

This Schedule 13E-4 Issuer Tender Offer Statement (the "Statement") relates to an offer by The Limited, Inc., a Delaware corporation ("The Limited"), to exchange up to 43,600,000 shares of Class A common stock, par value \$.01 per share (the "A&F Common Stock"), of Abercrombie & Fitch Co., which The Limited owns, for shares of common stock, par value \$.50 per share (the "Limited Common Stock"), of The Limited upon the terms and subject to the conditions stated in the Offering Circular--Prospectus dated April 15, 1998 (the "Offering Circular--Prospectus") and the related Letter of Transmittal (the "Letter of Transmittal" which, together with the Offering Circular--Prospectus, constitute the "Exchange Offer").

The Offering Circular--Prospectus and the Letter of Transmittal, copies of which are attached hereto as Exhibits (a) (1) and (a) (2), are incorporated herein by reference.

ITEM 1. SECURITY AND ISSUER.

(a) The name of the issuer is The Limited, Inc., a Delaware corporation, which has its principal executive offices at Three Limited Parkway, Columbus, Ohio 43230 (telephone number (614) 415-7000).

(b) The information set forth on the front cover page of the Offering Circular--Prospectus and in the section thereof entitled "The Exchange Offer--Terms of the Exchange Offer" is incorporated herein by reference. With respect to whether any shares of Limited Common Stock will be purchased from any officer, director or affiliate of The Limited, the information set forth in paragraph five of the section of the Offering Circular--Prospectus entitled "The Transactions--Background and Purpose" is incorporated herein by reference.

(c) The information set forth in the section of the Offering Circular--Prospectus entitled "Market Prices, Trading and Dividend Information" is incorporated herein by reference.

(d) Not applicable.

ITEM 2. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

(a) The consideration being offered by The Limited in exchange for the shares of Limited Common Stock is up to 43,600,000 shares of A&F Common Stock owned by The Limited. Holders of shares of Limited Common Stock who will be entitled to receive a fractional share of A&F Common Stock will be paid cash in lieu of such fractional share. The information set forth in the sections of the Offering Circular--Prospectus entitled "The Exchange Offer--Terms of the Exchange Offer" and "The Exchange Offer--Exchange of Shares of Limited Common Stock" 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)-(c) The information set forth in the section of the Offering Circular--Prospectus entitled "The Transactions--Background and Purpose", "The Transactions--Effects" and "The Exchange Offer--Terms of the Exchange Offer" is incorporated herein by reference.

(d) Not applicable.

(e) The information set forth in the section of the Offering Circular--Prospectus entitled "Capitalization" and "Unaudited Pro Forma Consolidated Financial Statements--The Limited" is incorporated herein by reference.

(f) The information set forth in the section of the Offering Circular--Prospectus entitled "Relationship Between The Limited And A&F" is incorporated herein by reference.

(g)-(j) Not applicable.

ITEM 4. INTEREST IN SECURITIES OF THE ISSUER.

Except as set forth in Schedule A to the Offering Circular--Prospectus which is incorporated herein by reference, no transaction with respect to the shares of Limited Common Stock was effected during the period of 40 business days prior to the date hereof by The Limited, or to The Limited's knowledge, its directors or executive officers, or any of the directors or executive officers of any of its subsidiaries, or any associate or subsidiary of any such person (including any director or executive officer of any such subsidiary).

ITEM 5. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO THE ISSUER'S SECURITIES.

The information set forth in section of the Offering Circular--Prospectus entitled "The Transactions--Background and Purpose", "The Transactions--Effects", "The Exchange Offer--Terms of the Exchange Offer" and "Executive Compensation for the Limited" is incorporated herein by reference.

ITEM 6. PERSONS RETAINED, EMPLOYED OR TO BE COMPENSATED.

The information set forth in section of the Offering Circular--Prospectus entitled "The Exchange Offer--Fees and Expenses" is incorporated herein by reference.

ITEM 7. FINANCIAL INFORMATION.

(a) The financial information set forth in the section of the Offering Circular--Prospectus entitled "Consolidated Financial Statements of The Limited" is incorporated herein by reference.

(b) The pro forma data set forth in the section of the Offering Circular--Prospectus entitled "Capitalization" and "Unaudited Pro Forma Consolidated Financial Statements-The Limited" is incorporated herein by reference.

ITEM 8. ADDITIONAL INFORMATION.

(a) The information set forth in the section of the Offering Circular--Prospectus entitled "Relationship Between The Limited And A&F" is incorporated herein by reference.

(b) The information set forth in the section of the Offering Circular--Prospectus entitled "The Transactions--Regulatory Approvals" is incorporated herein by reference.

(c) Not applicable.

(d) Not applicable.

(e) Additional information with respect to the Exchange Offer and related matters is included throughout the Offering Circular--Prospectus and the Letter of Transmittal, copies of which are attached hereto as Exhibits (a) (1) and (a) (2), respectively, and which are incorporated herein by reference in their entirety. The Limited is not aware of any jurisdiction in which the making of the Exchange Offer or the acceptance thereof would not be in compliance with the applicable law. However, The Limited reserves the right to exclude holders in any jurisdiction in which it is asserted that the Exchange Offer cannot lawfully be made. So long as The Limited makes a good faith effort to comply with any state law deemed applicable to the Exchange Offer, if it cannot do so, The Limited believes that the exclusion of holders residing in such state(s) is permitted under Rule 13e-4 (f) (9) promulgated under the Securities Exchange Act of 1934, as amended.

ITEM 9. MATERIAL TO BE FILED AS EXHIBITS.

(a)(1) Offering Circular--Prospectus dated April 15 , 1998.

(a)(2) Letter of Transmittal.

(a)(3) Notice of Guaranteed Delivery.

- (a)(4) Letter from Dealer Managers to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- (a)(5) Letter to Clients for use by Brokers, Dealers, Commercial Banks and Trust Companies and Other Nominees.
- (a)(6) Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 (included in the Letter of Transmittal to be filed as Exhibit (a) (2) hereto).
- (a)(7) Form of Letter from the Savings and Retirement Plan Administrative Committee of The Limited, Inc.
- (a)(8) Notice To Participants in the Savings and Retirement Plan of The Limited, Inc.
- (a)(9) Questions and Answers on Savings and Retirement Plan Tender Rights and Procedures.
- (a)(10) Form of Notice To Participants in the Stock Purchase Plan of The Limited, Inc.
- (a)(11) Form of Summary Advertisement.
- (b) Not applicable.
- (c) Not applicable.
- (d) Not applicable.
- (e) See Exhibit (a) (1) above.
- (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 Administrative Officer

Dated: April 15, 1998

EXHIBIT INDEX

EXHIBIT NUMBER -----	DESCRIPTION -----
(a) (1)	Offering Circular-Prospectus dated April 15, 1998.
(a) (2)	Letter of Transmittal.
(a) (3)	Notice of Guaranteed Delivery.
(a) (4)	Letter from Dealer Managers to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
(a) (5)	Letter To Clients from Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
(a) (6)	Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 (included in the Letter of Transmittal to be filed as Exhibit (a) (2) hereto).
(a) (7)	Form of Letter from the Savings and Retirement Plan Administrative Committee of The Limited, Inc.
(a) (8)	Notice To Participants in the Savings and Retirement Plan of The Limited, Inc.
(a) (9)	Questions and Answers on Savings and Retirement Plan Tender Rights and Procedures.
(a) (10)	Form of Notice To Participants in the Stock Purchase Plan of The Limited, Inc.
(a) (11)	Form of Summary Advertisement.
(b)	Not applicable.
(c)	Not applicable.
(d)	Not applicable.
(e)	See Exhibit (a) (1) above.
(f)	Not applicable.

THE _____ LIMITED _____ INC.

THREE LIMITED PARKWAY
COLUMBUS, OHIO 43216
(614) 415-7000

EXCHANGE OFFER - IMPORTANT

Dear Limited Stockholders:

The Limited has announced a plan to establish its Abercrombie & Fitch subsidiary as a fully independent public company. In order to implement this plan and distribute its A&F shares, The Limited is offering you, as a stockholder, the opportunity to exchange (on a tax free basis) shares of The Limited which you own for shares of A&F. The Limited currently owns 43,600,000 A&F shares.

This Exchange Offer will be conducted as a modified "Dutch auction". What that means is that you will be able to select, from within a range, the exchange ratio at which you are willing to exchange some or all of your Limited shares for shares of A&F. This exchange ratio range is not more than .86 nor less than .73 of a share of A&F for each share of The Limited.

Based on the exchange ratios selected by fellow tendering stockholders, The Limited will select as the final exchange ratio the lowest exchange ratio that will permit the maximum number of shares of A&F owned by The Limited to be exchanged. This final exchange ratio will apply to all Limited shares accepted for exchange.

In order to facilitate a successful distribution of A&F shares, The Limited anticipates that the final exchange ratio will provide tendering stockholders with shares of A&F having a market value greater than the market value of the Limited shares tendered. We will refer to this greater value in this document as the "Anticipated Premium." Based on the trading prices for A&F and Limited shares on April 14, 1998, the Anticipated Premium would be approximately 9% using the minimum exchange ratio and approximately 28% using the maximum exchange ratio. We cannot, however, predict what the amount of any Anticipated Premium will be.

If the collective response of stockholders is such that more than 43,600,000 shares of A&F would be exchanged at the final exchange ratio, then the number of Limited shares to be accepted from each stockholder who tendered shares at or below the final exchange ratio will be reduced on a pro rata basis. If fewer than 43,600,000 but more than 39,240,000 shares of A&F would be exchanged, The Limited will accept all shares tendered at or below the final exchange ratio, and will distribute its remaining A&F shares to its stockholders at the time on a pro rata basis through a "spin-off" transaction.

Whether you should participate in the Exchange Offer depends on many factors. You should consider, among other things, (i) your view of the relative values of a single Limited share and a single A&F share, (ii) the opportunity to receive the Anticipated Premium and (iii) your investment strategy with regard to the two stocks. NEITHER THE LIMITED NOR A&F NOR ANY OF THEIR RESPECTIVE DIRECTORS MAKES ANY RECOMMENDATION AS TO WHETHER YOU SHOULD TENDER SHARES. You must make your own decision after reading this document and consulting with your advisors based on your own financial position and requirements. We urge you to read this Offering Circular-Prospectus very carefully.

The Exchange Offer is subject to certain conditions, including that enough Limited shares are tendered so that at least 90% of the A&F shares owned by The Limited (39,240,000 out of a total of 43,600,000 shares) can be exchanged for Limited shares. THE EXCHANGE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, MAY 13, 1998, UNLESS EXTENDED.

The Limited has retained the services of D.F. King & Co., as Information Agent, and Goldman, Sachs & Co., as Dealer Managers, to assist you in connection with the Exchange Offer. You may call either the Information Agent (1-800-549-6864, toll-free) or the Dealer Managers (1-800-323-5678, toll-free) directly to request additional documents and to ask any questions.

/s/ Leslie H. Wexner
LESLIE H. WEXNER
Chairman
The Limited, Inc.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES REGULATORS HAVE APPROVED THE ABERCROMBIE & FITCH COMMON STOCK TO BE ISSUED IN THE EXCHANGE OFFER OR DETERMINED IF THIS OFFERING CIRCULAR-PROSPECTUS IS ACCURATE OR ADEQUATE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Dealer Managers for this Exchange Offer are:
GOLDMAN, SACHS & CO.
Offering Circular-Prospectus dated April 15, 1998

[PICTURES]

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QUESTIONS AND ANSWERS ABOUT THE EXCHANGE OFFER

Q1: WHY HAS THE LIMITED DECIDED TO SEPARATE A&F FROM THE REST OF THE COMPANY?

A1: For the past several years, we have been reviewing The Limited's organizational structure to better address the management requirements of a large, multi-division, specialty retail company. We have taken a number of significant steps to address these organizational and management issues and to better position The Limited's retail businesses to realize their full potential. At the same time, we have also taken actions intended to maximize stockholder value because we believe that the price of Limited shares has not reflected the inherent value of The Limited's various businesses. To further these objectives, we determined after much consideration that the complete separation of A&F from The Limited would be in the best interests of A&F, The Limited and their respective stockholders. This transaction is intended to allow A&F, which has demonstrated that it has an established brand and a proven and profitable growth strategy, to grow as an independent company. At the same time, the separation of A&F allows The Limited to focus its resources on brands where we can add more value.

Q2: WHY DID THE LIMITED CHOOSE THE EXCHANGE OFFER AS THE WAY TO SEPARATE A&F?

A2: We chose the Exchange Offer because we believe it is a tax efficient way to distribute value to you, gives you a choice to adjust your investment between The Limited and A&F on a tax-free basis, provides you with the opportunity to receive the Anticipated Premium and is expected to have the effect of increasing The Limited's earnings per share. Furthermore, the Board's decision to invest in The Limited by using A&F shares to repurchase Limited shares demonstrates our confidence in The Limited's future prospects. In deciding to pursue the Exchange Offer, we considered, among other things, the advice of our financial advisors, Goldman, Sachs & Co. and NationsBanc Montgomery Securities.

Q3: WHAT OTHER ALTERNATIVES DID THE LIMITED CONSIDER BEFORE CHOOSING THE EXCHANGE OFFER?

A3: We considered two principal alternatives for the separation of A&F from The Limited: the Exchange Offer and a pro rata spin-off. We decided, however, that the spin-off was not the preferred alternative because it would not achieve the objectives described in Answer 2 above other than permitting the separation of A&F from The Limited on a tax-free basis.

Q4: WHAT IS A MODIFIED "DUTCH AUCTION"?

A4: A modified "Dutch auction" means that you pick the exchange ratio at which you are willing to exchange some or all of your Limited shares for shares of A&F from within the specified range of not more than .86 nor less than .73 of a share of A&F for each share of The Limited.

Q5: WHAT IS THE "EXCHANGE RATIO"?

A5: The exchange ratio represents the number of A&F shares which Limited stockholders will receive for each Limited share tendered in the Exchange Offer.

Q6: HOW WILL THE LIMITED DECIDE ON THE FINAL EXCHANGE RATIO?

A6: The Limited will select as the final exchange ratio the lowest exchange ratio within the exchange ratio range that would permit the maximum number of shares of A&F owned by The Limited to be exchanged in the Exchange Offer. The final exchange ratio will apply to all tendering stockholders whose Limited shares are accepted for exchange.

Q7: HOW DO I DECIDE WHETHER TO PARTICIPATE IN THE EXCHANGE OFFER?

A7: Whether you should participate in the Exchange Offer depends on many factors. You should consider, among other things, (i) your view of the relative values of a single Limited share and a single A&F share, (ii) the opportunity to receive the Anticipated Premium and (iii) your investment strategy with regard to the two stocks. In addition, you should consider all of the factors described under "Risk Factors" starting at page 18. Neither The Limited nor A&F nor any of their respective directors makes any recommendation as to whether you should tender your Limited shares. You must make your own decision after reading this document and consulting with your advisors based on your own financial position and requirements.

Q8: WHAT IS THE ANTICIPATED PREMIUM?

A8: Based on the closing trading prices for Limited (NYSE/LSE: LTD) and A&F shares (NYSE: ANF) on April 14, 1998, any of the designated exchange ratios would result in a Limited stockholder receiving A&F shares with a market value greater than the market value of the Limited shares tendered for exchange. We cannot, however, predict what the amount of the Anticipated Premium, if any, will be or the prices at which A&F or Limited shares will trade over time.

You can calculate the Anticipated Premium using the following formula:

$$\frac{\text{Exchange Ratio} \times \text{Price of one A\&F share}}{\text{Price of one Limited share}} - 1$$

For example: Assume a price of \$29 3/8 for a Limited share and a price of \$43 13/16 for an A&F share (the closing trading prices of Limited and A&F shares on April 14, 1998). At an exchange ratio of .795 of a share of A&F for each Limited share (the midpoint of the range of exchange ratios), the Anticipated Premium would be approximately 19%. At the minimum exchange ratio of .73, the Anticipated Premium would be approximately 9%. At the maximum exchange ratio of .86, the Anticipated Premium would be approximately 28%.

Q9: CAN I PARTICIPATE WITH ONLY A PORTION OF MY LIMITED SHARES IN THE EXCHANGE OFFER?

A9: Yes, you may tender some or all of your Limited shares.

Q10: DO I DO ANYTHING IF I WANT TO RETAIN MY LIMITED SHARES?

A10: No. If you want to retain your Limited shares, you do not need to take any action.

Q11: IF I DECIDE TO PARTICIPATE IN THE EXCHANGE OFFER, HOW DO I SELECT AN APPROPRIATE EXCHANGE RATIO?

A11: In selecting an exchange ratio, you should consider your view of the value of one share of Limited compared to that of one share of A&F, as well as the level of certainty that you desire that your tender will be accepted in the Exchange Offer. The higher your exchange ratio, the lower the likelihood that your shares will be accepted for exchange. In other words, a tender at an exchange ratio greater than the final exchange ratio will not be accepted. Conversely, the lower your exchange ratio, the higher the likelihood that your shares will be accepted for exchange. See "The Exchange Offer--Determining to Participate in the Exchange Offer--Selecting an Exchange Ratio", page 28.

Q12: WHAT HAPPENS IF I SELECT AN EXCHANGE RATIO HIGHER THAN THE FINAL EXCHANGE RATIO?

A12: You will not participate in the Exchange Offer and the Limited shares you tendered will be returned to you.

Q13: WHAT HAPPENS IF I SELECT EITHER THE EXCHANGE RATIO SELECTED BY THE DUTCH AUCTION PROCEDURE OR A SPECIFIC EXCHANGE RATIO WHICH IS EQUAL TO OR LOWER THAN THE FINAL EXCHANGE RATIO?

A13: You will participate in the Exchange Offer at the final exchange ratio, but the actual number of your Limited shares accepted for exchange will depend on whether the Exchange Offer is oversubscribed.

Q14: HOW CAN I MAKE SURE THAT I WILL PARTICIPATE IN THE EXCHANGE OFFER?

A14: To ensure participation in the Exchange Offer, you should check the box captioned "Shares Tendered at Exchange Ratio Determined by Dutch Auction" in Box #2 on the Letter of Transmittal indicating that you will accept whatever the final exchange ratio is determined to be. In this case you will participate in the Exchange Offer, but the actual number of your Limited shares accepted for exchange will depend on whether the Exchange Offer is oversubscribed. If the Exchange Offer is oversubscribed, you will participate on a pro rata basis.

Q15: CAN I SELECT MORE THAN ONE EXCHANGE RATIO?

A15: The same shares may not be tendered at more than one exchange ratio. You may, however, tender different portions of your Limited shares at different exchange ratios, but you must complete separate Letters of Transmittal for each exchange ratio selected.

Q16: WHAT IS PRORATION?

A16: Proration will occur if the Exchange Offer is oversubscribed; that is, if the number of Limited shares tendered multiplied by the final exchange ratio exceeds the number of A&F shares available

for exchange at the final exchange ratio. In this case, all Limited shares that are tendered at or below the final exchange ratio will be accepted for exchange on a pro rata basis at the final exchange ratio.

Q17: WILL LESLIE WEXNER BE TENDERING HIS LIMITED SHARES IN THE EXCHANGE OFFER?

A17: No. Consistent with the goal of completely separating A&F from The Limited, Mr. Wexner has decided not to tender his Limited shares (including shares held by trusts created by Mr. Wexner). Trusts created by Mr. Wexner have disposed of approximately 8.0 million Limited shares since the announcement of the Exchange Offer on February 17, 1998. The decision to dispose of these shares was made by the trustees of the trusts in order to diversify their investments.

Q18: HOW DO I PARTICIPATE IN THE EXCHANGE OFFER?

A18: Complete and sign the Letter of Transmittal designating the number of Limited shares you wish to tender and either your willingness to accept the final exchange ratio determined by Dutch auction or the specific exchange ratio at which you are tendering. Send it, together with your share certificates and any other documents required by the Letter of Transmittal, by registered mail, return receipt requested, so that it is received by the Exchange Agent at one of the addresses set forth on the back cover of this Offering Circular-Prospectus before the expiration of the Exchange Offer. Do not send your certificates to The Limited, A&F, the Dealer Managers (Goldman, Sachs & Co.), any soliciting dealer or the Information Agent (D.F. King).

Q19: WILL PARTICIPANTS IN THE LIMITED'S DIVIDEND REINVESTMENT PLAN BE ABLE TO PARTICIPATE IN THE EXCHANGE OFFER?

A19: Yes. Each participant in the Dividend Reinvestment Plan may tender some or all of the Limited shares attributable to his or her plan account.

Q20: WILL PARTICIPANTS IN THE LIMITED'S SAVINGS AND RETIREMENT PLAN BE ABLE TO PARTICIPATE IN THE EXCHANGE OFFER?

A20: Yes. Each participant in the Savings and Retirement Plan may instruct the trustee of the plan to tender some or all of the Limited shares attributable to his or her plan account. Separate forms will be sent to each plan participant for use in directing the trustee.

Q21: WILL PARTICIPANTS IN THE LIMITED'S STOCK PURCHASE PLAN BE ABLE TO PARTICIPATE IN THE EXCHANGE OFFER?

A21: Yes. Each participant in the Stock Purchase Plan may instruct the agent for such plan to tender some or all of the Limited shares attributable to his or her plan account. Separate forms will be sent to each plan participant for use in directing the agent.

Q22: MY SHARES ARE HELD BY MY BROKER. WHAT SHOULD I DO IF I WANT TO PARTICIPATE IN THE EXCHANGE OFFER?

A22: If your shares are held by your broker and are not certificated in your name (i.e., your shares are in "street name"), you should receive instructions from your broker on how to participate. In this situation, you do not need to complete the Letter of Transmittal. If you have not yet received instructions from your broker, please contact your broker directly.

Q23: CAN I CHANGE MY MIND AFTER I TENDER MY LIMITED SHARES?

A23: Yes. You may withdraw tenders of your shares any time before the expiration of the Exchange Offer. If you change your mind again, you can retender your Limited shares by following the tender procedures again prior to the expiration of the Exchange Offer.

Q24: ARE THERE ANY CONDITIONS TO THE LIMITED'S OBLIGATION TO COMPLETE THE EXCHANGE OFFER?

A24: Yes, The Limited's obligation to complete the Exchange Offer is subject to the conditions outlined on page 36. In particular, we will not close the Exchange Offer unless enough Limited shares are tendered so that at least 39,240,000 shares of A&F stock can be distributed to Limited stockholders. We refer to the number of Limited shares that must be tendered to produce this result as the "Trigger Amount". The Limited may waive any or all of the conditions to the Exchange Offer in its reasonable discretion.

Q25: WHAT HAPPENS IF THE NUMBER OF LIMITED SHARES TENDERED IS SUCH THAT MORE THAN 39,240,000 A&F SHARES, BUT FEWER THAN 43,600,000 A&F SHARES, WOULD BE EXCHANGED?

A25: A&F shares held by The Limited after completion of the Exchange Offer will be distributed to its stockholders on a pro rata basis. We refer to this distribution as the "Spin-Off". For more details, see "The Spin-Off" on page 39.

Q26: WHAT HAPPENS IF THE NUMBER OF LIMITED SHARES TENDERED IS SUCH THAT MORE THAN 43,600,000 SHARES OF A&F WOULD BE EXCHANGED, I.E., THE EXCHANGE OFFER IS OVERSUBSCRIBED?

A26: All Limited shares which are tendered at or below the final exchange ratio will be accepted for exchange on a pro rata basis at the final exchange ratio. Any shares not accepted for exchange will be returned to tendering stockholders.

Q27: WHEN DOES THE EXCHANGE OFFER EXPIRE?

A27: The Exchange Offer, proration period and withdrawal rights will expire at 12:00 midnight, New York City time, on Wednesday, May 13, 1998, unless extended. Your instructions and other required documents must be received before then in order to participate in the Exchange Offer.

Q28: WHEN WILL TENDERING STOCKHOLDERS KNOW THE OUTCOME OF THE EXCHANGE OFFER?

A28: Preliminary results of the Exchange Offer, including any preliminary proration factor, will be announced by press release promptly after the expiration of the Exchange Offer. Announcement of any final proration factor should occur approximately seven business days after the expiration of the Exchange Offer.

Q29: WILL I BE TAXED ON THE SHARES OF A&F THAT I RECEIVE IN THE EXCHANGE OFFER?

A29: The Limited has received a private letter ruling from the Internal Revenue Service to the effect that the Exchange Offer (and the subsequent Spin-Off, if any) will generally be tax-free to The Limited and its stockholders. The receipt of cash for a fractional A&F share will be taxable as a capital gain or loss if your Limited shares were held as a capital asset. Each stockholder should consult his or her tax advisor as to the particular consequences of the Exchange Offer and Spin-Off to such stockholder.

Q30: WHAT WILL BE THE TAX BASIS AND HOLDING PERIOD OF A&F SHARES I RECEIVE IN EXCHANGE FOR MY LIMITED SHARES?

A30: If you tender all of your Limited shares and they are all accepted for exchange, the tax basis in the A&F shares you receive will equal your tax basis in your Limited shares before the exchange.

If you tender fewer than all of your Limited shares or fewer than all of your Limited shares are accepted for exchange, the total tax basis in the Limited and A&F shares that you hold immediately after the exchange will equal your tax basis in your Limited shares before the exchange; however, the basis of the A&F shares you receive will not necessarily equal the basis of the Limited shares that are accepted for exchange. The portion of your total tax basis allocated to the A&F shares you receive in the Exchange Offer will equal your old tax basis in the Limited shares multiplied by a fraction. The fraction is equal to (i) the aggregate market value of the A&F shares you receive in the Exchange Offer divided by (ii) the market value of the A&F shares received in the Exchange Offer plus the market value of the Limited shares held immediately after the Exchange Offer.

Stated as a formula, the basis in your A&F shares received in the Exchange Offer may be determined as follows:

Market value of A&F
received in the Exchange
Offer

Basis in A&F received in the Exchange Offer	=	Basis in The Limited prior to the Exchange Offer	x	Market value of A&F received in the Exchange Offer		Market value of The Limited held immediately after the Exchange Offer.
---	---	--	---	--	--	--

If additional shares of A&F are received in the Spin-Off, the same calculation must be repeated using the basis in the Limited shares, as determined following the Exchange Offer, as the starting point in the calculation.

Your holding period in the A&F shares you receive in the Transactions generally will include your holding period for Limited shares.

Q31: WHAT WILL BE THE TAX BASIS IN LIMITED SHARES THAT ARE NOT EXCHANGED PURSUANT TO THE EXCHANGE OFFER?

A31: If you tender fewer than all of your Limited shares, or fewer than all of your Limited shares are accepted for exchange, the total tax basis in your remaining Limited shares will equal your total tax basis in Limited shares before the exchange, less the basis allocated to A&F shares as determined under the calculation described in the answer to the preceding question.

Q32: DOESN'T A&F HAVE TWO CLASSES OF STOCK? HOW WILL THEY BE AFFECTED BY THE TRANSACTIONS?

A32: A&F currently has two classes of common stock, Class A, which is publicly held, and Class B, which is all held by The Limited. All Class B shares will be converted into Class A shares prior to the completion of the Exchange Offer. As a result, there will be no Class B shares after the consummation of the Exchange Offer. Accordingly, we have referred to the Class A shares as the A&F shares or the A&F Common Stock in this document.

Q33: WHAT HAPPENS TO MY LIMITED DIVIDEND IN LIGHT OF THE EXCHANGE OFFER?

A33: If you tender your Limited shares, after the Exchange Offer, you will not receive a Limited dividend for any Limited shares exchanged in the Exchange Offer because you will no longer own such shares. You will continue to receive the regular Limited dividend for your Limited shares that are not exchanged in the Exchange Offer. A&F does not currently pay a dividend on its shares.

Q34: HAVE OTHER COMPANIES PURSUED SUCH AN EXCHANGE OFFER?

A34: Yes. Examples of similar exchange offers include recent transactions involving Lockheed Martin Corporation, Eli Lilly and Company and Viacom International Inc.

Q35: WHO SHOULD I CALL IF I HAVE QUESTIONS OR WANT COPIES OF ADDITIONAL DOCUMENTS?

A35: You may call either the Information Agent (1-800-549-6864, toll-free) or the Dealer Managers (1-800-323-5678, toll-free) directly to request additional documents and to ask any questions.

SUMMARY

This summary highlights selected information from this Offering Circular-Prospectus and may not contain all the information that is important to you. To understand the Exchange Offer fully and for a more complete description of the legal terms of the Exchange Offer, you should read carefully this entire document and the documents to which we have referred you. See "Where You Can Find More Information" on page 102. We have included page references in parentheses to direct you to a more complete description of the topics presented in this summary.

THE COMPANIES

THE LIMITED, INC.
Three Limited Parkway
P.O. Box 16000
Columbus, Ohio 43230
(614) 415-7000

The Limited is engaged in the purchase, distribution and sale of women's apparel, lingerie, men's apparel, personal care products, children's apparel and a wide variety of sporting goods. The Limited operates an integrated distribution system which supports its retail activities. These activities are conducted under various trade names through the retail stores and catalogue businesses of The Limited. Merchandise is targeted to appeal to customers in various market segments that have distinctive consumer characteristics. The Limited's women's apparel businesses offer regular and special-sized fashion apparel at various price levels, including shirts, blouses, sweaters, pants, skirts, coats and dresses. In addition, The Limited offers lingerie and accessories, men's apparel, fragrances, bath and personal care products, specialty gift items, children's apparel and a wide variety of sporting goods. The Limited conducts its principal operations through wholly-owned subsidiaries, its 83%-owned subsidiary, Intimate Brands, Inc., and A&F. For more detail on the business of The Limited, see page 78.

ABERCROMBIE & FITCH CO.
Four Limited Parkway East
P.O. Box 182168
Reynoldsburg, Ohio 43068
(614) 577-6500

Abercrombie & Fitch is engaged in the purchase, distribution and sale of men's and women's casual apparel. A&F's retail activities are conducted through retail stores bearing the Abercrombie & Fitch name. Merchandise is targeted to appeal to customers in various market segments that have distinctive consumer characteristics. An initial public offering of 8,050,000 shares of A&F's Class A common stock was completed on October 1, 1996 and, as a result, approximately 84% of the outstanding common stock of A&F is owned by The Limited. For more detail on the business of A&F, see page 68.

BACKGROUND AND THE LIMITED'S REASONS FOR THE EXCHANGE OFFER

For the past several years, we have been reviewing The Limited's organizational structure to better address the management requirements of a large, multi-division, specialty retail company. We have taken a number of significant steps to address these organizational and management issues and to better position The Limited's retail businesses to realize their full potential. At the same time, we have also attempted to take actions intended to maximize stockholder value because we believe that the price of Limited shares has not reflected the inherent value of The Limited's various businesses. To further these objectives, we determined after much consideration that the complete separation of A&F from The Limited would be in the best interests of A&F, The Limited and their respective stockholders. The Exchange Offer is intended to allow A&F, which has demonstrated that it has an established brand and a proven and profitable growth strategy, to grow as an independent company. At the same time, the separation of A&F allows The Limited to focus its resources on brands where it can add more value. We chose the

Exchange Offer because we believe it is a tax efficient way to distribute value to you, gives you a choice to adjust your investment between The Limited and A&F on a tax-free basis, provides you with the opportunity to receive the Anticipated Premium and is expected to have the effect of increasing The Limited's earnings per share. Furthermore, the Board's decision to invest in The Limited by using A&F shares to repurchase Limited shares demonstrates our confidence in The Limited's future prospects. In deciding to pursue the Exchange Offer, we considered, among other things, the advice of our financial advisors, Goldman, Sachs & Co. and NationsBanc Montgomery Securities.

To review the reasons for the Exchange Offer in greater detail, see page 25.

THE EXCHANGE OFFER GENERALLY

EFFECTS OF THE EXCHANGE OFFER

Limited stockholders will be affected by the Exchange Offer regardless of whether they tender their Limited shares in the Exchange Offer. Stockholders who tender all their Limited shares will, if all such shares are accepted for exchange, no longer have an ownership interest in The Limited and will no longer participate in any change in the value of The Limited. Stockholders who exchange some, but not all, of their Limited shares in the Exchange Offer will have a diminished ownership interest in The Limited and an increased ownership interest in A&F. Stockholders who do not tender any of their Limited shares will receive shares of A&F only as a result of the Spin-Off, and will continue to have an ownership interest in The Limited, which ownership interest will have increased on a percentage basis as a result of the Exchange Offer.

THE POSITION OF THE LIMITED AND A&F ON THE EXCHANGE OFFER

Neither The Limited nor A&F nor any of their respective directors makes any recommendation as to whether you should tender your Limited shares. Among the factors which you should consider when deciding whether to tender your Limited shares are (i) your view of the relative value of a single share of The Limited and A&F, (ii) the opportunity to receive the Anticipated Premium and (iii) your investment strategy with regard to the two stocks. Based on the New York Stock Exchange closing trading prices of A&F and Limited shares on April 14, 1998, the Anticipated Premium would be approximately 9% using the minimum exchange ratio and approximately 28% using the maximum exchange ratio. We cannot, however, predict what the amount of the Anticipated Premium will be or whether in fact there will be a premium at the expiration of the Exchange Offer or the prices at which A&F or Limited shares will trade over time. You must make your own decision as to whether to tender, and, if so, how many shares and at what exchange ratio to tender after reading this Offering Circular-Prospectus and consulting with your advisors based on your own financial position and requirements. We urge you to read this document very carefully.

NO APPRAISAL RIGHTS

No appraisal rights are available to stockholders of The Limited in connection with the Exchange Offer or the Spin-Off.

CERTAIN FEDERAL INCOME TAXES (SEE PAGE 100)

The Limited has received a private letter ruling from the Internal Revenue Service to the effect that the Exchange Offer (and the subsequent Spin-Off, if any) generally will be tax-free to The Limited and its stockholders. The receipt of cash for a fractional A&F share will be taxable as a capital gain or loss if the Limited shares tendered were held as a capital asset. Each stockholder should consult his or her tax advisor as to the particular consequences of the Exchange Offer and Spin-Off to such stockholder.

THE EXCHANGE OFFER

TERMS OF THE EXCHANGE OFFER (SEE PAGE 25)

The Limited is offering to exchange up to 43,600,000 A&F shares for Limited shares at an exchange ratio not greater than .86 nor less

than .73 of a share of A&F for each share of The Limited. The Exchange Offer will be conducted as a modified "Dutch auction" which means that you pick the exchange ratio at which you are willing to exchange some or all of your Limited shares for shares of A&F from within the specified range. Whether, and to what extent, your Limited shares will be accepted for exchange will depend on how your exchange ratio compares to the exchange ratios selected by other tendering stockholders. So, a "Dutch auction" is basically a competitive bid between you and other Limited stockholders. Your exchange ratio must be within the range set by The Limited. If you wish to maximize the chance that your Limited shares will be exchanged for A&F shares, you may check the box captioned "Shares Tendered at Exchange Ratio Determined by Dutch Auction" in Box #2 on the Letter of Transmittal indicating that you will accept whatever the final exchange ratio is determined to be. Limited shares tendered at exchange ratios above the final exchange ratio will not be accepted for exchange.

After the expiration of the Exchange Offer, The Limited will select as the final exchange ratio the lowest exchange ratio within the exchange ratio range which would permit the maximum number of the shares of A&F owned by The Limited to be exchanged in the Exchange Offer.

All Limited shares properly tendered and not withdrawn, at exchange ratios at or below the final exchange ratio will be exchanged at the final exchange ratio, on the terms and subject to the conditions of the Exchange Offer, including the proration provisions. Any Limited shares not accepted for exchange will be returned to stockholders promptly following the expiration of the Exchange Offer.

EXPIRATION DATE; EXTENSION; TERMINATION (SEE PAGE 35)

The Exchange Offer, proration period and withdrawal rights will expire at 12:00 midnight, New York City time, on Wednesday, May 13, 1998, unless extended. You must tender your Limited shares prior to such expiration date if you wish to participate in the offer. The Exchange Offer may also terminate or be terminable in certain circumstances.

WITHDRAWAL RIGHTS (SEE PAGE 34)

You may withdraw tenders of Limited shares any time before the expiration of the Exchange Offer. If you change your mind again, you may retender your Limited shares by following the tender procedures again prior to the expiration of the Exchange Offer.

CONDITIONS OF THE EXCHANGE OFFER (SEE PAGE 36)

The Exchange Offer is subject to certain conditions, including that enough Limited shares are tendered so that at least 90% of the shares (or 39,240,000 shares) of A&F owned by The Limited can be exchanged.

PROCEDURES FOR TENDERING (SEE PAGES 30 AND 33)

Complete and sign the Letter of Transmittal designating the number of Limited shares you wish to tender and either your willingness to accept the exchange ratio selected by the Dutch auction or the specific exchange ratio at which you are tendering. Send it, together with your share certificates and any other documents required by the Letter of Transmittal, by registered mail, return receipt requested, so that it is received by the Exchange Agent at one of the addresses set forth on the back cover of this Offering Circular-Prospectus before the expiration of the Exchange Offer. You may also comply with the procedures for guaranteed delivery. Do not send your certificates to The Limited, A&F, the Dealer Managers (Goldman, Sachs & Co.), any Soliciting Dealer or the Information Agent (D.F. King). If your shares are held by your broker and are not certificated in your name (i.e., your shares are in "street name"), you should receive instructions from your broker on how to participate. In this situation, you do not need to complete the Letter of Transmittal. If you have not yet received instructions from your broker, please contact your broker directly. Certain financial institutions may also effect tenders by

book-entry transfer through the book-entry transfer facility.

If you are a participant in The Limited's Savings and Retirement Plan or Stock Purchase Plan you will receive separate forms to be used to tender Limited shares held in your accounts under the relevant plan. You may not use the Letter of Transmittal to tender shares held under either plan.

PRORATION

If the number of Limited shares tendered is such that more than 43,600,000 shares of A&F would be exchanged for those Limited shares, The Limited will accept all Limited shares that are validly tendered at or below the final exchange ratio on a pro rata basis. The preliminary proration factor will be announced by press release promptly after the expiration of the Exchange Offer. Announcement of any final proration factor should occur approximately seven business days after the expiration date.

NO FRACTIONAL SHARES

No fractional shares of A&F will be distributed. The Exchange Agent, acting as your agent, will aggregate any fractional shares and sell them for your accounts. Any proceeds realized by the Exchange Agent on the sale of fractional shares will be distributed on a pro rata basis, net of commissions.

THE EXCHANGE AGENT

First Chicago Trust Company of New York is serving as the Exchange Agent in connection with the Exchange Offer.

THE INFORMATION AGENT

D.F. King & Co., Inc. is serving as the Information Agent in connection with the Exchange Offer. D.F. King's telephone number is (800) 549-6864.

THE DEALER MANAGERS

Goldman, Sachs & Co. is serving as the Dealer Managers for the Exchange Offer. Goldman Sachs' telephone number is (800) 323-5678.

THE SPIN-OFF (SEE PAGE 39)

If the number of Limited shares tendered is such that fewer than 43,600,000 A&F shares would be exchanged for Limited shares, The Limited will accept all shares tendered at or below the final exchange ratio, and promptly after the completion of the Exchange Offer, will distribute its remaining A&F shares to its then remaining stockholders on a pro rata basis.

COMPARATIVE PER SHARE MARKET PRICE INFORMATION (SEE PAGE 40)

Limited shares and A&F shares are listed and traded on the New York Stock Exchange. On February 17, 1998, the last trading day before announcement of the Exchange Offer, the closing sale price per Limited share on the NYSE was \$31 1/2, and the closing sale price per A&F share on the NYSE was \$37 1/8. On April 14, 1998, the last trading day before the start of the Exchange Offer, the closing sale price per Limited share and the closing sale price per A&F share on the NYSE was \$29 3/8 and \$43 13/16, respectively.

