

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended April 30, 1994

OR

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

For the transition period from _____ to _____

Commission file number 1-8344

THE LIMITED, INC.

(Exact name of registrant as specified in its charter)

Delaware

31-1029810

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer Identification No.)

Three Limited Parkway, P.O. Box 16000, Columbus, OH 43230

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (614) 479-7000

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

Indicate the number of shares outstanding of each of the issuer's classes of
common stock, as of the latest practicable date.

Class

Outstanding at May 27, 1994

Common Stock, \$.50 Par Value

358,027,713 Shares

THE LIMITED, INC.
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PART I - FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

THE LIMITED, INC. AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF INCOME
 (Thousands except per share amounts)

(Unaudited)

	Thirteen Weeks Ended	
	April 30, 1994	May 1, 1993
	-----	-----
NET SALES	\$1,481,628	\$1,518,561
Cost of Goods Sold, Occupancy and Buying Costs	1,096,697	1,137,834
	-----	-----
GROSS INCOME	384,931	380,727
General, Administrative and Store Operating Expenses	293,761	295,238
	-----	-----
OPERATING INCOME	91,170	85,489
Interest Expense	(14,670)	(14,988)
Other Income, net	2,776	1,724
	-----	-----
INCOME BEFORE INCOME TAXES	79,276	72,225
Provision for Income Taxes	32,000	28,000
	-----	-----
NET INCOME	\$ 47,276	\$ 44,225
	=====	=====
NET INCOME PER SHARE	\$.13	\$.12
	=====	=====
DIVIDENDS PER SHARE	\$.09	\$.09
	=====	=====
WEIGHTED AVERAGE SHARES OUTSTANDING	358,563	364,054
	=====	=====

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

THE LIMITED, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Thousands)

ASSETS -----	April 30, 1994 ----- (Unaudited)	January 29, 1994 -----
CURRENT ASSETS:		
Cash and Equivalents	\$ 159,115	\$ 320,558
Accounts Receivable	1,066,876	1,056,911
Inventories	803,437	733,700
Other	106,433	109,456
	-----	-----
TOTAL CURRENT ASSETS	2,135,861	2,220,625
PROPERTY AND EQUIPMENT, NET	1,668,066	1,666,588
OTHER ASSETS	245,739	247,892
	-----	-----
TOTAL ASSETS	\$4,049,666 =====	\$4,135,105 =====
LIABILITIES AND SHAREHOLDERS' EQUITY -----		
CURRENT LIABILITIES:		
Accounts Payable	\$ 235,376	\$ 250,363
Accrued Expenses	333,755	347,892
Certificates of Deposit	17,100	15,700
Income Taxes	27,657	93,489
	-----	-----
TOTAL CURRENT LIABILITIES	613,888	707,444
LONG-TERM DEBT	650,000	650,000
DEFERRED INCOME TAXES	265,566	275,101
OTHER LONG-TERM LIABILITIES	60,990	61,267
SHAREHOLDERS' EQUITY:		
Common Stock	189,727	189,727
Paid-in Capital	129,638	128,906
Retained Earnings	2,412,179	2,397,112
	-----	-----
	2,731,544	2,715,745
Less Treasury Stock, at cost	(272,322)	(274,452)
	-----	-----
TOTAL SHAREHOLDERS' EQUITY	2,459,222	2,441,293
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$4,049,666 =====	\$4,135,105 =====

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

THE LIMITED, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Thousands)

(Unaudited)

	Thirteen Weeks Ended	
	April 30,	May 1,
	1994	1993
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	\$ 47,276	\$ 44,225
Impact of other operating activities on cash flows:		
Depreciation and amortization	67,978	68,468
Changes in assets and liabilities:		
Accounts receivable	(9,965)	(5,139)
Inventory	(69,737)	(70,304)
Accounts payable and accrued expenses	(29,124)	23,313
Income taxes	(65,832)	(77,794)
Other assets and liabilities	(5,987)	(15,727)
	-----	-----
NET CASH USED FOR OPERATING ACTIVITIES	(65,391)	(32,958)
	-----	-----
CASH USED FOR INVESTING ACTIVITIES		
Capital expenditures	(68,105)	(56,540)
	-----	-----
FINANCING ACTIVITIES:		
Net proceeds (repayments) of commercial paper borrowings and certificates of deposits	1,400	(110,509)
Proceeds from issuance of unsecured notes	-	250,000
Dividends paid	(32,209)	(32,643)
Stock options and other	2,862	1,946
	-----	-----
NET CASH (USED FOR) PROVIDED BY FINANCING ACTIVITIES	(27,947)	108,794
	-----	-----
NET (DECREASE) INCREASE IN CASH AND EQUIVALENTS		
Cash and equivalents, beginning of year	(161,443)	19,296
	320,558	41,235
	-----	-----
CASH AND EQUIVALENTS, END OF PERIOD	\$ 159,115	\$ 60,531
	=====	=====

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

THE LIMITED, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. BASIS OF PRESENTATION

The consolidated financial statements include the accounts of The Limited, Inc. (the "Company") and all significant subsidiaries which are more than 50 percent owned and controlled. All significant intercompany balances and transactions have been eliminated in consolidation.

Investments in other entities (including joint ventures) which are more than 20 percent owned are accounted for on the equity method.

The consolidated financial statements as of and for the periods ended April 30, 1994 and May 1, 1993 are unaudited and are presented pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, the consolidated financial statements should be read in conjunction with the financial statement disclosures contained in the Company's 1993 Annual Report. In the opinion of management, the accompanying consolidated financial statements reflect all adjustments (which are of a normal recurring nature) necessary to present fairly the financial position and results of operations and cash flows for the interim periods, but are not necessarily indicative of the results of operations for a full fiscal year.

The consolidated financial statements as of and for the thirteen week periods ended April 30, 1994 and May 1, 1993 included herein have been reviewed by the independent accounting firm of Coopers & Lybrand and the report of such firm follows the notes to consolidated financial statements.

2. INVENTORIES

The fiscal year of the Company and its subsidiaries is comprised of two principal selling seasons: Spring (the first and second quarters) and Fall (the third and fourth quarters). Valuation of finished goods inventories is based principally upon the lower of average cost or market determined on a first-in, first-out basis utilizing the retail method. Inventory valuation at the end of the first and third quarters reflects adjustments for inventory markdowns and shrinkage estimates for the total selling season.

3. INCOME TAXES

The provision for income taxes is based on the current estimate of the annual effective tax rate. Income taxes paid during the first quarter of 1994 and 1993 approximated \$98.2 million and \$106.3 million.

The Internal Revenue Service has issued a notice of deficiency to the Company for additional taxes and interest for 1989 and 1990. The IRS notice was based primarily on the treatment of transactions involving the Company's foreign operations and construction allowances. The Company strongly disagrees with the IRS position and intends to vigorously contest the matter. This matter will not have a material adverse effect on the Company's results of operations or financial condition.

