Samuel P. Fried
Facsimile: (614) 479-7188

With a copy to:

Davis Polk & Wardwell
450 Lexington Avenue
New York, NY 10017
Attn: David L. Caplan
Facsimile: (212) 450-4800

Section 4.06. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same document.

Section 4.07. Governing Law. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

Section 4.08. Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

Section 4.09. Third Party Beneficiaries. Nothing in this Agreement, expressed or implied, shall be construed to give any person other than the parties hereto and their successors and permitted assigns any legal or equitable right, remedy or claim under or by reason of this Agreement or any provision contained herein.

Section 4.10. Entire Agreement. This Agreement and any documents delivered by the parties pursuant hereto, constitutes the entire understanding and agreement of the parties hereto with regard to the subject matter hereof and thereof, and supersedes all prior agreements and understandings, written or oral, between the parties relating to the subject matter hereof.

Section 4.11. Injunctive Relief. Each of the parties hereto acknowledges and agrees that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that, to the fullest extent permitted under applicable law, the parties shall be entitled to an injunction or injunctions to prevent or cure breaches of the provisions of this Agreement and to enforce specific performance of the terms and provisions hereof in any court of the United States of America or any state thereof having jurisdiction, this being in addition to any other remedy to which they may be entitled at law or in equity.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first above written.

THE LIMITED, INC.

By: /s/ Kenneth B. Gilman

Name: Kenneth B. Gilman
Title: Vice Chairman

LESLIE H. WEXNER

/s/ Leslie H. Wexner

/s/ Leslie H. Wexner

LESLIE H. WEXNER,
as Trustee of The
Wexner Children's Trust