COMPARATIVE PER SHARE DATA

The following table summarizes certain per share information for The Limited and A&F on an historical, pro forma and dividends-paid basis. The pro forma income per share information assumes that the transactions and events described below and in the notes to the Unaudited Pro Forma Consolidated Financial Statements occurred at the beginning of fiscal year 1997 (February 2, 1997). The pro forma book value per share information assumes that these transactions and events occurred as of January 31, 1998.

The Limited unaudited pro forma per share information gives effect to the following transactions and events: (1) the split-off of A&F from The Limited's consolidated financial statements--the consolidated financial statements of A&F will no longer be included in The Limited's consolidated financial statements and The Limited's outstanding common stock will be reduced by the number of shares of Limited Common Stock exchanged in the Exchange Offer; (2) the elimination of the A&F minority interest in The Limited's consolidated financial statements and (3) the repayment of a \$50 million obligation due to The Limited by A&F through issuance of 600,000 shares of A&F Common Stock to The Limited with the remainder being paid in cash.

The A&F unaudited pro forma per share information gives effect to the following transactions and events: (1) the repayment of a \$50 million obligation due to The Limited by A&F through issuance of 600,000 shares of A&F Common Stock to The Limited with the remainder being paid in cash and (2) the reduction of interest expense from the A&F statement of income due to the repayment of its \$50 million obligation to The Limited.

This data has been derived from and should be read in conjunction with the audited consolidated financial statements (and the related notes) of each of The Limited and A&F for the three years ended January 31, 1998 included herein and other information that The Limited and A&F have filed with the Securities and Exchange Commission (the "SEC"). See the "Unaudited Pro Forma Consolidated Financial Statements" on page 43, "Where You Can Find More Information" on page 102 and the consolidated financial statements beginning on pages F(L)-1 and F(A)-1.

The pro forma information provided below is presented to show you what The Limited and A&F might have looked like if the transactions and events described above had occurred at the times outlined above. You should not rely on the pro forma information as being indicative of the historical results that would have been achieved or the future results that The Limited and A&F will experience after the transactions.

	FISCAL YEAR ENDED				
	JANUARY 29, 1994	JANUARY 28, 1995	FEBRUARY 3, 1996(1)	FEBRUARY 1, 1997	JANUARY 31, 1998
PER SHARE INFORMATION--					
THE LIMITED:					
Net income per basic share.....	\$ 1.09	\$ 1.25	\$ 2.69	\$1.55	\$0.80
Net income per diluted share.....	\$ 1.08	\$ 1.25	\$ 2.68	\$1.54	\$0.79
Pro forma net income per basic share (2)...	--	--	--	--	\$0.80
Pro forma net income per diluted share (3).	--	--	--	--	\$0.79
Dividends per share....	\$ 0.36	\$ 0.36	\$ 0.40	\$0.40	\$0.48
Book value per share outstanding at end of period.....	\$ 6.82	\$ 7.72	\$ 9.01	\$7.09	\$7.50
Pro forma book value per share outstanding at end of period.....	--	--	--	--	\$9.03
PER SHARE INFORMATION--					
A&F:					
Net income per basic share.....	\$(0.06)	\$ 0.19	\$ 0.33	\$0.54	\$0.95
Net income per diluted share.....	\$(0.06)	\$ 0.19	\$ 0.33	\$0.54	\$0.94
Pro forma net income per basic share(4)....	--	--	--	--	\$0.97
Pro forma net income per diluted share (4).	--	--	--	--	\$0.96
Dividends per share (5).....	--	--	--	--	--
Book value per share outstanding at end of period.....	\$(1.05)	\$(0.86)	\$(0.53)	\$0.22	\$1.15
Pro forma book value per share outstanding at end of period.....	--	--	--	--	\$1.64

(1)Fifty-three week year.

(2) The pro forma net income per basic share is based upon the pro forma weighted average number of shares of Limited Common Stock outstanding after

the Exchange Offer.

- (3) The pro forma net income per diluted share is based upon the pro forma weighted average number of outstanding common and potentially issuable common shares of The Limited after the Exchange Offer.
- (4) The pro forma net income per share information is based upon historical weighted average shares plus 600,000 shares of A&F Common Stock issued as partial payment on the \$50 million obligation.
- (5) No dividends have been paid to shareholders of A&F Common Stock.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA OF THE LIMITED

The following table contains certain summary historical consolidated financial data of The Limited. This data has been derived from and should be read in conjunction with the audited consolidated financial statements (and the related notes) of The Limited for the three years ended January 31, 1998 included herein and other information that The Limited has filed with the SEC. See "Where You Can Find More Information" on page 102 and the consolidated financial statements of The Limited beginning on page F(L)-1.

THE LIMITED, INC.
(IN THOUSANDS, EXCEPT PER SHARE AND RATIO DATA)

	FISCAL YEAR ENDED				
	JANUARY 29, 1994(1)	JANUARY 28, 1995	FEBRUARY 3, 1996(1)(2)(3)	FEBRUARY 1, 1997	JANUARY 31, 1998
SUMMARY OF OPERATIONS:					
Net sales.....	\$7,245,088	\$7,320,792	\$7,881,437	\$8,644,791	\$9,188,804
Operating income.....	\$ 701,556(4)	\$ 798,989	\$ 613,349(5)	\$ 636,067(6)	\$ 480,099(8)
Gain in connection with initial public offer- ings.....	--	--	\$ 649,467	\$ 118,178	\$ 8,606
Net income.....	\$ 390,999	\$ 448,343	\$ 961,511	\$ 434,208	\$ 217,390
Net income, excluding gains in connection with initial public offer- ings(7).....	\$ 390,999	\$ 448,343	\$ 312,044	\$ 316,030	\$ 211,784
Net income per basic share.....	\$ 1.09	\$ 1.25	\$ 2.69	\$ 1.55	\$ 0.80
Net income per diluted share.....	\$ 1.08	\$ 1.25	\$ 2.68	\$ 1.54	\$ 0.79
Net income per diluted share, excluding gains in connection with ini- tial public offerings..	\$ 1.08	\$ 1.25	\$ 0.87	\$ 1.12	\$ 0.77
Dividends per share.....	\$ 0.36	\$ 0.36	\$ 0.40	\$ 0.40	\$ 0.48
Basic weighted average shares outstanding.....	360,225	357,703	357,592	280,699	271,898
Diluted weighted average shares outstanding.....	363,234	358,601	358,371	282,053	274,483
Ratio of earnings to fixed charges.....	3.53x	3.76x	5.01x	3.30x	2.44x
CONDENSED CONSOLIDATED BALANCE SHEETS:					
Assets:					
Total current assets...	\$2,220,625	\$2,547,666	\$2,834,311	\$1,545,097	\$2,031,151
Total assets.....	\$4,135,105	\$4,570,077	\$5,266,563	\$4,120,002	\$4,300,761
Total assets less in- tangible assets.....	\$4,005,171	\$4,445,720	\$5,116,865	\$3,991,836	\$4,172,381
Liabilities and share- holders' equity:					
Total current liabili- ties.....	\$ 707,444	\$ 797,555	\$ 815,351	\$ 906,893	\$1,093,412
Long-term debt.....	\$ 650,000	\$ 650,000	\$ 650,000	\$ 650,000	\$ 650,000
Total liabilities.....	\$1,693,812	\$1,809,121	\$2,065,522	\$2,197,420	\$2,255,804
Shareholders' equity...	\$2,441,293	\$2,760,956	\$3,201,041	\$1,922,582	\$2,044,957
Book value per share outstanding at end of period.....	\$ 6.82	\$ 7.72	\$ 9.01	\$ 7.09	\$ 7.50
Shares outstanding at end of period.....	357,801	357,604	355,366	271,071	272,800

- (1) Includes the results of companies disposed of up to the disposition date. Effective August 31, 1993 The Limited sold 60% of its interest in its Brylane mail order business and effective January 31, 1996 The Limited sold 60% of its interest in World Financial Network National Bank.
- (2) Includes the results of Galyan's subsequent to the July 2, 1995 acquisition date.
- (3) Fifty-three week year.
- (4) Includes a pretax gain of \$203 million for the sale of a 60% interest in The Limited's Brylane mail order business offset by a \$200 million charge for the remodeling, downsizing and closing of retail stores, as well as a write-down in the carrying value of certain fixed and intangible assets.

- (5) Includes a pretax gain of \$73 million for the sale of a 60% interest in World Financial Network National Bank, a credit card bank formerly wholly-owned by The Limited, partially offset by \$72 million of special and nonrecurring charges representing write-downs to net realizable value of certain assets and accelerated closing and downsizing of retail stores.
- (6) Includes a \$12 million special and nonrecurring charge in connection with the sale of The Limited's Penhaligon's business.
- (7) In 1995, The Limited recognized a \$649.5 million gain resulting from the initial public offering of 16.9% of the stock of Intimate Brands, Inc. In 1996, The Limited recognized a \$118.2 million gain from the initial public offering of a 15.8% interest in Abercrombie & Fitch. In 1997, The Limited recognized a \$8.6 million gain on the initial public offering of Brylane, Inc.
- (8) Includes \$213 million in special and nonrecurring charges comprised of the following:

- . \$68 million in charges for the closing of the 118-store Cacique business effective January 31, 1998.

- . \$82 million in charges related to streamlining the Henri Bendel business.

- . \$86 million of impaired asset charges, related principally to the women's apparel businesses.

- . A \$28 million provision for closing and downsizing approximately 80 oversized stores and a \$12 million write-down to net realizable value of a real estate investment previously acquired in connection with closing and downsizing certain stores.

- . These charges were partially offset by a third quarter net gain of \$62.8 million related principally to The Limited's sale of approximately one-half of its investment in Brylane, Inc.

In addition, The Limited recognized a \$13 million cost of sales charge in the fourth quarter for inventory liquidation at Henri Bendel.

SUMMARY UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL DATA OF THE
LIMITED

The following unaudited pro forma information is provided to you to aid in your analysis of the financial aspects of the Transactions. This information was derived from the audited consolidated financial statements of The Limited for the fiscal year ended January 31, 1998 included herein. This information is only a summary and you should read it in conjunction with the historical consolidated financial statements of The Limited that are included herein, other information that The Limited has filed with the SEC and the more detailed pro forma financial information included elsewhere in this document. See the "Unaudited Pro Forma Consolidated Financial Statements" on page 43, "Where You Can Find More Information" on page 102 and the consolidated financial statements of The Limited beginning on page F(L)-1.

The Limited Unaudited Pro Forma Consolidated Financial Statements give effect to the following transactions and events: (1) the split-off of A&F from The Limited's consolidated financial statements-- the consolidated financial statements of A&F will no longer be included in The Limited's consolidated financial statements and The Limited's outstanding common stock will be reduced by the number of shares of Limited Common Stock exchanged in the Exchange Offer, (2) the elimination of the A&F minority interest in The Limited's consolidated financial statements and (3) the repayment of a \$50 million obligation due to The Limited by A&F through issuance of 600,000 shares of A&F Common Stock to The Limited with the remainder being paid in cash. The Pro Forma Consolidated Statement of Income Data assumes that these transactions occurred on February 2, 1997 and the Pro Forma Consolidated Balance Sheet Data assumes that these transactions and certain events occurred on January 31, 1998.

This information is presented to show you what The Limited might have looked like if the transactions and events described above had occurred at the times outlined above. You should not rely on the pro forma information as being indicative of the historical results that would have been achieved or the future results that The Limited will experience after the transactions.

THE LIMITED
(IN THOUSANDS, EXCEPT PER SHARE DATA)

FISCAL YEAR ENDED
JANUARY 31,
1998

PRO FORMA CONSOLIDATED STATEMENT OF INCOME DATA:

Net sales.....	\$8,667,187
Gross income.....	2,616,897
Operating income(1).....	395,974
Income before income taxes.....	323,908
Net income.....	174,558
Net income per basic share(2).....	0.80
Net income per diluted share(3).....	0.79
Net income per diluted share, excluding gains in connection with initial public offerings(3).....	0.77

PRO FORMA CONSOLIDATED BALANCE SHEET DATA:

Current assets.....	\$1,946,314
Total assets.....	4,141,648
Current liabilities.....	1,026,450
Long-term debt.....	650,000
Shareholders' equity.....	1,969,001

(1) Includes \$213 million in special and nonrecurring charges related to: (i) the closure of the Cacique business, (ii) the streamlining of Henri Bendel, (iii) closing and downsizing of certain store locations and write-down to net realizable value of a real estate investment previously acquired in connection with closing and downsizing certain stores and (iv) impairment of assets, principally related to stores, all of which were offset in part by a \$62.8 million pretax gain from special and nonrecurring items in the third quarter of 1997, principally due to the net gain from the sale of Brylane, Inc. stock (an equity investment).

In addition, The Limited recognized a \$13 million cost of sales charge in the fourth quarter for inventory liquidation at Henri Bendel.

(2) The pro forma net income per basic share is based upon the pro forma weighted average number of shares of Limited Common Stock outstanding after the Exchange Offer.

(3) The pro forma net income per diluted share information is based upon the pro forma weighted average number of outstanding common shares and potentially issuable common shares of The Limited after the Exchange Offer.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA OF A&F

The following table contains certain summary historical consolidated financial data of A&F. This data has been derived from and should be read in conjunction with the audited consolidated financial statements (and the related notes) of A&F for the three years ended January 31, 1998 included herein and other information that A&F has filed with the SEC. See "Where You Can Find More Information" on page 102 and the consolidated financial statements of A&F beginning on page F(A)-1.

ABERCROMBIE & FITCH CO.
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	FISCAL YEAR ENDED				
	JANUARY 29, 1994	JANUARY 28, 1995	FEBRUARY 3, 1996(1)	FEBRUARY 1, 1997	JANUARY 31, 1998
SUMMARY OF OPERATIONS:					
Net sales.....	\$110,952	\$165,463	\$235,659	\$335,372	\$521,617
Operating income (loss).	\$ (4,064)	\$ 13,751	\$ 23,798	\$ 45,993	\$ 84,125
Net income (loss).....	\$ (2,464)	\$ 8,251	\$ 14,298	\$ 24,674	\$ 48,322
Basic net income (loss) per share.....	\$ (0.06)	\$ 0.19	\$ 0.33	\$ 0.54	\$ 0.95
Diluted net income (loss) per share.....	\$ (0.06)	\$ 0.19	\$ 0.33	\$ 0.54	\$ 0.94
Dividends per share(2)..	--	--	--	--	--
Basic weighted average shares outstanding....	43,000	43,000	43,000	45,749	51,011
Diluted weighted average shares outstanding....	43,000	43,000	43,000	45,760	51,478
CONDENSED CONSOLIDATED BALANCE SHEETS:					
Assets:					
Total current assets..	\$ 15,602	\$ 23,106	\$ 38,856	\$ 44,878	\$108,962
Total assets.....	\$ 48,882	\$ 58,018	\$ 87,693	\$105,761	\$183,238
Total assets less intangible assets....	\$ 48,794	\$ 57,950	\$ 87,645	\$105,733	\$183,230
Liabilities and shareholders' equity:					
Total current					
liabilities.....	\$ 10,673	\$ 18,224	\$109,796	\$ 43,590	\$ 66,962
Long-term debt	--	--	--	\$ 50,000	\$ 50,000
Total liabilities.....	\$ 94,223	\$ 95,088	\$110,315	\$ 94,523	\$124,463
Shareholders' equity (deficit).....	\$(45,341)	\$(37,070)	\$(22,622)	\$ 11,238	\$ 58,775
Book value per share outstanding at end of period.....	\$ (1.05)	\$ (0.86)	\$ (0.53)	\$ 0.22	\$ 1.15
Shares outstanding at end of period.....	43,000	43,000	43,000	51,050	51,009

(1) Fifty-three week year.

(2) No dividends have been paid to shareholders of A&F Common Stock.

SUMMARY UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL DATA OF A&F

The following unaudited pro forma information is provided to you to aid in your analysis of the financial aspects of the Transactions. This information was derived from the audited consolidated financial statements of A&F for the fiscal year ended January 31, 1998 included herein. This information is only a summary and you should read it in conjunction with the historical consolidated financial statements of A&F contained herein and the more detailed pro forma financial information included elsewhere in this document. See the "Unaudited Pro Forma Consolidated Financial Statements" on page 43, "Where You Can Find More Information" on page 102 and the consolidated financial statements of A&F beginning on page F(A)-1.

The A&F Unaudited Pro Forma Consolidated Financial Statements give effect to the following transactions and events: (1) the repayment of a \$50 million obligation due to The Limited by A&F through issuance of 600,000 shares of A&F Common Stock to The Limited with the remainder paid in cash and (2) the reduction of interest expense from the A&F statement of income due to the repayment of its debt obligation to The Limited. The Pro Forma Consolidated Statement of Income Data assumes that these transactions occurred on February 2, 1997, and the Pro Forma Consolidated Balance Sheet Data assumes that these transactions occurred on January 31, 1998.

This information is presented to show you what A&F might have looked like if the transactions described above had occurred at the times outlined above. You should not rely on the pro forma information as being indicative of the historical results that would have been achieved or the future results that A&F will experience after the transactions.

ABERCROMBIE & FITCH CO.
(IN THOUSANDS, EXCEPT PER SHARE DATA)

FISCAL YEAR ENDED
JANUARY 31, 1998

PRO FORMA CONSOLIDATED STATEMENT OF INCOME DATA:

Net sales.....	\$521,617
Gross income.....	201,080
Operating income.....	84,125
Income before income taxes.....	83,067
Net income.....	49,837
Net income per basic share(1).....	0.97
Net income per diluted share(1).....	0.96

PRO FORMA CONSOLIDATED BALANCE SHEET DATA:

Current assets.....	\$ 84,837
Total assets.....	159,113
Current liabilities.....	66,962
Long-term debt.....	--
Shareholders' equity.....	84,650

(1) The pro forma net income per share information is based upon historical weighted average shares plus 600,000 shares of A&F Common Stock issued to The Limited as partial payment on its \$50 million obligation to The Limited.

RECENT DEVELOPMENTS

On April 9, 1998, The Limited reported net sales of \$765.5 million for the five-week period ended April 4, 1998, an increase of 6%, compared to sales of \$719.1 million for the comparable five-week period ended April 5, 1997. Sales of \$1.371 billion for the nine weeks ended April 4, 1998 increased 6% from sales of \$1.289 billion for the same period last year. The Limited also reported that comparable store sales increased 4% for the five weeks and the nine weeks ended April 4, 1998.

On April 9, 1998, A&F reported net sales of \$93.1 million for the nine-week period ended April 4, 1998, an increase of 70%, compared to sales of \$54.7 million for the comparable nine-week period ended April 5, 1997. A&F's comparable store sales increased 39% for the nine weeks ended April 4, 1998. Due to these better than expected nine-week results, A&F now expects to report earnings per share in the range of \$.09 to \$.10 in the first quarter of 1998.

RISK FACTORS

In considering whether or not to tender shares of Limited Common Stock pursuant to the Exchange Offer, you should consider carefully all of the information set forth or incorporated in this Offering Circular-Prospectus and, in particular, the following risk factors. In addition, for a discussion of certain additional uncertainties associated with (i) the businesses of The Limited and A&F, as well as (ii) forward-looking statements in this Offering Circular-Prospectus, please see "Forward-Looking Statements May Prove Inaccurate" on page 24.

RISK FACTORS REGARDING A&F

TERMINATION OF SUBSIDIARY RELATIONSHIP WITH THE LIMITED

As a subsidiary of The Limited, A&F has been able to benefit from The Limited's financial strength, extensive network of business relationships with companies and government contacts around the world. A&F has drawn on this resource in developing its own contacts and relationships. After completion of the Exchange Offer and the Spin-Off, if any (collectively, the "Transactions"), A&F will be a stand-alone company and thus will no longer be able to benefit from The Limited's relationships to the same extent that it could as a majority-owned subsidiary of The Limited. Although The Limited and A&F will enter into certain intercompany agreements in connection with the Transactions pursuant to which The Limited will continue to provide certain services to A&F, such agreements will be of short duration (generally one year) and will require A&F to begin promptly to replace services currently being provided by The Limited. There can be no assurance that A&F will be able to replace such services on terms at least as favorable as those negotiated with The Limited or that the termination of The Limited's relationship with A&F will not adversely affect A&F.

COMPETITION WITH THE LIMITED

The Limited is one of the largest specialty retailers in the United States. The Limited is not restricted in any manner from competing with A&F and currently markets merchandise similar to that sold by A&F through certain of its other subsidiaries. Although The Limited was permitted to--and did--compete with A&F prior to the consummation of the Transactions, this competition may increase once The Limited no longer holds an equity interest in A&F. There can be no assurance that The Limited will not expand, through development of new lines of products or businesses, acquisition or otherwise, its operations that compete with A&F.

DEPENDENCE ON KEY PERSONNEL

A&F believes that it has benefitted substantially from the leadership of Leslie H. Wexner, Chairman, President and Chief Executive Officer of The Limited and Chairman of the Board of A&F, and Michael S. Jeffries, President and Chief Executive Officer of A&F. Mr. Wexner's service with A&F will terminate after the consummation of the Exchange Offer. In addition, the loss of any of the services of Mr. Jeffries could have a material adverse effect on A&F's business and prospects.

MARKET UNCERTAINTIES WITH RESPECT TO A&F COMMON STOCK

The Transactions will increase the number of publicly held shares of A&F Common Stock and the number of A&F stockholders. If significant numbers of holders of Limited Common Stock who receive shares of A&F Common Stock pursuant to the Transactions sell A&F Common Stock shortly after the Transactions, the market price for A&F Common Stock could be adversely affected.

NO ASSURANCE THAT GROWTH WILL BE SUSTAINED

A&F has grown rapidly over the past several years. A&F's future growth prospects are dependent upon a number of factors, including, among other things, the availability of suitable store locations, the ability to develop new merchandise and the ability to hire and train qualified associates. There is no assurance that A&F will be able to continue to grow profitably or at rates consistent with the recent past.

SEASONALITY

A&F experiences seasonal fluctuations in its net sales and net income, with a disproportional amount of A&F's net sales and a majority of its net income typically realized during the fourth quarter. Net sales and net income are generally weakest during the first quarter. A&F's quarterly results of operations may also fluctuate significantly as a result of a variety of other factors, including the timing of new store openings and the net sales contributed by new stores, merchandise mix and the timing and level of markdowns. The Limited also experiences similar seasonal fluctuations and is therefore subject to similar risks.

RESULTS OF OPERATIONS SUBJECT TO VARIABLE INFLUENCES; INTENSE COMPETITION

A&F's business is sensitive to changes in consumer spending patterns, consumer preferences and overall economic conditions. A&F is also subject to fashion trends affecting the desirability of its merchandise. In addition, A&F competes with a broad range of other retailers, including The Limited and its other subsidiaries, some of which have greater financial resources than A&F. A&F's future performance will be subject to such factors, which are beyond its control. There can be no assurance that such factors would not have a material adverse effect on A&F's results of operations. The Limited's business is also subject to these influences.

RELIANCE ON FOREIGN SOURCES OF PRODUCTION

In 1997, approximately 39% of A&F's merchandise was sourced from independent foreign factories located primarily in the Far East. A&F has no long-term merchandise supply contracts and many of its imports are subject to existing or potential duties, tariffs or quotas that may limit the quantity of certain types of goods which may be imported into the United States from countries in that region. A&F competes with other companies, including The Limited and its other subsidiaries, for production facilities and import quota capacity. A&F's business is also subject to a variety of other risks generally associated with doing business abroad, such as political instability, currency and exchange risks and local political issues. A&F's future performance will be subject to such factors, which are beyond its control, and although a diverse domestic and international market exists for the kinds of merchandise sourced by A&F, there can be no assurance that such factors would not have a material adverse effect on A&F's results of operations. The Limited faces similar risks with respect to its foreign sources of production. The Limited and A&F believe that alternative sources of supply should be available in the event of a supply disruption in one or more regions of the world. However, neither The Limited nor A&F believes that, under current circumstances, entering into committed alternative supply arrangements is warranted, and there can be no assurance that alternative sources would in fact be available at any particular time.

ANTI-TAKEOVER PROVISIONS

A&F's Certificate of Incorporation and Bylaws contain a number of provisions that could impede a merger, consolidation, takeover or other business combination involving A&F or discourage a potential acquiror from making a tender offer or otherwise attempting to obtain control of A&F. Those provisions include (i) a requirement that a vote of the holders of at least 75% of the common stock of A&F held by stockholders, other than any person or entity owning 5% or more of the common stock of A&F, is required to effect a merger or consolidation with such person or entity, a sale of all or substantially all of the assets of A&F to such person or entity and certain other control transactions (unless such transaction shall have been approved by a majority of Continuing Directors (as defined in A&F's Certificate of Incorporation)); (ii) a classified board; and (iii) a requirement that certain provisions of A&F's Certificate of Incorporation and Bylaws may be amended, and directors may be removed, only with the approval of the holders of at least 75% of the outstanding common stock of A&F. See "Comparison of the Rights of Holders of Limited Common Stock and A&F Common Stock" on page 95.

RISK FACTOR REGARDING THE ANTICIPATED PREMIUM

The amount of the Anticipated Premium to be received by Limited stockholders participating in the Exchange Offer will depend on the prices for shares of Limited Common Stock and A&F Common Stock and the Final Exchange Ratio. While The Limited anticipates that its stockholders will receive A&F Common Stock having a market value greater than the recent market value of the Limited Common Stock being tendered, The Limited cannot predict what the amount of the Anticipated Premium will be or whether in fact there will be a premium at the end of the Exchange Offer or the prices at which shares of A&F Common Stock or Limited Common Stock will trade over time. Accordingly, there can be no assurance as to the amount, if any, of the Anticipated Premium.

RISK FACTOR REGARDING THE LIMITED

A&F is one of The Limited's fastest growing retail businesses, and the separation of A&F from The Limited may adversely affect The Limited's overall future growth rate. However, for the reasons set forth in "The Transactions-- Background and Purpose" on page 21, the Board of Directors of The Limited believes that the Transactions are in the best interests of The Limited, A&F and their respective stockholders.

THE TRANSACTIONS

BACKGROUND AND PURPOSE

For the past several years, The Limited's Board of Directors and senior management have been engaged in a comprehensive review of The Limited'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 Limited. In particular, the Board and management concluded that (i) certain of The Limited's businesses would benefit from separate management and ownership structures, thereby providing greater incentives to divisional management and greater accountability to public investors, and (ii) divesting or closing certain operations would create a more focused and stronger specialty retail enterprise. In addition, the Board and management believe that the price of Limited Common Stock has not reflected the inherent value of The Limited's various businesses because of the differing characteristics of the businesses in which The Limited is engaged and, at the same time, has evaluated numerous alternatives intended to maximize stockholder value.

To further these objectives, The Limited has taken a number of significant actions during the last three years:

(i) The 1995 initial public offering of common stock of Intimate Brands, Inc. ("Intimate Brands"), which consisted of The Limited's Victoria's Secret Stores, Victoria's Secret Catalogue, Bath & Body Works, Cacique, Penhaligon's and Gryphon businesses (the "Intimate Brands IPO"). The Intimate Brands IPO resulted in proceeds of approximately \$649 million (net of underwriting fees, commissions and discounts and all other expenses related to the offering). Pursuant to the Intimate Brands IPO, The Limited retained approximately 83% of the economic interests in, and approximately 94% of the total voting power of, Intimate Brands.

(ii) The 1995 sale of a 60% interest in World Financial Network National Bank ("WFN"), The Limited's credit card bank, to an affiliate of Welsh, Carson, Anderson and Stowe VII, L.P. ("WCAS") for approximately \$165 million in cash (the "WFN Sale").

(iii) 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.

(iv) A distribution of cash made available as a result of the foregoing transactions in The Limited's March 1996 \$1.6 billion issuer tender offer (the "Limited Self Tender").

(v) The 1996 initial public offering (the "A&F IPO") of 8,050,000 shares of the Class A common stock, par value \$.01 per share, of A&F (the "A&F Common Stock"). The A&F IPO resulted in proceeds of approximately \$118 million (net of underwriting fees, commissions and discounts and all other expenses related to the offering). Pursuant to the A&F IPO, The Limited retained approximately 84% of the economic interests in, and approximately 94% of the total voting power of, A&F.

(vi) The 1997 public offering of a significant portion of The Limited's interest in Brylane, Inc. ("Brylane"), the catalogue operations of The Limited's Lerner and Lane Bryant retail businesses, and the 1998 sale of The Limited's remaining interest in Brylane for approximately \$131 million. These actions follow the 1993 sale by The Limited of 60% of its interest in Brylane to an affiliate of Freeman, Spogli, L.P.

(vii) The 1997 sales of The Limited's interests in (x) the Newport Office Tower in Jersey City, New Jersey to TrizecHahn Office Properties for approximately \$159 million and (y) The Mall at Tuttle Crossing in Columbus, Ohio to a unit of Taubman Centers Inc. for approximately \$76 million.

(viii) The 1997 sale of Intimate Brands' Penhaligon's business and the January 1998 closure of Intimate Brands' Cacique business.

(ix) The January 1998 decision that The Limited's Henri Bendel business would become a single store concept, with the closure of all Henri Bendel locations other than its New York City store.

Beginning in the second half of 1997, the Board of Directors, with the assistance of its financial advisors, Goldman, Sachs & Co. ("Goldman Sachs") and NationsBanc Montgomery Securities ("NMSI"), and its legal advisors, began an analysis of various alternatives with respect to The Limited's remaining interest in A&F. This analysis resulted from both The Limited's ongoing consideration of strategic alternatives as well as a desire on the part of A&F to adopt compensation practices different from those of The Limited. In January 1998, The Limited's Board approved the separation of A&F from The Limited. That decision was based on several factors. First, the Board of Directors concluded that A&F's continued success required that A&F adopt compensation practices different from those of The Limited and that, absent a separation, A&F's practices would materially interfere with The Limited's management of its other businesses. Second, The Limited determined that its continued ownership of A&F, including The Limited's need to evaluate strategic decisions on an overall basis, might inhibit A&F's ability to maximize its potential. Finally, The Limited determined that the distribution of A&F would further the various objectives outlined above and that the complete separation of A&F from The Limited would be in the best interests of A&F, The Limited and their respective stockholders. The Transactions are intended to allow A&F, which has demonstrated that it has an established brand and a proven and profitable growth strategy, to grow as an independent company. At the same time, the separation of A&F allows The Limited to focus its resources on brands where it can add more value.

As part of its analysis of a separation of A&F, the Board, in consultation with its financial advisors, Goldman Sachs and NMSI, and its legal advisors, considered two alternative methods of disposing of The Limited's holdings in A&F: a spin-off and the Transactions. The Board determined to pursue the Transactions because, in its view, the Transactions were superior to the other alternative. In reaching this determination, the Board (i) believed that the Transactions address the business goals discussed above, (ii) considered the Transactions to be a tax efficient way to distribute value to The Limited's stockholders, (iii) recognized that the Exchange Offer (as opposed to a spin-off of A&F Common Stock) would give Limited stockholders a choice to adjust their investment between The Limited and A&F based on individual financial considerations on a tax-free basis, (iv) believed that the Transactions would provide the stockholders of The Limited with the opportunity to receive the Anticipated Premium, (v) believed that the Exchange Offer, which is effectively a repurchase of Limited Common Stock using A&F Common Stock as the currency for the repurchase and an investment in The Limited's future prospects, demonstrates the confidence of the Board of Directors in The Limited and (vi) recognized that the Exchange Offer is expected to have the effect of increasing earnings per share of Limited Common Stock outstanding after consummation of the Exchange Offer. These were the material factors considered by the Board of Directors of The Limited. A sale of A&F through a negotiated transaction and through a public offering were also proposed as alternative transactions. However, the Board of Directors of The Limited elected not to pursue either alternative, principally because the tax consequences of either transaction would have been adverse to The Limited's stockholders. In view of the range of factors considered in connection with its evaluation of the Transactions and the complexity of these matters, the Board of Directors of The Limited did not attempt to quantify, rank or otherwise assign relative weights to these factors. In considering the factors described above, individual members of the Board may have given different weight to different factors.

Mr. Leslie H. Wexner, Chairman, Chief Executive Officer and President of The Limited, has informed the Board that he will not tender shares of Limited Common Stock (including shares held by trusts created by Mr. Wexner) in the Exchange Offer. Mr. Wexner has informed the Board that he made this decision to ensure that A&F is fully independent of The Limited after the consummation of

the Transactions. Although Mr. Wexner will not participate in the Exchange Offer, he would receive shares of A&F Common Stock in the Spin-Off, if any. Trusts created by Mr. Wexner have disposed of approximately 8.0 million shares of Limited Common Stock since the announcement of the Exchange Offer on February 17, 1998. The decision to dispose of these shares was made by the trustees of the trusts in order to diversify their investments.

EFFECTS

Holders of shares of Limited Common Stock will be affected by the Transactions regardless of whether such holders tender their shares of Limited Common Stock for exchange pursuant to the Exchange Offer. Holders of shares of Limited Common Stock who tender all of their shares for exchange pursuant to the Exchange Offer will, if all such shares are accepted for exchange, no longer have an ownership interest in The Limited and will no longer participate in any change in the value of The Limited. Holders of shares of Limited Common Stock who exchange some, but not all, of their Limited Common Stock in the Exchange Offer will have a diminished ownership interest in The Limited and an increased ownership interest in A&F. Holders of shares of Limited Common Stock who do not tender any of their shares for exchange pursuant to the Exchange Offer will receive shares of A&F Common Stock only as a result of the Spin-Off, if any, and will continue to have an ownership interest in The Limited, which ownership interest will have increased on a percentage basis as a result of the Exchange Offer.

NO APPRAISAL RIGHTS

Because neither an exchange offer nor a spin-off is a merger or consolidation giving rise to appraisal rights under Section 262 of the Delaware General Corporation Law (the "DGCL"), no appraisal rights are available to stockholders of The Limited in connection with the Transactions.

REGULATORY APPROVALS

No filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act") are required in connection with the Exchange Offer generally. To the extent that certain stockholders of The Limited decide to participate in the Exchange Offer and thereby acquire a number of shares of A&F Common Stock that exceeds any threshold stated in the regulations under the HSR Act, and if an exemption under those regulations does not apply, such stockholders and The Limited would be required to make filings under the HSR Act, and the waiting period under the HSR Act would have to expire or be terminated before any exchanges of shares with those particular stockholders could be effected.

The Limited and A&F do not believe that any other material federal or state regulatory approvals will be necessary to consummate the Transactions.

ACCOUNTING TREATMENT

The shares of Limited Common Stock received by The Limited pursuant to the Exchange Offer will be recorded as a decrease in stockholders' equity, reflecting the decrease in common stock outstanding at the market value of the shares of A&F Common Stock distributed on the Expiration Date. The Exchange Offer will result in a net gain to The Limited, after direct expenses of the disposition, and will be reported as a gain on the disposal of the business. The gain from the Exchange Offer will result from the difference between the market value and the carrying value of the shares of A&F Common Stock distributed.

Neither the exchange of shares of Limited Common Stock for A&F Common Stock pursuant to the Exchange Offer nor the distribution of shares of A&F Common Stock in the Spin-Off in and of themselves will affect the financial position or results of operations of A&F.

Any remaining shares of A&F Common Stock that are distributed through the Spin-Off will be accounted for as a dividend through a direct charge to retained earnings. The amount of the dividend will be equal to The Limited's carrying value of the shares of A&F Common Stock distributed.

FORWARD-LOOKING STATEMENTS MAY PROVE INACCURATE

This document (including documents that are incorporated herein by reference) contains forward-looking statements about The Limited, A&F and the effects of the Transactions which are subject to certain risks and uncertainties. Forward-looking statements are those statements preceded by, followed by, or that otherwise include the words "believes", "expects", "anticipates", "intends", "estimates" or similar expressions, including, without limitation, such statements in "Questions and Answers About the Exchange Offer", "Summary", "Recent Developments", "--Background and Purpose", "Business of A&F" and "Business of The Limited". A&F and The Limited caution that any forward-looking statements contained in this Offering Circular-Prospectus or made by management of The Limited or A&F involve risks and uncertainties, and are subject to change based on various important factors. The following factors, among others, in some cases have affected, and in the future could affect, The Limited's or A&F's financial performance and actual results and could cause actual results for 1998 and beyond to differ materially from those expressed or implied in any such forward-looking statements: changes in consumer spending patterns, consumer preferences and overall economic conditions, the impact of competition and pricing, changes in weather patterns, political stability, currency and exchange risks and changes in existing or potential duties, tariffs or quotas, availability of suitable store locations on appropriate terms, ability to develop new merchandise and ability to hire and train management and associates. Additional factors that may affect The Limited's or A&F's performance or the Transactions are set forth in "Risk Factors".

THE EXCHANGE OFFER

TERMS OF THE EXCHANGE OFFER

Upon the terms and subject to the conditions set forth in this Exchange Offer, The Limited is offering hereby to exchange up to 43,600,000 shares of A&F Common Stock for shares of the common stock, par value \$.50 per share, of The Limited (the "Limited Common Stock") that are validly tendered by the Expiration Date and not withdrawn or deemed withdrawn, as set forth below under "--Withdrawal Rights" on page 34, at an Exchange Ratio (determined in the manner set forth below) not greater than .86 (the "Maximum Exchange Ratio") nor less than .73 (the "Minimum Exchange Ratio") of a share of A&F Common Stock for each share of Limited Common Stock tendered. That portion of a share of A&F Common Stock which a Limited stockholder is willing to accept in exchange for each share of Limited Common Stock tendered is referred to throughout this Offering Circular-Prospectus as the "Exchange Ratio". The range of Exchange Ratios between the Minimum Exchange Ratio and the Maximum Exchange Ratio is referred to throughout this Offering Circular-Prospectus as the "Exchange Ratio Range". The term "Expiration Date" shall mean 12:00 Midnight, New York City time, on Wednesday, May 13, 1998, unless extended in accordance with applicable law and the terms of the Exchange Offer itself, in which event the term "Expiration Date" shall mean the latest time and date at which the Exchange Offer, as so extended, shall expire. See "--Extension of Tender Period; Termination; Amendment" on page 35. The maximum number of shares of Limited Common Stock which will be accepted for exchange will be that number of shares which, when multiplied by the final Exchange Ratio (determined in the manner set forth below), equals 43,600,000 shares of A&F Common Stock. If more than such maximum number of shares of Limited Common Stock are tendered at an Exchange Ratio at or below the final Exchange Ratio, the Exchange Offer will be oversubscribed, and shares of Limited Common Stock tendered at or below the final Exchange Ratio will be subject to proration. The proration period will also expire on the Expiration Date.

The Exchange Offer will be conducted as a modified "Dutch auction" in which each holder of Limited Common Stock will be able to specify the portion of a share of A&F Common Stock (in increments of .005) that such holder is willing to receive in exchange for a share of Limited Common Stock. Whether and to what extent a tendering stockholder of The Limited will have his or her tendered shares accepted for exchange in the Exchange Offer will depend on how the Exchange Ratio specified by such stockholder compares to Exchange Ratios specified by other tendering stockholders of The Limited. In other words, a "Dutch auction" is a competitive bid among stockholders of The Limited. The Exchange Ratio specified by each tendering stockholder of The Limited must be within the Exchange Ratio Range. The Minimum Exchange Ratio and Maximum Exchange Ratio were established by The Limited based on discussions with the Dealer Managers. The Limited will, upon the terms and subject to the conditions of the Exchange Offer, determine the final Exchange Ratio, taking into account the number of shares of Limited Common Stock tendered and the portion of a share of A&F Common Stock specified by tendering stockholders. The Limited will select as the final Exchange Ratio the lowest Exchange Ratio from within the Exchange Ratio Range which would permit the maximum number of shares of A&F Common Stock owned by The Limited to be exchanged in the Exchange Offer (the "Final Exchange Ratio"). The Final Exchange Ratio will be announced by press release by The Limited promptly after the Expiration Date.