4. FINANCING ARRANGEMENTS

Long-term debt consisted of (\$000):

	April 30, 1994	January 29, 1994
	-----	-----
7 1/2% Debentures due March, 2023	\$250,000	\$250,000
7.80% Notes due May, 2002	150,000	150,000
9 1/8% Notes due February, 2001	150,000	150,000
8 7/8% Notes due August, 1999	100,000	100,000
	-----	-----
	\$650,000	\$650,000
	=====	=====

Effective April 28, 1994, the Company amended its two revolving credit agreements (the "Agreements") totaling \$840 million. One Agreement provides the Company available borrowings of up to \$490 million. The other Agreement provides World Financial Network National Bank, a wholly-owned consolidated subsidiary, available borrowings of up to \$350 million. Borrowings outstanding under the Agreements are due December 4, 1996. However, the revolving terms of each of the Agreements may be extended an additional two years upon notification by the Company at least 60 days prior to December 4, 1996, subject to the approval of the lending banks. Both Agreements have similar borrowing options, including interest rates which are based on either the lender's "Base Rate", as defined, LIBOR, CD based options or at a rate submitted under a bidding process. Aggregate commitment and facility fees for the Agreements approximate 0.11% of the total commitment. The Agreements place restrictions on the amount of the Company's working capital, debt and net worth. No amounts were outstanding under the Agreements at April 30, 1994.

The Agreements support the Company's commercial paper program which funds working capital and other general corporate requirements. No commercial paper was outstanding at April 30, 1994.

Under the Company's shelf registration statement, up to \$250 million of debt securities and warrants to purchase debt securities may be issued.

All long-term debt outstanding at April 30, 1994 and January 29, 1994 is unsecured.

Interest paid during the first quarter of 1994 and 1993 approximated \$18.6 million and \$10.8 million.

5. PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consisted of (\$000):

	April 30, 1994 -----	January 29, 1994 -----
Property and equipment, at cost	\$ 2,675,885	\$2,638,197
Accumulated depreciation and amortization	(1,007,819) -----	(971,609) -----
Property and equipment, net	\$ 1,668,066 =====	\$1,666,588 =====

6. SPECIAL AND NONRECURRING ITEMS

During the third quarter of 1993, the Company approved a plan which includes the following components: the sale of a 60% interest in the Brylane mail order business; the acceleration of store remodeling, downsizing and closing program at the Limited Stores and Lerner divisions; and the refocusing of the merchandise strategy at the Henri Bendel division.

The remodeling, downsizing and closing program includes approximately 360 Limited and Lerner stores and is expected to be completed by the end of 1995. The Company had closed approximately 80 of these stores and remodeled approximately 60 of these stores as of April 30, 1994.

The net impact of the plan is anticipated to be immaterial to future operations.

[LETTERHEAD OF COOPERS & LYBRAND APPEARS HERE]

Securities and Exchange Commission
450 5th Street, N.W.
Judiciary Plaza
Washington, D.C. 20549

We are aware that our report dated June 3, 1994, on our review of the interim consolidated financial information of The Limited, Inc. and Subsidiaries for the thirteen-week period ended April 30, 1994 and included in this Form 10-Q is incorporated by reference in the Company's registration statements on Form S-8, Registration Nos. 33-18533, 33-25005, 2-92277, 33-24829, 33-24507, 33-24828, 2-95788, 2-88919, 33-24518, 33-6965, 33-14049, 33-22844, 33-44041, 33-49871, and the registration statements on Form S-3, Registration Nos. 33-20788, 33-31540, 33-43832, and 33-53366. Pursuant to Rule 436(c) under the Securities Act of 1933, this report should not be considered a part of the registration statement prepared or certified by us within the meaning of Sections 7 and 11 of that Act.

COOPERS & LYBRAND

Columbus, Ohio
June 8, 1994

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

RESULTS OF OPERATIONS

Net sales for the first quarter of 1994 grew to \$1.482 billion, an increase of 6% from \$1.403 billion a year ago (excluding Brylane sales). Net income of \$47.3 million increased 7% from last year's \$44.2 million, and earnings per share were \$0.13 versus \$0.12 last year. This increase was largely due to store-for-store sales gains of 18% at the non-women's apparel businesses.

Divisional highlights include the following:

Victoria's Secret Stores turned in an excellent quarter and produced a significant increase in operating income.

Victoria's Secret Catalogue produced the highest first quarter operating income dollars in their history.

Structure had their best first quarter ever in terms of sales, operating income and operating income as a percentage of sales.

Bath & Body Works had record profitability in the first quarter, and the Company's largest increase in comparable store sales and operating income rate.

The women's apparel businesses (Express, Lerner, Limited Stores, Lane Bryant and Henri Bendel) were considerably less price promotional this quarter than in the past. Management believes that, as a consequence, the women's apparel businesses (other than Lane Bryant) produced lower sales than last year.

Financial Summary
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The following summarized financial data compares the thirteen week period ended April 30, 1994 to the comparable period for 1993:

	First Quarter 1994	First Quarter 1993	% Change From Prior Year
	-----	-----	-----
Retail Sales (millions)	\$ 1,360	\$ 1,298	5%
Catalogue Sales (millions)	122	221	(45%)
	-----	-----	-----
Total Net Sales (millions)	\$ 1,482	\$ 1,519	(2%)
	=====	=====	=====
Change in Comparable Store Store Sales	0%	(3%)	
Retail Sales Increase Attributable to New and Remodeled Stores	5%	9%	
Retail Sales per Average Selling Square Foot	\$55.53	\$56.39	(2%)
Retail Sales per Average Store (thousands)	\$ 294	\$ 292	1%
Average Store Size at End of Quarter (square feet)	5,291	5,198	2%
Retail Selling Square Feet (thousands)	24,555	23,167	6%
Number of Stores:			
Beginning of Year	4,623	4,425	
Opened	50	58	
Closed	(32)	(26)	
	-----	-----	
End of First Quarter	4,641	4,457	
	=====	=====	

Net Sales
 - - - - -

Retail sales for the first quarter of 1994 increased 5% over the first quarter of 1993 primarily as a result of the net addition of 184 new stores and the remodeling of 44 stores representing an increase of 1.388 million selling square feet. However, average sales productivity for the quarter declined slightly to \$55.53 per square foot.

Catalogue sales decreased 45% in the first quarter, due to Brylane sales being excluded in the first quarter of 1994. Had the first quarter of 1993 excluded Brylane, catalogue sales would have increased 16% as the number of books mailed increased significantly and average demand per book also increased slightly.

	# of Stores			Selling Sq. Ft. (000's)		
	April 30, 1994	May 1, 1993	Change From Prior Period	April 30, 1994	May 1, 1993	Change From Prior Period
Express	682	644	38	3,985	3,515	470
Lerner New York	871	906	(35)	6,761	6,945	(184)
The Limited	725	759	(34)	4,422	4,330	92
Victoria's Secret Stores	577	554	23	2,402	2,092	310
Lane Bryant	817	812	5	3,852	3,794	58
Structure	402	344	58	1,455	1,148	307
The Limited Too	184	185	(1)	569	568	1
Bath & Body Works	213	125	88	279	137	142
Abercrombie & Fitch Co.	50	40	10	412	334	78
Henri Bendel	4	4	-	93	93	-
Cacique	109	78	31	322	208	114
Penhaligon's	7	6	1	3	3	-
Total Stores and Selling Square Feet	<u>4,641</u>	<u>4,457</u>	<u>184</u>	<u>24,555</u>	<u>23,167</u>	<u>1,388</u>

Gross Income

Gross income increased as a percentage of sales to 26.0% for the first quarter of 1994 from 25.1% last year. Merchandise margins increased 2.5% as the Company moved to a less promotional pricing policy particularly in women's apparel. Buying and occupancy costs which increased 1.6%, as a percentage of sales somewhat offset this impact, due to lower sales productivity principally in the new, remodeled and expanded stores.

General, Administrative and Store Operating Expenses

General, administrative and store operating expenses increased as a percentage of sales to 19.8% for the first quarter of 1994 as compared to 19.4% for the same period in 1993. This increase was due to lower sales productivity at both existing stores and new, remodeled and expanded stores. The Company continues to maintain a high level of customer service.

Operating Income

Operating income, as a percentage of sales, was 6.2% and 5.6% for the first quarter of 1994 and 1993. Higher merchandise margins spurred by less promotional pricing policies were somewhat offset by higher buying and occupancy costs and higher general, administrative and store operating expenses, expressed as a percentage of sales.

Interest Expense

	First Quarter	
	1994	1993
	-----	-----
Average Borrowings (in millions)	\$681.3	\$774.6
Average Effective Interest Rate	8.61%	7.74%

Interest expense decreased slightly in the first quarter of 1994 as compared to the first quarter of 1993. Higher interest rates increased interest costs approximately \$1.5 million, while lower borrowing levels reduced interest costs approximately \$1.8 million.

FINANCIAL CONDITION

Liquidity and Capital Resources

Cash provided from operating activities, commercial paper backed by funds available under committed long-term credit agreements and the Company's capital structure continue to provide the resources to support operations, including projected growth, seasonal requirements and capital expenditures. A summary of the Company's working capital position and capitalization follows (\$000):

	April 30, 1994	January 29, 1994
	-----	-----
Working Capital	\$1,521,973 =====	\$1,513,181 =====
Capitalization -		
Long-term debt	\$ 650,000	\$ 650,000
Deferred income taxes	265,566	275,101
Shareholders' equity	2,459,222 -----	2,441,293 -----
Total Capitalization	\$3,374,788 =====	\$3,366,394 =====
Additional amounts available under long-term credit agreements	\$ 840,000 =====	\$ 840,000 =====

Net cash used for operating activities was \$65.4 million in the first quarter of 1994 versus \$33.0 million in the first quarter last year. Cash requirements in the first quarter for inventories and income taxes are typical due to the timing of Spring season merchandise deliveries and tax payments associated with fourth quarter earnings. Cash requirements for accounts payable and accrued expenses vary based on timing of payments and sales volumes.

Investing activities are primarily capital expenditures for new and remodeled stores and cash dividends paid of \$.09 per share is the primary financing activity.

Capital Expenditures
- - - - -

Capital expenditures totaled \$68.1 million for the first quarter of 1994, compared to \$56.5 million for the first quarter of 1993. The Company anticipates spending \$375 - \$400 million for capital expenditures in 1994, of which \$275 - \$300 million will be for new stores, the remodeling of existing stores and related improvements for the retail businesses. The Company also anticipates spending approximately \$10 million for a 24-hour telephone catalogue sales center in Kettering, Ohio to expand the Victoria's Secret Catalogue operations.

The Company expects that substantially all 1994 capital expenditures will be funded by net cash provided by operating activities. In addition, the Company presently has available \$840 million under its long-term credit agreements and has the ability to offer up to \$250 million of debt securities and warrants to purchase debt securities under its shelf registration statement authorization.

PART II - OTHER INFORMATION

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

The Company held its Annual Meeting of Stockholders on May 23, 1994. The matters voted upon and the results of the voting were as follows:

- (a) E. Gordon Gee, Claudine B. Malone, Allen R. Tessler and Bella Wexner were elected to the Board of Directors for a term of three years. Of the 291,346,148 shares present in person or represented by proxy at the meeting, the number of shares voted for and the number of shares as to which authority to vote in the election was withheld, were as follows with respect to each of the nominees:

Name -----	Shares Voted for Election -----	Shares as to Which Voting Authority Withheld -----
E. Gordon Gee	289,054,649	2,291,499
Claudine B. Malone	288,296,565	3,049,583
Allen R. Tessler	289,673,046	1,673,102
Bella Wexner	278,621,731	12,724,417

In addition, directors whose term of office continued after the Annual Meeting were: Kenneth B. Gilman, Thomas G. Hopkins, David T. Kollat, John K. Pfahl, Donald B. Shackelford, Martin Trust, Michael A. Weiss, Leslie H. Wexner and Raymond Zimmerman.

- (b) The shareholders were also asked to consider and vote upon a proposal to approve the adoption of the Company's Incentive Compensation Plan. Of the 291,346,148 shares present in person or represented by proxy at the meeting, 276,719,649 shares were voted for the proposal, 12,845,049 shares were voted against the proposal, and 1,781,450 shares abstained from voting with respect to the proposal.

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits.

4. Instruments Defining the Rights of Security Holders.

- 4.1. Copy of the form of Global Security representing the Company's 7 1/2% Debentures due 2023, incorporated by reference to Exhibit 1 to the Company's Current Report on Form 8-K dated March 4, 1993.
- 4.2. \$900,000,000 Credit Agreement dated as of August 30, 1990 (the "Credit Agreement") among the Company, Morgan Guaranty Trust Company of New York and certain other banks (collectively, the "Banks"), incorporated by reference to Exhibit 4.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended August 4, 1990, as amended by Amendment No. 1 dated as of December 4, 1992, incorporated by reference to Exhibit 4.8 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 31, 1992.

- 4.3. \$280,000,000 Credit Agreement dated as of December 4, 1992 (the "WFNNB Credit Agreement") among the World Financial Network National Bank, the Company, the Banks and Morgan Guaranty Trust Company of New York, incorporated by reference to Exhibit 4.9 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 31, 1992.
- 4.4. Conformed copy of the Indenture dated as of March 15, 1988 between the Company and The Bank of New York, incorporated by reference to Exhibit 4.1(a) to the Company's Current Report on Form 8-K dated March 21, 1989.
- 4.5. Copy of the form of Global Security representing the Company's 8 7/8% Notes due August 15, 1999, incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated August 14, 1989.
- 4.6. Copy of the form of Global Security representing the Company's 9 1/8% Notes due February 1, 2001, incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated February 6, 1991.
- 4.7. Proposed form of Debt Warrant Agreement for Warrants attached to Debt Securities, with proposed form of Debt Warrant Certificate incorporated by reference to Exhibit 4.2 to the Company's Registration Statement on Form S-3 (File no. 33-53366) originally filed with the Securities and Exchange Commission (the "Commission") on October 16, 1992, as amended by Amendment No. 1 thereto, filed with the Commission on February 23, 1993 (the "1993 Form S-3").
- 4.8. Proposed form of Debt Warrant Agreement for Warrants not attached to Debt Securities, with proposed form of Debt Warrant Certificate incorporated by reference to Exhibit 4.3 to the 1993 Form S-3.
- 4.9. Amendment No. 2 dated as of April 28, 1994 to the Credit Agreement among the Company, Morgan Guaranty Trust Company of New York and the Banks.
- 4.10. Amendment No. 1 dated as of April 28, 1994 to the WFNNB Credit Agreement among the Company, Morgan Guaranty Trust Company of New York and the Banks.

11. Statement re: Computation of Per Share Earnings.

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

15. Letter re: Unaudited Interim Financial Information to Securities and Exchange Commission re: Incorporation of Accountants' Report.

(b) Reports on Form 8-K.

No reports on Form 8-K were filed during the first quarter of fiscal year 1994.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE LIMITED, INC.
(Registrant)

By /s/ Kenneth B. Gilman

Kenneth B. Gilman,
Vice Chairman and Chief
Financial Officer*

Date: June 8, 1994

* Mr. Gilman is the principal financial officer and has been duly authorized to sign on behalf of the Registrant.