At the expiration of the Exchange Offer, The Limited will calculate the number of shares of Limited Common Stock validly tendered at Exchange Ratios within the Exchange Ratio Range, beginning with shares tendered at the Minimum Exchange Ratio and ending, if necessary, at the Maximum Exchange Ratio. When the aggregate number of shares of A&F Common Stock to be exchanged for shares of Limited Common Stock tendered in ascending order of Exchange Ratios is equal to or greater than 39,240,000 shares, The Limited will become obligated to accept, on a pro rata basis, the shares of Limited Common Stock of all stockholders who tendered at or below the lowest Exchange Ratio; provided that the highest of such Exchange Ratios is less than the Maximum Exchange Ratio and that the other conditions set forth in "--Conditions to Consummation of the Exchange Offer" on page 36

are satisfied. The number of shares of Limited Common Stock that must be tendered to result in at least 39,240,000 shares of A&F Common Stock being exchanged pursuant to the Exchange Offer is referred to herein as the "Trigger Amount".

All shares of Limited Common Stock properly tendered and not withdrawn or deemed withdrawn at Exchange Ratios at or below the Final Exchange Ratio will be exchanged at the Final Exchange Ratio, on the terms and subject to the conditions of the Exchange Offer, including the proration provisions described herein. If the result of the Exchange Offer is such that more than 43,600,000 shares of A&F Common Stock would need to be exchanged for shares of Limited Common Stock which have been validly tendered for exchange at or below the Final Exchange Ratio and are not properly withdrawn prior to the Expiration Date (if all such validly tendered shares were accepted), The Limited will exchange shares of A&F Common Stock for such tendered shares of Limited Common Stock on a pro rata basis (with appropriate adjustments to avoid acceptance for exchange of fractional shares of Limited Common Stock). All shares of Limited Common Stock which are tendered but not exchanged pursuant to the Exchange Offer, including shares tendered at Exchange Ratios greater than the Final Exchange Ratio and shares not exchanged because of proration, will be returned to tendering stockholders promptly following the Expiration Date. Shares accepted for exchange will be held by The Limited as treasury shares. If the result of the Exchange Offer is such that fewer than 43,600,000 shares but more than 39,240,000 shares of A&F Common Stock are exchanged pursuant to the Exchange Offer, promptly after the consummation of the Exchange Offer, The Limited will distribute its remaining shares of A&F Common Stock to the remaining holders of Limited Common Stock pro rata based on their then respective holdings of Limited Common Stock. See "The Spin-Off" on page 39.

The Exchange Offer, proration period and withdrawal rights will expire on the Expiration Date, as may be extended.

If proration of tendered shares of Limited Common Stock is required, The Limited does not expect that it would be able to announce the final proration factor or to commence delivery of any shares of A&F Common Stock pursuant to the Exchange Offer until approximately seven business days after the Expiration Date. This delay results from the difficulty in determining the number of shares of Limited Common Stock validly tendered for exchange (including shares of Limited Common Stock tendered for exchange pursuant to the guaranteed delivery procedure described in "--Guaranteed Delivery Procedure" on page 32) and not properly withdrawn prior to the Expiration Date. Preliminary results of proration will be announced by press release as promptly as practicable after the Expiration Date. Holders of shares of Limited Common Stock may obtain such preliminary information from the Information Agent and Dealer Managers and may also be able to obtain such information from their brokers.

No fractional shares of A&F Common Stock will be distributed pursuant to the Exchange Offer. The Exchange Agent, acting as agent for stockholders of The Limited otherwise entitled to receive fractional shares of A&F Common Stock, will aggregate all fractional shares and sell them for the accounts of such stockholders. Such proceeds as may be realized by the Exchange Agent upon the sale of such fractional shares will be distributed, net of commissions, to such stockholders on a pro rata basis. Any such cash payments will be made through the Exchange Agent if the related shares of Limited Common Stock are tendered to the Exchange Agent or, if such shares of Limited Common Stock are tendered through the Book-Entry Transfer Facility, through such Book-Entry Transfer Facility. NONE OF THE EXCHANGE AGENT, THE LIMITED, A&F, THE SOLICITING DEALERS OR THE DEALER MANAGERS WILL GUARANTEE ANY MINIMUM PROCEEDS FROM THE SALE OF SHARES OF A&F COMMON STOCK, AND NO INTEREST WILL BE PAID ON ANY SUCH PROCEEDS.

If the Trigger Amount is reached and the conditions set forth in "--Conditions to Consummation of the Exchange Offer" on page 36 are met, The Limited will become obligated to consummate the Exchange Offer. If any such conditions are not satisfied, The Limited may (a) terminate the Exchange

Offer and as promptly as practicable return all tendered shares of Limited Common Stock to tendering stockholders, (b) extend the Exchange Offer and, subject to the withdrawal rights described in "--Withdrawal Rights" on page 34, retain all such shares of Limited Common Stock until the expiration of the Exchange Offer as so extended, (c) waive any such condition and, subject to any requirement to extend the period of time during which the Exchange Offer is open, exchange all shares of Limited Common Stock validly tendered for exchange by the Expiration Date and not properly withdrawn or (d) delay the Expiration Date until satisfaction or waiver of all such conditions to the Exchange Offer. The Limited's right to delay acceptance for exchange or to delay exchange of shares of Limited Common Stock tendered pursuant to the Exchange Offer is subject to the provisions of applicable law, including, to the extent applicable, Rule 13e-4(f)(5) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which requires that The Limited pay the consideration offered or return the shares of Limited Common Stock deposited by or on behalf of stockholders of The Limited promptly after the termination or withdrawal of the Exchange Offer. For a description of The Limited's right to extend the period of time during which the Exchange Offer is open and to amend, delay or terminate the Exchange Offer, see "--Extension of Tender Period; Termination; Amendment" on page 35.

This Offering Circular-Prospectus and the Letter of Transmittal are being sent to persons who were holders of record of Limited Common Stock at the close of business on April 9, 1998. As of such date, there were 379,454,364 shares of Limited Common Stock outstanding. This Offering Circular-Prospectus and related Letter of Transmittal will also be furnished to brokers, banks and similar persons whose names or the names of whose nominees appear on the stockholder list of The Limited or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of shares of Limited Common Stock.

EXCHANGE OF SHARES OF LIMITED COMMON STOCK

Upon the terms and subject to the satisfaction or waiver of the conditions of the Exchange Offer, The Limited will accept for exchange, and shares of A&F Common Stock will be exchanged for, shares of Limited Common Stock that have been validly tendered and not properly withdrawn or deemed withdrawn prior to the Expiration Date. In addition, The Limited reserves the right, in its sole discretion (subject to Rule 13e-4(f)(5) under the Exchange Act), to delay the acceptance for exchange or to delay exchange of any shares of Limited Common Stock in order to comply in whole or in part with any applicable law. For a description of The Limited's right to terminate the Exchange Offer and not accept for exchange or exchange any shares of Limited Common Stock or to delay acceptance for exchange or to delay exchange of any shares of Limited Common Stock, see "--Extension of Tender Period; Termination; Amendment" on page 35.

For purposes of the Exchange Offer, The Limited shall be deemed, subject to the proration provisions of the Exchange Offer, to have accepted for exchange and exchanged shares of Limited Common Stock validly tendered for exchange when, as and if The Limited gives oral or written notice to the Exchange Agent of its acceptance of the tenders of such shares of Limited Common Stock for exchange. Exchange of shares of Limited Common Stock accepted for exchange pursuant to the Exchange Offer will be made on the first business day following announcement by The Limited of the final proration factor (which first business day in no event shall be more than ten business days after the Expiration Date and which first business day shall be hereinafter referred to as the "Exchange Time") by deposit of tendered shares of Limited Common Stock with the Exchange Agent, which will act as agent for the tendering stockholders for the purpose of receiving shares of A&F Common Stock and transmitting such shares to tendering stockholders. The date on which the Exchange Time occurs is referred to as the "Exchange Date". In all cases, tendered shares of Limited Common Stock accepted for exchange pursuant to the Exchange Offer will be exchanged only after timely receipt by the Exchange Agent of (i) certificates for such shares of Limited Common Stock (or of a confirmation of a book-entry transfer of such shares of Limited Common Stock into the Exchange Agent's account

at the Book-Entry Transfer Facility) and (ii) a properly completed and duly executed Letter of Transmittal (or manually signed facsimile thereof) or an Agent's Message in connection with a book-entry transfer of shares, together with any other documents required by the Letter of Transmittal. For a description of the procedures for tendering shares of Limited Common Stock pursuant to the Exchange Offer, see "--Procedures for Tendering Shares of Limited Common Stock" on page 30 and "--Special Procedures for Participants in the Savings and Retirement Plan and the Stock Purchase Plan" on page 33. Under no circumstances will interest be paid by The Limited pursuant to the Exchange Offer, regardless of any delay in making such exchange.

If any tendered shares of Limited Common Stock are not exchanged pursuant to the Exchange Offer for any reason, or if certificates are submitted for more shares of Limited Common Stock than are (i) tendered for exchange or (ii) accepted for exchange due to the proration provisions, certificates for such unexchanged or untendered shares of Limited Common Stock will be returned (or, in the case of shares of Limited Common Stock tendered by book-entry transfer, such shares of Limited Common Stock will be credited to an account maintained at the Book-Entry Transfer Facility), without expense to the tendering stockholder, as promptly as practicable following the expiration or termination of the Exchange Offer.

The Limited will pay all stock transfer taxes, if any, payable on the transfer to it of shares of Limited Common Stock and the transfer to tendering stockholders of shares of A&F Common Stock pursuant to the Exchange Offer. If, however, the exchange of shares is to be made to, or (in the circumstances permitted by the Exchange Offer) if shares of Limited Common Stock that are not tendered or not accepted for exchange are to be registered in the name of or delivered to any person other than the registered owner, or if tendered certificates are registered in the name of any person other than the person signing the Letter of Transmittal, the amount of all stock transfer taxes, if any (whether imposed on the registered owner or such other person), payable on account of the transfer to such person must be paid by the tendering stockholder unless evidence satisfactory to The Limited of the payment of such taxes or exemption therefrom is submitted.

DETERMINING TO PARTICIPATE IN THE EXCHANGE OFFER

WHETHER TO PARTICIPATE IN THE EXCHANGE OFFER

Whether you should participate in the Exchange Offer depends on many factors. Stockholders of The Limited should consider, among other things, (i) their view of the relative values of a single share of Limited Common Stock and a single share of A&F Common Stock, (ii) the opportunity to receive the Anticipated Premium and (iii) their individual investment strategy with regard to the two stocks. In addition, a stockholder of The Limited should consider all of the factors described under "Risk Factors" on page 18.

The Limited anticipates that the Final Exchange Ratio will provide stockholders with the opportunity to receive A&F Common Stock having a market value greater than the recent market value of Limited Common Stock being tendered. Based on the closing trading prices for Limited Common Stock and A&F Common Stock on the New York Stock Exchange ("NYSE") on April 14, 1998, any of the Exchange Ratios in the Exchange Ratio Range would result in a Limited stockholder receiving A&F Common Stock with a market value greater than Limited Common Stock tendered for exchange. This greater market value is referred to in this Offering Circular-Prospectus as the "Anticipated Premium". Based on such closing trading prices, the Anticipated Premium would be approximately 9%, assuming the Minimum Exchange Ratio, and 28%, assuming the Maximum Exchange Ratio. The Limited cannot, however, predict what the amount of the Anticipated Premium will be or whether in fact there will be a premium at the end of the Exchange Offer or the prices at which shares of A&F Common Stock or Limited Common Stock will trade over time.

Stockholders can calculate the Anticipated Premium using the following formula:

$$\text{The Anticipated Premium} = \frac{\text{Exchange Ratio} \times \text{Price of one share of A\&F Common Stock}}{\text{Price of one share of Limited Common Stock}} \quad 1$$

For example: Assume that the price of one share of Limited Common Stock is \$29 3/8 and the price for one share of A&F Common Stock is \$43 13/16 (the closing trading prices of Limited Common Stock and A&F Common Stock on the NYSE on April 14, 1998). At an exchange ratio of .795 of a share of A&F Common Stock for each share of Limited Common Stock, the midpoint of the Exchange Ratio Range, the Anticipated Premium would be approximately 19%. At the Minimum Exchange Ratio (.73 of a share of A&F Common Stock for each share of Limited Common Stock tendered), the Anticipated Premium would be approximately 9%. At the Maximum Exchange Ratio (.86 of a share of A&F Common Stock for each share of Limited Common Stock tendered), the Anticipated Premium would be approximately 28%.

The Anticipated Premium depends on the prevailing stock prices for Limited Common Stock and A&F Common Stock. The tables below show the Anticipated Premium at exchange ratios of .795 (the midpoint of the Exchange Ratio Range), .73 (the Minimum Exchange Ratio) and .86 (the Maximum Exchange Ratio).

 ANTICIPATED PREMIUM AT THE EXCHANGE RATIO OF .795 (THE MIDPOINT OF THE EXCHANGE RATIO RANGE)

		LIMITED COMMON STOCK PRICE				
		\$26	\$28	\$30	\$32	\$34
A&F COMMON	\$48	47%	36%	27%	19%	12%
STOCK PRICE	\$46	41%	31%	22%	14%	8%
	\$44	35%	25%	17%	9%	3%
	\$42	28%	19%	11%	4%	-2%
	\$40	22%	14%	6%	-1%	-6%

ANTICIPATED PREMIUM AT THE MINIMUM EXCHANGE RATIO OF .73

		LIMITED COMMON STOCK PRICE				
		\$26	\$28	\$30	\$32	\$34
A&F COMMON	\$48	35%	25%	17%	10%	3%
STOCK PRICE	\$46	29%	20%	12%	5%	-1%
	\$44	24%	15%	7%	0%	-6%
	\$42	18%	10%	2%	-4%	-10%
	\$40	12%	4%	-3%	-9%	-14%

ANTICIPATED PREMIUM AT THE MAXIMUM EXCHANGE RATIO OF .86

		LIMITED COMMON STOCK PRICE				
		\$26	\$28	\$30	\$32	\$34
A&F COMMON	\$48	59%	47%	38%	29%	21%
STOCK PRICE	\$46	52%	41%	32%	24%	16%
	\$44	46%	35%	26%	18%	11%
	\$42	39%	29%	20%	13%	6%
	\$40	32%	23%	15%	8%	1%

NONE OF THE LIMITED, A&F, THE DEALER MANAGERS, THE SOLICITING DEALERS, THE BOARD OF DIRECTORS OF THE LIMITED OR THE BOARD OF DIRECTORS OF A&F MAKES ANY RECOMMENDATION TO ANY STOCKHOLDER OF THE LIMITED AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING SHARES OF LIMITED COMMON STOCK PURSUANT TO THE EXCHANGE OFFER. STOCKHOLDERS OF THE LIMITED MUST MAKE THEIR OWN DECISIONS WHETHER TO TENDER SHARES OF LIMITED COMMON STOCK PURSUANT TO THE EXCHANGE OFFER AND, IF SO, HOW MANY SHARES TO TENDER AND AT WHAT EXCHANGE RATIO TO TENDER SUCH SHARES AFTER READING THIS OFFERING CIRCULAR-PROSPECTUS AND CONSULTING WITH THEIR ADVISORS BASED ON THEIR OWN FINANCIAL POSITION AND REQUIREMENTS.

SELECTING AN EXCHANGE RATIO

In the event a stockholder of The Limited determines to participate in the Exchange Offer, in deciding at which Exchange Ratio to tender, such stockholder should consider not only his or her view of the value of a single share of Limited Common Stock and a single share of A&F Common Stock but also the level of certainty that he or she desires that his or her tender will be accepted in the Exchange Offer. STOCKHOLDERS WISHING TO MAXIMIZE THE CHANCE THAT THEIR SHARES WILL BE ACCEPTED FOR EXCHANGE IN THE EXCHANGE OFFER MAY CHECK THE BOX MARKED "SHARES TENDERED AT EXCHANGE RATIO DETERMINED BY DUTCH AUCTION" IN BOX #2 ON THE LETTER OF TRANSMITTAL INDICATING THAT SUCH STOCKHOLDER WILL ACCEPT WHATEVER THE FINAL EXCHANGE RATIO IS DETERMINED TO BE BY THE DUTCH AUCTION. SOLELY FOR PURPOSES OF DETERMINING THE FINAL EXCHANGE RATIO, THE LIMITED WILL DEEM SHARES OF LIMITED COMMON STOCK TENDERED USING THIS OPTION TO HAVE BEEN TENDERED AT THE MINIMUM EXCHANGE RATIO.

In selecting an Exchange Ratio at which to tender a share of Limited Common Stock, a stockholder of The Limited should also remember that the market value of a share of A&F Common Stock may be different from his or her view of the value of such a share. If the market value of a share of A&F Common Stock is lower than the value assumed by a stockholder of The Limited in selecting the Exchange Ratio at which to tender (and assuming all other things remain the same), each share of A&F Common Stock received will have less value than such stockholder of The Limited thought it would have at the Exchange Ratio selected. For example, if a Limited stockholder selected an Exchange Ratio of .80 based on a market price of \$44 per share of the A&F Common Stock and the market price becomes \$40, such stockholder would have only received A&F Common Stock having a market price of \$32 rather than \$35.20 for each share of Limited Common Stock which was accepted for exchange.

PROCEDURES FOR TENDERING SHARES OF LIMITED COMMON STOCK

To tender shares of Limited Common Stock pursuant to the Exchange Offer, either (i) a properly completed and duly executed Letter of Transmittal (or manually signed facsimile thereof) with any required signature guarantees, or an Agent's Message in the case of a book-entry transfer of shares, and any other documents required by the Letter of Transmittal must be received by the Exchange Agent at one of its addresses set forth on the back cover of this Offering Circular-Prospectus prior to the Expiration Date, and either (a) certificates for the shares of Limited Common Stock to be tendered must be transmitted to and received by the Exchange Agent at one of such addresses prior to such time or (b) such shares of Limited Common Stock must be delivered pursuant to the procedures for book-entry transfer described below (and a confirmation of such delivery received by the Exchange Agent), in each case by the Expiration Date, or (ii) the guaranteed delivery procedure described below must be complied with. Participants in the Savings and Retirement Plan and the Stock Purchase Plan of The Limited may also participate in this Exchange Offer and should follow the procedures set forth in "--Special Procedures for Participants in the Savings and Retirement Plan and the Stock Purchase Plan" on page 33 to tender their Limited Common Stock. Stockholders who are participants in the Dividend Reinvestment Plan of The Limited (the "DRP") who wish to tender some or all of the shares of Limited Common Stock attributable to their plan accounts may do so by so indicating on the Letter of Transmittal and by following the procedures outlined in this section, "--Procedures for Tendering Shares of Limited Common Stock". Such participants in the DRP should also see Instruction 6 of the Letter of Transmittal. Stockholders who are participants in employee benefit plans not affiliated with The Limited but who hold shares of Limited Common Stock and would like to participate in the Exchange Offer may follow the general instructions described in this section, subject to the requirements of such other employee benefit plans.

As specified in Instruction 3 of the Letter of Transmittal, each stockholder desiring to tender shares of Limited Common Stock pursuant to the Exchange Offer must either (a) check the box in the section of Box #2 on the Letter of Transmittal captioned "Shares Tendered at Exchange Ratio Determined by

Dutch Auction" or (b) check one of the boxes in the section of Box #2 on the Letter of Transmittal captioned "Shares Tendered at Exchange Ratio Determined by Stockholder". A STOCKHOLDER WHO WISHES TO MAXIMIZE THE CHANCE THAT HIS OR HER SHARES WILL BE EXCHANGED SHOULD CHECK THE BOX IN THE SECTION OF BOX #2 ON THE LETTER OF TRANSMITTAL MARKED, "SHARES TENDERED AT EXCHANGE RATIO DETERMINED BY DUTCH AUCTION". NOTE THAT THIS ELECTION COULD RESULT IN SUCH STOCKHOLDER'S SHARES BEING EXCHANGED AT THE MINIMUM EXCHANGE RATIO OF .73 OF A SHARE OF A&F COMMON STOCK PER SHARE OF LIMITED COMMON STOCK. A STOCKHOLDER WHO WISHES TO INDICATE A SPECIFIC EXCHANGE RATIO AT WHICH SUCH STOCKHOLDER'S SHARES ARE BEING TENDERED MUST CHECK A BOX UNDER THE SECTION CAPTIONED "SHARES TENDERED AT EXCHANGE RATIO DETERMINED BY STOCKHOLDER" IN BOX #2 ON THE LETTER OF TRANSMITTAL.

A TENDER OF SHARES WILL BE PROPER IF, AND ONLY IF, ON THE APPROPRIATE LETTER OF TRANSMITTAL EITHER THE BOX IN THE SECTION CAPTIONED "SHARES TENDERED AT EXCHANGE RATIO DETERMINED BY DUTCH AUCTION" OR ONE OF THE BOXES IN THE SECTION CAPTIONED "SHARES TENDERED AT EXCHANGE RATIO DETERMINED BY STOCKHOLDER" IS CHECKED.

STOCKHOLDERS DESIRING TO TENDER SHARES AT MORE THAN ONE EXCHANGE RATIO MUST COMPLETE SEPARATE LETTERS OF TRANSMITTAL FOR EACH EXCHANGE RATIO AT WHICH SUCH STOCKHOLDER IS TENDERING SHARES, EXCEPT THAT THE SAME SHARES CANNOT BE TENDERED (UNLESS PROPERLY WITHDRAWN PREVIOUSLY IN ACCORDANCE WITH THE TERMS OF THE EXCHANGE OFFER) AT MORE THAN ONE EXCHANGE RATIO. IN ORDER TO TENDER SHARES PROPERLY, ONE AND ONLY ONE EXCHANGE RATIO MUST BE INDICATED IN BOX #2 OF EACH LETTER OF TRANSMITTAL.

LETTERS OF TRANSMITTAL AND CERTIFICATES FOR SHARES OF LIMITED COMMON STOCK SHOULD NOT BE SENT TO THE LIMITED, A&F, THE DEALER MANAGERS, ANY SOLICITING DEALER OR THE INFORMATION AGENT. DELIVERY OF ANY OF THE AFOREMENTIONED REQUIRED DOCUMENTS TO ANY ADDRESS OTHER THAN AS SET FORTH HEREIN WILL NOT CONSTITUTE VALID DELIVERY THEREOF.

It is a violation of Rule 14e-4 promulgated under the Exchange Act for a person to tender shares of Limited Common Stock for such person's own account unless the person so tendering (i) owns such shares of Limited Common Stock or (ii) owns other securities convertible into or exchangeable for such shares of Limited Common Stock or owns an option, warrant or right to purchase such shares of Limited Common Stock and intends to acquire shares of Limited Common Stock for tender by conversion or exchange of such securities or by exercise of such option, warrant or right. Rule 14e-4 provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person.

A tender of shares of Limited Common Stock made pursuant to any method of delivery set forth herein and the acceptance by The Limited for exchange of such shares pursuant to the procedures described herein and in the Letter of Transmittal will constitute a binding agreement between the tendering stockholder and The Limited upon the terms and subject to the conditions of the Exchange Offer, including the tendering stockholder's representation that (i) such stockholder owns the shares of Limited Common Stock being tendered within the meaning of Rule 14e-4 promulgated under the Exchange Act and (ii) the tender of such shares of Limited Common Stock complies with Rule 14e-4.

The Exchange Agent will establish an account with respect to shares of Limited Common Stock at The Depository Trust Company (the "Book-Entry Transfer Facility") for purposes of the Exchange Offer within two business days after the date of this Offering Circular-Prospectus, and any financial

institution that is a participant in the system of the Book-Entry Transfer Facility may make delivery of shares of Limited Common Stock by causing such Book-Entry Transfer Facility to transfer such shares of Limited Common Stock into the Exchange Agent's account in accordance with the procedures of such Book-Entry Transfer Facility. Although delivery of shares of Limited Common Stock may be effected through book-entry transfer to the Exchange Agent's account at the Book-Entry Transfer Facility, a properly completed and duly executed Letter of Transmittal (or manually signed facsimile thereof) and any other required documents, or an Agent's Message, must, in any case, be transmitted to and received or confirmed by the Exchange Agent at one of its addresses set forth on the back cover of this Offering Circular-Prospectus prior to the Expiration Date, or the guaranteed delivery procedure described below must be complied with. "Agent's Message" means a message transmitted through electronic means by the Book-Entry Transfer Facility to and received by the Exchange Agent and forming a part of a book-entry confirmation, which states that such Book-Entry Transfer Facility has received an express acknowledgment from the participant in such Book-Entry Transfer Facility tendering the shares that such participant has received and agrees to be bound by the Letter of Transmittal. DELIVERY OF DOCUMENTS TO THE BOOK-ENTRY TRANSFER FACILITY IN ACCORDANCE WITH ITS PROCEDURES DOES NOT CONSTITUTE DELIVERY TO THE EXCHANGE AGENT AS REQUIRED HEREBY.

Signatures on a Letter of Transmittal must be guaranteed by an Eligible Institution unless the shares of Limited Common Stock tendered pursuant to the Letter of Transmittal are tendered (i) by the registered holder of the shares of Limited Common Stock tendered therewith and such holder has not completed the box entitled "Special Issuance Instructions" or "Special Delivery Instructions" on the Letter of Transmittal or (ii) for the account of an Eligible Institution. An "Eligible Institution" means a participant in the Security Transfer Agents Medallion Program or the New York Stock Exchange Medallion Signature Guarantee Program or the Stock Exchange Medallion Program. A verification by a notary public alone is not acceptable. If a certificate representing shares of Limited Common Stock is registered in the name of a person other than the signer of a Letter of Transmittal, or if delivery of shares of A&F Common Stock is to be made or shares of Limited Common Stock not tendered or not accepted for exchange are to be returned to a person other than the registered owner, the certificate must be endorsed or accompanied by an appropriate stock power, and the signature on such certificate or stock power must appear exactly as the name of the registered owner appears on the certificate with the signature on the certificate or stock power guaranteed by an Eligible Institution.

If the Letter of Transmittal or Notice of Guaranteed Delivery or any certificates or stock powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and, unless waived by The Limited, proper evidence satisfactory to The Limited of their authority so to act must be submitted.

If any certificate representing shares of Limited Common Stock has been mutilated, destroyed, lost or stolen, the stockholder must (i) furnish to the Exchange Agent evidence, satisfactory to it in its discretion, of the ownership of and the destruction, loss or theft of such certificate, (ii) furnish to the Exchange Agent indemnity, satisfactory to it in its discretion, and (iii) comply with such other reasonable regulations as the Exchange Agent may prescribe.

GUARANTEED DELIVERY PROCEDURE

If a stockholder desires to tender shares of Limited Common Stock pursuant to the Exchange Offer and if the certificates for such shares of Limited Common Stock are not immediately available, the procedure for delivery by book-entry transfer cannot be completed on a timely basis or time will not permit all required documents to reach the Exchange Agent prior to the Expiration Date, such shares of Limited Common Stock 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 Limited setting forth the name and address of the holder and the number of shares of Limited Common Stock tendered, stating that the tender is being made thereby and guaranteeing that, within three business days after the date of the Notice of Guaranteed Delivery, the certificate(s) representing the shares of Limited Common Stock accompanied by all other documents required by the Letter of Transmittal will be deposited by the Eligible Institution with the Exchange Agent, is received by the Exchange Agent (as provided below) prior to the Expiration Date; and

(iii) the certificate(s) for such shares of Limited Common Stock (or a confirmation of a book-entry transfer of such shares of Limited Common Stock into the Exchange Agent's account at the Book-Entry Transfer Facilities), together with a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile thereof) and any required signature guarantees, or an Agent's Message in connection with a book-entry transfer, and any other documents required by the Letter of Transmittal, are received by the Exchange Agent within three business days after the date of the Notice of Guaranteed Delivery.

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

THE METHOD OF DELIVERY OF SHARES OF LIMITED COMMON STOCK AND ALL OTHER REQUIRED DOCUMENTS IS AT THE OPTION AND RISK OF THE TENDERING STOCKHOLDER. IF CERTIFICATES REPRESENTING SHARES OF LIMITED COMMON STOCK ARE SENT BY MAIL, IT IS RECOMMENDED THAT TENDERING STOCKHOLDERS USE REGISTERED MAIL, WITH RETURN RECEIPT REQUESTED, AND ALLOW SUFFICIENT TIME TO ENSURE TIMELY RECEIPT.

All questions as to the form of documents (including notices of withdrawal) and the validity, form, eligibility (including time of receipt) and acceptance for exchange of any tender of shares of Limited Common Stock will be determined by The Limited in its sole discretion, which determination will be final and binding on all tendering stockholders. The Limited reserves the absolute right to reject any or all tenders of shares of Limited Common Stock determined by it not to be in proper form or the acceptance for exchange of shares of Limited Common Stock which may, in the opinion of the counsel of The Limited, be unlawful. The Limited also reserves the absolute right to waive any defect or irregularity in any tender of shares of Limited Common Stock. None of The Limited, A&F, the Exchange Agent, the Dealer Managers, the Soliciting Dealers, the Information Agent and any other person will be under any duty to give notification of any defect or irregularity in tenders or notices of withdrawal or incur any liability for failure to give any such notification.

SPECIAL PROCEDURES FOR PARTICIPANTS IN THE SAVINGS AND RETIREMENT PLAN AND THE STOCK PURCHASE PLAN

Participants in the Savings and Retirement Plan who wish to participate in the Exchange Offer may instruct the trustee of such plan to tender shares of Limited Common Stock attributable to their plan accounts by completing, executing and returning to such trustee the election form included in the Letter from the Savings and Retirement Plan Administrative Committee sent to such participants. Participants in the Stock Purchase Plan who wish to participate in the Exchange Offer may instruct the agent for such plan (Merrill, Lynch, Pierce, Fenner & Smith) to tender shares of Limited Common Stock attributable to their plan accounts by notifying such agent of the election as provided in the Notice to Participants in the Stock Purchase Plan sent to such participants. Holders of vested but unexercised options to purchase Limited Common Stock may exercise such options for cash in accordance with the terms of the stock option plans of The Limited and tender the shares of Limited Common Stock received upon such exercise pursuant to the general instructions for tendering shares discussed in "--Procedures for Tendering Shares of Limited Common Stock" on page 30. PARTICIPANTS IN THE

STOCK PURCHASE PLAN OR THE SAVINGS AND RETIREMENT PLAN MAY NOT USE THE LETTER OF TRANSMITTAL TO DIRECT THE TENDER OF SHARES OF LIMITED COMMON STOCK, BUT MUST USE THE SEPARATE ELECTION FORM SENT TO THEM. STOCK PURCHASE PLAN AND SAVINGS AND RETIREMENT PLAN PARTICIPANTS ARE URGED TO READ THE SEPARATE ELECTION FORM AND RELATED MATERIALS CAREFULLY.

Stockholders who are participants in employee benefit plans not affiliated with The Limited which hold shares of The Limited may tender some or all of such shares pursuant to the instructions described above under "--Procedures for Tendering Shares of Limited Common Stock" on page 30, subject to the requirements of such other plans. To the extent required under any such plan, participants will receive separate instructions from the administrators of such other plans to be followed in connection with any tender.

WITHDRAWAL RIGHTS

Tenders of shares of Limited Common Stock may be withdrawn at any time prior to the Expiration Date and, unless theretofore accepted for exchange as provided in this Offering Circular-Prospectus, may also be withdrawn after the expiration of 40 business days from the commencement of the Exchange Offer. If The Limited (i) extends the period of time during which the Exchange Offer is open, (ii) is delayed in its acceptance of shares of Limited Common Stock for exchange or (iii) is unable to accept shares of Limited Common Stock for exchange pursuant to the Exchange Offer for any reason, then, without prejudice to The Limited's rights under the Exchange Offer, the Exchange Agent may, on behalf of The Limited, retain all shares of Limited Common Stock tendered, and such shares of Limited Common Stock may not be withdrawn except as otherwise provided herein, subject to Rule 13e-4(f)(5) under the Exchange Act, which provides that the person making an issuer exchange offer shall either pay the consideration offered or return tendered securities promptly after the termination or withdrawal of the Exchange Offer.

To be effective, a written, telegraphic or facsimile transmission notice of withdrawal must be timely received by the Exchange Agent at one of its addresses set forth on the back cover of this Offering Circular-Prospectus and must specify the name of the person who tendered the shares of Limited Common Stock to be withdrawn and the number of shares of Limited Common Stock to be withdrawn precisely as they appear in the Letter of Transmittal. If the shares of Limited Common Stock to be withdrawn have been delivered to the Exchange Agent, a signed notice of withdrawal with signatures guaranteed by an Eligible Institution must be submitted prior to the release of such shares of Limited Common Stock (except that such signature guarantee requirement is not applicable in the case of shares of Limited Common Stock tendered by an Eligible Institution). In addition, such notice must specify, in the case of shares of Limited Common Stock 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 of Limited Common Stock to be withdrawn or, in the case of shares of Limited Common Stock tendered by book-entry transfer, the name and number of the account at the Book-Entry Transfer Facility. Withdrawals may not be rescinded, and shares of Limited Common Stock withdrawn will thereafter be deemed not validly tendered for purposes of the Exchange Offer. However, withdrawn shares of Limited Common Stock may be retendered by again following one of the procedures described in "--Procedures for Tendering Shares of Limited Common Stock" on page 30 or "--Special Procedures for Participants in the Savings and Retirement Plan and the Stock Purchase Plan" on page 33, 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 Limited, in its sole discretion, which determination shall be final and binding. None of The Limited, A&F, the Exchange Agent, the Dealer Managers, the Soliciting Dealers, 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.

Except as otherwise provided above, any tender of shares of Limited Common Stock made pursuant to the Exchange Offer is irrevocable.

EXTENSION OF TENDER PERIOD; TERMINATION; AMENDMENT

The Limited expressly reserves the right, at any time or from time to time, in its sole discretion and regardless of whether any of the conditions specified in "--Conditions to Consummation of the Exchange Offer" beginning on page 36 shall have been satisfied, (i) to extend the period of time during which the Exchange Offer is open by giving oral or written notice of such extension to the Exchange Agent and by making a public announcement of such extension or (ii) to amend the Exchange Offer in any respect by making a public announcement of such amendment.

If The Limited materially changes the terms of the Exchange Offer or the information concerning the Exchange Offer, The Limited will extend the Exchange Offer to the extent required by the Exchange Act. Certain rules promulgated under the Exchange Act 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 soliciting dealer's 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. The SEC has stated that, as a general rule, it is of the view that an offer should remain open for a minimum of five business days from the date that notice of such material change is first published, sent or given, and that if material changes are made with respect to information that approaches the significance of price and share levels, a minimum of ten business days may be required to allow adequate dissemination and investor response. Subject to the foregoing paragraph, if (i) The Limited increases or decreases (a) the number of shares of A&F Common Stock offered in exchange for shares of Limited Common Stock pursuant to the Exchange Offer, (b) the number of shares of Limited Common Stock eligible for exchange or (c) the Trigger Amount, and (ii) the Exchange 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 Exchange Offer will be extended until the expiration of such period of ten business days. The term "business day" shall mean any day other than Saturday, Sunday or a federal holiday and shall consist of the time period from 12:01 a.m. through 12:00 Midnight, New York City time.

The Limited also reserves the right, in its reasonable discretion, in the event any of the conditions specified in "--Conditions to Consummation of the Exchange Offer" on page 36 below shall not have been satisfied and so long as shares of Limited Common Stock have not theretofore been accepted for exchange, to delay the Expiration Date or to terminate the Exchange Offer and not accept for exchange or exchange for any shares of Limited Common Stock.

If The Limited (i) extends the period of time during which the Exchange Offer is open, (ii) is delayed in accepting for exchange or exchanging any shares of Limited Common Stock or (iii) is unable to accept for exchange or to exchange any shares of Limited Common Stock pursuant to the Exchange Offer for any reason, then, without prejudice to rights of The Limited under the Exchange Offer, the Exchange Agent may, on behalf of The Limited, retain all shares of Limited Common Stock tendered and such shares of Limited Common Stock may not be withdrawn except as otherwise provided in "--Withdrawal Rights" on page 34. The reservation by The Limited of the right to delay acceptance for exchange or to delay exchange of any shares of Limited Common Stock is subject to applicable law, which requires that The Limited pay the consideration offered or return the shares of Limited Common Stock deposited by or on behalf of stockholders promptly after the termination or withdrawal of the Exchange Offer.

Any extension, termination or amendment of the Exchange Offer will be followed as promptly as practicable by a public announcement thereof. Without limiting the manner in which The Limited may

choose to make any public announcement, The Limited will have no obligation (except as otherwise required by applicable law) to publish, advertise or otherwise communicate any such public announcement other than by making a release to the Dow Jones News Service. In the case of an extension of the Exchange Offer, SEC regulations require a public announcement of such extension no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date.

CONDITIONS TO CONSUMMATION OF THE EXCHANGE OFFER

Notwithstanding any other provisions of the Exchange Offer and without prejudice to The Limited's other rights under the Exchange Offer, The Limited shall not be required to accept for exchange or, subject to any applicable rules and regulations of the SEC, including Rule 14e-1(c) under the Exchange Act relating to The Limited's obligation to exchange or return tendered shares of Limited Common Stock promptly after termination or withdrawal of the Exchange Offer, exchange, any shares of Limited Common Stock, and may terminate the Exchange Offer as provided in "--Extension of Tender Period; Termination; Amendment" on page 35, if prior to the Expiration Date, any of the following conditions exist:

(i) the Trigger Amount shall not have been reached;

(ii) (a) any action, proceeding or litigation seeking to enjoin, make illegal or materially delay consummation of the Exchange Offer or otherwise relating in any manner to the Exchange Offer shall have been instituted before any court or other regulatory or administrative authority; or (b) any order, stay, judgment or decree shall have been issued by any court, government, governmental authority or other regulatory or administrative authority and be in effect, or any statute, rule, regulation, governmental order or injunction shall have been proposed, enacted, enforced or deemed applicable to the Exchange Offer, any of which would or might restrain, prohibit or delay consummation of the Exchange Offer or materially impair the contemplated benefits of the Exchange Offer to The Limited or A&F;

(iii) there shall have occurred (and the adverse effect of such occurrence shall, in the reasonable judgment of The Limited, be continuing) (a) any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-counter market in the United States, (b) any extraordinary or material adverse change in U.S. financial markets generally, including, without limitation, a decline of at least 20% in either the Dow Jones average of industrial stocks or the Standard & Poor's 500 Index from April 14, 1998, (c) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States, (d) any limitation (whether or not mandatory) by any governmental entity, on, or any other event that would reasonably be expected to materially adversely affect, the extension of credit by banks or other lending institutions, (e) a commencement of a war or armed hostilities or other national or international calamity directly or indirectly involving the United States, which would reasonably be expected to affect materially and adversely (or to delay materially) the consummation of the Exchange Offer or (f) in the case of any of the foregoing existing at the time of commencement of the Exchange Offer, a material acceleration or worsening thereof;

(iv) any tender or exchange offer with respect to some or all of the outstanding Limited Common Stock (other than the Exchange Offer) or the A&F Common Stock, or a merger, acquisition or other business combination proposal for The Limited or A&F, shall have been proposed, announced or made by any person or entity;

(v) there shall have occurred any event or events that have resulted, or may, in the sole judgment of The Limited, result, in an actual or threatened change in the business, condition (financial or other), income, operations, stock ownership or prospects of The Limited and its subsidiaries, taken as a whole, or of A&F and its subsidiaries, taken as a whole; or

(vi) (A) 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 of Limited Common Stock or A&F Common Stock (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 SEC prior to February 15, 1998), (B) any such person, entity or group which had publicly disclosed such ownership prior to such date shall have acquired, or proposed to acquire, beneficial ownership of additional shares of Limited Common Stock or A&F Common Stock constituting more than 2% of the outstanding shares of Limited Common Stock or A&F Common Stock (options for and other rights to acquire Limited Common Stock or A&F Common Stock which are so acquired, or proposed to be acquired, being deemed for this purpose to be immediately exercisable) or (C) any new group shall have been formed which beneficially owns more than 5% of the outstanding shares of Limited Common Stock or A&F Common Stock;

which in the reasonable judgment of The Limited in any such case, and regardless of the circumstances, makes it inadvisable to proceed with the Exchange Offer or with such acceptance for exchange of shares.