EXHIBIT INDEX

Exhibit No.	Document
-----	-----
4.9	Amendment No. 2 dated as of April 28, 1994 to the Credit Agreement among the Company, Morgan Guaranty Trust Company of New York and the Banks.
4.10	Amendment No. 1 dated as of April 28, 1994 to the WFNNB Credit Agreement among the Company, Morgan Guaranty Trust Company of New York and the Banks.
11	Statement re Computation of Per Share Earnings.
12	Statement re Ratio of Earnings to Fixed Charges.
15	Letter re: Unaudited Interim Financial Information re: Incorporation of Report of Independent Accountants

AMENDMENT NO. 2 TO TLI CREDIT AGREEMENT

AMENDMENT dated as of April 28, 1994 to the Credit Agreement dated as of August 30, 1990 and amended as of December 4, 1992 (the "Agreement") among THE LIMITED, INC. (the "Borrower"), the BANKS party thereto (the "Banks") and MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as Agent (the "Agent").

W I T N E S S E T H :

WHEREAS, the parties hereto desire to amend the Agreement to reduce the aggregate amount of the commitments thereunder from \$560,000,000 to \$490,000,000, to change the tenor of the facility and to make other changes as set forth below;

NOW, THEREFORE, the parties hereto agree as follows:

SECTION 1. Definitions; References. Unless otherwise specifically defined

herein, each term used herein which is defined in the Agreement has the meaning assigned to such term in the Agreement. Each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference and each reference to "this Agreement" and each other similar reference contained in the Agreement shall, after this Amendment becomes effective, refer to the Agreement as amended hereby.

SECTION 2. Changes to Commitments. The commitment amounts set forth

opposite the names of the Banks on the signature pages of the Agreement are changed to the respective amounts set forth opposite their names on the signature pages hereof.

SECTION 3. Amendment to Section 1.1 of the Agreement. (a) The following

definitions in Section 1.1 are amended to read as follows:

"CD Margin" means (i) during any period that the Company has a High Company Rating, .37 of 1% per annum, (ii) during any period that the Company has an Adequate Company Rating, .475 of 1% per annum, and (iii) during any period that the Company has neither a High Company Rating nor an Adequate Company Rating, .675 of 1% per annum.

"Euro-Dollar Margin" means (i) during any period that

the Company has a High Company Rating, .245 of 1% per annum, (ii) during any period that the Company has an Adequate Company Rating, .35 of 1% per annum, and (iii) during any period that the Company has neither a High Company Rating nor an Adequate Company Rating, .55 of 1% per annum.

(b) The definition of "\$280,000,000 Credit Agreement" in Section 1.1 is amended to read as follows:

"WFN Credit Agreement" means the Credit Agreement dated as of December 4, 1992, among WFN, the Company, the banks listed therein and Morgan Guaranty Trust Company of New York, as agent for such banks, as amended from time to time.

(c) Each reference in the Agreement to the \$280,000,000 Credit Agreement is amended to refer to the WFN Credit Agreement.

SECTION 4. Amendment of Section 2.1.3 of the Agreement. (a) Section

2.1.3 is amended to read in its entirety as follows:

2.1.3. For the purposes of this Agreement, the "Termination Date" shall be December 4, 1999; provided, however, that on December 4, 1996 (the "Extension Date"), the Termination Date may be extended an additional two years (i.e., from December 4, 1999 to December 4, 2001) if at least 60 days

before the Extension Date, the Company has given written notice to the Agent requesting the extension of the Termination Date, unless at least 30 days before the Extension Date the Agent (after having delivered a notice substantially in the form of Exhibit H hereto to each Bank and received a written request from any Bank that the Termination Date not be extended) delivers written notice to the Company that the Termination Date is not to be so extended. The Company shall have the right, within such thirty-day period, to replace any Bank which has requested that the Termination Date not be extended in the same manner as the Company may replace a Certificate Bank pursuant to Section 2.9.5, and in the event the Company so replaces each Bank making such request, the Termination Date shall then be extended as provided in the preceding sentence. Upon receipt of any notice from the Company pursuant to this Section 2.1.3, the Agent shall promptly notify each Bank thereof.

(b) Exhibit H to the Agreement is replaced by the document identified as Exhibit H and attached hereto.

SECTION 5. Amendment of Section 2.8.1 of the

Agreement. Section 2.8.1 is amended to read in its entirety as follows:
- - - - -

2.8.1. (a) For each day when the Company has neither a High Company Rating nor an Adequate Company Rating, the Company shall pay to the Agent, for the accounts of the Banks ratably in proportion to their Commitments, a commitment fee at the rate of .05 of 1% per annum on the amount by which the aggregate amount of the Commitments exceeds the aggregate outstanding principal amount of all Loans. Such commitment fee shall be calculated for each such day from and including April 28, 1994 to but excluding the Termination Date and shall be payable quarterly in arrears on each March 31, June 30, September 30 and December 31 prior to the Termination Date and on the Termination Date upon receipt of a statement from the Agent calculating the amount thereof.

(b) On June 30, 1994 the Company shall pay to the Agent, for the accounts of the Banks ratably in proportion to their commitments, the commitment fee accrued for the period from March 31, 1994 to but excluding April 28, 1994 under the provisions of this Section 2.8.1 as in effect during such period.

SECTION 6. Amendment of Section 2.8.2 of the Agreement. Section
- - - - -

2.8.2(b) is amended to read in its entirety as follows:

(b) The facility fee payable pursuant to Section 2.8.2(a) shall be calculated on the aggregate amount of the Commitments, regardless of usage, (i) for each day when the Company has a High Company Rating, at the rate of .10 of 1% per annum (or 0.125 of 1% per annum if such day falls before April 28, 1994), (ii) for each day when the Company has an Adequate Company Rating, at the rate of .15 of 1% per annum, and (iii) for each day when the Company has neither a High Company Rating nor an Adequate Company Rating, at the rate of .20 of 1% per annum.

SECTION 7. Amendment of Section 4.4.2 of the Agreement. Section
- - - - -

4.4.2 is amended by changing the date December 4, 1992 to April 28, 1994.

SECTION 8. Governing Law. This Amendment shall be governed by and
- - - - -

construed in accordance with the laws of the State of New York.

SECTION 9. Effectiveness. This Amendment shall become effective upon

the date of satisfaction of the following conditions:

9.1.1. the Agent shall have received duly executed counterparts of this Amendment signed by each of the parties listed on the signature pages hereof (or, in the case of any party as to which an executed counterpart shall not have been received, the Agent shall have received telegraphic, telex or other written confirmation from such party of execution of a counterpart by such party);

9.1.2. the Agent shall have received opinions of Cleary, Gottlieb, Steen & Hamilton, special counsel for the Company, and Samuel Fried, Esq., General Counsel of the Company, substantially in the forms of Exhibits A and B hereto, respectively, and covering such additional matters relating to the transactions contemplated hereby as the Required Banks may reasonably request;

9.1.3. the Agent shall have received a certificate signed by the chief financial officer or the treasurer of the Company, to the effect that (i) the representations and warranties of the Company contained in Section 4 of the Agreement are true on and as of the date of such certificate and (ii) immediately after giving effect to this Amendment, no Default shall have occurred and be continuing;

9.1.4. the Agent shall have received all documents it may reasonably request relating to the existence of the Company, the corporate authority for and the validity of this Amendment and the Agreement as amended hereby and any other matters relevant hereto, all in form and substance satisfactory to the Agent; and

9.1.5. Amendment No. 1 to the WFN Credit Agreement (as defined in the Agreement as amended hereby) shall become effective concurrently with the effectiveness of this Amendment.