The foregoing conditions are for the sole benefit of The Limited and may be asserted by it with respect to all or any portion of the Exchange Offer regardless of the circumstances giving rise to such conditions or may be waived by The Limited in whole or in part at any time and from time to time in its reasonable discretion. Any determination by The Limited concerning the conditions described above will be final and binding upon all parties.

The failure by The Limited at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time.

In addition, The Limited will not accept any shares of Limited Common Stock tendered, and no shares of A&F Common Stock will be exchanged for any shares of Limited Common Stock, at any time at which there shall be a stop order issued by the SEC which shall remain in effect with respect to the Registration Statement.

FEES AND EXPENSES

Goldman Sachs is acting as the Dealer Managers in connection with the Exchange Offer. Goldman Sachs and NMSI are acting as co-financial advisors to The Limited for the Transactions. As Dealer Managers, Goldman Sachs will receive a fee of \$1,000,000 for its services. Goldman Sachs and NMSI will receive additional advisory fees in addition to being reimbursed by The Limited for their out-of-pocket expenses, including attorneys' fees, in connection with the Exchange Offer. Goldman Sachs has from time to time provided investment banking services to The Limited, including acting as co-lead manager of the Intimate Brands IPO and the lead manager of the A&F IPO, for which Goldman Sachs has received customary compensation. NMSI acted as co-manager of the A&F IPO for which NMSI has received customary compensation. The Limited has agreed to indemnify Goldman Sachs and NMSI against certain liabilities, including civil liabilities under the federal securities laws, and to contribute to payments which Goldman Sachs and NMSI may be required to make in respect thereof. Goldman Sachs and NMSI may from time to time hold shares of Limited Common Stock in their respective proprietary accounts, and to the extent they own such shares in such accounts at the time of the Exchange Offer, Goldman Sachs and NMSI may tender such shares into the Exchange Offer by checking the box marked "Shares Tendered at Exchange Ratio Determined by Dutch Auction" on the Letter of Transmittal.

The Limited will pay to a Soliciting Dealer a solicitation fee of \$1.00 per share, up to a maximum of 1,000 shares per tendering stockholder, for each share of Limited Common Stock tendered and accepted for exchange pursuant to the Exchange Offer if such Soliciting Dealer has affirmatively solicited and obtained such tender, except that no solicitation fee shall be payable (i) in connection with

a tender of Limited Common Stock by a stockholder (A) tendering more than 10,000 shares of Limited Common Stock or (B) tendering from a country outside of the United States; or (ii) to the Dealer Managers. "Soliciting Dealer" includes (i) any broker or dealer in securities which is a member of any national securities exchange in the United States or of the National Association of Securities Dealers, Inc. or (ii) any bank or trust company located in the United States. In order for a Soliciting Dealer to receive a solicitation fee with respect to the tender of shares of Limited Common Stock, the Exchange Agent must have received a properly completed and duly executed Letter of Transmittal (including a completed box entitled "Notice of Solicited Tenders" (Box #9)).

No solicitation fee shall be payable to a Soliciting Dealer if such Soliciting Dealer is required for any reason to transfer the amount of such fee to a tendering holder (other than itself). Soliciting Dealers are not entitled to a solicitation fee with respect to shares of Limited Common Stock beneficially owned by such Soliciting Dealer or with respect to any shares that are registered in the name of a Soliciting Dealer unless the shares are held by such Soliciting Dealer as nominee and are tendered for the benefit of beneficial holders identified in the Letter of Transmittal. No broker, dealer, bank, trust company or fiduciary shall be deemed to be the agent of The Limited, A&F, the Exchange Agent, the Dealer Managers or the Information Agent for purposes of the Exchange Offer.

The Limited has retained D.F. King & Co., Inc. (the "Information Agent") to act as the Information Agent and First Chicago Trust Company of New York (the "Exchange Agent") to act as the Exchange Agent in connection with the Exchange Offer. The Information Agent may contact holders of shares of Limited Common Stock by mail, telephone, facsimile transmission and personal interviews and may request brokers, dealers and other nominee stockholders to forward materials relating to the Exchange Offer to beneficial owners. The Information Agent and the Exchange Agent each will 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 in connection with their services, including certain liabilities under the federal securities laws. Neither the Information Agent nor the Exchange Agent has been retained to make solicitations or recommendations in their respective roles as Information Agent and Exchange Agent, and the fees to be paid to them will not be based on the number of shares of Limited Common Stock tendered pursuant to the Exchange Offer; however, the Exchange Agent will be compensated in part on the basis of the number of Letters of Transmittal received and the number of stock certificates distributed pursuant to the Exchange Offer.

The Limited will not pay any fees or commissions to any broker or dealer or any other person (other than the Dealer Managers, the Soliciting Dealers, the Information Agent and the Exchange Agent) for soliciting tenders of shares of Limited Common Stock pursuant to the Exchange Offer. Brokers, dealers, commercial banks and trust companies will, upon request, be reimbursed by The Limited for reasonable and necessary costs and expenses incurred by them in forwarding materials to their customers.

THE SPIN-OFF

If the result of the Exchange Offer is such that fewer than 43,600,000 shares of A&F Common Stock are exchanged pursuant to the Exchange Offer, and the Exchange Offer is consummated, The Limited will distribute all remaining shares of A&F Common Stock owned by it pro rata to remaining holders of record of shares of Limited Common Stock at the close of business on a record date promptly after consummation of the Exchange Offer (the "Spin-Off"). Such record date and the date of such distribution (which will be as soon as practicable after such record date) will be publicly announced by The Limited when they have been determined. If the Trigger Amount is not reached, The Limited may, in its sole discretion, (i) decide not to consummate the Exchange Offer, (ii) waive the Trigger Amount and consummate the Transactions, (iii) spin-off all shares of A&F Common Stock owned by it or (iv) review and implement other alternatives. See "The Exchange Offer--Conditions to Consummation of the Exchange Offer" on page 36. If 43,600,000 shares of A&F Common Stock are exchanged pursuant to the Exchange Offer, the Spin-Off will not be effected.

No fractional shares of A&F Common Stock will be distributed pursuant to the Spin-Off. The Exchange Agent, acting as agent for stockholders of The Limited otherwise entitled to receive fractional shares, will aggregate all fractional shares and sell them for the accounts of such stockholders. Such proceeds as may be realized by the Exchange Agent upon the sale of such fractional shares will be distributed, net of commissions, to such stockholders on a pro rata basis. Any such cash payments will be paid by the Exchange Agent. NONE OF THE EXCHANGE AGENT, THE LIMITED, A&F, THE SOLICITING DEALERS OR THE DEALER MANAGERS WILL GUARANTEE ANY MINIMUM PROCEEDS FROM THE SALE OF SHARES OF A&F COMMON STOCK, AND NO INTEREST WILL BE PAID ON ANY SUCH PROCEEDS.

MARKET PRICES, TRADING AND DIVIDEND INFORMATION

LIMITED COMMON STOCK

PRICE RANGE AND DIVIDENDS

The following table sets forth, for the calendar periods indicated, the per share range of high and low sales prices for Limited Common Stock, as reported on the NYSE Composite Tape. Limited Common Stock is listed and traded on the NYSE and the London Stock Exchange under the symbol "LTD".

	NYSE MARKET PRICE		CASH DIVIDEND PER SHARE
	HIGH	LOW	
FISCAL YEAR 1995			
1st Quarter.....	\$23 1/4	\$16 5/8	\$.10
2nd Quarter.....	22 7/8	20	.10
3rd Quarter.....	21 1/2	17 7/8	.10
4th Quarter.....	19 1/2	15 1/4	.10
FISCAL YEAR 1996			
1st Quarter.....	\$20 3/4	\$16 5/8	\$.10
2nd Quarter.....	22	18 1/4	.10
3rd Quarter.....	20 1/4	17 3/4	.10
4th Quarter.....	20 1/8	16 5/8	.10
FISCAL YEAR 1997			
1st Quarter.....	\$20 1/8	\$17	\$.12
2nd Quarter.....	22 5/16	18 5/8	.12
3rd Quarter.....	25 1/2	21 3/8	.12
4th Quarter.....	27 1/4	23 9/16	.12
FISCAL YEAR 1998			
1st Quarter (through April 14, 1998).....	\$31 3/16	\$26 9/16	\$.13

The number of holders of record of Limited Common Stock as of April 9, 1998 was 80,936.

On February 17, 1998 (the last trading day prior to announcement of the Exchange Offer), the closing sales price per share of Limited Common Stock as reported on the NYSE Composite Tape was \$31 1/2. On April 14, 1998, the last reported sale price per share of Limited Common Stock as reported on the NYSE Composite Tape was \$29 3/8. STOCKHOLDERS ARE URGED TO OBTAIN CURRENT MARKET QUOTATIONS FOR SHARES OF LIMITED COMMON STOCK. NO ASSURANCE CAN BE GIVEN CONCERNING THE MARKET PRICE OF LIMITED COMMON STOCK BEFORE OR AFTER THE DATE ON WHICH THE EXCHANGE OFFER IS CONSUMMATED.

A&F COMMON STOCK

PRICE RANGE AND DIVIDENDS

The following table sets forth, for the calendar periods indicated, the per share range of high and low sales prices for A&F Common Stock, as reported on the NYSE Composite Tape. A&F Common Stock is listed and traded on the NYSE under the symbol "ANF".

NYSE
MARKET
PRICE

	HIGH	LOW

FISCAL YEAR 1996		
3rd Quarter.....	\$26 1/4	\$21 3/4
4th Quarter.....	23 3/4	12 5/8
FISCAL YEAR 1997		
1st Quarter.....	\$17 5/8	\$12 7/8
2nd Quarter.....	20 1/2	15 3/4
3rd Quarter.....	27 1/4	19 1/4
4th Quarter.....	34 11/16	25 11/16
FISCAL YEAR 1998		
1st Quarter (through April 14, 1998).....	\$47 1/2	\$30 5/16

On February 17, 1998 (the last trading day prior to announcement of the Exchange Offer), the closing sales price per share of A&F Common Stock as reported on the NYSE Composite Tape was \$37 1/8. On April 14, 1998, the last reported sale price per share of A&F Common Stock as reported on the NYSE Composite Tape was \$43 13/16. STOCKHOLDERS ARE URGED TO OBTAIN CURRENT MARKET QUOTATIONS FOR SHARES OF A&F COMMON STOCK. NO ASSURANCE CAN BE GIVEN CONCERNING THE MARKET PRICE OF A&F COMMON STOCK BEFORE OR AFTER THE DATE ON WHICH THE EXCHANGE OFFER IS CONSUMMATED.

DIVIDEND POLICIES

The Limited currently pays a dividend of \$.13 per share of Limited Common Stock on a quarterly basis. After the consummation of the Exchange Offer, stockholders whose shares of Limited Common Stock are exchanged pursuant to this Exchange Offer will not be entitled to any dividend on such shares. Limited stockholders will continue to receive the regular quarterly dividend with respect to shares of Limited Common Stock which are not exchanged pursuant to the Exchange Offer. A&F does not currently pay a dividend on shares of A&F Common Stock.

The payment of dividends by The Limited and A&F in the future will depend upon business conditions, their respective financial conditions and earnings and other factors. There can be no assurance as to the payment of dividends in the future, and the actual amount of dividends paid, if any, may be more or less than the amount discussed above.

CAPITALIZATION

The following table sets forth the pro forma (post-Transactions) capitalization of The Limited as of January 31, 1998 based on (i) the tender of approximately 54,843,000 shares of Limited Common Stock in exchange for approximately 43,600,000 shares of A&F Common Stock (which were previously owned by The Limited) and (ii) an Exchange Ratio of .795 (the midpoint of the Exchange Ratio Ranges) of a share of A&F Common Stock for each share of Limited Common Stock. The Transactions are accounted for as a \$1,809,269,000 tax-free gain by The Limited with a corresponding \$1,809,269,000 increase in treasury shares owned by The Limited.

	AT JANUARY 31, 1998	

	PRO FORMA	
	AFTER	
	HISTORICAL(1)	TRANSACTIONS

Long-term debt.....	\$ 650,000	\$ 650,000
Shareholders' equity(1):		
Preferred stock, par value \$1.00 per share, 10,000,000 shares authorized, no shares issued and outstanding.....	--	--
Common stock, par value \$.50 per share, 500,000,000 shares authorized, 272,800,000 issued and outstanding prior to the Transactions and 217,957,000 post Transactions, net of treasury shares.....	180,352	180,352
Paid-in capital.....	148,018	148,018
Retained earnings(2).....	3,613,174	5,346,487
	-----	-----
Less treasury stock, at average cost(3).....	(3,941,544)	(5,674,857)
	-----	-----
Total shareholders' equity.....	\$ 2,044,957	\$ 1,969,001
	=====	=====

- - - - -
- (1) Represents amounts derived from the historical consolidated financial statements (and the related notes) of The Limited included in this Offering Circular-Prospectus.
 - (2) Represents the before and after Transactions balances in retained earnings which on a post Transactions basis reflects an increase of \$1,733,313,000 as a result of a gain on the Transactions offset by the elimination of A&F earnings, net of minority interest, for the 1997 fiscal year-to-date period.
 - (3) Represents the basis in treasury shares acquired as a result of 54,843,000 shares of Limited Common Stock tendered in exchange for the value of A&F Common Stock previously owned by The Limited.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

The following Unaudited Pro Forma Consolidated Financial Statements of The Limited and A&F give effect to the transactions and events described below and in the notes to the Unaudited Pro Forma Consolidated Financial Statements as if the transactions and events were consummated at the beginning of fiscal year 1997 (February 2, 1997) in the case of the Unaudited Pro Forma Consolidated Statements of Income and as of January 31, 1998 in the case of the Unaudited Pro Forma Consolidated Balance Sheets.

The Limited Unaudited Pro Forma Consolidated Financial Statements give effect to the following transactions and events: (1) the split-off of A&F from The Limited's consolidated financial statements--the consolidated financial statements of A&F will no longer be included in The Limited's consolidated financial statements and The Limited's outstanding common stock will be reduced by the number of shares of Limited Common Stock exchanged in the Exchange Offer; (2) the elimination of the A&F minority interest in The Limited's consolidated financial statements and (3) the repayment of a \$50 million obligation due to The Limited by A&F through issuance of 600,000 shares of A&F Common Stock to The Limited with the remainder being paid in cash.

The A&F Unaudited Pro Forma Consolidated Financial Statements give effect to the following transactions and events: (1) the repayment of a \$50 million obligation due to The Limited by A&F through issuance of 600,000 shares of A&F Common Stock to The Limited with the remainder being paid in cash and (2) the reduction of interest expense from the A&F statement of income due to the repayment of its \$50 million obligation to The Limited.

The Limited and A&F believe the assumptions used provide a reasonable basis on which to present the Unaudited Pro Forma Consolidated Financial Statements. The Unaudited Pro Forma Consolidated Financial Statements should be read in conjunction with the historical consolidated financial statements (and the related notes) of each of The Limited and A&F included herein and other information filed by the companies with the SEC. See "Where You Can Find More Information" on page 102 and the consolidated financial statements beginning on pages F(L)-1 and F(A)-1. The Unaudited Pro Forma Consolidated Financial Statements are presented for illustrative purposes only and should not be construed to be indicative of the financial position or results of operations of future periods or the results that actually would have been realized had the transactions and events occurred on the dates assumed.

THE LIMITED, INC.

PRO FORMA CONSOLIDATED STATEMENT OF INCOME
(UNAUDITED)
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	FISCAL YEAR ENDED JANUARY 31, 1998		
	HISTORICAL	ADJUSTMENTS(1)	PRO FORMA
NET SALES.....	\$ 9,188,804	\$ 521,617	\$ 8,667,187
Cost of goods sold, occupancy & buying costs.....	(6,370,827)	(320,537)	(6,050,290)
GROSS INCOME.....	2,817,977	201,080	2,616,897
General, administrative & store operating expenses.....	(2,124,663)	(116,955)	(2,007,708)
Special & nonrecurring items, net..	(213,215)	--	(213,215)
OPERATING INCOME(4).....	480,099	84,125	395,974
Interest expense.....	(68,728)	--	(68,728)
Other income, net.....	36,886	--	36,886
Minority interest.....	(56,473)	(7,643)(2)	(48,830)
Gain in connection with an initial public offering.....	8,606	--	8,606
INCOME BEFORE INCOME TAXES.....	400,390	76,482	323,908
Provision for income taxes.....	(183,000)	(33,650)(5)	(149,350)
NET INCOME(4).....	\$ 217,390	\$ 42,832	\$ 174,558
Net income per share:			
Basic(3).....	\$ 0.80		\$ 0.80
Diluted(3).....	\$ 0.79		\$ 0.79
Basic weighted average shares outstanding.....	271,898		217,055
Diluted weighted average shares outstanding.....	274,483		219,640

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

THE LIMITED, INC.

PRO FORMA CONSOLIDATED BALANCE SHEET
(UNAUDITED)
(IN THOUSANDS, EXCEPT PER SHARE DATA)

AT JANUARY 31, 1998

HISTORICAL	ADJUSTMENTS			PRO FORMA BEFORE TRANSACTIONS	ADJUSTMENTS(3)	PRO FORMA AFTER TRANSACTIONS
	A&F(1)	ELIMINATION	OTHER			
ASSETS						
Current assets:						
Cash and equivalents....	\$ 746,395	\$ (42,667)		\$ 24,125 (4) (23,785) (5)	\$ 704,068	\$ 704,068
Accounts receivable....	83,370	(1,695)			81,675	81,675
Inventories.....	1,002,710	(33,927)			968,783	968,783
Store supplies.....	99,167	(5,592)			93,575	93,575
Intercompany receivable.		(23,785)		23,785 (5)	--	--
Other.....	99,509	(1,296)			98,213	98,213
Total current assets...	2,031,151	(108,962)			1,946,314	1,946,314
Property & equipment, net.....	1,519,908	(70,517)			1,449,391	1,449,391
Restricted cash.....	351,600	--			351,600	351,600
Deferred income taxes...	56,586	(3,759)			52,827	52,827
Investment in A&F.....				25,875 (4)	25,875	--
Other assets.....	341,516	--	\$50,000 (2)	(50,000) (4)	341,516	341,516
Total assets.....	\$4,300,761	\$(183,238)			\$4,167,523	\$4,141,648
LIABILITIES & SHAREHOLDERS'						
EQUITY						
Current liabilities:						
Accounts payable.....	\$ 300,703	\$ (15,968)			\$ 284,735	\$ 284,735
Accrued expense.....	676,715	(35,143)			641,572	641,572
Income taxes.....	115,994	(15,851)			100,143	100,143
Total current liabilities.....	1,093,412	(66,962)			1,026,450	1,026,450
Long-term debt.....	650,000	(50,000)	\$50,000 (2)		650,000	650,000
Other long-term liabilities.....	58,720	(7,501)			51,219	51,219
Minority interest.....	102,072		(8,694) (3)		93,378	93,378
Contingent stock redemption agreement...	351,600				351,600	351,600
Shareholders' equity:						
Common stock.....	180,352				180,352	180,352
Paid-in capital.....	148,018				148,018	148,018
Retained earnings.....	3,613,174	(58,775)	8,694 (3)		3,563,093	5,346,487
						\$1,809,269 (6) (25,875) (6)
	3,941,544	(58,775)			3,891,463	5,674,857
Less treasury stock, at cost.....	(1,896,587)				(1,896,587)	(3,705,856)
Total shareholders' equity.....	2,044,957	(58,775)			1,994,876	1,969,001
Total liabilities & shareholders' equity...	\$4,300,761	\$(183,238)			\$4,167,523	\$4,141,648

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

THE LIMITED, INC.
NOTES TO PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. BASIS OF PRESENTATION

The following summary of pro forma adjustments is based on available information and certain estimates and assumptions. Therefore, it is likely that the actual adjustments will differ from the pro forma adjustments. A&F and The Limited believe that such assumptions provide a reasonable basis for presenting all of the significant effects of the following transactions and events and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the unaudited pro forma consolidated financial statements.

Historical amounts for The Limited were derived from the historical consolidated financial statements of The Limited included in this Offering Circular-Prospectus which are adjusted for the following:

2. PRO FORMA CONSOLIDATED STATEMENT OF INCOME

(1) Represents A&F's amounts which will not be consolidated in The Limited's financial statements subsequent to the Transactions. The split-off of A&F from The Limited will be treated as a disposal of part of a line of business.

(2) Represents minority interest in earnings of A&F for the periods presented.

(3) The pro forma net income per basic share is based upon the pro forma weighted average number of shares of Limited Common Stock at the Exchange Ratio of .795 (the midpoint of the Exchange Ratio Range) of a share of A&F Common Stock for each share of Limited Common Stock. The pro forma net income per diluted share is based upon the pro forma weighted average number of outstanding common shares and potentially issuable common shares of The Limited after the Exchange Offer at the Exchange Ratio noted above. At that Exchange Ratio, approximately 54,843,000 shares of Limited Common stock are assumed to be acquired as treasury shares for the purpose of calculating pro forma basic and diluted earnings per share.

At the Minimum Exchange Ratio of .73, approximately 59,726,000 shares of Limited Common stock would be in treasury; pro forma basic and diluted earnings per share would be \$.82 and \$.81. At the Maximum Exchange Ratio of .86, approximately 50,698,000 shares of Limited Common Stock would be in treasury; pro forma basic and diluted earnings per share would be \$.79 and \$.78.

(4) The Limited will recognize a gain of approximately \$1,809,269,000, net of expenses as a special and nonrecurring gain which will be included as a component of operating income. The gain will be calculated based on the difference between carrying value of A&F by The Limited and fair market value of A&F Common Stock. Fair market value will be determined based on the trading price of A&F Common Stock on the Expiration Date of the Exchange Offer.

(5) The assumed effective tax rate of the adjustments, excluding the minority interest adjustment, is 40%. The minority interest adjustment is net of tax, consistent with the presentation of minority interest in the historical consolidated financial statements.

3. PRO FORMA CONSOLIDATED BALANCE SHEET

(1) Amounts represent A&F's balance sheet which will not be included in The Limited's consolidated financial statements subsequent to the Transactions.

(2) The \$50 million obligation due to The Limited by A&F is reflected in other assets on The Limited's consolidated balance sheet after the deconsolidation of A&F. The \$50 million adjustment to long-term debt restores The Limited's long-term debt to \$650 million.

(3) Represents minority interest in the accumulated earnings of A&F.

(4) The \$50 million obligation is assumed to be repaid by A&F to The Limited. The obligation is paid through issuance of 600,000 shares of A&F Common Stock to The Limited at an assumed fair market value of \$43 1/8 per share. The remainder of the obligation is assumed to be paid in cash.

(5) Represents settlement of the intercompany account between A&F and The Limited.

(6) Represents the effect of approximately 54,843,000 shares of Limited Common Stock tendered (at an assumed Exchange Ratio of .795) in exchange for the market value of 43,600,000 shares of A&F Common Stock previously owned by The Limited which is anticipated to result in a net gain of approximately \$1,809,269,000 to The Limited.

ABERCROMBIE & FITCH CO.

PRO FORMA CONSOLIDATED STATEMENT OF INCOME
(UNAUDITED)
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	FISCAL YEAR ENDED JANUARY 31, 1998		
	HISTORICAL	ADJUSTMENTS	PRO FORMA
Net sales.....	\$ 521,617		\$ 521,617
Cost of goods sold, occupancy & buying costs.....	(320,537)		(320,537)
Gross income.....	201,080		201,080
General, administrative & store operating expenses.....	(116,955)		(116,955)
Operating income.....	84,125		84,125
Interest expense, net.....	(3,583)	\$ 2,525 (1)	(1,058)
Income before income taxes.....	80,542	2,525	83,067
Provision for income taxes.....	(32,220)	(1,010)(2)	(33,230)
Net income.....	\$48,322	\$ 1,515	\$ 49,837
Net income per share:			
Basic.....	\$ 0.95		\$ 0.97
Diluted.....	\$ 0.94		\$ 0.96
Basic weighted average shares outstanding..	51,011		51,611
Diluted weighted average shares outstanding.....	51,478		52,078

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

ABERCROMBIE & FITCH CO.

PRO FORMA CONSOLIDATED BALANCE SHEET
(UNAUDITED)
(IN THOUSANDS, EXCEPT PER SHARE DATA)

AT JANUARY 31, 1998

	HISTORICAL	ADJUSTMENTS	PRO FORMA
ASSETS			
Current assets:			
Cash and equivalents.....	\$ 42,667	\$(24,125)(1) 23,785 (2)	\$ 42,327
Accounts receivable.....	1,695		1,695
Inventories.....	33,927		33,927
Store supplies.....	5,592		5,592
Intercompany receivable (payable).....	23,785	(23,785)(2)	--
Other.....	1,296		1,296
Total current assets.....	108,962		84,837
Property & equipment, net.....	70,517		70,517
Deferred income taxes.....	3,759		3,759
Total assets.....	\$183,238		\$159,113
	=====		=====
LIABILITIES & SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable.....	\$ 15,968		\$ 15,968
Accrued expenses.....	35,143		35,143
Income taxes.....	15,851		15,851
Total current liabilities.....	66,962		66,962
Long-term debt.....	50,000	(50,000)(1)	--
Other long-term liabilities.....	7,501		7,501
Shareholders' equity:			
Common stock.....	511	6	517
Paid-in capital.....	117,972	25,869	143,841
Retained earnings (deficit).....	(58,931)		(58,931)
	59,552	25,875 (1)	85,427
Less treasury stock, at cost.....	(777)		(777)
Total shareholders' equity.....	58,775		84,650
Total liabilities & shareholders' equity.....	\$183,238		\$159,113
	=====		=====

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

NOTES TO PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. BASIS OF PRESENTATION

The following summary of pro forma adjustments is based on available information and certain estimates and assumptions. Therefore, it is likely that the actual adjustments will differ from the pro forma adjustments. A&F and The Limited believe that such assumptions provide a reasonable basis for presenting all of the significant effects of the following transactions and events and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the unaudited pro forma consolidated financial statements.

Historical amounts for A&F were derived from the historical consolidated financial statements of A&F included in this Offering Circular-Prospectus which are adjusted for the following:

2. PRO FORMA CONSOLIDATED STATEMENT OF INCOME

(1) Reflects elimination of interest expense on \$50 million obligation bearing interest at 7.8%, netted against interest expense incurred on \$24 million of borrowings at an assumed commercial paper rate of 5.5%.

(2) The effective tax rate of adjustment (1) above is assumed to be 40%.

(3) The pro forma net income per share information is based upon historical weighted average shares plus 600,000 shares of A&F Common Stock issued as partial payment on the \$50 million obligation.

3. PRO FORMA CONSOLIDATED BALANCE SHEET

(1) Repayment of \$50 million obligation to The Limited. The obligation is assumed to be paid through issuance of 600,000 shares of A&F Common Stock to The Limited at an assumed fair market value of \$43 1/8 per share. The remainder of the obligation of \$24.125 million is assumed to be paid in cash.

(2) Settlement of the intercompany account between A&F and The Limited.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS OF THE LIMITED

Net sales for the fourth quarter of 1997 grew 10% to \$3.268 billion from \$2.966 billion for the same period a year ago. Net income was \$85.3 million versus \$213.4 million in the fourth quarter of 1996, and earnings per diluted share were \$.31 versus \$.78 in the fourth quarter of 1996. Excluding special and nonrecurring items and inventory liquidation charges associated with the closing of five Henri Bendel stores net income was \$252.5 million versus \$220.2 million in the fourth quarter of 1996 and earnings per diluted share were \$.91 versus \$.81 in the fourth quarter of 1996.

As a result of an ongoing review of The Limited's retail businesses and investments as well as implementation of initiatives intended to promote and strengthen The Limited's various retail brands (including closing businesses, identification and disposal of non-core assets and identification of store locations not consistent with a particular brand) during the fourth quarter of 1997, The Limited recognized total charges of \$289 million (approximately \$30 million after-tax cash impact) or \$.60 per diluted share, consisting of \$276 million in special and nonrecurring charges and a \$13 million cost of sales charge for inventory liquidation at Henri Bendel. These charges included:

- . A \$68 million charge for closing the 118 store Cacique lingerie business effective January 31, 1998. The amount includes \$38 million in cash charges relating to cancellations of merchandise on order and other exit costs such as severance, service contract termination fees and lease termination costs;
- . \$95 million in charges related to Henri Bendel, which include an \$82 million special and nonrecurring charge related to streamlining Henri Bendel from six stores to a one-store operation by September 1, 1998. The amount includes \$56 million in cash charges that are recorded in other current liabilities. In addition, The Limited incurred a \$13 million cost of sales charge for inventory liquidation. The charge to cost of sales is in accordance with Emerging Issues Task Force ("EITF") Issue No. 96-9, "Classification of Inventory Markdowns and Other Costs Associated with a Restructuring;"
- . \$86 million of impaired asset charges related principally to the women's apparel businesses, in accordance with Statement of Financial Accounting Standards ("SFAS") No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of." This charge has no cash impact but is an SFAS No. 121 required accounting adjustment to measure the fair value of store assets, and will provide a noncash benefit in future periods from reduced depreciation and amortization;
- . A \$28 million provision for closing or downsizing approximately 80 oversized stores, primarily within the Limited, Lane Bryant, Lerner New York and Express women's businesses, and for a \$12 million write-down to net realizable value of a real estate investment previously acquired in connection with closing and downsizing certain stores.

Net sales for the fiscal year ended January 31, 1998 increased 6% to \$9.189 billion from sales of \$8.645 billion for the same period ended February 1, 1997. Net income was \$217.4 million, or \$.79 per diluted share, compared to \$434.2 million or \$1.54 per diluted share last year.

Excluding the impact of special and nonrecurring items, gains in connection with initial public offerings ("IPO") and the Henri Bendel inventory liquidation charges, The Limited would have earned \$1.24 per diluted share compared to last year's \$1.14. These excluded items consisted of: 1) \$213.2 million related to the previously described fourth quarter charges that was net of a third quarter net gain of \$62.8 million related principally to the sale of approximately one-half of The Limited's investment in Brylane, a 26% owned (post-IPO) catalogue retailer; 2) in 1997, a pretax gain of \$8.6 million in connection with the IPO of Brylane; 3) \$12 million of special and nonrecurring charges in 1996 related to the April 1997 sale of Penhaligon's; and 4) in 1996, a gain of \$118.2 million resulting from the A&F IPO.

Business highlights for 1997 include the following:

- . Intimate Brands, led by strong performances at Bath & Body Works and Victoria's Secret Stores, recorded earnings per diluted share of \$1.14, compared to \$1.02 in 1996, including special and nonrecurring charges of \$.16 in 1997 and \$.03 in 1996.
- . A&F delivered 1997 earnings per diluted share of \$.94, a 74% increase over 1996 as comparable store sales increased 21% on top of 13% for 1996.

However, much of the gains from Intimate Brands and A&F were offset by a decline in operating income for each of the women's businesses, which finished the year with a pretax operating loss aggregating \$268 million, including special and nonrecurring charges of \$187 million and the \$13 million inventory liquidation charge related to the closing of five Henri Bendel stores.

Limited Too led the emerging businesses with a significant improvement in operating income and 20% comparable store sales gains.

During the year, The Limited also completed the sales of its interests in the Newport Office Tower in Jersey City, New Jersey and The Mall at Tuttle Crossing in Columbus, Ohio and approximately one-half of its interest in Brylane for cash proceeds of \$343.2 million.

On April 3, 1998, The Limited sold its remaining 2.6 million shares in Brylane to Pinault Printemps-Radoute for \$51 per share, generating cash proceeds of approximately \$131 million.

The Limited does not believe that the consummation of the Transactions and the taking of the other actions outlined above will have a material effect on The Limited's liquidity (i.e., its ability to provide the resources to support operations, projected growth, seasonal requirements and capital expenditures). Furthermore, although The Limited believes that such transactions and other actions should have a favorable impact on The Limited's results of operations, there can be no assurance with respect to the effect of these actions.

FINANCIAL SUMMARY

The following summarized financial data compares 1997 to the comparable periods for 1996 and 1995:

	1997	1996	1995	% CHANGE	
				1997-96	1996-95
NET SALES (MILLIONS):					
Express.....	\$1,189	\$1,386	\$1,445	(14%)	(4%)
Lerner New York.....	946	1,045	1,005	(9%)	4%
Lane Bryant.....	907	905	903	--	--
The Limited.....	776	855	850	(9%)	1%
Henri Bendel.....	83	91	91	(9%)	--
Total Women's Brands.....	\$3,901	\$4,282	\$4,294	(9%)	--
Structure.....	660	660	576	--	15%
Limited Too.....	322	259	214	24%	21%
Galyan's Trading Co. (since 7/2/95).....	160	108	45	48%	n/m
Other.....	6	4	--	n/m	n/m
Total Emerging Brands.....	\$1,148	\$1,031	\$ 835	11%	23%
Victoria's Secret Stores.....	1,702	1,450	1,286	17%	13%
Victoria's Secret Catalogue.....	734	684	661	7%	3%
Bath & Body Works.....	1,057	753	475	40%	59%
Cacique.....	95	88	80	8%	10%
Other.....	30	22	15	n/m	n/m
Total Intimate Brands.....	\$3,618	\$2,997	\$2,517	21%	19%
A&F.....	\$ 522	\$ 335	\$ 235	56%	43%
Total net sales.....	\$9,189	\$8,645	\$7,881	6%	10%
OPERATING INCOME (MILLIONS):					
Women's Brands.....	\$ (268)(a)	\$ 64	\$ 54(e)	n/m	19%
Emerging Brands and Other.....	159 (b)	68	149(f)	134%	(54%)
Intimate Brands.....	505 (c)	458(d)	386	10%	19%
A&F.....	84	46	24	83%	92%
Total operating income.....	\$ 480	\$ 636	\$ 613	(25%)	4%

- (a) 1997 includes special and nonrecurring charges of approximately \$187 million relating to the closure of five out of six Henri Bendel stores and charges associated with asset valuation impairment and the closure and downsizing of certain stores, plus \$13 million in inventory liquidation charges associated with the Henri Bendel closings.
- (b) 1997 includes \$42 million of special and nonrecurring income relating to the gain from the sale of approximately one-half of The Limited's interest in Brylane, offset by a valuation adjustment on an investment.
- (c) 1997 includes a \$68 million charge related to the closing of the Cacique business effective January 31, 1998.
- (d) 1996 includes a special and nonrecurring charge of \$12 million for revaluation of certain assets in connection with the sale of Penhaligon's in April 1997.
- (e) 1995 includes a special and nonrecurring charge of approximately \$48 million, primarily for store closings and downsizings.
- (f) 1995 includes 100% of WFN's operating income of \$114 million before interest expense versus \$4 million, representing 40% of net income of \$11 million in 1996; 1995 also includes an approximate \$73 million gain from the sale of a 60% interest in WFN, partially offset by \$23 million of special and nonrecurring charges representing write-downs to net realizable value of certain assets.

n/m not meaningful

The following summarized financial data compares 1997 to the comparable periods for 1996 and 1995:

	1997	1996	1995
	-----	-----	-----
COMPARABLE STORE SALES:			
Express.....	(15%)	(6%)	(2%)
Lerner New York.....	(5%)	8%	(1%)
Lane Bryant.....	1%	0%	(8%)
The Limited.....	(7%)	3%	(4%)
Henri Bendel.....	(13%)	(5%)	6%
	-----	-----	-----
Total Women's Brands.....	(8%)	0%	(3%)
	-----	-----	-----
Structure.....	(3%)	7%	(9%)
Limited Too.....	20%	8%	(4%)
Galyan's Trading Co. (since 7/2/96).....	0%	12%	--
	-----	-----	-----
Total Emerging Brands.....	3%	7%	(8%)
	-----	-----	-----
Victoria's Secret Stores.....	11%	5%	(1%)
Bath & Body Works.....	11%	11%	21%
Cacique.....	10%	8%	(20%)
	-----	-----	-----
Total Intimate Brands.....	11%	7%	1%
	-----	-----	-----
A&F.....	21%	13%	5%
	-----	-----	-----
Total comparable store sales increase (decrease).....	0%	3%	(2%)
	=====	=====	=====

% CHANGE

1997-96 1996-95

STORE DATA:

Retail sales increase attributable to new and remodeled stores.....	6%	8%	9%		
Retail sales per average selling square foot.....	\$ 295	\$ 285	\$ 272	4%	5%
Retail sales per average store (thousands).....	\$ 1,478	\$ 1,453	\$ 1,419	2%	2%
Average store size at end of year (selling square feet).....	5,035	5,043	5,172	--	(2%)
Retail selling square feet at end of year (thousands).....	28,400	28,405	27,403	--	4%
Number of Stores:					
Beginning of year.....	5,633	5,298	4,867		
Opened.....	315	470	504		
Acquired (sold).....	(4)	--	6		
Closed.....	(304)	(135)	(79)		
	-----	-----	-----		
End of year.....	5,640	5,633	5,298		
	=====	=====	=====		

NET SALES

Fourth quarter 1997 sales as compared to sales for the fourth quarter 1996 increased 10% to \$3.268 billion due to 5% comparable store sales gains with the balance of the increase attributable to new and remodeled stores and increased catalogue sales. Thirteen-week fourth quarter 1996 sales as compared to sales for the fourteen-week fourth quarter 1995 increased 7% to \$2.966 billion due to a 9% increase in sales attributable to new and remodeled stores and a 3% increase in comparable store sales, offset by a 5% decrease due to the fifty-third week in 1995.

The 1997 retail sales increase of 6% was attributable to The Limited adding 315 new stores, remodeling 206 stores and closing 186 stores (excluding closing 118 Cacique stores in January 1998 and the sale of four Penhaligon's stores in the first quarter of 1997). This net addition of 129 stores represents over 365,000 square feet of new retail selling space. For the year, average sales productivity increased 4% to \$295 per square foot.

In 1997, Intimate Brands accounted for 114% of The Limited's total net sales increase and 39% of total Limited sales. Intimate Brands posted a \$620 million sales gain over the prior year due to the net addition of 223 stores (before the impact of the Cacique store closings and the Penhaligon's sale) representing over 650,000 new retail selling square feet, an 11% increase in comparable store sales and an 18% increase in catalogues mailed by Victoria's Secret Catalogue. Additionally, A&F reported a \$186 million sales increase over the prior year, bolstered by a 21% increase in comparable store sales, while Limited Too experienced a \$63 million sales increase over the prior year on a 20% increase in comparable store sales. However, sales at the women's businesses in 1997 declined \$382 million from 1996, primarily due to an 8% decrease in comparable store sales, as well as a net decrease of 131 stores representing over 705,000 retail selling square feet, due principally to closures of underperforming locations.

The 1996 retail sales increase of 10% was attributable to an 8% increase in sales due to The Limited adding 470 new stores, remodeling 252 stores and closing 135 stores and a 3% increase in comparable store sales, offset by a 1% decrease due to the fifty-third week in 1995. This net addition of 335 stores represents approximately 1 million square feet of new retail selling space. For the year, average sales productivity increased 5% to \$285 per square foot.

In 1996, Intimate Brands accounted for 63% of the annual sales increase, and nearly 35% of total Limited sales, posting a \$480 million sales increase over the prior year due to the net addition of 316 stores representing over 817,000 selling square feet, a 7% increase in comparable store sales and an 11% increase in catalogues mailed by Victoria's Secret Catalogue. Sales at the women's businesses in 1996 were flat to 1995, primarily due to flat comparable store sales. Disappointing results at Express, which experienced a 6% decline in comparable store sales, were offset by improved results at the Lerner New York and Limited businesses, which had 8% and 3% increases in comparable store sales. In addition, the overall sales increase for The Limited included sales increases at Structure, A&F and Limited Too, which experienced 7%, 13% and 8% increases in comparable store sales.

GROSS INCOME

Gross income increased to 35.4% as a percentage of sales for the fourth quarter 1997 from 33.0% for the fourth quarter 1996. The merchandise margin rate (representing gross income before deduction of buying and occupancy costs), increased 2.3%, expressed as a percentage of sales, due principally to improved initial markup ("IMU"), which was partially offset by a slightly higher markdown rate and the \$13 million Henri Bendel inventory liquidation charge (.4% of sales). Buying and occupancy costs, expressed as a percentage of sales, were flat for the fourth quarter as compared to last year.

Gross income, expressed as a percentage of sales, was 33.0% for the fourth quarter 1996 compared to 29.2% for the fourth quarter 1995. The merchandise margin rate increased 3.4%, expressed as a percentage of sales, due principally to improved IMU and lower markdown rates, as The Limited was less price-promotional than the year before. Buying and occupancy costs decreased .4%, expressed as a percentage of sales, primarily due to sales productivity associated with the 3% increase in comparable store sales.

The Limited's 1997 gross income rate increased 1.8% to 30.7% as compared to 1996. The merchandise margin rate increased 1.7% due principally to improved IMU while buying and occupancy costs, expressed as a percentage of sales, were flat to last year.

The 1996 gross income rate of 28.9% increased 2.4% as compared to 1995. Merchandise margins, expressed as a percentage of sales, increased 1.7%, due principally to improved IMU. Buying and occupancy costs decreased .7%, expressed as a percentage of sales, primarily due to sales productivity associated with the 3% increase in comparable store sales.

GENERAL, ADMINISTRATIVE AND STORE OPERATING EXPENSES

General, administrative and store operating expenses increased to 20.8%, expressed as a percentage of sales, in the fourth quarter of 1997 compared to 18.7% in the fourth quarter of 1996. This increase was attributable to: 1) a 2.5% rate increase at Intimate Brands businesses (discussed below) combined with an increase of Intimate Brands' sales in the total Limited mix to 42.7% from 39.1%; 2) the inability to leverage these expenses at the women's businesses due to disappointing sales performance; and 3) additional compensation charges for restricted stock plans.

Intimate Brands' increase is primarily the result of advertising costs at Victoria's Secret Stores, the growth of Bath & Body Works in the overall mix of Intimate Brands net sales from 25.1% in fiscal year 1996 to 29.2% in fiscal year 1997 and an increase in restricted stock plan compensation expense. Due to an emphasis on point-of-sale marketing and sales floor coverage for personal care products, Bath & Body Works has higher store operating expenses as a percentage of net sales, which has been more than offset by higher gross margins.

The Limited anticipates that these expenses, expressed as a percentage of sales, will increase slightly in 1998, since Intimate Brands businesses, in particular Bath & Body Works, will represent a greater portion of total Limited sales.

General, administrative and store operating expenses, expressed as a percentage of sales, increased to 18.7% in the fourth quarter of 1996 compared to 17.7% in the fourth quarter of 1995. This increase as a percentage of sales was attributable to a 2.2% rate increase at Intimate Brands businesses and the inability to leverage expenses due to disappointing sales performance at the women's businesses, particularly Express.

General, administrative and store operating expenses increased, expressed as a percentage of sales, to 23.1% in 1997, compared to 21.4% in 1996. This increase was primarily attributable to the reasons discussed above for the 1997 fourth quarter. These costs increased, expressed as a percentage of sales, to 21.4% in 1996 compared to 20.0% in 1995, also primarily due to reasons discussed above for fourth quarter 1996.

SPECIAL AND NONRECURRING ITEMS

As described in Note 2 to the Consolidated Financial Statements, The Limited recognized special and nonrecurring charges of \$276 million during the fourth quarter of 1997 comprised of: 1) a \$68 million charge for the closing of the Cacique lingerie business effective January 31, 1998; 2) an \$82 million charge related to streamlining the Henri Bendel business from six stores to one store; 3) an \$86 million impaired-asset charge in accordance with SFAS No. 121, related principally to the women's apparel businesses, covering certain store locations where the asset carrying values are permanently impaired; and 4) a \$28 million provision for closing and downsizing approximately 80 oversized stores primarily within the Limited, Lerner New York, Lane Bryant and Express women's businesses and for a \$12 million write-down to net realizable value of a real estate investment previously acquired in connection with closing and downsizing certain stores. Additionally, The Limited recognized a \$13 million charge to cost of sales in the fourth quarter of 1997 for inventory liquidation in accordance with EITF Issue No. 96-9. The Limited, in accordance with EITF Issue No. 94-3, anticipates charges for severance and other associate termination costs for Henri Bendel in the first quarter of 1998 (the period the associates are notified). Additionally, The Limited recognized a net \$62.8 million pretax gain

during the third quarter of 1997 relating to the sale of approximately one-half of its investment in Brylane, partially offset by valuation adjustments on certain assets where the carrying values were permanently impaired.

In 1996 The Limited recorded a \$12 million pretax, special and nonrecurring charge in connection with the 1997 sale of Penhaligon's, a U.K.-based subsidiary of Intimate Brands. In the fourth quarter of 1995, The Limited recognized a \$73.2 million pretax gain in connection with the sale of a 60% interest in The Limited's wholly-owned credit card bank, WFN. In addition, The Limited recognized a special and nonrecurring charge during the fourth quarter of 1995 of approximately \$71.9 million. Of this amount, \$25.8 million was provided for the closing of 26 stores and \$19.8 million was provided for the downsizing of 33 stores, primarily at Limited and Lerner New York. The remaining charge of approximately \$26.3 million represented the write-down to market or net realizable value of certain assets arising from nonoperating activities. The net pretax gain from these special and nonrecurring items was \$1.3 million.

OPERATING INCOME

Fourth quarter operating income, expressed as a percentage of sales, was 6.1% in 1997, compared to 13.9% in 1996, and for the year was 5.2% in 1997, compared to 7.4% in 1996. Excluding charges for special and nonrecurring items in both years and the Henri Bendel inventory liquidation charge in 1997, fourth quarter operating income, expressed as a percentage of sales, would have been 15.0% in 1997, compared to 14.3% in 1996, and for the year would have been 7.7% in 1997, compared to 7.5% in 1996. These increases were due to increases in the gross income rate, which more than offset the general, administrative and store operating expense rate increase.

The fourth quarter operating income rate increased 2.4% in 1996, from 11.5% on an adjusted basis in 1995, and for the year increased .9% in 1996 from 6.5% on an adjusted basis in 1995. The 1995 rates were adjusted to reflect the 1995 sale of a 60% interest in WFN as if the sale was consummated at the beginning of the year. These increases were also due to increases in gross income, which more than offset the general, administrative and store operating expense rate increase.

INTEREST EXPENSE

	FOURTH QUARTER		YEAR		
	1997	1996	1997	1996	1995
Average Daily Borrowings (millions)...	\$891.4	\$1,039.5	\$835.9	\$964.3	\$887.7
Average Effective Interest Rate.....	8.07%	7.49%	8.22%	7.82%	8.73%

Interest expense decreased by \$1.5 million in the fourth quarter of 1997 and decreased by \$6.6 million for the year. For the quarter, lower average borrowing levels reduced interest expense by \$2.8 million, offset by a \$1.3 million increase resulting from higher rates. For the year, lower average borrowing levels reduced interest expense by \$10.0 million, offset by \$3.4 million of increased expense due to higher interest rates.

OTHER INCOME

The \$5.1 million decrease in other income for 1997 compared to 1996 was primarily attributable to approximately \$10.5 million of interest income earned in the first quarter of 1996 which arose from \$1.615 billion of temporarily invested funds that were used to consummate the Limited Self Tender in March 1996. Excluding this \$10.5 million in 1996, interest earnings increased \$5.4 million from higher temporary investments in 1997, \$3.5 million of which was realized in the fourth quarter.

GAINS IN CONNECTION WITH IPO

As discussed in Note 1 to the Consolidated Financial Statements, The Limited recognized a pretax gain of \$8.6 million during the first quarter of 1997, in connection with the IPO of Brylane, a 26% owned (post-IPO) catalogue retailer. In 1996, The Limited recognized a \$118.2 million gain in connection with the A&F IPO. In 1995, The Limited recognized a \$649.5 million gain in connection with the IPO of 16.9% (42.7 million shares) of the stock of Intimate Brands. The gains recorded by The Limited in 1996 and 1995 were not subject to tax.

OTHER DATA

There were a number of significant events in fiscal years 1997 and 1996 that impacted the comparability of The Limited's net income per diluted share data. Although the following information is not intended to be presented in accordance with SEC guidelines for pro forma financial information, it is provided to assist in investors' understanding of The Limited's results of operations.

- . In 1997 and 1996, The Limited recognized \$213.2 million and \$12 million in special and nonrecurring charges along with the \$13 million Henri Bendel inventory liquidation charge in 1997 as more fully described in Note 2 to the Consolidated Financial Statements of The Limited. The impact of these charges also reduced earnings attributable to minority interest by \$6.8 million and \$1.0 million in 1997 and 1996.

- . The Limited recognized pretax gains in connection with IPOs of \$8.6 million and \$118.2 million in 1997 and 1996. See Note 1 to the Consolidated Financial Statements of The Limited.

- . The Limited repurchased 85 million shares of Limited Common Stock via the Limited Self Tender and, as a result of investing funds used to facilitate the Limited Self Tender, recognized approximately \$10.5 million of interest income in 1996 up to the effective date.

Adjusted for the income tax effect (an \$87 million expense in 1997 and a \$1.0 million expense in 1996), earnings per diluted share would have increased \$.45 per share in 1997 to \$1.24 and would have decreased \$.38 per share to \$1.16 in 1996.

ACQUISITION

Effective July 2, 1995, The Limited acquired all of the outstanding common stock of Galyan's for \$18 million in cash and stock. The Limited's Consolidated Financial Statements include the results of operations of Galyan's since the acquisition date.

FINANCIAL CONDITION

The Limited's balance sheet at January 31, 1998, provides continuing evidence of financial strength and flexibility. The Limited's long-term debt-to-equity ratio declined to 32% at the end of 1997 from 34% in 1996, and working capital increased 47% over 1996 to \$938 million. A more detailed discussion of liquidity, capital resources and capital requirements follows.

LIQUIDITY AND CAPITAL RESOURCES

Cash provided by operating activities, commercial paper backed by funds available under committed long-term credit agreements, and The Limited's capital structure continue to provide the resources to support current operations, projected growth, seasonal requirements and capital expenditures.

A summary of The Limited's working capital position and capitalization follows (thousands):

	1997	1996	ADJUSTED 1995 *	1995
Cash provided by operating activities.....	\$ 589,981	\$ 712,069	\$ 340,732	\$ 340,732
Working capital.....	\$ 937,739	\$ 638,204	\$ 403,960	\$ 2,018,960
Capitalization:				
Long-term debt.....	\$ 650,000	\$ 650,000	\$ 650,000	\$ 650,000
Shareholders' equity.....	2,044,957	1,922,582	1,586,041	3,201,041
Total capitalization.....	\$2,694,957	\$2,572,582	\$2,236,041	\$3,851,041
Additional amounts available under long-term credit agreements.....	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000

* Adjusted 1995 reflects the impact of the \$1.615 billion repurchase of 85 million shares of common stock.

Net cash provided by operating activities totaled \$590.0 million, \$712.1 million and \$340.7 million for 1997, 1996 and 1995 and continued to serve as The Limited's primary source of liquidity.

The Limited considers the following to be several measures of liquidity and capital resources:

	1997	1996	ADJUSTED 1995*	1995
DEBT-TO-EQUITY RATIO (Long-term debt divided by shareholders' equity)....	32%	34%	41%	20%
DEBT-TO-CAPITALIZATION RATIO (Long-term debt divided by total capitalization)....	24%	25%	29%	17%
INTEREST COVERAGE RATIO (Income, excluding gain in connection with IPOs, before interest expense, depreciation, amortization and income taxes divided by interest expense).....	11x	12x	12x	12x
CASH FLOW TO CAPITAL INVESTMENT (Net cash provided by operating activities divided by capital expenditures).....	146%	174%	91%	91%

* Adjusted 1995 reflects the impact of the \$1.615 billion repurchase of 85 million shares of common stock.

Net cash provided from operating activities in 1997 decreased \$122.1 million from the prior year principally due to an increase in income tax payments that was partially offset by slightly higher income from operations adjusted for special and nonrecurring items and gains from IPOs.

Investing activities included capital expenditures of \$405 million, about half of which was for new and remodeled stores. Investing activities also included \$235 million in net proceeds from the sales of the Newport Tower, an office building in Jersey City, New Jersey and The Limited's interest in The Mall at Tuttle Crossing in Columbus, Ohio and \$108.3 million of net proceeds from the third quarter sale of slightly less than one-half of The Limited's investment in Brylane. In 1996, \$41.3 million was invested in the Alliance Data Systems (formerly WFN) credit card venture. 1995 reflects the acquisition of Galyan's, the proceeds from the securitization of WFN's credit card receivables of \$1.2 billion (see Note 3 of The Limited Consolidated Financial Statements) and the transfer of \$351.6 million to a restricted cash account (see Note 6 of The Limited's Consolidated Financial Statements).

Cash used for financing activities for 1997 reflects an increase in the quarterly dividend to \$.12 per share from \$.10 per share in 1996. Financing activities in 1996 include proceeds from and repayment of \$150 million in short-term debt borrowed by A&F and net proceeds of \$118.2 million from the A&F IPO. Financing activities also included \$1.615 billion used to repurchase 85 million shares of The Limited's common stock via the Limited Self Tender consummated in March 1996. Cash dividends paid in 1996 and 1995 were \$.40 per share.

At January 31, 1998, The Limited had available \$1 billion under its long-term credit agreement. The Limited also has the ability to offer up to \$250 million of additional debt securities under its shelf registration statement.

STORES AND SELLING SQUARE FEET

A summary of actual stores and selling square feet by business for 1997 and 1996 and the 1998 goals by business (including the impact of the estimated 280 stores that will be closed/downsized during the year) follows:

	END OF YEAR			CHANGE FROM	
	GOAL-1998	1997	1996	1998-97	1997-96
EXPRESS					
Stores.....	712	753	753	(41)	--
Selling Square Ft.....	4,481,000	4,739,000	4,726,000	(258,000)	13,000
LERNER NEW YORK					
Stores.....	668	746	784	(78)	(38)
Selling Square Ft.....	5,041,000	5,698,000	5,984,000	(657,000)	(286,000)
LANE BRYANT					
Stores.....	760	773	832	(13)	(59)
Selling Square Ft.....	3,666,000	3,735,000	3,980,000	(69,000)	(245,000)
THE LIMITED					
Stores.....	570	629	663	(59)	(34)
Selling Square Ft.....	3,398,000	3,790,000	3,977,000	(392,000)	(187,000)
HENRI BENDEL					
Stores.....	1	6	6	(5)	--
Selling Square Ft.....	35,000	113,000	113,000	(78,000)	--
STRUCTURE					
Stores.....	545	544	542	1	2
Selling Square Ft.....	2,161,000	2,143,000	2,117,000	18,000	26,000
LIMITED TOO					
Stores.....	317	312	308	5	4
Selling Square Ft.....	1,002,000	979,000	967,000	23,000	12,000
GALYAN'S TRADING CO.					
Stores.....	15	11	9	4	2
Selling Square Ft.....	1,026,000	641,000	488,000	385,000	153,000
VICTORIA'S SECRET STORES					
Stores.....	874	789	736	85	53
Selling Square Ft.....	3,795,000	3,555,000	3,326,000	240,000	229,000
BATH & BODY WORKS					
Stores.....	1,101	921	750	180	171
Selling Square Ft.....	2,183,000	1,773,000	1,354,000	410,000	419,000
CACIQUE					
Stores.....	--	--	119	--	(119)
Selling Square Ft.....	--	--	365,000	--	(365,000)
PENHALIGON'S					
Stores.....	--	--	4	--	(4)
Selling Square Ft.....	--	--	2,000	--	(2,000)
A&F					
Stores.....	186	156	127	30	29
Selling Square Ft.	1,453,000	1,234,000	1,006,000	219,000	228,000
ABERCROMBIE & FITCH (KIDS)					
Stores.....	13	--	--	13	--
Selling Square Ft.	42,000	--	--	42,000	--
TOTAL RETAIL BUSINESSES					
Stores.....	5,762	5,640	5,633	122	7
Selling Square Ft.	8,283,000	28,400,000	28,405,000	(117,000)	(5,000)

CAPITAL EXPENDITURES

Capital expenditures amounted to \$404.6 million, \$409.3 million and \$374.4 million for 1997, 1996 and 1995, of which \$194.4 million, \$235.7 million and \$274.5 million was for new stores and remodeling and expanding existing stores. In 1997 and 1996 The Limited expended \$55.3 million and \$53.1 million on land acquisition and development costs. Also, in 1997 and 1996 The Limited expended \$30.2 million and \$42.1 million in connection with the Bath & Body Works distribution center.

The Limited anticipates spending \$480 to \$500 million for capital expenditures in 1998, of which \$270 to \$295 million will be for new stores, the remodeling of existing stores and related improvements for the retail businesses, \$50 to \$60 million will be for information technology related to year 2000 expenditures and \$30 to \$40 million will be for land acquisition and development costs, principally the Easton development project in Columbus, Ohio. The Limited expects that substantially all 1998 capital expenditures will be funded by net cash provided by operating activities.

The Limited intends to reduce selling square footage by approximately 117,000 selling square feet in 1998, which represents a .4% decrease from year-end 1997. It is anticipated that the decrease will result from the closing of 250 stores offset by the addition of approximately 370 stores (over half of which are Bath & Body Works stores averaging 2,300 square feet) and the remodeling of approximately 125 stores.

INFORMATION SYSTEMS AND "YEAR 2000" COMPLIANCE

The Limited recently completed a comprehensive review of its information systems and is involved in an enterprise-wide program to update computer systems and applications in preparation for the year 2000. The Limited will incur internal staff costs as well as outside consulting and other expenditures related to this initiative. Total expenditures related to remediation, testing, conversion, replacement and upgrading system applications are expected to range from \$85 to \$100 million from 1997 through 2000. Of the total, approximately \$50 to \$60 million will be capital expenditures related to acquisition and implementation of new package systems. The balance, approximately \$35 to \$40 million, will be expenses associated with remediation and testing of existing systems. Total incremental expenses, including depreciation and amortization of new package systems, remediation to bring current systems into compliance and writing off legacy systems are not expected to have a material impact on The Limited's financial condition during any year during the conversion process from 1997 through 2000. However, incremental expenses could total approximately \$30 to \$35 million in 1998, of which the majority will impact the first three fiscal quarters of 1998, at a rate of \$9 to \$10 million per quarter.

The Limited is attempting to contact vendors and others on whom it relies to assure that their systems will be timely converted. However, there can be no assurance that the systems of other companies on which The Limited's systems rely also will be timely converted or that any such failure to convert by another company would not have an adverse effect on The Limited's systems. Furthermore, no assurance can be given that any or all of The Limited's systems are or will be Year 2000 compliant, or that the ultimate costs required to address the Year 2000 issue or the impact of any failure to achieve substantial Year 2000 compliance will not have a material adverse effect on The Limited's financial condition.

IMPACT OF INFLATION

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

ADOPTION OF NEW ACCOUNTING STANDARDS

During the fourth quarter of 1997, The Limited adopted SFAS No. 128, "Earnings Per Share," which requires The Limited to disclose basic and diluted earnings per share for all periods presented.

In June 1997, the Financial Accounting Standards Board issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information." While the standard has no impact in determining earnings and earnings per share, The Limited will adopt the disclosure standards in 1998.

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF A&F

Net sales for the fourth quarter of 1997 were \$212.1 million, an increase of 52% from \$139.2 million for the fourth quarter a year ago. Operating income was \$59.1 million, up 67% compared to \$35.3 million last year. Diluted earnings per share were \$.68, up 70%, from \$.40 last year.

Net sales for the fiscal year ended January 31, 1998, increased 56% to \$521.6 million from \$335.4 million last year. Operating income for the year increased 83% to \$84.1 million from \$46.0 million in 1996. Diluted earnings per share were \$.94 compared to \$.48 on an adjusted basis a year ago, an increase of 96%.

The results of operations shown below are adjusted for both the historical number of shares outstanding to reflect post-A&F IPO shares outstanding and interest expense to reflect A&F's ongoing capital structure and seasonal borrowings. The following assumptions were used to derive the adjusted amounts: 1) 51.05 million post-A&F IPO shares outstanding for the periods presented; prior to the A&F IPO, there were 43 million shares outstanding; 2) interest expense on A&F's seasonal borrowings which were funded from The Limited's intercompany cash management system; prior to July 11, 1996, the intercompany cash management account was noninterest bearing; and 3) interest expense on A&F's ongoing capital structure which included interest expense on a \$50 million mirror note distributed to The Limited prior to the A&F IPO but excluded interest expense on A&F's \$150 million credit agreement, entered into on July 2, 1996, and repaid in the fourth quarter of 1996.

	YEAR ENDED		
	ACTUAL JANUARY 31, 1998	ADJUSTED FEBRUARY 1, 1997	ACTUAL FEBRUARY 1, 1997
Operating income.....	\$84,125	\$45,993	\$45,993
Interest expense, net.....	3,583	5,016	4,919
	-----	-----	-----
Income before income taxes.....	80,542	40,977	41,074
Provision for income taxes.....	32,220	16,400	16,400
	-----	-----	-----
Net income.....	\$48,322	\$24,577	\$24,674
	=====	=====	=====
Net income per share			
Basic.....	\$.95	\$.48	\$.54
	=====	=====	=====
Diluted.....	\$.94	\$.48	\$.54
	=====	=====	=====
Weighted average shares outstanding:			
Basic.....	51,011	51,050	45,749
	=====	=====	=====
Diluted.....	51,478	51,050	45,760
	=====	=====	=====

FINANCIAL SUMMARY

The following summarized financial data compares 1997 to the comparable periods for 1996 and 1995:

	1997	1996	1995	% CHANGE	
				1997-1996	1996-1995
Net sales (millions).....	\$521.6	\$335.4	\$235.7	56%	42%
Increase in comparable store sales.	21%	13%	5%		
Retail sales increase attributable to new and remodeled stores.....	34%	29%	37%		
Retail sales per average selling square foot.....	462	373	354	24%	5%
Retail sales per average store (thousands).....	\$3,653	\$2,955	\$2,823	24%	5%
Average store size at year-end (selling square feet).....	7,910	7,921	7,920	0%	0%
Selling square feet at year-end (thousands).....	1,234	1,006	792	23%	27%
Number of Stores:					
Beginning of year.....	127	100	67		
Opened.....	30	29	33		
Closed.....	(1)	(2)	--		
End of year.....	156	127	100		

NET SALES

Fourth quarter 1997 net sales as compared to net sales for the fourth quarter 1996 increased 52% to \$212.1 million, due to a 23% increase in comparable store sales and sales attributable to new and remodeled stores. Comparable store sales increases were strong in both the men's and women's businesses as both were driven by a very strong knit business. Additionally, fourth quarter 1997 net sales included results from the first Holiday issue of the A&F Quarterly, a catalog/magazine, which accounted for 1.7% of total net sales.

Thirteen-week fourth quarter 1996 net sales as compared to net sales for the fourteen-week fourth quarter 1995 increased 31% to \$139.2 million, due to an 8% increase in comparable store sales and sales attributable to new and remodeled stores. Comparable store sales increases were strong in both the men's and women's businesses. Sweaters were the best performing category in each business.

Net sales for 1997 increased 56% to \$521.6 million over the same period in 1996. The sales increase was attributable to the net addition of 29 stores and a 21% comparable store sales increase. Comparable store sales increases were equally strong in both men's and women's businesses and their performance strength was broadly based across all major merchandise categories. Net sales per selling square foot for A&F increased 24%, driven principally by an increase in the number of transactions per store.

Net sales for 1996 increased 42% to \$335.4 million over the fifty-three week 1995 fiscal year. The sales increase was attributable to the net addition of 27 stores and a 13% comparable store sales increase. Consistent with A&F's strategy, the women's business continued to increase as a proportion of the total business, with sweaters and pants the strongest performing categories. The men's business also achieved significant growth with its strongest categories being sweaters, pants and denim. Net sales per selling square foot for A&F increased 5%.

GROSS INCOME

Gross income increased, expressed as a percentage of net sales, to 45.4% for the fourth quarter of 1997 from 43.0% for the same period in 1996. The increase was attributable to improved merchandise margins (representing gross income before the deduction of buying and occupancy costs) resulting from higher IMUs and a lower markdown rate. As a result of improved inventory turnover, fewer markdowns, expressed as a percentage of net sales, were needed in the fourth quarter of 1997 to clear season-end merchandise as compared to the same period in 1996.

Gross income increased, expressed as a percentage of net sales, to 43.0% for the fourth quarter of 1996 from 37.4% for the same period in 1995. The increase was due to a significant increase in merchandise margins and a reduction in buying and occupancy costs, expressed as a percentage of net sales. The increase in merchandise margins was the result of higher IMU. The decrease in buying and occupancy costs was primarily attributable to higher sales productivity associated with the 8% increase in comparable store sales.

For the year, the gross income rate increased to 38.5% in 1997 from 36.9% in 1996. The improvement was the result of higher merchandise margins, expressed as a percentage of net sales. Improved IMU in both the men's and women's businesses drove the increase in merchandise margins. Buying and occupancy costs, expressed as a percentage of net sales, declined slightly due to leverage achieved from comparable store sales increases.

In 1996, the gross income rate increased to 36.9% from 33.9% in 1995. Merchandise margins, expressed as a percentage of net sales, improved due to a higher IMU in both the men's and women's businesses. Buying and occupancy costs, expressed as a percentage of net sales, declined due to a 13% increase in comparable store sales, including a 5% increase in net sales per selling square foot.

GENERAL, ADMINISTRATIVE AND STORE OPERATING EXPENSES

General, administrative and store operating expenses, expressed as a percentage of net sales, were 17.5% in the fourth quarter of 1997 and 17.6% in the comparable period in 1996. The improvement resulted primarily from favorable leveraging of expenses due to higher sales volume. Included in these expenses for the fourth quarter of 1997 was approximately \$2.6 million of compensation expense associated with restricted stock grants awarded to key executives of A&F.

For the year, general, administrative and store operating expenses, expressed as a percentage of net sales, were 22.4%, 23.2% and 23.8% for 1997, 1996 and 1995, respectively. The improvement during the three-year period resulted from management's continued emphasis on expense control and favorable leveraging of expenses, primarily stores expenses, due to higher sales volume.

OPERATING INCOME

Operating income, expressed as a percentage of net sales, was 27.9%, 25.4% and 19.8% for the fourth quarter of 1997, 1996 and 1995 and 16.1%, 13.7% and 10.1% for fiscal years 1997, 1996 and 1995. The improvement was the result of higher merchandise margins coupled with lower general, administrative and store operating expenses, expressed as a percentage of net sales. Sales volume and gross income have increased at a faster rate than general, administrative and store operating expenses as A&F continues to emphasize cost controls.

INTEREST EXPENSE

Fourth quarter 1997 net interest expense of \$305,000 improved \$820,000 from 1996 fourth quarter net interest expense of \$1.1 million. Interest expense in the fourth quarter of 1997 and 1996 included \$975,000 associated with \$50 million of long-term debt. The balance represented net interest income

from temporary investments in the fourth quarter of 1997, while net interest expense in the fourth quarter of 1996 was primarily due to higher borrowing levels.

A&F's year-to-date interest expense was \$3.6 million, down \$1.3 million from \$4.9 million in 1996 due primarily to lower average borrowing levels.

FINANCIAL CONDITION

A&F's continuing growth in operating income provides evidence of financial strength and flexibility. A more detailed discussion of liquidity, capital resources and capital requirements follows.

LIQUIDITY AND CAPITAL RESOURCES

Cash provided by operating activities and cash funding from The Limited's centralized cash management system provided the resources to support operations, including seasonal requirements and capital expenditures. A summary of A&F's working capital position and capitalization follows (thousands):

	1997	1996	1995
	-----	-----	-----
Cash provided by operating activities.....	\$100,195	\$46,836	\$ 12,714
Working capital.....	42,000	1,288	(70,940)
Capitalization			
Long-term debt.....	50,000	50,000	--
Shareholders' equity (deficit).....	58,775	11,238	(22,622)
	-----	-----	-----
Total capitalization.....	\$108,775	\$61,238	\$(22,622)
	=====	=====	=====

A&F considers the following to be measures of liquidity and capital resources:

	1997	1996	1995
	----	----	----
Debt-to-capitalization ratio (long-term debt divided by total capitalization).....	46%	82%	n/m
Cash flow to capital investment (net cash provided by operating activities divided by capital expenditures).....	340%	193%	52%

- - - - -
n/m = not meaningful

Net cash provided by operating activities totaled \$100.2 million, \$46.8 million and \$12.7 million for 1997, 1996 and 1995.

In 1997, the \$100.2 million net cash provided by operating activities increased from the comparable period last year due primarily to the increase in net income before depreciation and amortization. Accounts payable and accrued expenses increased in 1997 as a result of the increases of \$7.8 million in merchandise payables due to the timing of receipts for Spring goods and \$2.3 million of accrued rent. Cash requirements for inventory decreased in 1997 consistent with A&F's strategy to improve inventory turnover.

Investing activities were for capital expenditures, which were primarily for new stores.

Financing activities in 1997 consisted primarily of activity through The Limited's centralized cash management system. Financing activities in 1996 include \$150 million in proceeds from borrowings under a bank credit agreement, which, along with the \$8.6 million working capital note, were later repaid with funds made available from the A&F IPO and cash flow from operations. Proceeds of the \$150 million bank credit agreement were used to repay \$91 million of intercompany debt and \$32 million of trademark obligations and fund a \$27 million dividend to The Limited. Other financing activities were due to intercompany and cash management account activity (see Note 8 to the A&F Consolidated Financial Statements included elsewhere in this Offering Circular--Prospectus).

In connection with the plan to establish A&F as a fully independent company via the Transactions (see Note 1 to the A&F Consolidated Financial Statements included elsewhere in this Offering Circular--Prospectus), A&F is in the process of negotiating credit facilities that will be separate and independent of The Limited.

CAPITAL EXPENDITURES

Capital expenditures, primarily for new and remodeled stores, amounted to \$29.5 million, \$24.3 million and \$24.5 million for 1997, 1996 and 1995.

A&F anticipates spending \$40 to \$50 million in 1998 for capital expenditures, of which \$35 to \$42 million will be for new stores, remodeling and/or expansion of existing stores and related improvements. A&F intends to add approximately 235,000 selling square feet in 1998, which will represent a 19% increase over year end 1997. It is anticipated the increase will result from the addition of 30 new stores and the remodeling and/or expansion of four stores. A&F estimates that the average cost for leasehold improvements, furniture and fixtures for stores opened in 1998 will approximate \$750,000 per store, after giving effect to landlord allowances. In addition, inventory purchases are expected to average approximately \$275,000 per store.

Additionally, A&F plans to open 10 to 15 children's stores in 1998. The planned store size is approximately 3,200 selling square feet and the average cost for leasehold improvements, furniture and fixtures will be approximately \$470,000.

A&F expects that substantially all future capital expenditures will be funded by net cash provided by operating activities.

INFORMATION SYSTEMS AND "YEAR 2000" COMPLIANCE

A&F recently completed a comprehensive review of its information systems and is involved in a program to update computer systems and applications in preparation for the year 2000. A&F will incur internal staff costs as well as outside consulting and other expenditures related to this initiative. Total expenditures related to remediation, testing, conversion, replacement and upgrading system applications are expected to range from \$3.0 to \$4.0 million from 1997 through 2000. Total incremental expenses, including depreciation and amortization of new package systems, remediation to bring current systems into compliance and writing off legacy systems are not expected to have a material impact on A&F's financial condition in any year during the conversion process from 1997 through 2000.

A&F is attempting to contact vendors and others on whom it relies to ensure that their systems will be converted in a timely fashion. However, there can be no assurance that the systems of other companies on which A&F's systems rely will also be converted in a timely fashion or that any such failure to convert by another company would not have an adverse effect on A&F's systems. Furthermore, no assurance can be given that any or all of A&F's systems are or will be Year 2000 compliant, or that the ultimate costs required to address the Year 2000 issue or the impact of any failure to achieve substantial Year 2000 compliance will not have a material adverse effect on A&F's financial condition.

IMPACT OF INFLATION

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

ADOPTION OF NEW ACCOUNTING STANDARDS

During the fourth quarter of 1997, A&F adopted SFAS No. 128, "Earnings Per Share" which requires A&F to disclose basic and diluted earnings per share for all periods presented.

BUSINESS OF A&F

Abercrombie & Fitch is a rapidly growing specialty retailer of high-quality, casual apparel for men and women approximately 15 to 50 years of age. A&F's net sales have increased from \$85.3 million in 1992 to \$521.6 million in 1997, representing a compound annual growth rate of 44%. During this time, operating income has improved from an operating loss of \$10.2 million in 1992 to operating income of \$84.1 million in 1997, while the number of A&F stores in operation more than tripled, increasing from 40 at the end of 1992 to 156 at the end of 1997. A&F plans to continue this new store expansion program by opening 30 new stores in 1998 and by increasing the number of stores in operation by approximately 20% annually for the next several years thereafter.

The A&F brand was established in 1892 and became well known as a supplier of rugged, high-quality outdoor gear. Famous for outfitting the safaris of Teddy Roosevelt and Ernest Hemingway and the expeditions of Admiral Byrd to the North and South Poles, A&F goods were renowned for their durability and dependability--and A&F placed a premium on complete customer satisfaction with each item sold. In 1992, a new management team began repositioning A&F as a more fashion-oriented casual apparel business directed at men and women with a youthful lifestyle. In reestablishing the A&F brand, A&F combined its historical image for quality with a new emphasis on casual American style and youthfulness. A&F believes that this strategic decision has contributed to the strong growth and improved profitability it has experienced since 1992.

A&F estimates that the men's and women's apparel market generated approximately \$140 billion in retail purchases in 1997 and that men's and women's apparel total sales volume grew at a compound annual rate of approximately 4.4% between 1992 and 1997. A&F's compound annual growth of 44% during this period has outpaced that of the industry. A&F believes that the size of A&F's market, coupled with its business strengths and growth strategies, should provide significant opportunities for growth and increased market share in the future.

BUSINESS STRENGTHS

A&F believes that certain business strengths have contributed to its success in the past and will enable it to continue growing profitably.

- . Established and Differentiated Lifestyle Brand. A&F has created a focused and differentiated brand image based on quality, youthfulness and classic American style. This image is consistently communicated through all aspects of A&F's business, including merchandise assortments, in-store marketing, print advertising and the recently introduced A&F Quarterly, a catalog/magazine. A&F believes that the strength of the A&F brand provides opportunities for increased penetration of current merchandise categories and entry into new product categories.
- . Broad and Growing Appeal. A&F's merchandise assortment appeals to a broad range of customers with varying ages and income levels. A&F believes that both men and women interested in casual, classic American fashion are attracted to the A&F lifestyle image. A&F also believes that the brand's broad appeal has been augmented by, and should continue to benefit from, the current trend in fashion toward casual apparel.
- . Proven Management Team. Since the current management team assumed responsibility in 1992, A&F has increased the level of brand awareness and consistently reported improved financial results. In addition, A&F's senior management has significant experience, with an aggregate of over one hundred years in the retail business. A&F believes that management's substantial experience and demonstrated track record of highly profitable growth strongly positions A&F for the future.

- . Consistent Store Level Execution. A&F believes that a major element of its success is the consistent store level execution of its brand strategy. Store presentation is tightly controlled by A&F and is based on a detailed and comprehensive store plan regarding visual merchandising, marketing and fixtures to assure that all stores provide a consistent portrayal of the brand. Store associates are trained as "brand representatives" who convey and reinforce the brand image through their attitude and enthusiasm.
- . Quality. Since its founding over 100 years ago, A&F has maintained a strong reputation for quality. This reputation has been enhanced in recent years as management has made quality a defining element of the brand. A&F sources high quality natural fabrics from around the world and uses distinctive trim details and specialized washes to achieve a unique style and comfort in its products. As part of this focus on quality, A&F establishes on-going relationships with key factories to ensure reliability and consistency of production.
- . Internal Design and Merchandising Capabilities. The cornerstone of A&F's business is its ability to design products which embody the A&F image. A&F develops substantially all of its merchandise line through its own design group, which allows it to develop exclusive merchandise and offer a consistent assortment within a season and from year to year. In addition, because A&F's merchandise is sold exclusively in its own stores, A&F is able to control the presentation and pricing of its merchandise, provide a higher level of customer service and closely monitor retail sell-through, which provides competitive advantages over other brand manufacturers that market their goods through department stores.

GROWTH STRATEGY

A&F has implemented a growth strategy designed to permit A&F to capitalize on its business strengths. The principal elements of A&F's growth strategy are summarized below:

- . New Store Growth. Beginning in 1993, A&F began its store expansion program. Since then, A&F has opened 121 stores and plans to continue this store expansion program by opening 30 new stores in 1998 and increasing the number of stores in operation by approximately 20% annually for the next several years thereafter. While most stores to be opened in 1998 will be in regional shopping malls, A&F believes that selected street locations in university and high-traffic urban settings also provide attractive expansion opportunities. Given the strength of the A&F brand and its customer demographics, management believes that, in the current format, there will be approximately 250 additional mall and street location sites available for new stores.
- . Further Penetration of Existing Merchandise Categories. Management believes that A&F's ability to design and market new merchandise quickly and effectively has been a key element of its success. In recent years A&F has significantly broadened its assortment in existing categories in order to increase volume and productivity. Key classifications such as sweaters, knits, pants and outerwear have been expanded, and new categories such as men's and women's underwear/loungewear have been added. As a result of A&F broadening its product mix, it has been able to flow fresh merchandise to the stores on a more frequent basis. In 1998 and beyond, A&F will continue to focus on building its core classifications to drive the volume growth of the business.
- . Introduction of New Business Concepts. A&F believes that it can successfully extend the A&F brand into new merchandise categories to further increase sales and profit growth. In 1997 A&F introduced A&F Quarterly, a catalog/magazine, to enhance and reinforce the A&F brand image. In 1998 A&F will also begin testing a kids' business. The initial test will include 10-15 stores in major regional malls. Future openings will be determined based on the results of the initial test.

A&F STORES

STORE ENVIRONMENT

A&F stores and point-of-sale marketing are designed to convey the principal elements and personality of the brand--quality, casual American fashion and a youthful lifestyle. The store design, furniture, fixtures and music are all carefully planned and coordinated to create a shopping experience that is consistent with the A&F lifestyle. A&F's in-store photographs are also principal components in creating and enhancing the casual, energized environment of the stores. These photographs, which are enlarged and displayed prominently throughout the stores, contain distinctive black and white images of men and women engaged in activities identified with an active, fun lifestyle. A&F believes that its customers experience the A&F stores as entertaining destinations, in which they feel welcomed and comfortable.

A&F's sales associates, or brand representatives, are a central element in creating the entertaining, yet comfortable, atmosphere of the stores. In addition to providing a high level of customer service, the brand representatives reflect the casual, energetic attitude of the A&F brand and culture. In conjunction with other components of the store environment, A&F believes its brand representatives significantly contribute to a store atmosphere that is consistent with a gathering among friends.

A&F maintains a uniform appearance throughout its store base, in terms of merchandise display and location on the selling floor. Store managers receive detailed store plans that dictate fixture and merchandise placement to ensure uniform execution of the merchandising strategy at the store level. Standardization of store design and merchandise presentation also creates cost savings in store furnishings, maximizes usage and productivity of selling space and allows A&F to efficiently open new stores. In Fall 1996, A&F introduced a new, more sophisticated store prototype that seeks to further stress the casual, youthful nature of the A&F brand accomplished in part through the use of lighter colors throughout the store and wood floors.