The opinions and certificate referred to in clauses 9.1.2 and 9.1.3 above shall be dated the date of effectiveness of this Amendment.

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

THE LIMITED, INC.

By: _____
Title:

Three Limited Parkway
P.O. Box 16000
Columbus, Ohio 43216
Telecopy number: 614-479-7060
Telephone number: 614-479-7033
Attn: Patrick Hectorne
Treasurer

With a copy to:

Kenneth B. Gilman
Vice Chairman and
Chief Financial Officer
Telecopy number: 614-479-7225

Commitments

\$26,250,000

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK

By: _____
Title:

\$26,250,000

J.P. MORGAN DELAWARE

By: _____
Title:

Commitments

\$47,250,000

CITIBANK, N.A.

By: _____
Title:

\$40,250,000

BANK OF AMERICA NATIONAL TRUST
AND SAVINGS ASSOCIATION

By: _____
Title:

\$35,000,000

THE FIRST NATIONAL BANK
OF CHICAGO

By: _____
Title:

\$35,000,000

THE HONG KONG AND SHANGHAI BANKING
CORPORATION LIMITED

By: _____
Title:

\$35,000,000

MELLON BANK, N.A.

By: _____
Title:

Commitments

\$26,250,000

THE BANK OF NEW YORK

By: _____
Title:

\$26,250,000

BANK ONE, COLUMBUS, NA

By: _____
Title:

\$26,250,000

THE CHASE MANHATTAN BANK
NATIONAL ASSOCIATION

By: _____
Title:

\$26,250,000

CHEMICAL BANK

By: _____
Title:

Commitments

\$26,250,000

CREDIT SUISSE

By: _____
Title:

By: _____
Title:

\$26,250,000

DEUTSCHE BANK AG, NEW YORK AND/OR
CAYMAN ISLANDS BRANCHES

By: _____
Title:

By: _____
Title:

\$26,250,000

NATIONSBANK OF NORTH CAROLINA, N.A.

By: _____
Title:

By: _____
Title:

\$26,250,000

UNION BANK OF SWITZERLAND

By: _____
Title:

Commitments

\$17,500,000

THE BANK OF NOVA SCOTIA

By: _____
Title:

\$17,500,000

NATIONAL CITY BANK, COLUMBUS

By: _____
Title:

Total Commitments

\$490,000,000

Opinion of
Cleary, Gottlieb, Steen & Hamilton
Special Counsel for the Company

[Effective Date]

To the Banks and the Agent
Referred to Below
c/o Morgan Guaranty Trust Company
of New York, as Agent
60 Wall Street
New York, New York 10260

Ladies and Gentlemen:

We have acted as counsel for The Limited, Inc., a Delaware corporation (the "Company"), in connection with the preparation of Amendment No. 2 dated as of April 28, 1994 ("Amendment No. 2") to the Credit Agreement dated as of August 30, 1990 and amended as of December 4, 1992 (the "Agreement") among the Company, the Banks party thereto and Morgan Guaranty Trust Company of New York, as Agent (the "Agent"). This letter is furnished pursuant to Section 9.1.2 of Amendment No. 2. Capitalized terms used herein have the meanings set forth in the Agreement unless the context otherwise requires.

In arriving at the opinions expressed below, we have examined and relied on originals or copies certified or otherwise identified to our satisfaction of the certificate of incorporation and bylaws of the Company, the Agreement, Amendment No. 2 and all such corporate records of the Company and such other instruments, certificates and representations of public officials, officers and representatives of the Company and such other persons, and have made such investigations of law, as we have deemed appropriate as a basis for the opinions expressed below.

In addition, we have assumed, and have not verified, that the signatures on all the documents which we have examined are genuine, and that each of the Agreement and Amendment No. 2 has been duly authorized, executed and delivered by, and constitutes a legal, valid, binding and

enforceable obligation of, each of the parties thereto other than the Company. We have also assumed the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies.

We express no opinion as to the laws of any jurisdiction other than the laws of the State of New York, the General Corporation Law of the State of Delaware and the federal laws of the United States of America.

Based upon and subject to the foregoing, it is our opinion that:

1. The execution, delivery and performance by the Company of Amendment No. 2 and the Agreement as amended thereby (i) are within the Company's corporate power, (ii) have been duly authorized by all necessary corporate action, (iii) require no action by or in respect of, or filing with, any governmental body, agency or official of the State of New York or the United States of America (except for possible periodic reports filed with the Securities and Exchange Commission), and (iv) do not contravene, or constitute a default under, any provision of applicable law or regulation or of the certificate of incorporation or bylaws of the Company.

2. Each of Amendment No. 2 and the Agreement as amended thereby constitutes a valid, binding and enforceable agreement of the Company, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

We are furnishing this opinion letter to you solely for your benefit. This opinion letter may not be relied upon by you for any other purpose or relied upon by any other person without our prior written consent.

Very truly yours,

CLEARY, GOTTLIEB, STEEN & HAMILTON

By: _____
Robert L. Tortoriello, a Partner

Opinion of
Samuel Fried, Esq.
General Counsel to the Company

[Effective Date]

To the Banks and the Agent
Referred to Below
c/o Morgan Guaranty Trust Company
of New York, as Agent
60 Wall Street
New York, New York 10260

Ladies and Gentlemen:

This opinion is furnished to you pursuant to Section 9.1.2 of Amendment No. 2 dated as of April 28, 1994 ("Amendment No. 2") to the Credit Agreement dated as of August 30, 1990 as amended as of December 4, 1992 (the "Agreement") among The Limited, Inc., a Delaware corporation (the "Company"), the Banks listed on the signature pages thereof and Morgan Guaranty Trust Company of New York (the "Agent"). Capitalized terms used herein have the meanings set forth in Amendment No. 2 and the Agreement unless the context otherwise requires.

In arriving at the opinions expressed below, I have examined and relied on originals or copies, certified or otherwise identified to my satisfaction, of the certificate of incorporation and bylaws of the Company, Amendment No. 2, and all such corporate records of the Company, such other instruments, certificates and representations of public officials, officers and representatives of the Company and such other persons, and have made such investigations of law, as I have deemed appropriate as a basis for the opinions expressed below.

In addition, I have assumed, and have not verified, that the signatures on all the documents which I have examined are genuine, and that each of the Agreement

and Amendment No. 2 has been duly authorized, executed and delivered by, and constitutes a legal, valid, binding and enforceable agreement of, each of the parties thereto other than the Company. I have also assumed the authenticity of all documents submitted to me as originals and the conformity to the original documents of all documents submitted to me as copies.

Based on the foregoing and subject to the qualifications stated herein, I am of the opinion that:

(a) The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power to own and operate its properties and to carry on its business as presently conducted.