STORE EXPANSION PROGRAM

A&F stores are located principally in regional shopping malls. At February 10, 1998, A&F operated 156 stores nationwide, averaging 7,910 selling square feet. See "--Properties" on page 76 for a listing of store locations by state. The table below highlights the store expansion strategy pursued by A&F:

FISCAL YEAR	STORES OPEN	STORES OPENED	STORES CLOSED	STORES OPEN	TOTAL	AVERAGE STORE
	AT BEGINNING OF	DURING	DURING	AT END OF		SELLING SPACE
	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR	SELLING SPACE	AT END OF
						FISCAL YEAR
					(000'S	
					SQ. FT.)	(SQ. FT.)
1993.....	40	9	--	49	405	8,265
1994.....	49	20	2	67	541	8,075
1995.....	67	33	--	100	792	7,920
1996.....	100	29	2	127	1,006	7,921
1997.....	127	30	1	156	1,234	7,910

A&F plans to open 30 stores in 1998 (none of which have been opened to date) and increase the number of stores in operation by approximately 20% annually for the next several years thereafter. While most of the stores to be opened in 1998 will be in regional shopping malls, A&F believes that selected street locations in university and high-traffic urban settings also provide attractive expansion opportunities. In evaluating real estate locations A&F considers a variety of criteria. Regional malls are measured based on strength of anchor stores, the fashion and quality mix of other specialty tenants and population and income characteristics of the surrounding area. Non-mall locations are assessed in terms of strength of other nearby specialty stores, and whether the shopping area attracts a

customer mix consistent with the lifestyle characteristics targeted by the brand. Additionally, A&F will be testing a kids' business in 10-15 stores in 1998.

A key element of A&F's new store strategy is to open new stores with trained managers in place. A&F targets that all managers of new stores have prior experience in other A&F stores in either the manager or assistant manager position.

NEW STORE ECONOMICS

The new A&F stores that were opened in 1996 averaged \$3.6 million in net sales in 1997 and produced net sales per selling square foot of approximately \$445. The average cost for leasehold improvements, furniture and fixtures for these stores was approximately \$750,000 per store, after giving effect to landlord allowances. Inventory purchases for such stores averaged \$265,000 per store. These stores generated an average after-tax return on investment (after-tax four wall contribution divided by capital investment and average inventory) of approximately 65% in 1997.

A&F estimates that the average cost for leasehold improvements, furniture and fixtures for stores to be opened in 1998 will be approximately \$750,000 per store, after giving effect to landlord allowances. Average pre-opening costs per store, which will be expensed as incurred, are expected to be less than \$30,000. In addition, inventory purchases are expected to average approximately \$275,000 per store.

A&F's stores have typically exceeded management's store operating profitability and return on asset targets during the first year of operation.

MERCHANDISING

PRODUCT MIX

A&F designs and sells all of its merchandise under its proprietary A&F brand. The merchandise assortment covers a broad range of classifications in men's and women's casual apparel. In addition, A&F offers a broad range of accessories that includes belts, socks, caps, boxers, underwear and personal care products.

The following table sets forth A&F's merchandise mix by major category as a percentage of net sales for the years 1995-1997.

	1995	1996	1997
	-----	-----	-----
Men's.....	60.2%	56.0%	54.4%
Women's.....	39.8	44.0	45.6
Total Company.....	100.0%	100.0%	100.0%

Over the past several years, A&F has increased the square footage and the size of the merchandise offering devoted to women's sportswear, which has resulted in an increase in the women's business as a percentage of total net sales.

A&F believes that there are major opportunities to increase volume through both increased penetration of the existing classifications and adding new merchandise classifications. Management believes that A&F's ability to design and market new merchandise quickly and effectively has been a key element of its success. In recent years A&F has significantly broadened its assortment in existing categories in order to increase volume and productivity.

A&F believes it can extend the A&F brand into new merchandise categories and further increase sales productivity and growth. A&F believes that its internal design capability will continue to develop new merchandise categories to reflect the A&F image.

A&F's point-of-sale information system allows management to track the performance of merchandise items on a stock-keeping unit or "SKU" basis. Reorder "triggers" are used to replenish inventory of strong selling items. In addition, performance by store at a SKU level is tracked to allow inventory to be replenished based on differences in selling trends by store.

PRODUCT DESIGN

The cornerstone of A&F's business is its ability to design products which embody the A&F image of a casual, youthful lifestyle. Since the new management team joined A&F in 1992, a major strategy has been to build an internal design group. The product development process begins with senior management in the merchandising and design areas, who develop seasonal merchandise themes and concepts. These concepts are used to create line lists of items that are then developed by the designers. Designs cover not only fabric content, specifications and colors, but also labels, hangtags and other descriptive marketing. In developing concepts and designs, A&F's executives identify trends through domestic and foreign travel, retail shopping and awareness of activities favored by the young, active segment of the population.

PRODUCT QUALITY

Throughout its over 100 year history, quality has been a major element of the A&F brand. A&F strives to offer distinct, high quality merchandise in order to enhance customer satisfaction and increase brand loyalty. A&F emphasizes natural fibers and uses a number of different washes to achieve the desired comfort and hand-feel in its products. A&F's designers also place significant importance on developing distinctive trim details. Many of the products have unique buttons, pocket detailing, labels, graphic designs and hangtags. As part of this focus on quality, A&F establishes on-going relationships with key factories to ensure reliability and consistency of production. All factories used for A&F's production are approved for quality and dependability by senior management before orders are placed.

MARKETING AND PROMOTION

A&F's marketing and promotional strategies are consistent with its established and differentiated lifestyle brand. The significant brand equity in the A&F name enables A&F to maintain a non-promotional price strategy in most of its merchandise classifications throughout the year. A&F conducts four promotional events each year. These events are intended to clear seasonal goods in advance of introducing new full-priced assortments and returning the stores to their generally non-promotional status. A&F's pricing strategy is designed to deliver the quality consistent with designer brands at price points below those typically associated with such designers.

A&F focuses its advertising efforts on in-store displays and print media. In-store advertising includes a series of distinctive black and white photographs that are enlarged and prominently displayed throughout the stores. These photographs portray men and women engaged in activities identified with an active and spirited lifestyle and connote the timeless quality associated with the A&F brand. Print media advertising is focused on selected national publications and, as with the in-store photographs, communicates and reinforces the A&F brand image.

In addition, A&F introduced the A&F Quarterly, a catalog/magazine, to further enhance and build the brand image. The A&F Quarterly features numerous lifestyle photographs (consistent with the in-store photographs) in addition to editorial features on seasonal topics. Merchandise presented in the A&F Quarterly is also found in the stores.

The A&F website was introduced in 1996 and has evolved into a lifestyle piece targeted at the A&F customer. The site uses images from the A&F stores and the A&F Quarterly and is interactive.

ASSOCIATES

Customer service is a defining feature of the A&F corporate culture. A&F believes that knowledgeable and enthusiastic sales associates have a direct impact on a customer's perception of the brand. Accordingly, A&F focuses significant resources on the selection and training of sales associates. A&F stresses the role of these sales associates as "brand representatives", and they are expected to reflect the lifestyle image of the brand. Brand representatives are required to be familiar with the full range of A&F merchandise and to have the ability to assist customers with merchandise selection. A&F minimizes brand representatives' time spent on administrative functions by centrally determining merchandise display and replenishment, markdowns and labor scheduling. By emphasizing friendliness, product knowledge and personal attention, management believes that A&F has established a reputation for excellent customer service.

The typical management of an A&F store consists of one store manager and three to five assistant managers. A&F compensates its district and store managers with a base salary plus a performance bonus based primarily on store sales. A&F's store, district and regional managers spend a majority of their work week on A&F selling floors, providing leadership through coaching the staff and assisting customers.

At January 31, 1998, A&F had approximately 6,700 associates, of whom approximately 500 were full-time salaried associates and approximately 700 were full-time hourly associates. A significant number of associates are hired on a seasonal basis to meet demand during holiday gift-buying seasons. The balance were part-time hourly associates. None of A&F's associates is represented by a labor union. A&F believes that its relationship with its associates is good.

SOURCING

A&F utilizes a variety of sourcing arrangements. Mast Industries, Inc. ("Mast"), a wholly owned subsidiary of The Limited, supplied approximately 41% of the apparel purchased by A&F in 1997. A&F believes all transactions entered into with Mast are on an arm's-length basis, and A&F is not obligated to source product through Mast. As Mast generally has operated as if it were an unrelated party, A&F does not expect that its sourcing arrangements with Mast will be affected in any material respect by the Transactions.

In 1997, approximately 39% of A&F's merchandise was sourced from independent foreign factories located primarily in the Far East. A&F has no long-term merchandise supply contracts and many of its imports are subject to existing or potential duties, tariffs or quotas that may limit the quantity of certain types of goods which may be imported into the United States from countries in that region. A&F competes with other companies for production facilities and import quota capacity. In addition, although the General Agreement on Tariffs and Trade ("GATT") adopted on December 8, 1994 requires the elimination of duties, tariffs and quotas on apparel and textile products by January 1, 2005, the GATT treaty is not expected to have any meaningful effect on the import of merchandise used in A&F's business for several years. A&F attempts to monitor manufacturing to ensure that no one company or country is responsible for a disproportional amount of A&F's merchandise. A&F typically transacts business on an order-by-order basis and does not maintain any long-term or exclusive commitments or arrangements to purchase from any vendor. A&F believes that it has good relationships with its vendors and that, as the number of its stores increases, there will be adequate sources to produce a sufficient supply of quality goods in a timely manner and on satisfactory economic terms. See "Risk Factors--Risk Factors Regarding A&F" on page 18.

CENTRAL STORE PLANNING

A&F's store design and construction operations are handled centrally by the Store Planning division of The Limited ("Limited Store Planning"). Limited Store Planning is organized into teams

comprised of designers, construction managers, architects, purchasing agents and financial personnel who are responsible for all phases of store design and construction. Teams are assigned to work with the senior management of a specific retail business (including A&F) to develop and implement store designs that are consistent with and promote the image of a given retail business. A&F and The Limited are parties to an agreement pursuant to which The Limited provides such services to A&F. The Limited's obligation to provide these services will terminate one year after the consummation of the Exchange Offer. For additional information with respect to the arrangements between A&F and The Limited, see "Relationship between The Limited and A&F--Services Agreement" on page 97.

CENTRAL REAL ESTATE MANAGEMENT

A&F's real estate operations, including all aspects of lease negotiations, are handled by the real estate division of The Limited. A&F and The Limited are parties to an agreement pursuant to which The Limited provides such services to A&F. The Limited's obligation to provide these services will terminate one year after the consummation of the Exchange Offer. For additional information with respect to the arrangements between A&F and The Limited, see "Relationship between The Limited and A&F--Services Agreement" on page 97.

Potential new stores, locations, expansions and relocations are identified by A&F and by The Limited's real estate division. In choosing new sites for retail stores, The Limited's real estate division provides financial details regarding the proposed lease arrangement to A&F, which then evaluates the net required investment and potential rates of return relative to A&F's established hurdle rates before the store is approved for construction. The actual construction of the store is managed by Limited Store Planning. Although the real estate division retains control over the allocation of space within a given mall among the various retail businesses of The Limited, including A&F, each individual business is entitled to reject any transaction negotiated by the real estate division of The Limited. Real estate decisions are based on a number of factors, including consistency with a given business image, sales and profit potential, the overall economic condition and demographic characteristics of the market, the identity of the other tenants in close proximity and the availability of acceptable lease terms.

MERCHANDISE DISTRIBUTION

A&F's distribution operations are managed in a distribution center owned by The Limited and subleased to A&F. See "Relationship between The Limited and A&F--Sublease Agreement" on page 97. The distribution center is located in Reynoldsburg, Ohio. Once received at the distribution center, merchandise is inspected, packed for delivery to the stores and forwarded to a central shipping facility operated by Limited Distribution Services ("LDS"), a subsidiary of The Limited, which also provides certain engineering services to the distribution center.

LDS also maintains a worldwide logistics network of agents and space availability arrangements to support the in-bound movement of merchandise into the distribution center. The out-bound shipping system consists of common carrier line haul routes connecting the distribution center to a network of delivery agents. This system allows each store operated by A&F to receive several deliveries each week and daily during the peak holiday shopping season, which A&F believes is more frequent than A&F's smaller competitors. LDS does not own or operate trucks or trucking facilities. A&F and The Limited are parties to an agreement pursuant to which LDS provides such services to A&F on a basis consistent with past practices. The Limited's obligation to provide these services will terminate three years after the consummation of the Exchange Offer. For additional information with respect to the arrangements between A&F and The Limited, see "Relationship between The Limited and A&F--Services Agreement" on page 97.

MANAGEMENT INFORMATION SYSTEMS

A&F's management information systems and electronic data processing systems consist of a full range of retail, financial and merchandising systems, including credit, inventory distribution and control, sales reporting, accounts payable, merchandise reporting and distribution. A&F has an information system that is uniquely structured to the needs of its particular business. Certain of the equipment used in the management information systems is owned by The Limited. A&F and The Limited are parties to an agreement pursuant to which A&F uses such equipment. The Limited's obligation to provide these services will terminate one year after the consummation of the Exchange Offer. For additional information with respect to the arrangements between A&F and The Limited, see "Relationship between The Limited and A&F--Services Agreement" on page 97.

Sales are updated daily in the merchandise reporting systems by polling sales information from each store's point-of-sale ("POS") terminals. A&F's POS system consists of registers providing price look-up, scanning of bar-coded tickets and credit authorization. Through automated nightly two-way electronic communication with each store, sales information, payroll hours and store initiated transfers are uploaded to the host system, and price changes are downloaded through the POS devices. The nightly communication with the stores also enables A&F to receive store transfer and physical inventory details and send electronic mail. A&F evaluates information obtained through daily reporting to implement merchandising decisions regarding markdowns and allocation of merchandise.

TRADEMARKS AND SERVICEMARKS

A subsidiary of A&F is the owner in the United States of the Abercrombie & Fitch trademark (the "Name Mark"). The Name Mark of A&F is registered in the United States Patent and Trademark Office. The term of this registration is ten years, and it is renewable for additional ten-year periods indefinitely, so long as the mark is still in use at the time of renewal. A&F's rights in its Name Mark are a significant part of A&F's business. A&F, therefore, intends to maintain its Name Mark and its registration. A&F is not aware of any claims of infringement or other challenges to A&F's right to register or use its Name Mark in the United States.

Another subsidiary is the owner in the United States of trademarks and service marks used to identify A&F's merchandise and services, other than its Name Mark (the "Merchandise Marks"). Many of the Merchandise Marks of A&F are registered in the United States Patent and Trademark Office. The Merchandise Marks are important to A&F, and, therefore, A&F intends to, directly or indirectly, maintain these marks and their registrations. However, A&F may choose not to renew a registration of one or more of its Merchandise Marks if it determines that the mark is no longer important to its business. A&F does not believe any material claims of infringement or other challenges to A&F's right to register or use its Merchandise Marks in the United States in a manner consistent with its current practices are pending.

A&F also conducts business in foreign countries principally as a result of the fact that a substantial portion of its merchandise is manufactured outside the United States. A&F believes its subsidiaries own registrations of its Name Mark and Merchandise Marks in numerous foreign countries to the degree necessary to protect such marks, although there may be restrictions on the use of certain of A&F's marks in a limited number of foreign jurisdictions.

A&F has not licensed any of its trademarks or service marks to any other entity, although, for so long as A&F remains a subsidiary of The Limited and for approximately one year after the consummation of the Transaction, The Limited will be entitled to use A&F's trademarks and service marks at no cost to The Limited in The Limited's annual report to stockholders and publicity materials and for other similar purposes.

COMPETITION

All aspects of A&F's businesses are highly competitive. A&F competes primarily with department stores, mass merchandisers and other specialty retailers, including The Limited. See "Risk Factors--Risk Factors Regarding A&F--Competition with The Limited" on page 18. A&F believes that the principal bases upon which it competes are quality, fashion, service, selection and price.

A&F believes that it has significant competitive advantages because of high consumer recognition and acceptance of its brand name and its strong presence in the major shopping malls in the United States, and the experience of its management team. Certain of A&F's competitors in selected product lines are larger and have greater financial, marketing and other resources than A&F, however, and there can be no assurance that A&F will be able to compete successfully with them in the future.

PROPERTIES

The main offices of A&F are located in Reynoldsburg, Ohio. These headquarters are owned by The Limited and subleased to A&F. A&F also has a distribution center located in Reynoldsburg, Ohio which is owned by The Limited and subleased to A&F. A&F believes that its facilities are well maintained, in good operating condition and adequate for its current needs. See "Relationship between The Limited and A&F--Sublease Agreement" on page 97.

As of February 10, 1998, A&F operated 156 stores, which are located primarily in shopping malls throughout the United States. Of these stores, 154 were leased directly from third parties (principally shopping mall developers) and two were leased from retail stores operated by other businesses of The Limited. See "Relationship between The Limited and A&F--Shared Facilities Agreements" on page 97. A&F believes that, as of February 10, 1998, approximately 97.0% of its stores are located in shopping malls, and that there are growth opportunities for expansion to free-standing locations.

Leases with third parties are typically between 10 and 15 years in duration. In most cases, the business unit pays an annual base rent plus a contingent rent based on the store's annual sales in excess of a specified threshold. Leases with other businesses of The Limited are on terms that represent the proportionate share of the base rent payable in accordance with the underlying lease plus the portion of any contingent rent payable in accordance with the underlying lease attributable to the performance of A&F. Many of the leases entered into by A&F are guaranteed by The Limited. A&F management believes that its size and financial strength should allow it to enter into leases on attractive terms without guarantees from The Limited, and, following the consummation of the Exchange Offer, The Limited will not guarantee new A&F leases.

The list below sets forth the number of stores by state operated by A&F in the United States and the cities in which A&F stores are located as of February 10, 1998:

ALABAMA--2 Birmingham Hoover	Oakbrook Orland Park Schaumburg	MISSISSIPPI--1 Ridgeland	Strongsville Toledo
		MISSOURI--3	OKLAHOMA--2
ARIZONA--2 Mesa Scottsdale	Skokie Vernon Hills INDIANA--3	Chesterfield Kansas City St. Louis	Oklahoma City Tulsa
			OREGON--1
ARKANSAS--1 Little Rock	Evansville Indianapolis (2)	NEBRASKA--1 Omaha	Tigard
			PENNSYLVANIA--7
CALIFORNIA--10 Costa Mesa Glendale Los Angeles Redondo Beach Sacramento San Diego (2) San Francisco (2) San Mateo	KANSAS--3 Lawrence Leawood Overland Park KENTUCKY--2 Lexington Louisville LOUISIANA--2	NEVADA--2 Las Vegas NEW HAMPSHIRE--2 Nashua Salem NEW JERSEY--6 Cherry Hill Edison	King of Prussia Langhorn Monroeville Pittsburgh (2) Whitehall Willow Grove SOUTH CAROLINA--2
COLORADO--6 Boulder Colorado Springs Denver (4)	Baton Rouge New Orleans MARYLAND--3 Bethesda Owings Mills	Freehold Paramus Short Hills Wayne	Charleston Greenville TENNESSEE--4 Chattanooga
CONNECTICUT--4 Danbury Farmington Milford Stamford	Towson MASSACHUSETTS--9 Boston Braintree Burlington	NEW MEXICO--1 Albuquerque NEW YORK--10 Albany (2) Buffalo	Knoxville Memphis Nashville TEXAS--9 Austin
DISTRICT OF COLUMBIA--1	Cambridge	Garden City Manhasset	Cedar Park Dallas (2)
FLORIDA--6 Altamonte Springs Brandon Miami (2) Orlando W. Palm Beach	Chestnut Hill Holyoke Marlborough Natick Peabody MICHIGAN--7	New York City Rochester Staten Island Victor White Plains NORTH CAROLINA--5	Fort Worth Houston San Antonio Sugar Land The Woodlands VIRGINIA--5
GEORGIA--7 Alpharetta Atlanta (3) Duluth Kennesaw Savannah	Ann Arbor Grand Rapids Novi Okemos Portage Sterling Heights Troy	Charlotte Durham Greensboro Raleigh Winston Salem OHIO--9	Arlington Fairfax McLean Richmond Virginia Beach WASHINGTON--4
ILLINOIS--8 Aurora Chicago Northbrook	MINNESOTA--3 Bloomington Minnetonka Roseville	Beachwood Beaver Creek Cincinnati (2) Cleveland Columbus (2)	Bellevue Lynnwood Redmond Seattle WISCONSIN--3 Appleton Madison Wauwatosa

BUSINESS OF THE LIMITED

The Limited is one of the nation's leading mall-based specialty retailers. As of January 31, 1998, The Limited, through Express, Lerner New York, Lane Bryant, Limited Stores, Structure, Limited Too, Galyan's and Henri Bendel operates 3,774 specialty stores. The Limited also owns approximately 83% of Intimate Brands which, through Victoria's Secret and Bath & Body Works stores, operates 1,710 specialty stores as of February 10, 1998, and distributes apparel internationally through the Victoria's Secret Catalogue. The Limited currently owns approximately 84% of A&F, which operates 156 stores as of February 10, 1998, but will no longer own any of A&F upon the consummation of the Transactions.

Intimate Brands is a leading specialty retailer of intimate apparel and personal care products, operating primarily under its Victoria's Secret and Bath & Body Works brand names. Under the Victoria's Secret name, The Limited is the leading mall-based specialty retailer of women's intimate apparel and related products, and a leading catalogue retailer of intimate and other women's apparel. Victoria's Secret operates over 780 stores nationwide and in 1997 mailed approximately 425 million catalogues. Under the Bath & Body Works name, The Limited is the leading mall-based specialty retailer of personal care products. Launched in 1990, Bath & Body Works operates over 920 stores nationwide. Intimate Brands had net sales of approximately \$3.6 billion in 1997.

Express is a leading specialty retailer of women's sportswear and accessories. Express' strategy is to offer, under the Express brand, an exciting collection of quality sportswear designed to appeal to a broad range of young-minded, spirited women looking for the latest in current fashion. Launched in 1980, Express had net sales of approximately \$1.2 billion in 1997 and operated 753 stores in 48 states.

Lerner New York is a leading mall-based specialty store retailer of value priced women's apparel. The division's repositioned merchandising strategy is to be the leading fashion-at-a-value women's specialty retailer offering its customer a fashion-coordinated flexible wardrobe at opening price points. Originally founded in 1918, Lerner New York was purchased by The Limited in 1985. Lerner New York had net sales of approximately \$946 million in 1997 and operated 746 stores in 45 states.

Lane Bryant is a leading specialty store retailer of large-size women's apparel. The division targets fashion-conscious women who are seeking moderately-priced clothing in sizes 14-28. Originally founded in 1900, Lane Bryant was acquired by the Limited in 1982. The division had net sales of approximately \$907 million in 1997 and operated 773 stores in 46 states.

Limited Stores is one of the oldest and largest mall-based specialty store retailers. In early 1995, the division repositioned its merchandising strategy to focus its historically strong brand name on an "American Lifestyle" point of view, targeting fashion-oriented women who prefer a classic and comfortable wardrobe and seek consistency in style, taste, quality and fit. Founded in 1963, Limited Stores had net sales of approximately \$776 million in 1997 and operated 629 stores in 46 states.

Structure is a leading mall-based specialty retailer of men's clothing. Structure targets men with an active, outdoor-oriented lifestyle. In 1996, Structure repositioned its strategy by returning to classic American casual fashion. Structure operates 544 stores in 43 states and had net sales of \$660 million in 1997.

Limited Too, established in 1987, sells casual clothes for girls up to fourteen years of age through 312 stores. Limited Too had net sales of \$322 million in 1997.

Galyan's is a leading rapidly-growing operator of full-line sporting goods and apparel superstores in the midwestern United States. At November 1, 1997, Galyan's operated eleven stores in four

markets. Galyan's targets upscale sports enthusiasts and the high-end of the consumer market. Galyan's, which was acquired by The Limited in July 1995, was founded by Albert W. Galyan in 1946 and had net sales of \$160 million in 1997.

Henri Bendel operates specialty stores which feature better, bridge and designer women's fashions in an exclusive, eclectic shopping environment. The business was purchased by The Limited in 1988 and had net sales of approximately \$83 million in 1997. The Limited has announced that it will close all Henri Bendel locations other than its New York City store.

MANAGEMENT OF A&F

BOARD OF DIRECTORS

A&F's Board of Directors currently consists of Messrs. Leslie H. Wexner, Chairman of A&F and Chairman, President and Chief Executive Officer of The Limited; Kenneth B. Gilman, Vice Chairman of A&F and Chief Administrative Officer of The Limited; Michael S. Jeffries, President and Chief Executive Officer of A&F; Roger D. Blackwell, Professor of Marketing at The Ohio State University and President and Chief Executive Officer of Roger D. Blackwell Associates, Inc.; E. Gordon Gee, President of Brown University; and Donald B. Shackelford, Chairman and Chief Executive Officer of State Savings Bank.

Effective upon the consummation of the Exchange Offer, all directors other than Mr. Jeffries will resign and be replaced by the following new directors not affiliated with The Limited.

NAME ----	AGE ---	BUSINESS EXPERIENCE -----
GEORGE FOOS.....	77	Mr. Foos has been a management consultant focusing on retail chains and apparel manufacturers since 1989. Prior thereto, he has served as Chairman of the Board of Emporium Capwell Department Stores and President and Chief Executive Officer of May Department Stores, Southern California.
JOHN A. GOLDEN.....	53	Mr. Golden has been a limited partner of Goldman Sachs Group L.P. since 1994 and a general partner prior thereto. Mr. Golden is also a member of the Board of Trustees of Colgate University.
SETH R. JOHNSON.....	44	Mr. Johnson has been Vice President and Chief Financial Officer of A&F since 1992. Mr. Johnson was Director of Financial Analysis of The Limited from 1989 until 1992 and was Director of Financial Reporting of the Limited Stores, Inc., from 1986 until 1989.
JOHN W. KESSLER.....	62	Mr. Kessler has been the Chairman of New Albany Co. since 1988, Chairman of Marsh & McLennan Real Estate Advisors, Inc. (a real estate consulting firm) since 1980 and Chairman of the John W. Kessler Company (a real estate development company) since 1975. Mr. Kessler has also been a director of Banc One since 1995.
SAM N. SHAHID, JR...	57	Mr. Shahid has been President and Creative Director of Shahid & Company, Inc., an advertising and design agency, since 1993. Prior thereto, he has served as Vice President and Creative Director of Banana Republic Advertising (an in-house agency for Banana Republic) and Vice President and Creative Director of CRK Advertising (an in-house agency for Calvin Klein).
DOUGLAS L. WILLIAMS.	44	Mr. Williams has been a partner in the Columbus office of Vorys, Sater, Seymour and Pease LLP since 1993. Mr. Williams is also a member of the Board of the United Way and the Children's Defense Fund for the State of Ohio. Prior to joining Vorys, Sater, Mr. Williams was a partner at the firm of Schwartz, Kelm, Warren & Rubenstein.

EXECUTIVE OFFICERS

In addition to Mr. Johnson, Mr. Jeffries and Michele Donnan-Martin also serve as executive officers of A&F. Michael S. Jeffries, age 53, a director of A&F, has been President and Chief Executive Officer of A&F since February, 1992. Ms. Donnan-Martin, age 34, has been Vice President--General Merchandising Manager--Women's of A&F since February, 1996 and for three and one-half years prior thereto held the position of Vice-President Women's Merchandising of A&F.

EXECUTIVE COMPENSATION FOR A&F

SUMMARY COMPENSATION TABLE

The following table provides information concerning compensation paid by A&F (except, as noted below, for executive officers Wexner and Gilman, whose compensation was paid by The Limited in the years noted) to each of the named executive officers of A&F for its last two fiscal years and by The Limited for fiscal year 1995 and that portion of the 1996 fiscal year prior to the consummation of the A&F IPO.

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION (1)	FISCAL YEAR	ANNUAL COMPENSATION		LONG-TERM COMPENSATION AWARDS		
		SALARY (\$)	BONUS (2) (\$)	RESTRICTED STOCK AWARDS (3) (\$)	SECURITIES UNDERLYING OPTIONS AWARDED (#)	ALL OTHER COMPENSATION (4) (\$)
Leslie H. Wexner Chairman of the Board	1997	\$1,000,000	\$1,861,560	--	1,600,000(5)	\$135,296
	1996	1,011,538	915,000	--	200,000(5)	151,629
	1995	1,150,000	768,315	--	100,000(6)	148,436
Kenneth B. Gilman Vice Chairman	1997	900,000	1,228,630	\$6,220,313(5)	500,000(5)	195,094
	1996	903,846	603,900	--	50,000(5)	187,192
	1995	941,935	449,820	--	50,000(6)	190,772
Michael S. Jeffries President and Chief Executive Officer	1997	596,154	1,200,000	8,000,000(7)	1,000,000(7)	190,184
	1996	546,154	990,275	1,060,478(7)	130,000(7)	140,380
	1995	491,700	426,300	93,366(5)	25,000(5)	104,772
Michele S. Donnan-Martin Vice President--General Merchandising Manager-- Women's	1997	320,000	390,000	159,393(5)	12,000(5)	66,453
	1996	256,923	234,065	311,250(7)	225,000(7)	46,657
	1995	217,510	107,184	203,203(7)	28,000(7)	36,051
Seth R. Johnson Vice President--Chief Financial Officer	1997	261,923	265,000	26,566(5)	5,000(5)	55,010
	1996	223,077	202,556	186,750(7)	175,000(7)	45,873
	1995	198,340	97,440	43,203(7)	6,500(7)	39,854

(1) Executive officers Wexner and Gilman are also employed by The Limited and received no direct compensation from A&F. The annual base salary and annual bonus opportunity for executive officers Wexner and Gilman in respect of their service with The Limited and its affiliates were determined by The Limited's Compensation Committee and were paid by The Limited.

(2) Represents for each fiscal year, the aggregate of the performance-based incentive compensation for the Spring and Fall selling seasons.

(3) Represents for each executive officer, the restricted stock awards for the specified fiscal year under A&F's 1996 Stock Option and Performance Incentive Plan for awards of A&F Common Stock and under The Limited, Inc. 1993 Stock Option and Performance Incentive Plan for awards of Limited Common Stock. Information set forth above is based on the closing price of the stated common stock on the date on which the awards were made.

On February 1, 1998, 10,000 and 6,000 restricted shares of A&F Common Stock were granted to executive officers Donnan-Martin and Johnson, respectively, based on business performance for the fiscal 1997 year. The per share value of A&F Common Stock on the then most recent prior date on which there were sales (January 30, 1998) was \$31.125. This award vests 10% on the grant date, and 20%, 30% and 40% on the first through third anniversaries of the grant date, in each case, subject to the holder's continued employment with A&F.

On May 20, 1997, 300,000 restricted shares of Limited Common Stock were granted to Mr. Gilman. The per share value of Limited Common Stock on such date was \$19.50. This award is earned subject to established financial performance measures and once earned, vests 10%, 10%, 10%, 15%, 20% and 35% on the first through sixth anniversaries of the grant date, respectively, subject to continued employment with The Limited.

On May 13, 1997, 500,000 restricted shares of A&F Common Stock were granted to Mr. Jeffries. The per share value of A&F Common Stock on such date was \$16.00. This award is earned subject to established financial performance measures and once earned, vests over six years, subject to continued employment with A&F.

On March 25, 1997, 19,750 restricted shares of Limited Common Stock were granted to Mr. Gilman. The per share value of Limited Common Stock on such date was \$18.75. This award vests 100% one year from the grant date, subject to continued employment with The Limited.

On February 1, 1997, 24,762, 3,142 and 3,142 restricted stock performance awards of A&F Common Stock were granted to executive officers Jeffries, Donnan-Martin and Johnson, respectively. The per share value of A&F Common Stock on Friday, January 31, 1997 was \$13.75. On August 1, 1996, 4,788, 798 and 798 restricted stock performance awards of Limited Common Stock were granted to executive officers Jeffries, Donnan-Martin and Johnson, respectively. The per share value of Limited Common Stock on such date was \$19.50. These awards, which are in respect of 1996 performance, generally vest 10% on the grant date and 20%, 30% and 40% on the first through third anniversaries of the grant date, in each case, subject to the holder's continued employment with A&F.

On September 25, 1996, 45,000 and 4,500 restricted shares of A&F Common Stock were awarded to executive officers Jeffries and Donnan-Martin, respectively, in consideration of the cancellation of Mr. Jeffries' March 1, 1994 and Ms. Donnan-Martin's February 2, 1996 grant of restricted shares of Limited Common Stock. These awards to Mr. Jeffries and Ms. Donnan-Martin vest 100% on March 1, 1999 and February 2, 2001, respectively, subject to continued employment. Also, on September 25, 1996, 5,500 restricted shares of A&F Common Stock were awarded to Ms. Donnan-Martin. Such shares vest 100% five years from the grant date, subject to continued employment with A&F. The per share value of A&F Common Stock on such date was the A&F IPO price of \$16.00 per share.

On February 1, 1996, 9,516, 1,586 and 1,586 restricted stock performance awards of Limited Common Stock were granted to executive officers Jeffries, Donnan-Martin and Johnson, respectively, in respect of 1995 performance. The per share value of Limited Common Stock on such date was \$16.75. These awards generally vest 10% on the grant date and 20%, 30% and 40% on the first through third anniversaries of the grant date, in each case subject to the holder's continued employment with A&F.

As of January 31, 1998, the aggregate holdings of restricted shares of A&F Common Stock and the market value of such holdings for such named executive officers were: Mr. Jeffries, 567,286 shares, \$17,656,777; Ms. Donnan-Martin, 22,828 shares, \$710,522; and Mr. Johnson, 8,828 shares, \$274,772 (based on the \$31.125 fair market value of A&F Common Stock as of Friday, January 30, 1998). The holdings of executive officers Donnan-Martin and Johnson include the 10,000 and 6,000 restricted shares, respectively, noted in the second paragraph of this footnote.

As of January 31, 1998, the aggregate holdings of restricted shares of Limited Common Stock and the market value of such holdings for each of the named executive officers were: Mr. Wexner, 13,000 shares, \$344,500; Mr. Gilman, 326,250 shares, \$8,645,625; Mr. Jeffries, 14,814 shares, \$392,571; Ms. Donnan-Martin, 2,470 shares, \$65,455; and Mr. Johnson, 2,470 shares \$65,455 (based on the \$26.50 fair market value of a share of Limited Common Stock as of Friday, January 30, 1998).

Dividends will not be paid or accrue with respect to shares of restricted stock until such shares vest.

- (4) Represents for each executive officer, the amount of employer matching and supplemental contributions allocated to his or her account under certain of The Limited's qualified and non-qualified defined contribution plans during 1997.
- (5) Denominated in shares of Limited Common Stock.
- (6) Denominated in shares of Intimate Brands' Class A Common Stock.
- (7) Denominated in shares of A&F Common Stock.

LONG-TERM INCENTIVE PLAN AWARDS

No Awards were granted in respect of the 1997 fiscal year to the named executive officers other than the restricted stock performance awards as disclosed in the Summary Compensation Table.

STOCK OPTIONS

The following table sets forth certain information regarding stock options granted to the executive officers named in the Summary Compensation Table during A&F's 1997 fiscal year.

OPTION GRANTS IN FISCAL YEAR 1997

NAME	INDIVIDUAL GRANTS			EXPIRATION DATE	POTENTIAL REALIZABLE VALUE AT ASSUMED ANNUAL RATES OF STOCK PRICE APPRECIATION FOR OPTION TERM(4)(\$)	
	SECURITIES UNDERLYING OPTIONS GRANTED (#)(1)	PERCENT OF TOTAL OPTIONS GRANTED TO ASSOCIATES IN FISCAL YEAR	EXERCISE PRICE PER SHARE (\$)		5%	10%

Leslie H. Wexner.....	1,600,000(2)	22.01%	\$22.1375(5)	07/02/07	\$22,275,448	\$56,450,358
Kenneth B. Gilman.....	500,000(2)	6.88%	19.5000	05/21/07	6,131,723	15,538,989
Michael S. Jeffries.....	1,000,000(3)	60.13%	16.0000	05/14/07	10,062,314	25,499,879
Michele S. Donnan-Martin.....	150,000(3)	9.02%	16.0000	02/21/07	1,509,347	3,824,982
	75,000(3)	4.51%	30.6250	12/06/07	1,444,492	3,660,627
Seth R. Johnson.....	100,000(3)	6.01%	16.0000	02/21/07	1,006,231	2,549,988
	75,000(3)	4.51%	30.6250	12/06/07	1,444,492	3,660,627

(1) On July 1, 1997, options were granted to Mr. Wexner and on May 20, 1997, options were granted to Mr. Gilman pursuant to The Limited's 1993 Stock Option and Performance Incentive Plan (1997 Restatement). On February 20, 1997 and December 5, 1997, options were granted to executive officers Donnan-Martin and Johnson pursuant to A&F's 1996 Stock Option and Performance Incentive Plan (1997 Restatement). Such options vest 10%, 10%, 10%, 15%, 20% and 35% on the first through sixth anniversaries of the grant date, respectively, in each case, subject to the holder's continued employment with the executive's employer.

On May 13, 1997, options were granted to Mr. Jeffries pursuant to A&F's 1996 Stock Option and Performance Incentive Plan (1997 Restatement). Such options vest over nine years, subject to earnings per share performance targets and continued employment with A&F.

(2) Denominated in shares of Limited Common Stock.

- (3) Denominated in shares of A&F Common Stock.
- (4) The assumed rates of growth were selected by the Commission for illustrative purposes only and are not intended to predict or forecast future stock prices.
- (5) The per share exercise price of all such options to Mr. Wexner is set at 110% of the fair market value of the stock on the date of grant.

The following table sets forth certain information relating to stock options exercised and the number and value of shares of Limited Common Stock and A&F Common Stock subject to the stock options held by the executive officers named in the Summary Compensation Table during A&F's 1997 fiscal year and the year-end value of unexercised options held by such executive officers.

AGGREGATED OPTION EXERCISES IN 1997 FISCAL YEAR AND FISCAL YEAR-END OPTION VALUES

NAME	SHARES ACQUIRED ON EXERCISE (#)(1)	VALUE REALIZED (\$)(2)	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT FISCAL YEAR END (#)		VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT FISCAL YEAR-END (\$)	
			EXERCISABLE	UNEXERCISABLE	EXERCISABLE	UNEXERCISABLE
Leslie H. Wexner.....	--	--	137,500(3)	1,812,500(3)	\$1,113,750(3)	\$8,471,250(3)
			25,000(4)	75,000(4)	93,125(4)	279,375(4)
Kenneth B. Gilman.....	31,250	\$384,766	222,917(3)	564,583(3)	1,629,430(3)	4,124,476(3)
			4,167(4)	45,833(4)	46,618(4)	512,757(4)
Michael S. Jeffries.....	--	--	52,000(3)	9,000(3)	302,625(3)	82,500(3)
			10,833(5)	1,119,167(5)	163,849(5)	16,927,401(5)
Michele S. Donnan- Martin.....	19,500	72,125	--	3,500(3)	--	32,000(3)
			7,000(5)	246,000(5)	105,875(5)	2,623,875(5)
Seth R. Johnson.....	--	--	31,250(3)	3,750(3)	233,250(3)	34,375(3)
			1,625(5)	179,875(5)	24,578(5)	1,623,734(5)

- (1) All such shares acquired on exercise represent shares of Limited Common Stock.
- (2) Calculated on the basis of the number of shares exercised, multiplied by the excess of the fair market value of a share of Limited Common Stock on the date of exercise over the exercise price of such option.
- (3) Denominated in shares of Limited Common Stock. Value is calculated on the basis of the number of shares subject to each such option, multiplied by the excess of the fair market value of a share of Limited Common Stock on the last trading day prior to fiscal year-end (\$26.50) over the exercise price of such option.
- (4) Denominated in shares of Intimate Brands' Class A Common Stock. Value is calculated on the basis of the number of shares subject to such option, multiplied by the excess of the fair market value of a share of Intimate Brands' Class A Common Stock on the last trading day prior to fiscal year-end (\$25.3125) over the exercise price of such option.
- (5) Denominated in shares of A&F Common Stock. Value is calculated on the basis of the number of shares subject to such option, multiplied by the excess of the fair market value of a share of A&F Common Stock on the last trading day prior to fiscal year-end (\$31.125) over the exercise price of such option.

COMPENSATION OF DIRECTORS

Directors who are not associates of A&F receive an annual retainer of \$10,000 per year (increased by \$1,500 for each committee chair held), plus a fee of \$800 for each Board meeting attended (\$400 for a telephonic meeting) and, as committee members, receive \$600 per committee meeting attended (\$200 for a telephonic meeting). Each action in writing taken by the Board or any committee entitles each such director to be paid \$200. Associates and officers who are directors receive no additional

compensation for services rendered as directors. Under A&F's 1996 Stock Plan for Non-Associate Directors, each director who is not an associate of A&F receives (i) annual grants of options to purchase 2,000 shares of A&F Common Stock at a price equal to the fair market value of such shares at the date of grant and (ii) 50% of the annual retainer in shares of A&F Common Stock.

EMPLOYMENT AGREEMENTS WITH CERTAIN EXECUTIVE OFFICERS

In 1997 A&F entered into individual employment agreements with Executive Officers Jeffries, Donnan-Martin and Johnson. Pursuant to these agreements, Mr. Jeffries serves as A&F's President and Chief Executive Officer, Ms. Donnan-Martin serves as A&F's Vice President-General Merchandising Manager, Women's and Mr. Johnson serves as A&F's Vice President and Chief Financial Officer. The initial term of each agreement is six years, with automatic one-year extensions thereafter unless either party gives written notice to the contrary. Mr. Jeffries' agreement provides for an initial base salary of \$600,000, Ms. Donnan-Martin's agreement provides for an initial base salary of \$325,000 and Mr. Johnson's agreement provides for an initial base salary of \$265,000. Option grants and the value of performance-based stock awards made in 1997 pursuant to the agreements are included in the Summary Compensation Table, Mr. Jeffries' agreement also provides for life insurance coverage of \$10 million. Each agreement also provides for incentive plan participation as determined by the Board. Under each agreement, upon the failure of A&F to extend the agreement or the termination of the executive's employment either by A&F other than for cause or by the executive for good reason, the executive will continue to receive the executive's base salary for one year after the termination date. Under the agreements, each executive agrees not to compete with A&F or solicit its employees or customers during the employment term and for one year thereafter. Each executive's agreement provides for disability benefits in addition to the benefits available under A&F's disability plans. In the event any "parachute" excise tax is imposed on any of Executive Officers Jeffries, Donnan-Martin or Johnson, the executive will be entitled to tax reimbursement payments.

MANAGEMENT OF THE LIMITED

BOARD OF DIRECTORS

NAME	AGE	BUSINESS EXPERIENCE
EUGENE M. FREEDMAN.....	66	Mr. Freedman has been Managing Director of Monitor Clipper Partners, a private equity merchant bank, since 1997 and Senior Advisor to and a director of Monitor Company, Inc., an international business strategy and consulting firm, since January 1995. Until October 1994 and for more than five years prior thereto, Mr. Freedman was a partner of Coopers & Lybrand, where he served as Chairman and Chief Executive Officer of Coopers & Lybrand LLP, U.S. ("C & L, U.S.") since October 1991 and as Chairman of Coopers & Lybrand, International since 1992. During the Company's 1997 fiscal year, C & L, U.S. served as the Company's independent public accountants. The amount of compensation paid by the Company to C & L, U.S. for such services was less than 1% of the Company's and C & L, U.S.'s consolidated gross revenues for their 1997 fiscal years. Mr. Freedman is also a director of Bernard Technologies, Inc.
E. GORDON GEE.....	54	Dr. Gee has been President of Brown University since January 1998. Dr. Gee was President of The Ohio State University from 1990 to 1997. Dr. Gee is also a director of A&F, ASARCO, Inc., Glimcher Realty Trust and Intimate Brands.
KENNETH B. GILMAN.....	51	Mr. Gilman has been Vice Chairman and Chief Administrative Officer of The Limited since June 1997. He was also Vice Chairman and Chief Financial Officer of The Limited from June 1993 to June 1997. For more than five years prior thereto, Mr. Gilman was Executive Vice President and Chief Financial Officer of The Limited. Mr. Gilman has also been the Vice Chairman of the Board of Intimate Brands since 1995 and Vice Chairman of the Board of A&F since 1996.
DAVID T. KOLLAT.....	59	Dr. Kollat has been Chairman of 22, Inc., a management consulting firm, for more than five years. He is also a director of Audio Environments, Inc., Cheryl & Co., Inc., Christy Partners, Consolidated Stores Corporation, Cooker Restaurant Corporation, Pipeliner Systems, Inc., Resource Marketing, Inc., SBC Advertising, Select Comfort, Inc., Starpower Inc. and Wolverine World Wide, Inc.

NAME	AGE	BUSINESS EXPERIENCE
CLAUDINE B. MALONE.....	61	Ms. Malone has been President and Chief Executive Officer of Financial & Management Consulting, Inc. since 1982. She is also Chairman of the Federal Reserve Bank of Richmond and a director of Dell Computer Corporation, Hannaford Brothers, Inc., Hasbro, Inc., Houghton Mifflin Co., Lafarge Corporation, Lowe's Companies, Mallinckrodt Group, Inc., Science Applications International Corporation and Union Pacific Resources Corp.
LEONARD A. SCHLESINGER.....	45	Dr. Schlesinger has been a member of the faculty of Harvard Business School ("Harvard") since 1988 and currently is the George F. Baker Jr. Professor of Business Administration. He also served as the Senior Associate Dean and Director of External Relations at Harvard from July 1994 until October 1995. Dr. Schlesinger currently is a director of Borders Group, Inc., GC Companies, Inc. and Pegasystems, Inc.
DONALD B. SHACKELFORD.....	65	Mr. Shackelford has been Chairman of the Board and Chief Executive Officer of State Savings Bank, a banking business, for more than five years and has been the Chief Executive Officer of State Savings Co. since 1995. Mr. Shackelford is also a director of A&F, Intimate Brands, Progressive Corporation and Worthington Foods, Inc.
ALLAN R. TESSLER.....	61	Mr. Tessler has been Chairman of the Board and Chief Executive Officer of International Financial Group, Inc., a merchant banking concern, for more than five years and Co-Chairman and Chief Executive Officer of Data Broadcasting Corporation, a data broadcasting network, since 1992. Mr. Tessler was Chairman of the Board and Chief Executive Officer of Ameriscribe Corporation, a provider of reprographic and related facilities management services, from 1988 through 1993. Mr. Tessler is also the Chairman of the Boards of Directors of Enhance Financial Services Group, Inc. and Jackpot Enterprises, Inc. Mr. Tessler is a director of Allis-Chalmers Corporation.
MARTIN TRUST.....	63	Mr. Trust has been President and Chief Executive Officer of Mast Industries, Inc., a wholly-owned subsidiary of The Limited, for more than five years. He is also a director of Staples, Inc.
ABIGAIL S. WEXNER.....	36	Mrs. Wexner was an attorney with the law firm of Davis Polk & Wardwell from 1987 until 1992, where she specialized in mergers and acquisitions. She is a director of the Children's Defense Fund and is a

NAME	AGE	BUSINESS EXPERIENCE
		member of the Board of Trustees of the Wexner Center Foundation, the Governing Committee of The Columbus Foundation and the Board of Trustees of the Children's Hospital, Inc. in Columbus, Ohio and was appointed by the President of the United States as a member of the United States Holocaust Memorial Council. Mrs. Wexner is the wife of Leslie H. Wexner.
LESLIE H. WEXNER.....	60	Mr. Wexner has been President and Chief Executive Officer of The Limited since he founded The Limited in 1963, and Chairman of the Board for more than five years. Mr. Wexner has also been the Chairman of the Board and Chief Executive Officer of Intimate Brands since 1995, and Chairman of the Board of A&F since 1996. Intimate Brands and A&F are subsidiaries of The Limited. Mr. Wexner is also a director of Hollinger International and Hollinger International Publishing, Inc. Mr. Wexner is the husband of Abigail S. Wexner.
RAYMOND ZIMMERMAN.....	64	Mr. Zimmerman was Chairman of the Board of Service Merchandise, a retail merchandising business, from 1981 to 1998. He was also Chief Executive Officer of Service Merchandise from 1984 until April 1997. Mr. Zimmerman currently is a director of Service Merchandise.

EXECUTIVE OFFICERS

In addition to Executive Officers Wexner, Gilman and Trust, Arnold F. Kanarick and V. Ann Hailey also serve as Executive Officers of The Limited. Mr. Kanarick, age 57, has served as Executive Vice President and Chief Human Resources Officer of The Limited since November, 1992. Ms. Hailey, age 47, has served as Executive Vice President and Chief Financial Officer of The Limited since August, 1997. From 1994 to August, 1997, Ms. Hailey was Senior Vice President and Chief Financial Officer of The Pillsbury Company, a division of GrandMet. From 1992 to 1994 Ms. Hailey was Vice President, Finance and Planning, for the Specialty Products Division of RJR Nabisco Foods, Inc.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

On January 26, 1996, The Limited, Leslie H. Wexner, The Limited's Chairman, Chief Executive Officer and President, and The Wexner Children's Trust (the "Trust") entered into a Contingent Stock Redemption Agreement, which Agreement was amended as of July 19, 1996 (as so amended, the "Agreement"). The following summary of the material terms of the Agreement does not purport to be complete and is qualified in its entirety by reference to the Agreement, a copy of which has been filed with the SEC as an exhibit to The Limited's Annual Report on Form 10-K for the fiscal year ended February 1, 1997. Such exhibits are available for inspection at the SEC. See "Where You Can Find More Information" on page 102.

A new, wholly-owned subsidiary (the "Subsidiary") of The Limited has guaranteed The Limited's obligations under the Agreement, has been capitalized by The Limited 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 Agreement. Pursuant to the terms of the Agreement, the Trust deposited 18,750,000 shares of Limited Common Stock (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 Limited to its stockholders of any business controlled by The Limited, in addition to a share of Limited Common Stock, such security (or portion thereof) as the Trust may receive in the spinoff or other distribution in respect of each share of Limited Common Stock.

Pursuant to the terms of the Agreement, the Trust will have the opportunity (the "Redemption Right"), commencing on January 31, 1998 and ending on January 30, 2006 (the "Exercise Period"), to require The Limited 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 Mr. Wexner's immediate family, (iii) any corporation, partnership, trust or other entity, of which all of the owners or beneficiaries are Mr. Wexner or any member of Mr. Wexner's immediate family or any charitable trust, (iv) any estate or personal representative of Mr. Wexner or any member of Mr. Wexner's immediate family and (v) subject to certain conditions, third parties, in each case, provided that such transferee agrees to be bound by the terms of the Agreement. The Trust will have the right to pledge the Redemption Right to a financial institution reasonably satisfactory to The Limited to secure the Trust's 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 all the withdrawn shares.

The Limited will have the opportunity (the "Company Redemption Right"), beginning on July 31, 2006 and ending on January 30, 2007, 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 Limited will have the right to transfer the Company Redemption Right, from time to time, in whole or in part, to any affiliate. The Limited Redemption Right will be reduced on a share-for-share basis for any Subject Shares redeemed by The Limited pursuant to the Redemption Right.

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

During fiscal year 1997, Leonard A. Schlesinger, a member of The Limited's Board of Directors, provided consulting services to The Limited and Mast Industries, Inc., a wholly-owned subsidiary of The Limited. The fees for such services were approximately \$81,250 and \$12,500, respectively.

EXECUTIVE COMPENSATION FOR THE LIMITED

Summary Compensation Table

The following table provides information concerning compensation paid by The Limited to each of the named executive officers of The Limited for each of The Limited's last three fiscal years.

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	ANNUAL COMPENSATION				LONG-TERM COMPENSATION AWARDS		
	FISCAL YEAR	SALARY \$	BONUS(1) \$	OTHER ANNUAL COMPENSATION(2) (\$)	RESTRICTED STOCK AWARDS(3) \$	SECURITIES UNDERLYING OPTIONS AWARDED #	ALL OTHER COMPENSATION \$
Leslie H. Wexner.....	1997	\$1,000,000	\$1,861,560	--	--	1,600,000(4)	\$135,296(5)
Chairman of the Board,	1996	1,011,538	915,000	--	--	200,000(4)	151,629(5)
Chief Executive Officer						100,000(6)	
and President	1995	1,150,000	768,315	--	--	100,000(4)	148,436(5)
Kenneth B. Gilman(7)....	1997	900,000	1,228,630	--	\$6,220,313	500,000(4)	195,094(5)
Vice Chairman and	1996	903,846	603,900	--	--	50,000(4)	187,192(5)
Chief Administrative						50,000(6)	
Officer	1995	941,935	449,820	--	--	25,000(4)	190,772(5)
Martin Trust.....	1997	700,000	868,980	--	3,900,000	300,000(4)	216,212(5)
President and Chief	1996	703,846	1,155,700	--	518,809	60,000(4)	203,807(5)
Executive Officer of	1995	741,650	679,455	--	197,985	20,000(4)	154,278(5)
Mast Industries, Inc.							
Arnold F. Kanarick.....	1997	546,154	477,800	\$19,538	2,925,000	250,000(4)	99,089(5)(8)
Executive Vice							
President						30,000(4)	
and Chief Human	1996	497,308	255,500	--	120,218	20,000(6)	79,833(5)
Resources Officer	1995	462,692	121,249	--	--	15,000(4)	75,305(5)
V. Ann Hailey(9).....	1997	204,327	258,825	32,984	990,625	25,000(4)	276,099(8)(10)
Executive Vice							
President and Chief							
Financial Officer							

- (1) Represents for each fiscal year the aggregate of the performance-based incentive compensation for the Spring and Fall selling seasons.
(2) Represents amounts reimbursed for tax on relocation expenses.
(3) Represents for each executive officer the restricted stock awards for the specified fiscal year under The Limited's 1993 Stock Option and Performance Incentive Plan. Information set forth above is based on the closing price of Limited Common Stock on the date on which the awards were made.

On February 1, 1998, 7,500 restricted shares of Limited Common Stock were granted to Ms. Hailey based on business performance for the fiscal 1997 year. The per share value of the Limited Common Stock on the then most recent prior date on which there were sales (January 30, 1998) was \$26.50. This award vests 10% on the grant date and 20%, 30%, and 40% on the first through third anniversaries of the grant date, respectively, subject to continued employment with The Limited.

On August 11, 1997, 35,000 restricted shares of Limited Common Stock were granted to Ms. Hailey. The per share value of Limited Common Stock on such date was \$22.625. This award is earned subject to established financial performance measures and, once earned, vests 100% on the fifth anniversary of the grant date, subject to continued employment with The Limited.

On May 20, 1997, 300,000, 200,000 and 150,000 restricted shares of Limited Common Stock were granted to executive officers Gilman, Trust and Kanarick, respectively. The per share value of Limited Common Stock on such date was \$19.50. These awards are earned subject to established financial performance measures and once earned, vest 10%, 10%, 10%, 15%, 20% and 35% on the first through sixth anniversaries of the grant date, respectively, in each case subject to the holder's continued employment with The Limited. On March 25, 1997, 19,750 restricted shares of Limited Common Stock were granted to Mr. Gilman. The per share value of Limited Common Stock on such date was \$18.75. This award vests 100% one year from the grant date, subject to continued employment with The Limited.

On February 1, 1997, 21,712 and 7,020 restricted shares of Limited Common Stock were awarded for business performance to executive officers Trust and Kanarick, respectively. The per share value of Limited Common Stock on such date was \$17.125. On August 1, 1996 and on February 1, 1996, 7,538 and 11,820, respectively, restricted shares of Limited Common Stock were awarded for business performance to Mr. Trust. The per share value of Limited Common Stock on such dates were \$19.50 and \$16.75, respectively. The February 1, 1997 and August 1, 1996 awards are for fiscal 1996 business performance and the February 1, 1996 award is for fiscal 1995 business performance. These awards vest 10% on the grant date, and 20%, 30%, and 40% on the first through third anniversaries of the grant date, in each case subject to the holder's continued employment with The Limited. Dividends will not be paid or accrue with respect to shares of restricted stock until such shares vest.

As of January 31, 1998, the aggregate restricted Limited Common Stock holdings and the value of such holdings for each of the named executive officers were: Mr. Wexner, 13,000 shares, \$344,500; Mr. Gilman, 326,250 shares, \$8,645,625; Mr. Trust, 233,092 shares, \$6,176,938; Mr. Kanarick, 185,218 shares, \$4,908,277; and Ms. Hailey, 42,500 shares, \$1,126,250 (includes the 7,500 restricted shares noted in the second paragraph of this footnote) (based on the \$26.50 fair market value of a share of Limited Common Stock as of Friday, January 30, 1998).

- (4) Denominated in shares of Limited Common Stock.
- (5) Represents for each executive officer, the amount of employer matching and supplemental contributions allocated to his or her account under certain of The Limited's qualified and non-qualified defined contribution plans during 1997.
- (6) Denominated in shares of Intimate Brands' Class A Common Stock.
- (7) Mr. Gilman became Vice Chairman and Chief Administrative Officer on June 25, 1997. Previously, he was Vice Chairman and Chief Financial Officer.
- (8) Includes reimbursement of relocation expenses above The Limited's normal relocation policy of \$7,500 for Mr. Kanarick and \$26,099 for Ms. Hailey.
- (9) Ms. Hailey joined The Limited on August 11, 1997 as Executive Vice President and Chief Financial Officer; therefore, reporting numbers are for partial year.
- (10) Includes \$250,000 incentive bonus paid in connection with Ms. Hailey's commencement of employment with The Limited.

LONG-TERM INCENTIVE PLAN AWARDS

No awards were granted in respect of the 1997 fiscal year to the named executive officers other than the restricted stock performance awards as disclosed in the Summary Compensation Table.

STOCK OPTIONS

The following table sets forth certain information regarding stock options granted to the executive officers named in the Summary Compensation Table during The Limited's 1997 fiscal year.

OPTION GRANTS IN FISCAL YEAR 1997

NAME	INDIVIDUAL GRANTS ----- PERCENT OF TOTAL SECURITIES UNDERLYING OPTIONS GRANTED (#)(1)	PERCENT OF TOTAL OPTIONS GRANTED TO ASSOCIATES IN FISCAL YEAR	EXERCISE PRICE PER SHARE (\$)	EXPIRATION DATE	POTENTIAL REALIZABLE VALUE AT ASSUMED ANNUAL RATES OF STOCK PRICE APPRECIATION FOR OPTION TERM (2)(\$)	
					5%	10%
Leslie H. Wexner.....	1,600,000	22.01%	\$22.1375(3)	07/02/07	\$22,275,448	\$56,450,358
Kenneth B. Gilman.....	500,000	6.88%	19.5000	05/21/07	6,131,723	15,538,989
Martin Trust.....	300,000	4.13%	19.5000	05/21/07	3,679,034	9,323,393
Arnold F. Kanarick.....	250,000	3.44%	19.5000	05/21/07	3,065,861	7,769,494
V. Ann Hailey.....	25,000	0.34%	22.6250	08/12/07	355,719	901,461

- (1) On July 1, 1997, options were granted to Mr. Wexner, and, on May 20, 1997, options were granted to executive officers Gilman, Trust and Kanarick pursuant to The Limited's 1993 Stock Option and Performance Incentive Plan (1997 Restatement). Such options vest 10%, 10%, 10%, 15%, 20% and 35% on the first through sixth anniversaries of the grant date, respectively, in each case subject to the holder's continued employment with The Limited. On August 11, 1997, options were granted to Ms. Hailey pursuant to The Limited's 1993 Stock Option and Performance Incentive Plan (1997 Restatement). Such options become exercisable in four equal annual installments commencing on the first anniversary of the grant date, subject to continued employment with The Limited.
- (2) The assumed rates of growth were selected by the Commission for illustrative purposes only and are not intended to predict or forecast future stock prices.
- (3) The per share exercise price of all such options to Mr. Wexner is set at 110% of the fair market value of the stock on the date of grant.

The following table sets forth certain information regarding stock options exercised by the executive officers named in the Summary Compensation Table during The Limited's 1997 fiscal year and the year-end values of unexercised options held by such executive officers.

AGGREGATED OPTION EXERCISES IN 1997 FISCAL YEAR AND FISCAL YEAR-END OPTION VALUES

NAME	SHARES ACQUIRED ON EXERCISE (#)	VALUE REALIZED (\$)(1)	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT FISCAL YEAR-END (#)		VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT FISCAL YEAR-END (\$)	
			EXERCISABLE	UNEXERCISABLE	EXERCISABLE	UNEXERCISABLE
Leslie H. Wexner.....	--	--	137,500(2) 25,000(3)	1,812,500(2) 75,000(3)	\$1,113,750(2) 93,125(3)	\$8,471,250(2) 279,375(3)
Kenneth B. Gilman.....	31,250(4)	\$384,766	222,917(2) 4,167(3)	564,583(2) 45,833(3)	1,629,430(2) 46,618(3)	4,124,476(2) 512,757(3)
Martin Trust.....	--	--	91,750(2)	371,250(2)	482,500(2)	2,792,500(2)
Arnold F. Kanarick.....	--	--	76,250(2) 1,667(3)	288,750(2) 18,333(3)	389,063(2) 18,650(3)	2,124,688(2) 205,100(3)
V. Ann Hailey.....	--	--	--	25,000(2)	--	96,875(2)

- (1) Calculated on the basis of the number of shares exercised, multiplied by the excess of the fair market value of a share of Limited Common Stock on the date of exercise over the exercise price of such option.

- (2) Denominated in shares of Limited Common Stock. Value is calculated on the basis of the number of shares subject to each such option, multiplied by the excess of the fair market value of a share of Limited Common Stock on the last trading day prior to fiscal year-end (\$26.50) over the exercise price of such option.
- (3) Denominated in shares of Intimate Brands' Class A Common Stock. Value is calculated on the basis of the number of shares subject to each such option, multiplied by the excess of the fair market value of a share of Intimate Brands Class A Common Stock on the last trading day prior to fiscal year-end (\$25.3125) over the exercise price of such option.
- (4) Denominated in shares of Limited Common Stock.

COMPENSATION OF DIRECTORS

Directors who are not associates of The Limited receive an annual retainer of \$20,000 per year (increased by \$4,000 for each committee chair held), plus a fee of \$3,500 for each Board meeting attended (\$1,000 for a telephonic meeting) and, as committee members, receive \$1,500 per committee meeting attended (\$500 for a telephonic meeting). Each action in writing taken by the Board or any committee entitles each such director to be paid \$500. Associates and officers who are directors receive no additional compensation for services rendered as directors. Under The Limited's 1996 Stock Plan for Non-Associate Directors, each director who is not an associate of The Limited receives (i) annual grants of options to purchase 1,000 shares of Limited Common Stock at a price equal to the fair market value of such shares at the date of grant and (ii) 50% of the annual retainer in shares of Limited Common Stock.

EMPLOYMENT AGREEMENTS WITH CERTAIN EXECUTIVE OFFICERS

In 1997 The Limited entered into individual employment agreements with Messrs. Gilman, Trust and Kanarick. Pursuant to these agreements, Mr. Gilman serves as The Limited's Vice Chairman and Chief Administrative Officer, Mr. Trust serves as President and Chief Executive Officer of Mast Industries, Inc. and Mr. Kanarick serves as The Limited's Executive Vice President and Chief Human Resources Officer. The initial term of each agreement is six years, with automatic one-year extensions thereafter unless either party gives written notice to the contrary. Mr. Gilman's agreement provides for an initial base salary of \$900,000, Mr. Trust's agreement provides for an initial base salary of \$700,000 and Mr. Kanarick's agreement provides for an initial base salary of \$550,000. Option grants and the value of performance-based stock awards made in 1997 pursuant to the agreements are disclosed in the Summary Compensation Table. Each agreement also provides for incentive plan participation as determined by the Board and life insurance coverage of \$5 million. Under each agreement, upon the failure of The Limited to extend the agreement or the termination of the executive's employment either by The Limited other than for cause or by the executive for good reason, the executive will continue to receive his base salary for one year after the termination date. Under the agreements, each executive agrees not to compete with The Limited or solicit its employees or customers during the employment term and for one year thereafter. Each executive's agreement provides for disability benefits in addition to the benefits available under The Limited's disability plans. In the event any "parachute" excise tax is imposed on an executive, he will be entitled to tax reimbursement payments.

CERTAIN TRANSACTIONS

Neither The Limited, nor any subsidiary of The Limited, nor, to The Limited's knowledge, any of The Limited's executive officers or directors or associates of any of the foregoing, has engaged in any transaction involving shares of Limited Common Stock during the period of forty business days prior to the date hereof except for the transactions effected by trusts created by Mr. Wexner referred to on page 22 and described in more detail in Schedule A hereto.

SHARES ELIGIBLE FOR FUTURE SALE

Shares of A&F Common Stock distributed to stockholders of The Limited will be freely transferable, except for shares received by persons who may be deemed to be "affiliates" of A&F under the Securities Act of 1933, as amended (the "Securities Act"). Persons who may be deemed to be affiliates of A&F after the expiration of the Exchange Offer generally include individuals or entities that control, are controlled by, or are under common control with, A&F, and will include the directors and principal executive officers of A&F and also could include certain significant stockholders of A&F. Persons who are affiliates of A&F will be permitted to sell their shares of A&F Common Stock only pursuant to an effective registration statement under the Securities Act or an exemption from the registration requirements of the Securities Act, such as the exemption afforded by Rule 144 under the Securities Act.

COMPARISON OF RIGHTS OF HOLDERS OF LIMITED COMMON STOCK
AND A&F COMMON STOCK

The following is a summary of material differences between the rights of holders of Limited Common Stock and the rights of holders of A&F Common Stock. Because each of The Limited and A&F is organized under the laws of Delaware, such differences arise principally from provisions of the Certificate of Incorporation and Bylaws of each of The Limited and A&F.

The following summary does not purport to be a complete statement of the rights of stockholders of The Limited under the Restated Certificate of Incorporation and Restated Bylaws of The Limited as compared with the rights of A&F stockholders under the Amended and Restated Certificate of Incorporation and the Bylaws of A&F or a complete description of the specific provisions referred to herein. The identification of specific differences is not meant to indicate that other equal or more significant differences do not exist. The summary is qualified in its entirety by reference to the governing corporate instruments of The Limited and A&F, to which stockholders are referred. Copies of the governing corporate instruments of The Limited and A&F have been filed with the SEC. See "Where You Can Find More Information" on page 102.

NUMBER OF DIRECTORS

A&F's Bylaws provide that the number of directors on the Board of Directors (exclusive of directors to be elected by the holders of any one or more series of Preferred Stock voting separately as a class or classes) shall not be less than four nor more than nine, the exact number to be set by the Board from time to time.

The Bylaws of The Limited provide that the number of directors on the Board of Directors (exclusive of directors to be elected by the holders of any one or more series of Preferred Stock voting separately as a class or classes) shall not be less than nine nor more than 13, the exact number to be set by the Board from time to time.

BUSINESS COMBINATIONS

A&F's Certificate of Incorporation states that the affirmative vote of not less than 75 percent of the outstanding shares entitled to vote thereon held by stockholders other than the Interested Person seeking to effect a Business Combination shall be required for the approval of any Business Combination with any Interested Person, unless such transaction has been approved by a majority of the Continuing Directors. A "Business Combination" means: (a) any merger or consolidation of A&F or a subsidiary of A&F with or into an Interested Person, (b) any sale, lease, exchange, transfer or other disposition, including without limitation, a mortgage or any other security device, of all or any Substantial Part of the assets of A&F or a subsidiary of A&F to an Interested Person, (c) any merger or consolidation of an Interested Person with or into A&F or a subsidiary of A&F, (d) any sale, lease, exchange, transfer or other disposition, including without limitation, a mortgage or other security device, of all or any Substantial Part of the assets of an Interested Person to A&F or a subsidiary of A&F, (e) the issuance or transfer by A&F or any subsidiary of A&F of any securities of A&F or a subsidiary of A&F to an Interested Person, (f) any reclassification of securities, recapitalization or other comparable transaction involving A&F that would have the effect of increasing the voting power of any Interested Person with respect to the voting stock of A&F, and (g) any agreement, contract or other arrangement providing for any of the foregoing transactions. "Interested Person" means any individual, corporation, partnership or other person or entity which, together with its affiliates and associate beneficially owns in the aggregate five percent or more of the outstanding voting stock of A&F, and any affiliate or associates, of any such person or entity. "Substantial Part" means more than 20 percent of the fair market value as determined by two-thirds of the Continuing Directors of the total consolidated assets of A&F and its subsidiaries as of the end of its most recent fiscal year ended prior

to the time the determination is being made. "Continuing Director" means a director who was a member of the Board of Directors of A&F immediately prior to the time that the Interested Person involved in a Business Combination became an Interested Person, or a director who was elected or appointed to fill a vacancy after the date the Interested Person became an Interested Person by a majority of the then-current Continuing Directors.

The Certificate of Incorporation of The Limited contains a substantially similar business combination provision with respect to The Limited and its subsidiaries, except that (i) the definition of an "Interested Person" requires the beneficial ownership of 20 percent of the voting stock of The Limited, instead of five percent in the case of A&F, and (ii) the 75 percent voting requirement does not apply to any Business Combination if (a) the Continuing Directors have, by at least a two-thirds vote, (1) expressly approved in advance the acquisition of the shares of voting stock that caused such person or entity to become an Interested Person or (2) expressly approved such Business Combination, or (b) the cash or fair market value of the consideration to be received per share by the stockholders of The Limited in the Business Combination is not less than the Fair Price paid by the Interested Person in acquiring its holdings of voting stock of The Limited. "Fair Price" with respect to a class of stock means, subject to certain adjustments set forth in the Certificate of Incorporation of The Limited, the highest price that can be determined by a majority of the Continuing Directors to have been paid at any time by the Interested Person for any share or shares of that class of capital stock.

AUTHORIZED SHARES OF STOCK

A&F's Certificate of Incorporation provides that the total number of shares of stock which A&F shall have authority to issue is 315,000,000, consisting of 300,000,000 shares of common stock, par value \$.01 per share, and 15,000,000 shares of preferred stock, par value \$.01 per share. The common stock of A&F is divided into two classes, Class A Common Stock and Class B Common Stock. The Class A Common Stock and Class B Common Stock are identical, except that Class A Common Stock has one vote per share while Class B Common Stock has three votes per share. All outstanding shares of the A&F Class B Common Stock will be converted into A&F Class A Common Stock immediately prior to the consummation of the Exchange Offer.

The Certificate of Incorporation of The Limited provides that the total number of shares of stock which The Limited has authority to issue is 510,000,000, consisting of 500,000,000 shares of common stock, par value \$.50 per share, and 10,000,000 shares of preferred stock, par value \$1.00 per share. The common stock of The Limited is currently not divided into any classes.

TRANSACTIONS WITH INTERESTED PARTIES

A&F's Certificate of Incorporation currently includes certain provisions addressing (i) potential conflicts of interest between A&F and The Limited, (ii) corporate opportunities and the treatment of those opportunities by the directors of A&F and (iii) limitation of liability of the directors of The Limited and its subsidiaries (other than the directors of A&F) for certain breaches of their fiduciary duties in connection with the intercompany agreements. By the terms of A&F's Certificate of Incorporation, such provisions will no longer be in effect upon the consummation of the Transactions.

RELATIONSHIP BETWEEN THE LIMITED AND A&F

SERVICES AGREEMENTS

On September 27, 1996, A&F and The Limited entered into an intercompany services and operating agreement (the "Old Services Agreement") with respect to services to be provided by The Limited to A&F. Pursuant to the Old Services Agreement, The Limited provided services in exchange for fees which (based on current costs for such services) management believes did not exceed fees that would be paid if such services were provided by an independent third party and which were consistent in all material respects with the allocation of the costs of such services set forth in the historical consolidated financial statements of A&F. The services provided to A&F by The Limited pursuant to the Old Services Agreement included, among other things, certain accounting, associate benefit plan administration, audit, cash management, corporate development, corporate secretary, governmental affairs, human resources and compensation, investor and public relations, legal, risk management, transportation, tax and treasury, store design/planning, real estate and import and shipping services. The net charge for services that were paid by A&F in 1997 was approximately \$8.3 million.

The Old Services Agreement will be amended upon the consummation of the Exchange Offer (as amended, the "New Services Agreement"). The services to be provided by The Limited to A&F under the New Services Agreement include, among other things, certain associate benefit plan administration, information technology services, human resources and compensation, tax, store design/planning, transportation, real estate and import and shipping services. The cost of such services to be charged to A&F generally will equal The Limited's costs in providing the relevant services plus 5% of such costs. The aggregate amounts to be charged to A&F under the New Services Agreement are not expected to be materially different than the amounts charged to A&F under the Old Services Agreement. In addition to the foregoing, the New Services Agreement will include provisions binding on both The Limited and A&F imposing confidentiality obligations with respect to confidential information of the other and prohibiting the hiring of certain of the other's employees.

Pursuant to the New Services Agreement, each party will indemnify the other, except in certain limited circumstances, against liabilities that the other may incur that are caused by or arise in connection with such party's failure to fulfill its material obligations under the New Services Agreement. The New Services Agreement also provides that (i) A&F will reimburse The Limited for any amounts paid by The Limited under guarantees or arrangements supporting A&F's obligations and (ii) A&F will not take certain actions that could materially and adversely affect A&F's ability to pay any obligations guaranteed or supported by The Limited unless appropriate provision is made such that, in the reasonable judgment of The Limited, The Limited's exposure under any such guarantee or support arrangement is not materially increased.

The New Services Agreement will have a three-year term, although The Limited will cease to provide a substantial majority of the services thereunder upon the first anniversary of the consummation of the Exchange Offer. Human resources and benefits services will terminate three months after the Exchange Offer is complete. The New Services Agreement will also provide for early termination of the agreement and of individual services by A&F.

SUBLEASE AGREEMENTS

On June 11, 1995, A&F entered into a sublease agreement with an affiliate of The Limited (the "Sublease Agreement") pursuant to which such affiliate subleases to A&F the distribution center and headquarters office space currently used by A&F. The Sublease Agreement provides that the lessee will lease space at an average annual rental rate equal to \$11.00 per square foot in the case of office space and \$2.85 per square foot in the case of the distribution center. The Sublease Agreement will be amended upon the consummation of the Exchange Offer to provide for a total term of six years (expiring June 11, 2001), so that A&F may continue to occupy such space for approximately three years after the consummation of the Exchange Offer, instead of the original fifteen year term.

SHARED FACILITIES AGREEMENTS

On September 27, 1996, A&F and the relevant businesses operated by The Limited entered into shared facilities agreements (collectively, the "Shared Facilities Agreements") pursuant to which A&F subleases such facilities from the relevant subsidiary of The Limited. Under the Shared Facilities Agreements, A&F is responsible for its pro rata share (based on square feet occupied) of all costs and expenses (principally fixed rent) under the relevant lease plus the portion of any performance based rent attributable to A&F. This method of allocating such costs and expenses is consistent in all material respects with the allocation of such costs and expenses set forth in the historical consolidated financial statements of A&F. The store lease and other occupancy costs charge paid by A&F in 1997 is approximately \$1.3 million. At February 10, 1998, two of A&F's stores were located in space leased by other businesses controlled by The Limited. The Shared Facilities Agreements will not be affected by the Transactions and shall continue in their current form.

TAX-SEPARATION AGREEMENT

A&F is currently included in The Limited's federal consolidated income tax group and A&F's tax liability will be included in the consolidated federal income tax liability of The Limited for 1997 and part of 1998. In certain circumstances, certain A&F subsidiaries may be included with certain subsidiaries of The Limited in combined, consolidated or unitary income tax groups for state and local tax purposes. Currently, A&F and The Limited are parties to a tax-sharing agreement (the "Tax-Sharing Agreement") entered into on September 27, 1996. Pursuant to the Tax-Sharing Agreement, A&F and The Limited make payments between them such that, with respect to any period, the amount of taxes to be paid by A&F, subject to certain adjustments, will be determined as though A&F were to file separate federal, state and local income tax returns (including, except as provided below, any amounts determined to be due as a result of a redetermination of the tax liability of The Limited arising from an audit or otherwise) as the common parent of an affiliated group of corporations filing combined, consolidated or unitary (as applicable) federal, state and local returns rather than a consolidated subsidiary of The Limited with respect to federal, state and local income taxes. A&F is reimbursed, however, for tax attributes that it generates, such as net operating losses, if and when they are used on a consolidated basis.

After the Transactions, A&F will no longer be included in The Limited's consolidated group for federal income tax purposes. Accordingly, The Limited and A&F will amend their existing Tax Sharing Agreement (the "Tax Disaffiliation Agreement") to reflect the separation of A&F from The Limited pursuant to the Transactions with respect to tax matters. The Tax Disaffiliation Agreement will reflect each party's rights and obligations with respect to payments and refunds of taxes that are attributable to periods beginning prior to and including the date of the Transactions and taxes resulting from transactions effected in connection with the Transactions. With respect to any period prior to the Transactions, The Limited will, as provided in the Tax Sharing Agreement, continue to be the sole and exclusive agent for A&F in any and all matters relating to the income, franchise and similar tax liabilities of A&F, will continue to have the sole and exclusive responsibility for the preparation and filing of consolidated federal and consolidated or combined state income tax returns and will have the power, in its sole discretion, to contest or compromise any claim for refund on behalf of A&F. The Tax Disaffiliation Agreement will also express each party's intention with respect to certain tax attributes of A&F after the Transactions. The Tax Disaffiliation Agreement will provide for payments between the two companies for certain tax adjustments made after the Transactions that cover pre-Transactions tax liabilities. Other provisions will cover the handling of audits, settlements, elections, accounting methods and return filing in cases where both companies have an interest in the results of these activities.

If following the Transactions and pursuant to a plan in existence at the time of the Transactions, one or more persons were to acquire a 50 percent or greater interest in either The Limited or A&F, The Limited would recognize gain on the A&F Common Stock it distributes in the Transactions. To

minimize the risk of this gain recognition, under the Tax Disaffiliation Agreement, A&F will agree to refrain from engaging in certain transactions for two years following the date of the Transactions without first (i) obtaining a ruling from the IRS to the effect that such actions will not result in the Transactions being taxable to The Limited or its stockholders, or (ii) obtaining an opinion of counsel recognized as an expert in federal income tax matters and acceptable to the other party to the same effect as in (i). Transactions that may be subject to this restriction include, among other things, liquidation, merger or consolidation with, or acquisition by, another company, certain issuances and redemptions of A&F Common Stock, the granting of stock options, the sale, distribution or other disposition of assets in a manner that would adversely affect the tax consequences of the Transactions or any transactions effected in connection with the Transactions and the discontinuation of certain businesses.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of the material U.S. federal income tax consequences relating to the Transactions. The discussion contained in this Offering Circular-Prospectus is based on the private letter ruling (the "Ruling Letter") received from the Internal Revenue Service (the "IRS") with respect to the Transactions and on the law in effect as of the date of this Offering Circular-Prospectus. A copy of the Ruling Letter has been filed with the SEC as an exhibit to the Registration Statement of which this Offering Circular-Prospectus is a part. The following summary is qualified in its entirety by reference to the Ruling Letter. Stockholders of The Limited are urged to consult their tax advisors as to the particular tax consequences to them of the Transactions.