(b) The execution, delivery and performance by the Company of Amendment No. 2 and the Agreement as amended thereby (i) are within the Company's corporate power, (ii) have been duly authorized by all necessary corporate action, (iii) require no action by or in respect of, or filing with, any governmental body, agency or official (except for possible periodic reports filed with the Securities and Exchange Commission), and (iv) do not contravene, or constitute a default under, (A) any provision of applicable law or regulation or of the certificate of incorporation or bylaws of the Company or (B) to my knowledge, any agreement, judgment, injunction, order, decree or other instrument binding upon the Company, or result in the creation or imposition of any Lien under any agreement known to me on any asset of the Company or any of its Subsidiaries.

(c) Each of Amendment No. 2 and the Agreement as amended thereby constitutes a valid, binding and enforceable agreement of the Company.

(d) To my knowledge, there is no action, suit or proceeding pending or threatened against the Company or any of its Subsidiaries before any court or arbitrator or any governmental body, agency or official, in which there is a reasonable possibility of an adverse decision which will materially adversely affect the business or the consolidated financial position of the Company and its Consolidated Subsidiaries considered as a whole, or which in any manner draws into question the validity of Amendment No. 2 or the Agreement as amended thereby.

(e) The Company is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

My opinion is subject to the following qualifications and limitations:

(1) The enforceability of Amendment No. 2 and the Agreement as amended thereby may be limited by any applicable bankruptcy, insolvency and similar laws affecting the enforcement of creditors' rights generally and the application by a court of equitable principles.

(2) I express no opinion as to the laws of any jurisdiction other than the General Corporation Law of the State of Delaware and the federal laws of the United States of America. Insofar as the opinions expressed herein involve matters of New York law, I have relied with your permission entirely on the opinion of even date herewith furnished to you by Cleary, Gottlieb, Steen & Hamilton.

(3) The opinions set forth herein are expressed as of the date hereof and I disclaim any undertaking to advise you of any change which may subsequently be brought to my attention in the facts and legal conclusions upon which such opinions are based.

This opinion letter is furnished by me as counsel to the Company and is solely for your benefit. This opinion letter may not be relied upon by you for any other purpose or relied upon by any other person without my prior written consent.

Very truly yours,

Form of Notice of Request to Extend

[Date]

To: [Name of Bank]
From: Morgan Guaranty Trust Company of New York (the "Agent")
Re: Credit Agreement dated as of August 30, 1990, as amended (the "Credit Agreement") among The Limited, Inc. (the "Borrower"), the Banks party thereto and the Agent.

Pursuant to Section 2.1.3 of the Credit Agreement, the Borrower has requested an extension of the Termination Date (as defined therein) of the Credit Agreement from December 4, 1999 to December 4, 2001.

If you elect so to extend the Termination Date, no further action on your part is required.

If you elect not so to extend the Termination Date, please notify the Agent in writing (which may be by bank wire, telex, telecopy or similar writing) at its address, telecopy number or telex number set forth below no later than _____, 1996:

Morgan Guaranty Trust Company of New York
60 Wall Street
New York, New York 10260
Telex Number/Answerback:
177615/MGTUI
Telecopy Number:
Attn: Deborah Brodheim

AMENDMENT NO. 1 TO WFN CREDIT AGREEMENT

AMENDMENT dated as of April 28, 1994 to the Credit Agreement dated as of December 4, 1992 (the "Agreement") among WORLD FINANCIAL NETWORK NATIONAL BANK (the "Borrower"), THE LIMITED, INC. (the "Company"), the BANKS party thereto (the "Banks") and MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as Agent (the "Agent").

W I T N E S S E T H :

WHEREAS, the parties hereto desire to amend the Agreement to increase the aggregate amount of the commitments thereunder from \$280,000,000 to \$350,000,000, to change the tenor of the facility and to make other changes as set forth below;

NOW, THEREFORE, the parties hereto agree as follows:

SECTION 1. Definitions; References. Unless otherwise specifically defined

herein, each term used herein which is defined in the Agreement has the meaning assigned to such term in the Agreement. Each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference and each reference to "this Agreement" and each other similar reference contained in the Agreement shall, after this Amendment becomes effective, refer to the Agreement as amended hereby.

SECTION 2. Changes to Commitments. The commitment amounts set forth

opposite the names of the Banks on the signature pages of the Agreement are changed to the respective amounts set forth opposite their names on the signature pages hereof.

SECTION 3. Amendment to Section 1.1 of the Agreement. (a) The following

definitions in Section 1.1 are amended to read as follows:

"CD Margin" means (i) during any period that the Company has a High Company Rating, .225 of 1% per annum, (ii) during any period that the Company has an Adequate Company Rating, .275 of 1% per annum, and (iii) during any period that the Company has neither a High Company Rating nor an Adequate Company Rating, .275 of 1% per annum.

"Euro-Dollar Margin" means (i) during any period that the Company has a High Company Rating, .10 of 1% per annum, (ii) during any period that the Company has an Adequate Company Rating, .15 of 1% per annum, and (iii) during any period that the Company has neither a High Company Rating nor an Adequate Company Rating, .15 of 1% per annum.

(b) The definition of "\$560,000,000 Credit Agreement" in Section 1.1 is amended to read as follows:

"TLI Credit Agreement" means the \$900,000,000 Credit Agreement as amended from time to time.

(c) Each reference in the Agreement to the \$560,000,000 Credit Agreement is amended to refer to the TLI Credit Agreement.

SECTION 4. Amendment of Section 2.1.3 of the Agreement. (a) Section

2.1.3 is amended to read in its entirety as follows:

2.1.3. For the purposes of this Agreement, the "Termination Date" shall be December 4, 1999; provided, however, that on December 4, 1996 (the "Extension Date"), the Termination Date may be extended an additional two years (i.e., from December 4, 1999 to December 4, 2001) if at least 60 days

before the Extension Date, the Borrower has given written notice to the Agent requesting the extension of the Termination Date, unless at least 30 days before the Extension Date the Agent (after having delivered a notice substantially in the form of Exhibit I hereto to each Bank and received a written request from any Bank that the Termination Date not be extended) delivers written notice to the Borrower that the Termination Date is not to be so extended. The Borrower shall have the right, within such thirty-day period, to replace any Bank which has requested that the Termination Date not be extended in the same manner as the Borrower may replace a Certificate Bank pursuant to Section 2.9.5, and in the event the Borrower so replaces each Bank making such request, the Termination Date shall then be extended as provided in the preceding sentence. Upon receipt of any notice from the Borrower pursuant to this Section 2.1.3, the Agent shall promptly notify each Bank thereof.

(b) Exhibit I to the Agreement is replaced by the document identified as Exhibit I and attached hereto.

SECTION 5. Amendment of Section 2.8.1 of the Agreement. Section

2.8.1 is amended to read in its entirety as follows:

2.8.1. (a) For each day when the Company has neither a High Company Rating nor an Adequate Company Rating, the Borrower shall pay to the Agent, for the accounts of the Banks ratably in proportion to their Commitments, a commitment fee at the rate of .05 of 1% per annum on the amount by which the aggregate amount of the Commitments exceeds the aggregate outstanding principal amount of all Loans. Such commitment fee shall be calculated for each such day from and including April 28, 1994 to but excluding the Termination Date and shall be payable quarterly in arrears on each March 31, June 30, September 30 and December 31 prior to the Termination Date and on the Termination Date upon receipt of a statement from the Agent calculating the amount thereof.

(b) On June 30, 1994 the Borrower shall pay to the Agent, for the accounts of the Banks ratably in proportion to their Commitments, the commitment fee accrued for the period from March 31, 1994 to but excluding April 28, 1994 under the provisions of this Section 2.8.1 as in effect during such period.

SECTION 6. Amendment of Section 4.4.2 of the Agreement. Section

4.4.2 is amended by changing "Effective Date" to "April 28, 1994".

SECTION 7. Governing Law. This Amendment shall be governed by and

construed in accordance with the laws of the State of New York.

SECTION 8. Effectiveness. This Amendment shall become effective upon

the date of satisfaction of the following conditions:

8.1.1. the Agent shall have received duly executed counterparts of this Amendment signed by each of the parties listed on the signature pages hereof (or, in the case of any party as to which an executed counterpart shall not have been received, the Agent shall have received telegraphic, telex or other written confirmation from such party of execution of a counterpart by such party);

8.1.2. the Agent shall have received opinions of Cleary, Gottlieb, Steen & Hamilton, special counsel for the Borrower and the Company, and Samuel Fried, Esq., General Counsel of the Borrower and the Company, substantially in the forms of Exhibits A and B hereto, respectively, and covering such additional matters relating to the transactions contemplated hereby as the Required Banks may reasonably request;

8.1.3. the Agent shall have received a certificate signed by the chief financial officer or the treasurer of the Company, to the effect that (i) the representations and warranties of the Company and the Borrower contained in Sections 4 and 11 of the Agreement are true on and as of the date of such certificate and (ii) immediately after giving effect to this Agreement, no Default shall have occurred and be continuing;

8.1.4. the Agent shall have received all documents it may reasonably request relating to the existence of the Borrower and the Company, the corporate authority for and the validity of this Amendment and the Agreement as amended hereby and any other matters relevant hereto, all in form and substance satisfactory to the Agent; and

8.1.5. Amendment No. 2 to the TLI Credit Agreement (as defined in the Agreement as amended hereby) shall become effective concurrently with the effectiveness of this Amendment.

The opinions and certificate referred to in clauses 8.1.2 and 8.1.3 above shall be dated the date of effectiveness of this Amendment.

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

WORLD FINANCIAL NETWORK
NATIONAL BANK

By: _____
Title:
4590 East Broad Street
Whitehall, Ohio 43213

Notices to:

The Limited, Inc.
Three Limited Parkway
P.O. Box 16000
Columbus, Ohio 43216
Telecopy number: 614-479-7060
Telephone number: 614-479-7033
Attn: Patrick Hectorne
Treasurer

THE LIMITED, INC.

By: _____
Title:

Three Limited Parkway
P.O. Box 16000
Columbus, Ohio 43216
Telecopy number: 614-479-7060
Telephone number: 614-479-7033
Attn: Patrick Hectorne
Treasurer

With a copy to:

Kenneth B. Gilman
Vice Chairman and
Chief Financial Officer
Telecopy number: 614-479-7225

Commitments

\$18,750,000

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK

By: _____
Title:

\$18,750,000

J.P. MORGAN DELAWARE

By: _____
Title:

\$33,750,000

CITIBANK, N.A.

By: _____
Title:

\$28,750,000

BANK OF AMERICA NATIONAL TRUST
AND SAVINGS ASSOCIATION

By: _____
Title:

\$25,000,000

THE FIRST NATIONAL BANK
OF CHICAGO

By: _____
Title:

Commitments

\$25,000,000

THE HONG KONG AND SHANGHAI BANKING
CORPORATION LIMITED

By: _____
Title:

\$25,000,000

MELLON BANK, N.A.

By: _____
Title:

\$18,750,000

THE BANK OF NEW YORK

By: _____
Title:

\$18,750,000

BANK ONE, COLUMBUS, NA

By: _____
Title:

\$18,750,000

THE CHASE MANHATTAN BANK
NATIONAL ASSOCIATION

By: _____
Title:

\$18,750,000

CHEMICAL BANK

By: _____
Title:

Commitments

\$18,750,000

CREDIT SUISSE

By: _____
Title:

By: _____
Title:

\$18,750,000

DEUTSCHE BANK AG, NEW YORK AND/OR
CAYMAN ISLANDS BRANCHES

By: _____
Title:

By: _____
Title:

\$18,750,000

NATIONSBANK OF NORTH CAROLINA, N.A.

By: _____
Title:

By: _____
Title:

\$18,750,000

UNION BANK OF SWITZERLAND

By: _____
Title:

Commitments

\$12,500,000

THE BANK OF NOVA SCOTIA

By: _____
Title:

\$12,500,000

NATIONAL CITY BANK, COLUMBUS

By: _____
Title:

Total Commitments

\$350,000,000

=====

Opinion of
Cleary, Gottlieb, Steen & Hamilton
Special Counsel for the Company

[Effective Date]

To the Banks and the Agent
Referred to Below
c/o Morgan Guaranty Trust Company
of New York, as Agent
60 Wall Street
New York, New York 10260

Ladies and Gentlemen:

We have acted as counsel for The Limited, Inc., a Delaware corporation (the "Company"), and World Financial Network National Bank, a national banking association (the "Borrower" and, together with the Company, the "Obligors"), in connection with the preparation of Amendment No. 1 dated as of April 28, 1994 ("Amendment No. 1") to the Credit Agreement dated as of December 4, 1992 (the "Agreement") among the Borrower, the Company, the Banks party thereto and Morgan Guaranty Trust Company of New York, as Agent (the "Agent"). This letter is furnished pursuant to Section 8.1.2 of Amendment No. 1. Capitalized terms used herein have the meanings set forth in the Agreement unless the context otherwise requires.

In arriving at the opinions expressed below, we have examined and relied on originals or copies certified or otherwise identified to our satisfaction of the certificate of incorporation and bylaws of the Company, the articles of association and bylaws of the Borrower, the Agreement, Amendment No. 1 and all such corporate records of the Obligors and such other instruments, certificates and representations of public officials, officers and representatives of the Obligors and such other persons, and have made such investigations of law, as we have deemed appropriate as a basis for the opinions expressed below.

In addition, we have assumed, and have not verified, that the signatures on all the documents which we

have examined are genuine, and that each of the Agreement and Amendment No. 1 has been duly authorized, executed and delivered by, and constitutes a legal, valid, binding and enforceable obligation of, each of the parties thereto other than the Obligors. We have also assumed the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies.

We express no opinion as to the laws of any jurisdiction other than the laws of the State of New York, the General Corporation Law of the State of Delaware and the federal laws of the United States of America.

Based upon and subject to the foregoing, it is our opinion that:

1. The Borrower is a national banking association validly existing in good standing under the laws of the United States of America and has all necessary corporate power and authority to execute, deliver and perform its obligations under Amendment No. 1 and the Agreement as amended thereby. The Borrower is an "insured depository institution" under the provisions of Section 4(a) of the FDIA, 12 U.S.C. Section 1814(a).

2. The execution, delivery and performance by each of the Obligors of Amendment No. 1 and the Agreement as amended thereby (i) are within such Obligor's corporate power, (ii) have been duly authorized by all necessary corporate action, (iii) require no action by or in respect of, or filing with, any governmental body, agency or official of the State of New York or the United States of America (except for possible periodic reports filed with the Securities and Exchange Commission), and (iv) do not contravene, or constitute a default under, any provision of applicable law or regulation or of the certificate of incorporation or bylaws of the Company or of the articles of association or bylaws of the Borrower.

3. Each of Amendment No. 1 and the Agreement as amended thereby constitutes a valid, binding and enforceable agreement of each of the Obligors, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

4. The Borrower is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

We are furnishing this opinion letter to you solely for your benefit. This opinion letter may not be relied upon by you for any other purpose or relied upon by any other person without our prior written consent.

Very truly yours,

CLEARY, GOTTLIEB, STEEN & HAMILTON

By: _____
Robert L. Tortoriello, a Partner

Opinion of
Samuel Fried, Esq.
General Counsel to the Company

[Effective Date]

To the Banks and the Agent
Referred to Below
c/o Morgan Guaranty Trust Company
of New York, as Agent
60 Wall Street
New York, New York 10260

Ladies and Gentlemen:

This opinion is furnished to you pursuant to Section 8.1.2 of Amendment No. 1 dated as of April 28, 1994 ("Amendment No. 1") to the Credit Agreement dated as of December 4, 1992 (the "Agreement") among World Financial Network National Bank, a national banking association (the "Borrower"), The Limited, Inc., a Delaware corporation (the "Company" and, together with the Borrower, the "Obligors"), the Banks listed on the signature pages thereof and Morgan Guaranty Trust Company of New York (the "Agent"). Capitalized terms used herein have the meanings set forth in the Agreement unless the context otherwise requires.

In arriving at the opinions expressed below, I have examined and relied on originals or copies, certified or otherwise identified to my satisfaction, of the certificate of incorporation and bylaws of the Company, the articles of association and bylaws of the Borrower, the Agreement, Amendment No. 1, and all such corporate records of the Obligors, such other instruments, certificates and representations of public officials, officers and representatives of the Obligors and such other persons, and have made such investigations of law, as I have deemed appropriate as a basis for the opinions expressed below.

In addition, I have assumed, and have not

verified, that the signatures on all the documents which I have examined are genuine, and that each of the Agreement and Amendment No. 1 has been duly authorized, executed and delivered by, and constitutes a legal, valid, binding and enforceable agreement of, each of the parties thereto other than the Obligors. I have also assumed the authenticity of all documents submitted to me as originals and the conformity to the original documents of all documents submitted to me as copies.

Based on the foregoing and subject to the qualifications stated herein, I am of the opinion that:

(a) The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power to own and operate its properties and to carry on its business as presently conducted.

(b) The execution, delivery and performance by each of the Obligors of Amendment No. 1 and the Agreement as amended thereby (i) are within such Obligor's corporate power, (ii) have been duly authorized by all necessary corporate action, (iii) require no action by or in respect of, or filing with, any governmental body, agency or official (except for possible periodic reports filed with the Securities and Exchange Commission or banking agencies), and (iv) do not contravene, or constitute a default under, (A) any provision of applicable law or regulation or of the certificate of incorporation or bylaws of the Company or of the articles of association or bylaws of the Borrower or (B) to my knowledge, any agreement, judgment, injunction, order, decree or other instrument binding upon either of the Obligors, or result in the creation or imposition of any Lien under any agreement known to me on any asset of the Company or any of its Subsidiaries.

(c) Each of Amendment No. 1 and the Agreement as amended thereby constitutes a valid, binding and enforceable agreement of each of the Obligors.

(d) To my knowledge, there is no action, suit or proceeding pending or threatened against the Company or any of its Subsidiaries before any court or arbitrator or any governmental body, agency or official, in which there is a reasonable possibility of an adverse decision which will materially adversely affect the business or the consolidated financial position of the Company and its Consolidated Subsidiaries considered as a whole, or which

in any manner draws into question the validity of Amendment No. 1 or the Agreement as amended thereby.

(e) The Company is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

My opinion is subject to the following qualifications and limitations:

(1) The enforceability of Amendment No. 1 and the Agreement as amended thereby may be limited by any applicable bankruptcy, insolvency and similar laws affecting the enforcement of creditors' rights generally and the application by a court of equitable principles.

(2) I express no opinion as to the laws of any jurisdiction other than the General Corporation Law of the State of Delaware and the federal laws of the United States of America. Insofar as the opinions expressed herein involve matters of New York law, I have relied with your permission entirely on the opinion of even date herewith furnished to you by Cleary, Gottlieb, Steen & Hamilton.

(3) The opinions set forth herein are expressed as of the date hereof and I disclaim any undertaking to advise you of any change which may subsequently be brought to my attention in the facts and legal conclusions upon which such opinions are based.

This opinion letter is furnished by me as counsel to the Obligors and is solely for your benefit. This opinion letter may not be relied upon by you for any other purpose or relied upon by any other person without my prior written consent.

Very truly yours,

Form of Notice of Request to Extend

[Date]

To: [Name of Bank]

From: Morgan Guaranty Trust Company of New York (the "Agent")

Re: Credit Agreement dated as of December 4, 1992, as amended (the "Credit Agreement") among World Financial Network National Bank (the "Borrower"), The Limited, Inc., the Banks party thereto and the Agent.

Pursuant to Section 2.1.3 of the Credit Agreement, the Borrower has requested an extension of the Termination Date (as defined therein) of the Credit Agreement from December 4, 1999 to December 4, 2001.

If you elect so to extend the Termination Date, no further action on your part is required.

If you elect not so to extend the Termination Date, please notify the Agent in writing (which may be by bank wire, telex, telecopy or similar writing) at its address, telecopy number or telex number set forth below no later than _____, 1996:

Morgan Guaranty Trust Company of New York
60 Wall Street
New York, New York 10260
Telex Number/Answerback:
177615/MGTUI
Telecopy Number:
Attn: Deborah Brodheim

THE LIMITED, INC. AND SUBSIDIARIES
 COMPUTATION OF PER SHARE EARNINGS
 (Thousands except per share amounts)

	Thirteen Weeks Ended	
	April 30, 1994	May 1, 1993
	-----	-----
Net income	\$ 47,276 =====	\$ 44,225 =====
Common shares outstanding:		
Weighted average	379,454	379,454
Dilutive effect of stock options	671	1,324
Weighted average treasury shares	(21,562) -----	(16,724) -----
Weighted average used to calculate net income per share	358,563 =====	364,054 =====
Net income per share	\$.13 =====	\$.12 =====

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

	Thirteen Weeks Ended	
	April 30, 1994	May 1, 1993
	-----	-----
Adjusted Earnings		

Income before income taxes	\$ 79,276	\$ 72,225
Portion of minimum rent (\$150,922 in 1994 and \$142,503 in 1993) representative of interest	50,306	47,501
Interest on indebtedness	14,670	14,988
	-----	-----
Total Earnings as Adjusted	\$144,252	\$134,714
	=====	=====
Fixed Charges		

Portion of minimum rent representative of interest	\$ 50,306	\$ 47,501
Interest on indebtedness	14,670	14,988
	-----	-----
Total Fixed Charges	\$ 64,976	\$ 62,489
	=====	=====
Ratio of Earnings to Fixed Charges	2.22x	2.16x
	=====	=====

REPORT OF INDEPENDENT ACCOUNTANTS

To the Audit Committee of
The Board of Directors of
The Limited, Inc.

We have reviewed the condensed consolidated balance sheet of The Limited, Inc. and Subsidiaries at April 30, 1994, and the related condensed consolidated statements of income and cash flows for the thirteen-week periods ended April 30, 1994 and May 1, 1993. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet as of January 29, 1994, and the related consolidated statements of income, shareholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated February 14, 1994 we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of January 29, 1994, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

COOPERS & LYBRAND

Columbus, Ohio
June 3, 1994