The Ruling Letter provides that, for federal income tax purposes, the Transactions will qualify as a tax-free distribution to The Limited's stockholders under Section 355 of the Internal Revenue Code of 1986, as amended (the "Code"), (except with respect to cash received in lieu of fractional shares) and, in general, will be tax-free to The Limited. Although private letter rulings are generally binding on the IRS, The Limited will not be able to rely on the Ruling Letter if any factual representations or assumptions made in connection with the ruling request are incorrect or untrue in any material respect. The Limited is not aware of any facts or circumstances that would cause any such representations or assumptions to be incorrect or untrue in any material respect. Nevertheless, if the Transactions are subsequently held to be taxable, both The Limited and its stockholders who receive A&F shares in the Exchange Offer or the Spin-Off, if any, would be subject to tax.

The Ruling Letter provides, in all material respects, that (i) no gain or loss will be recognized by (and no amount will be included in the income of) Limited stockholders upon their receipt of A&F Common Stock in the Transactions, (ii) Limited stockholders that surrender all of their Limited Common Stock in the Exchange Offer will have an aggregate basis in the shares of A&F Common Stock received in the Exchange Offer equal to such stockholders' aggregate basis in Limited Common Stock surrendered, (iii) Limited stockholders that receive A&F Common Stock in the Transactions and continue to hold some Limited Common Stock will have a basis in the A&F Common Stock received in the Transactions determined by allocating such stockholder's aggregate tax basis in Limited Common Stock held before the Transactions between the A&F Common Stock received in the Transactions and the Limited Common Stock retained in proportion to their relative fair market values, (iv) the holding period of A&F Common Stock received by a Limited stockholder in the Transactions will include the period during which the stockholder held its shares of Limited Common Stock, whether or not such Limited Common Stock was surrendered in the Exchange Offer, provided that such shares of Limited Common Stock are held as a capital asset on the date of the Transactions, and (v) cash received in lieu of fractional share interests in A&F will give rise to gain or loss equal to the difference between the amount of cash received and the tax basis allocable to such fractional share interests. Such gain or loss will be capital gain or loss if the shares of Limited Common Stock are held as a capital asset on the date of the Transactions.

The Ruling Letter does not specifically address tax basis issues with respect to holders of Limited Common Stock who have blocks of stock with different per share tax bases. Such holders are encouraged to consult their tax advisors regarding the possible tax basis consequences of the Transactions.

U.S. Treasury regulations require each Limited stockholder that receives shares of A&F Common Stock in the Transactions to attach to the holder's U.S. federal income tax return for the year in which such stock is received a detailed statement setting forth such data as may be appropriate in order to show the applicability of Section 355 of the Code to the Transactions. Within a reasonable time after the Transactions, The Limited will provide Limited stockholders who participate in the Exchange Offer and Limited stockholders who will receive A&F Common Stock in the Spin-Off, if any, with the information necessary to comply with that requirement, and will provide information regarding the allocation of basis described in clause (iii) above.

THIS SUMMARY DOES NOT DISCUSS ALL TAX CONSIDERATIONS THAT MAY BE RELEVANT TO STOCKHOLDERS OF THE LIMITED IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, NOR DOES IT ADDRESS THE CONSEQUENCES TO CERTAIN STOCKHOLDERS OF THE LIMITED SUBJECT TO SPECIAL TREATMENT UNDER THE U.S. FEDERAL INCOME TAX LAWS (SUCH AS TAX-EXEMPT ENTITIES, NON-RESIDENT ALIEN INDIVIDUALS AND FOREIGN CORPORATIONS). IN ADDITION, THIS SUMMARY DOES NOT ADDRESS THE U.S. FEDERAL INCOME TAX CONSEQUENCES TO STOCKHOLDERS OF THE LIMITED WHO DO NOT HOLD THEIR LIMITED COMMON STOCK AS A CAPITAL ASSET. THIS SUMMARY DOES NOT ADDRESS ANY STATE, LOCAL OR FOREIGN TAX CONSEQUENCES. STOCKHOLDERS OF THE LIMITED ARE URGED TO CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE TRANSACTION AND THE OWNERSHIP AND DISPOSITION OF A&F COMMON STOCK, INCLUDING THE APPLICATION OF STATE, LOCAL AND FOREIGN TAX LAWS AND ANY CHANGES IN FEDERAL TAX LAWS THAT OCCUR AFTER THE DATE OF THIS OFFERING CIRCULAR-PROSPECTUS.

For a description of an agreement pursuant to which The Limited and A&F have provided for certain tax sharing and other tax-related matters, see "Relationship between The Limited and A&F--Tax-Separation Agreement" on page 98.

LEGAL MATTERS

Certain legal matters with respect to the Transactions will be passed upon by Davis Polk & Wardwell, 450 Lexington Avenue, New York, New York 10017.

EXPERTS

The (i) audited consolidated financial statements of The Limited for the year ended January 31, 1998 included in this Offering Circular-Prospectus and (ii) audited consolidated financial statements of A&F for the year ended January 31, 1998 included in this Offering Circular-Prospectus have been included in reliance on the reports of Coopers & Lybrand LLP, independent accountants of The Limited and A&F, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

The Limited and A&F file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any reports, statements or other information filed by either company at the SEC's public reference rooms in Washington, D.C., New York, New York and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. The companies' SEC filings are also available to the public from commercial document retrieval services and at the web site maintained by the SEC at "http://www.sec.gov."

A&F filed a Registration Statement (together with any amendments thereto, the "Registration Statement") on Form S-4 to register with the SEC the A&F Common Stock to be issued to Limited stockholders who tender their shares in the Exchange Offer and whose shares of Limited Common Stock are accepted for exchange. The Limited has filed a Schedule 13E-4 Issuer Tender Offer Statement with the SEC with respect to the Exchange Offer (together with any amendments thereto, the "Schedule 13E-4"). This Offering Circular-Prospectus is a part of that Registration Statement and constitutes a Offering Circular of The Limited in addition to being a Prospectus of A&F. As allowed by SEC rules, this Offering Circular-Prospectus does not contain all the information you can find in the Registration Statement, the Schedule 13E-4 or the exhibits to the Registration Statement and the Schedule 13E-4.

The SEC allows The Limited and A&F to "incorporate by reference" information into this Offering Circular-Prospectus, which means important information may be disclosed to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this Offering Circular-Prospectus, except for any information superseded by information in (or incorporated by reference in) this Offering Circular-Prospectus. The Offering Circular-Prospectus incorporates by reference the documents set forth below that have been previously filed with the SEC. These documents contain important information about our companies and their finances.

THE LIMITED SEC FILINGS
(FILE NO. 1-8344)

PERIOD

Annual Report on Form 10-K Year ended February 1, 1997
Current Reports on Form 8-K Filed February 18, 1998 and April 10, 1998
Proxy Statement Filed April 14, 1997

A&F SEC FILINGS (FILE NO.
1-12107)

PERIOD

Annual Report on Form 10-K Year ended February 1, 1997
Current Reports on Form 8-K Filed February 18, 1998 and April 10, 1998
Proxy Statement Filed April 14, 1997

The Limited and A&F are also incorporating by reference additional documents that either company may file with the SEC between the date of this Offering Circular-Prospectus and the Expiration Date.

A&F has agreed to indemnify The Limited against certain liabilities, including civil liabilities under the federal securities act, and to contribute to payments which The Limited may be required to make in respect thereof, but solely with respect to information relating to A&F in this Offering Circular-Prospectus. The Limited has agreed to indemnify A&F against certain liabilities, including civil liabilities under the federal securities, and to contribute to payments which A&F may be required to make in respect thereof, but solely with respect to information relating to The Limited in this Offering Circular-Prospectus.

The Limited may have already sent you some of the documents incorporated by reference, but you can obtain any of them through the SEC or through The Limited or A&F, the Dealer Managers or the Information Agent, without charge, excluding all exhibits unless we have specifically incorporated

by reference an exhibit in this Offering Circular-Prospectus. Stockholders may obtain documents incorporated by reference in this Offering Circular-Prospectus by requesting in writing or by telephone from the Information Agent or the Dealer Managers at their respective addresses, the appropriate party at the following address:

The Limited, Inc.	Abercrombie & Fitch Co.
Three Limited Parkway	Four Limited Parkway East
P.O. Box 16000	P.O. Box 182168
Columbus, Ohio 43230	Reynoldsburg, Ohio 43608
Attention: Investor Relations	Attention: Investor Relations
(614) 415-7000	(614) 577-6500

If you would like to request documents from either company, please do so five business days before the Expiration Date to receive them in time.

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED OR INCORPORATED BY REFERENCE IN THIS OFFERING CIRCULAR-PROSPECTUS IN CONNECTION WITH THE EXCHANGE OFFER OR IN THE LETTER OF TRANSMITTAL. NEITHER THE LIMITED NOR A&F HAS AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT FROM WHAT IS CONTAINED IN THIS OFFERING CIRCULAR-PROSPECTUS. THIS OFFERING CIRCULAR-PROSPECTUS IS DATED APRIL 15, 1998. YOU SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN THIS OFFERING CIRCULAR-PROSPECTUS IS ACCURATE AS OF ANY DATE OTHER THAN SUCH DATE, AND NEITHER THE MAILING OF THIS OFFERING CIRCULAR-PROSPECTUS TO STOCKHOLDERS NOR THE ISSUANCE OF A&F COMMON STOCK SHALL CREATE ANY IMPLICATION TO THE CONTRARY.

THIS OFFERING CIRCULAR-PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF ANY OFFER TO BUY ANY OF THE A&F COMMON STOCK IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH JURISDICTION. THE LIMITED IS NOT AWARE OF ANY JURISDICTION WHERE THE MAKING OF THE EXCHANGE OFFER OR THE ACCEPTANCE THEREOF WOULD NOT BE IN COMPLIANCE WITH APPLICABLE LAW. IF THE LIMITED BECOMES AWARE OF ANY JURISDICTION WHERE THE MAKING OF THE EXCHANGE OFFER OR ACCEPTANCE THEREOF WOULD NOT BE IN COMPLIANCE WITH ANY VALID APPLICABLE LAW, THE LIMITED WILL MAKE A GOOD FAITH EFFORT TO COMPLY WITH SUCH LAW. IF, AFTER SUCH GOOD FAITH EFFORT, THE LIMITED CANNOT COMPLY WITH SUCH LAW, THE EXCHANGE OFFER WILL NOT BE MADE TO, NOR WILL TENDERS BE ACCEPTED FROM OR ON BEHALF OF, HOLDERS OF SHARES OF LIMITED COMMON STOCK IN ANY SUCH JURISDICTION.

LIST OF DEFINED TERMS

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"EITF".....	51
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"HSR Act".....	23
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[LETTERHEAD OF COOPERS & LYBRAND]

REPORT OF INDEPENDENT ACCOUNTANTS

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

We have audited the accompanying consolidated balance sheets of The Limited, Inc. and subsidiaries as of January 31, 1998 and February 1, 1997, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three fiscal years in the period ended January 31, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Limited, Inc. and subsidiaries as of January 31, 1998 and February 1, 1997 and the consolidated results of their operations and their cash flows for each of the three fiscal years in the period ended January 31, 1998, in conformity with generally accepted accounting principles.

/s/ Coopers & Lybrand L.L.P.
Coopers & Lybrand L.L.P.
Columbus, Ohio
February 20, 1998

THE LIMITED, INC.

CONSOLIDATED STATEMENTS OF INCOME

	1997	1996	1995
(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)			
NET SALES.....	\$ 9,188,804	\$ 8,644,791	\$ 7,881,437
Costs of Goods Sold, Occupancy and Buying Costs.....	(6,370,827)	(6,148,212)	(5,793,905)
GROSS INCOME.....	2,817,977	2,496,579	2,087,532
General, Administrative and Store Operating Expenses.....	(2,124,663)	(1,848,512)	(1,475,497)
Special and Nonrecurring Items, Net...	(213,215)	(12,000)	1,314
OPERATING INCOME.....	480,099	636,067	613,349
Interest Expense.....	(68,728)	(75,363)	(77,537)
Other Income, Net.....	36,886	41,972	21,606
Minority Interest.....	(56,473)	(45,646)	(22,374)
Gain in Connection with Initial Public Offerings.....	8,606	118,178	649,467
INCOME BEFORE INCOME TAXES.....	400,390	675,208	1,184,511
Provision for Income Taxes.....	183,000	241,000	223,000
NET INCOME.....	\$ 217,390	\$ 434,208	\$ 961,511
NET INCOME PER SHARE:			
BASIC.....	\$.80	\$ 1.55	\$ 2.69
DILUTED.....	\$.79	\$ 1.54	\$ 2.68

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

THE LIMITED, INC.
CONSOLIDATED BALANCE SHEETS

	JANUARY 31, 1998	FEBRUARY 1, 1997
	-----	-----
	(IN THOUSANDS)	
ASSETS		
CURRENT ASSETS:		
Cash and Equivalents.....	\$ 746,395	\$ 312,796
Accounts Receivable.....	83,370	69,337
Inventories.....	1,002,710	1,007,303
Store Supplies.....	99,167	90,400
Other.....	99,509	65,261
	-----	-----
TOTAL CURRENT ASSETS.....	2,031,151	1,545,097
PROPERTY AND EQUIPMENT, NET.....	1,519,908	1,828,869
RESTRICTED CASH.....	351,600	351,600
DEFERRED INCOME TAXES	56,586	--
OTHER ASSETS.....	341,516	394,436
	-----	-----
TOTAL ASSETS.....	\$4,300,761	\$4,120,002
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts Payable.....	\$ 300,703	\$ 307,841
Accrued Expenses.....	676,715	481,744
Income Taxes.....	115,994	117,308
	-----	-----
TOTAL CURRENT LIABILITIES.....	1,093,412	906,893
LONG-TERM DEBT.....	650,000	650,000
DEFERRED INCOME TAXES	--	169,932
OTHER LONG-TERM LIABILITIES.....	58,720	51,659
MINORITY INTEREST.....	102,072	67,336
CONTINGENT STOCK REDEMPTION AGREEMENT.....	351,600	351,600
Shareholders' Equity:		
Common Stock.....	180,352	180,352
Paid-In Capital.....	148,018	142,860
Retained Earnings.....	3,613,174	3,526,256
	-----	-----
3,941,544	3,849,468	
Less: Treasury Stock, at Cost.....	(1,896,587)	(1,926,886)
	-----	-----
TOTAL SHAREHOLDERS' EQUITY.....	2,044,957	1,922,582
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY.....	\$4,300,761	\$4,120,002
	=====	=====

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

THE LIMITED, INC.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	COMMON STOCK				TREASURY STOCK, AT COST	TOTAL SHAREHOLDERS' EQUITY
	SHARES OUTSTANDING	PAR VALUE	PAID-IN CAPITAL	RETAINED EARNINGS		
	(IN THOUSANDS)					
Balance, January 28, 1995.....	357,604	\$189,727	\$132,938	\$2,716,516	\$ (278,225)	\$2,760,956
Net Income.....	--	--	--	961,511	--	961,511
Cash Dividends.....	--	--	--	(143,091)	--	(143,091)
Purchase of Treasury Stock.....	(3,361)	--	--	--	(55,239)	(55,239)
Common Shares Subject to Contingent Stock Redemption Agreement...	--	(9,375)	(7,639)	(334,586)	--	(351,600)
Stock Issued for Acquisition.....	730	--	7,769	--	8,231	16,000
Exercise of Stock Options and Other.....	393	--	4,066	--	8,438	12,504
Balance, February 3, 1996.....	355,366	\$180,352	\$137,134	\$3,200,350	\$ (316,795)	\$3,201,041
Net Income.....	--	--	--	434,208	--	434,208
Cash Dividends.....	--	--	--	(108,302)	--	(108,302)
Purchase of Treasury Stock.....	(85,000)	--	--	--	(1,615,000)	(1,615,000)
Exercise of Stock Options and Other.....	705	--	5,726	--	4,909	10,635
Balance, February 1, 1997.....	271,071	\$180,352	\$142,860	\$3,526,256	\$(1,926,886)	\$1,922,582
Net Income.....	--	--	--	217,390	--	217,390
Cash Dividends.....	--	--	--	(130,472)	--	(130,472)
Exercise of Stock Options and Other.....	1,729	--	5,158	--	30,299	35,457
Balance, January 31, 1998.....	272,800	\$180,352	\$148,018	\$3,613,174	\$(1,896,587)	\$2,044,957

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

THE LIMITED, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	1997	1996	1995
	(IN THOUSANDS)		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income.....	\$ 217,390	\$ 434,208	\$ 961,511
Impact of Other Operating Activities on Cash Flows:			
Depreciation and Amortization.....	313,292	289,643	285,889
Special and Nonrecurring Items, Net....	128,215	7,200	(1,314)
Minority Interest, Net of Dividends Paid.....	34,736	21,637	17,250
Gain in Connection with Initial Public Offerings, Net.....	(5,606)	(118,178)	(649,467)
Change in Assets and Liabilities:			
Accounts Receivable.....	(14,033)	8,179	(104,121)
Inventories.....	(5,407)	(48,350)	(70,813)
Accounts Payable and Accrued Expenses.....	81,833	116,599	50,883
Income Taxes.....	(145,832)	(5,915)	(132,560)
Other Assets and Liabilities.....	(14,607)	7,046	(16,526)
NET CASH PROVIDED BY OPERATING ACTIVITIES..	589,981	712,069	340,732
INVESTING ACTIVITIES:			
Capital Expenditures.....	(404,602)	(409,260)	(374,374)
Proceeds from Sale of Property and Related Interests.....	234,976	--	--
Net Proceeds from Partial Sale of Interest in Investee.....	108,259	--	--
Businesses Acquired.....	--	(41,255)	(2,000)
Increase in Restricted Cash.....	--	--	(351,600)
Proceeds from Credit Card Securitization.....	--	--	1,212,630
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES.....	(61,367)	(450,515)	484,656
FINANCING ACTIVITIES:			
Net Repayments of Commercial Paper Borrowings and Certificates of Deposit..	--	--	(25,200)
Proceeds from Short-Term Borrowings.....	--	150,000	250,000
Repayment of Short-Term Borrowings.....	--	(150,000)	(250,000)
Net Proceeds from Issuance and Sale of Subsidiary Stock.....	--	118,178	788,589
Dividends Paid.....	(130,472)	(108,302)	(143,091)
Purchase of Treasury Stock.....	--	(1,615,000)	(55,239)
Stock Options and Other.....	35,457	10,635	12,504
NET CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES.....	(95,015)	(1,594,489)	577,563
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS.....			
	433,599	(1,332,935)	1,402,951
Cash and Equivalents, Beginning of Year....	312,796	1,645,731	242,780
CASH AND EQUIVALENTS, END OF YEAR.....	\$ 746,395	\$ 312,796	\$1,645,731
	=====	=====	=====

Noncash investing activities included \$2.2 million in 1997 and \$16 million in 1995 for stock issued in connection with the acquisition of Galyan's.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

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

Investments in other entities (including joint ventures) where the Company has the ability to significantly influence operating and financial policies are accounted for on the equity method.

Fiscal Year

The Company's fiscal year ends on the Saturday closest to January 31. Fiscal years are designated in the financial statements and notes by the calendar year in which the fiscal year commences. The results for fiscal years 1997 and 1996 represent the 52-week periods ended January 31, 1998 and February 1, 1997. The results for fiscal year 1995 represent the 53-week period ended February 3, 1996.

Cash and Equivalents

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

Inventories

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

Store Supplies

The initial inventory of supplies for new stores including, but not limited to, hangers, signage, security tags and point-of-sale supplies are capitalized at the store opening date. Subsequent shipments are expensed, except for new merchandise presentation programs, which are capitalized.

Property and Equipment

Depreciation and amortization of property and equipment are computed for financial reporting purposes on a straight-line basis, using service lives ranging principally from 10-30 years for buildings and improvements and 3-10 years for other property and equipment. The cost of assets sold or retired and the related accumulated depreciation or amortization are removed from the accounts with any resulting gain or loss included in net income. Maintenance and repairs are charged to expense as incurred. Major renewals and betterments that extend service lives are capitalized. Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that full recoverability is questionable. Factors used in the valuation include, but are not limited to, management's plans for future operations, brand initiatives, recent operating results and projected cash flows.

Goodwill Amortization

Goodwill represents the excess of the purchase price over the fair value of the net assets of acquired companies and is amortized on a straight-line basis, principally over 30 years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--CONTINUED

Catalogue Costs and Advertising

Catalogue costs, primarily consisting of catalogue production and mailing costs, are amortized over the expected future revenue stream, which is principally from three to six months from the date catalogues are mailed. All other advertising costs are expensed at the time the promotion first appears in media or in the store. Catalogue and advertising costs amounted to \$275 million, \$242 million and \$237 million in 1997, 1996 and 1995.

Interest Rate Swap Agreements

The difference between the amount of interest to be paid and the amount of interest to be received under interest rate swap agreements due to changing interest rates is charged or credited to interest expense over the life of the swap agreement. Gains and losses from the disposition of swap agreements are deferred and amortized over the term of the related agreements.

Income Taxes

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes," which requires the use of the liability method. Under this method, deferred tax assets and liabilities are recognized based on the difference between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect in the years in which those temporary differences are expected to reverse. Under SFAS No. 109, the effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date.

Shareholders' Equity

Five hundred million shares of \$.50 par value common stock are authorized, of which 272.8 million shares and 271.1 million shares were outstanding, net of 106.7 million shares and 108.4 million shares held in treasury at January 31, 1998 and February 1, 1997. Ten million shares of \$1.00 par value preferred stock are authorized, none of which have been issued.

On March 17, 1996, the Company completed the repurchase of 85 million shares of its common stock under a self-tender offer at \$19.00 per share. Approximately \$1.615 billion was paid in exchange for the outstanding shares which was funded with funds made available from a series of transactions that included: 1) the initial public offering of a 16.9% interest in Intimate Brands, Inc. ("IBI"); 2) the securitization of World Financial Network National Bank ("WFNNB") credit card receivables; and 3) the sale of a 60% interest in WFNNB.

Revenue Recognition

Sales are recorded upon purchase by customers. A reserve is provided equal to the gross profit on projected catalogue merchandise returns, based on prior experience.

Earnings per Share

Net income per share is computed in accordance with SFAS No. 128, "Earnings Per Share," which the Company adopted in the fourth quarter of 1997. Earnings per basic share are computed based on the weighted average number of outstanding common shares. Earnings per diluted share include the weighted average effect of dilutive options and restricted stock.

THE LIMITED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--CONTINUED

Weighted Average Common Shares Outstanding:

	1997	1996	1995
	-----	-----	-----
	(IN THOUSANDS)		
Common Shares Issued.....	379,454	379,454	379,454
Treasury Shares.....	(107,556)	(98,755)	(21,862)
Basic Shares.....	271,898	280,699	357,592
Dilutive Effect of Options and Restricted Shares.....	2,585	1,354	779
	-----	-----	-----
Diluted Shares.....	274,483	282,053	358,371
	=====	=====	=====

Options to purchase .7 million, 5.9 million and 7.9 million shares of common stock were outstanding at year-end 1997, 1996 and 1995, but were not included in the computation of earnings per diluted share because the options' exercise price was greater than the average market price of the common shares. Exercise of the 18.75 million shares subject to the Contingent Stock Redemption Agreement (see Notes 6 and 10) was determined not to dilute earnings per share.

Subsequent to January 31, 1998, the Company announced an exchange offer for Abercrombie & Fitch Co. ("A&F") shares that, if consummated, would result in a substantial decrease in total common shares outstanding (see Note 14).

Gains in Connection with Initial Public Offerings

Gains in connection with initial public offerings are recognized in the current year's income. During the first quarter of 1997, the Company recognized a pretax gain of \$8.6 million in connection with the initial public offering ("IPO") of Brylane, Inc., a 26% owned (post-IPO) catalogue retailer. In 1996, the Company recognized a \$118.2 million gain in connection with the IPO of a 15.8% interest (8.05 million shares) of A&F. In 1995, the Company recognized a \$649.5 million gain in connection with the IPO of a 16.9% interest (42.7 million shares) of IBI. IBI consists of the Victoria's Secret Stores, Victoria's Secret Catalogue, Bath & Body Works and Gryphon businesses. The IPO gains recorded by the Company in 1996 and 1995 were not subject to income tax.

Minority interest of \$102.1 million at January 31, 1998 represents a 16.9% interest in the net equity of IBI and a 15.8% interest in the net equity of A&F.

Use of Estimates in the Preparation of Financial Statements

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

Reclassifications

Certain amounts on previously reported financial statement captions have been reclassified to conform with current year presentation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--CONTINUED

2. SPECIAL AND NONRECURRING ITEMS

As a result of an ongoing review of the Company's retail businesses and investments as well as implementation of initiatives intended to promote and strengthen The Limited's various retail brands (including closing businesses, identification and disposal of non-core assets and identification of store locations not consistent with a particular brand), the Company recognized special and nonrecurring charges of \$276 million during the fourth quarter of 1997 comprised of: 1) a \$68 million charge for the closing of the 118 store Cacique lingerie business effective January 31, 1998. The amount includes noncash charges of \$30 million comprised principally of write-offs and liquidations of store assets and accruals of \$38 million related to cancellations of merchandise on order and other exit costs such as severance, service contract termination fees and lease termination costs. Other than contractual obligations of \$5 million, the accrued costs are expected to be paid in fiscal year 1998; 2) an \$82 million charge related to streamlining the Henri Bendel business from six stores to one store by September 1, 1998. The amount includes \$26 million of noncash charges related primarily to write-offs of store assets and accruals of \$56 million related primarily to contract cancellations and lease termination costs. Other than contractual obligations of \$18 million, the accrued costs are expected to be paid in 1998. Termination costs related to Henri Bendel closings will be recognized in first quarter 1998 when the associates are notified; 3) \$86 million of impaired asset charges, related principally to the women's businesses, covering certain store locations where the carrying values are permanently impaired; and 4) a \$28 million provision for closing and downsizing approximately 80 oversized stores, primarily within the Limited, Lerner New York, Lane Bryant and Express women's businesses and a \$12 million write-down to net realizable value of a real estate investment previously acquired in connection with closing and downsizing certain stores. The \$28 million charge includes \$13 million of noncash charges related to write-offs of store assets and accruals of \$15 million related to lease termination costs. Other than contractual obligations of \$7 million, the accrued costs are expected to be paid within 18 months. Additionally, the Company recognized a \$13 million cost of sales charge in the fourth quarter for inventory liquidation at Henri Bendel. The after-tax cash impact of these charges is estimated to be approximately \$30 million. The Company will recognize charges for severance and other associate termination costs for Henri Bendel in the first quarter of 1998 (at the time the associates are notified).

Additionally, the Company recognized a \$75.3 million pretax gain during the third quarter of 1997 in connection with the sale of 2.4 million shares of Brylane, which is carried on the equity method, for \$46 per share generating cash proceeds of \$108 million. This sale represented approximately one-half of its investment in Brylane. This gain was partially offset by valuation adjustments of \$12.5 million on certain assets where the carrying values were permanently impaired. On February 20, 1998, The Limited entered into an agreement with Pinault Printemps-Radoute to sell its remaining 2.6 million shares of Brylane for \$51 per share or cash proceeds of \$131 million. The transaction is expected to close in April 1998.

The \$86 million impaired asset charge was in accordance with SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of." As a result of the Company's strategic review process, including the implementation of brand initiatives within individual businesses, updated analyses were prepared to determine if there was impairment of any long-lived assets. The revised carrying values of these assets were calculated on the basis of discounted cash flows. The impaired asset charge had no impact on the Company's 1997 or future cash flows. As a result of this charge, depreciation and amortization expense related to these assets will decrease in future periods.

THE LIMITED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--CONTINUED

In 1996, the Company recorded a \$12 million pretax, special and nonrecurring charge in connection with the April 1997 sale of Penhaligon's, a U.K.-based subsidiary of IBI.

In the fourth quarter of 1995, the Company recognized a \$73.2 million pretax gain in connection with the sale of a 60% interest in the Company's wholly-owned credit card bank, WFNNB. In addition, the Company recognized a special and nonrecurring charge during the fourth quarter of 1995 of approximately \$71.9 million. Of this amount, \$25.8 million was provided for the closing of 26 stores and \$19.8 million was provided for the downsizing of 33 stores, primarily at Limited and Lerner New York. The remaining charge of approximately \$26.3 million represented the write-down to market or net realizable value of certain assets arising from nonoperating activities. The net pretax gain from these special and nonrecurring items was \$1.3 million.

3. ACCOUNTS RECEIVABLE

As discussed in Note 2, the sale of a 60% interest in WFNNB was completed in the fourth quarter of 1995 and WFNNB's outstanding debt to the Company of approximately \$1.2 billion was repaid. Finance charge revenue on the deferred payment accounts amounted to \$235.6 million in 1995 and the provision for uncollectible accounts amounted to \$91.4 million in 1995. These amounts are classified as components of the cost to administer the deferred payment program and are included in the Company's general, administrative and store operating expenses for that year.

4. PROPERTY AND EQUIPMENT

Property and equipment, at cost, consisted of:

	1997	1996

	(THOUSANDS)	
Land, Buildings and Improvements.....	\$ 394,885	\$ 530,259
Furniture, Fixtures and Equipment.....	1,951,172	1,929,951
Leaseholds and Improvements.....	539,047	641,200
Construction in Progress.....	219,508	188,834

Total.....	3,104,612	3,290,244
Less: Accumulated Depreciation and Amortization.....	1,584,704	1,461,375

Property and Equipment, Net.....	\$1,519,908	\$1,828,869
	=====	=====

5. LEASED FACILITIES AND COMMITMENTS

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

A summary of rent expense for 1997, 1996 and 1995 follows:

	1997	1996	1995

	(THOUSANDS)		
Fixed Minimum.....	\$721,283	\$689,319	\$643,200
Contingent.....	26,630	23,117	18,812

Total Store Rent.....	747,913	712,436	662,012
Equipment and Other.....	23,492	25,163	26,101

Total Rent Expense.....	\$771,405	\$737,599	\$688,113
	=====	=====	=====

THE LIMITED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--CONTINUED

At January 31, 1998, the Company was committed to noncancelable leases with remaining terms generally from one to twenty years. A substantial portion of these commitments are store leases with initial terms ranging from ten to twenty years, with options to renew at varying terms.

A summary of minimum rent commitments under noncancelable leases follows (thousands):

1998.....	\$ 731,233
1999.....	712,804
2000.....	688,317
2001.....	645,229
2002.....	595,377
Thereafter.....	2,062,453

6. RESTRICTED CASH

At January 31, 1998, Special Funding, Inc., a wholly-owned subsidiary of the Company, had \$351.6 million of restricted cash invested in short-term, highly liquid securities. This amount is classified as a noncurrent asset, since it has been reserved for use in the event that The Wexner Children's Trust, established by Leslie H. Wexner, the Company's principal shareholder, exercises its opportunity to require the Company to redeem, or the Company exercises its opportunity to redeem from the Trust, shares of The Limited, Inc. common stock in accordance with the terms of the Contingent Stock Redemption Agreement (see Note 10). Interest earnings of \$18.6 million and \$17.9 million in 1997 and 1996 on the segregated cash accrued to the Company.

7. ACCRUED EXPENSES

Accrued expenses consisted of:

	1997	1996
	-----	-----
	(THOUSANDS)	
Compensation, Payroll Taxes and Benefits.....	\$135,701	\$100,526
Rent.....	152,850	123,421
Taxes, Other than Income.....	42,321	47,297
Interest.....	21,129	21,510
Store Closings.....	86,803	3,509
Other.....	237,911	185,481
	-----	-----
Total.....	\$676,715	\$481,744
	=====	=====

8. LONG-TERM DEBT

Unsecured long-term debt consisted of:

	1997	1996
	-----	-----
	(THOUSANDS)	
7 1/2% Debentures due March 2023.....	\$250,000	\$250,000
7 4/5% Notes due May 2002.....	150,000	150,000
9 1/8% Notes due February 2001.....	150,000	150,000
8 7/8% Notes due August 1999.....	100,000	100,000
	-----	-----
Total.....	\$650,000	\$650,000
	=====	=====

THE LIMITED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--CONTINUED

The Company maintains a \$1 billion unsecured credit agreement (the "Agreement"), established on September 29, 1997 (the "Effective Date"). Borrowings outstanding under the Agreement are due September 28, 2002. However, the revolving term of the Agreement may be extended an additional two years upon notification by the Company on the second and fourth anniversaries of the Effective Date, subject to the approval of the lending banks. The Agreement has several 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. Facilities fees payable under the Agreement are based on the Company's long-term credit ratings, and currently approximate .1% of the committed amount per annum. The Agreement contains covenants relating to the Company's working capital, debt and net worth. No amounts were outstanding under the Agreement at January 31, 1998.

The Agreement supports the Company's commercial paper program which is used from time to time to fund working capital and other general corporate requirements. No commercial paper was outstanding at January 31, 1998.

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

The Company periodically enters into interest rate swap agreements with the intent to manage interest rate exposure. At January 31, 1998, the Company had an interest rate swap position of \$100 million notional principal amount outstanding. This contract effectively changed the Company's interest rate exposure on \$100 million of variable rate debt to a fixed rate of 8.09% through July 2000.

Long-term debt maturities within the next five years consist of \$100 million which matures August 15, 1999, \$150 million which matures February 1, 2001 and \$150 million which matures May 15, 2002. Interest paid approximated \$69.1 million, \$65.5 million and \$88.4 million in 1997, 1996 and 1995.

9. INCOME TAXES

The provisions for income taxes consisted of:

	1997	1996	1995
	-----	-----	-----
	(THOUSANDS)		
Currently Payable			
Federal.....	\$304,300	\$210,400	\$190,900
State.....	33,800	34,000	24,700
Foreign.....	3,700	2,400	4,500
	-----	-----	-----
Total.....	341,800	246,800	220,100
	-----	-----	-----
Deferred			
Federal.....	(156,600)	(13,800)	(9,400)
State.....	(2,200)	8,000	12,300
	-----	-----	-----
Total.....	(158,800)	(5,800)	2,900
	-----	-----	-----
Total Provision.....	\$183,000	\$241,000	\$223,000
	=====	=====	=====

The foreign component of pretax income, arising principally from overseas sourcing operations, was \$62.3 million, \$45.9 million and \$60.8 million in 1997, 1996 and 1995.

THE LIMITED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--CONTINUED

A reconciliation between the statutory Federal income tax rate and the effective income tax rate on pretax earnings excluding the nontaxable gains from sales of subsidiary stock in 1996 and 1995 and minority interest follows:

	1997	1996	1995
	----	----	----
Federal Income Tax Rate.....	35.0%	35.0%	35.0%
State Income Tax, Net of Federal Income Tax Effect.....	4.5%	4.5%	4.5%
Other Items, Net.....	.6%	.5%	.7%
	----	----	----
Total.....	40.1%	40.0%	40.2%
	====	====	====

Income taxes payable included net current deferred tax assets of \$63.1 million and \$.3 million at January 31, 1998 and February 1, 1997.

	1997			1996		
	ASSETS	LIABILITIES	TOTAL	ASSETS	LIABILITIES	TOTAL

	(THOUSANDS)					

Excess of Tax Over Book						
Depreciation.....	--	\$ (1,400)	\$ (1,400)	--	\$ (20,000)	\$ (20,000)
Undistributed Earnings of Foreign Affiliates..	--	(102,400)	(102,400)	--	(116,600)	(116,600)
Special and Nonrecurring Items.....	\$ 99,200	--	99,200	\$24,100	--	24,100
Rent.....	62,100	--	62,100	--	(17,500)	(17,500)
Inventory.....	43,700	--	43,700	40,000	--	40,000
Investments in Affiliates.....	--	(24,900)	(24,900)	--	(54,000)	(54,000)
State Income Taxes.....	24,900	--	24,900	9,600	--	9,600
Other.....	18,500	--	18,500	--	(35,300)	(35,300)
	-----	-----	-----	-----	-----	-----
Total Deferred Income Taxes.....	\$248,400	\$(128,700)	\$119,700	\$73,700	\$(243,400)	\$(169,700)
	=====	=====	=====	=====	=====	=====

Income tax payments approximated \$410.8 million, \$233.8 million and \$306.1 million for 1997, 1996 and 1995.

The Internal Revenue Service has assessed the Company for additional taxes and interest for the years 1992-1994 relating to the treatment of transactions involving the Company's foreign operations for which the Company has provided deferred taxes on the undistributed earnings of foreign affiliates. The Company strongly disagrees with the assessment and is vigorously contesting the matter. Management believes resolution of this matter will not have a material adverse effect on the Company's results of operations or financial condition.

10. CONTINGENT STOCK REDEMPTION AGREEMENT

In connection with the reconfiguration of its business, the Company purchased from shareholders via a self-tender offer, 85 million shares of The Limited, Inc. common stock for approximately \$1.615 billion on March 17, 1996. Leslie H. Wexner, Chairman and CEO of the Company, as well as the Company's founder and principal shareholder, did not participate in the self-tender. However, the Company entered into an agreement, as amended in 1996, which provides The Wexner Children's Trust the opportunity, commencing on February 1, 1998, and for a period of eight years thereafter (the exercise period), to require the Company to redeem up to 18.75 million shares for a price per share equal to \$18.75 (a price equal to the price per share paid in the self-tender less \$.25 per share). Under certain circumstances, lenders to the Trust, if any, may exercise this opportunity, beginning February 1, 1997. The Company received the opportunity to redeem an equivalent number of shares from the Trust

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--CONTINUED

at \$25.07 per share for a period beginning on July 31, 2006, and for six months thereafter. As a result of these events, the Company has transferred \$351.6 million to temporary equity identified as Contingent Stock Redemption Agreement in the Consolidated Balance Sheets. In addition, approximately \$351.6 million has been designated as restricted cash to consummate either of the above rights (see Note 6). The terms of this agreement were approved by the Company's Board of Directors.

11. STOCK OPTIONS AND RESTRICTED STOCK

Under the Company's stock plans, associates may be granted up to a total of 17.3 million restricted shares and options to purchase the Company's common stock at the market price on the date of grant. In 1997, the Company granted approximately 5.6 million options with a graduated vesting schedule over six years. The remaining options generally vest 25% per year over the first four years of the grant. Virtually all options have a maximum term of ten years.

Under separate stock plans, up to 17.5 million IBI shares and 3.5 million A&F shares are available to grant restricted shares and options to IBI and A&F associates. As of January 31, 1998, options to purchase 4.3 million IBI shares and 1.9 million A&F shares were outstanding, of which 418,000 IBI options and 35,000 A&F options were exercisable. Under these plans, options generally vest over periods from four to six years.

The Company adopted the disclosure requirements of SFAS No. 123, "Accounting for Stock-Based Compensation," effective with the 1996 financial statements, but elected to continue to measure compensation expense in accordance with APB Opinion No. 25, "Accounting for Stock Issued to Employees." Accordingly, no compensation expense for stock options has been recognized. If compensation expense had been determined based on the estimated fair value of options granted since 1995, consistent with the methodology in SFAS No. 123, the pro forma effect on net income and earnings per diluted share, including the impact of options issued by IBI and A&F, would have been a reduction of approximately \$11.4 million or \$.04 per share in 1997 and \$4.0 million or \$.01 per share in 1996. The weighted-average per share fair value of options granted (\$5.79, \$4.72 and \$5.48 during 1997, 1996 and 1995) was estimated using the Black-Scholes option-pricing model with the following weighted-average assumptions for 1997, 1996 and 1995: dividend yields of 2.8%; volatility of 27%, 31% and 31%; risk-free interest rates of 6%, 5.25% and 7%; assumed forfeiture rates of 15%, 20% and 20%; and expected lives of 6.5 years, 5 years and 5 years. The pro forma effect on net income for 1997 and 1996 is not representative of the pro forma effect on net income in future years because it does not take into consideration pro forma compensation expense related to grants made prior to 1995.

Approximately 2,120,000, 468,000 and 569,000 restricted Limited shares were granted in 1997, 1996 and 1995, with market values at date of grant of \$43.9 million, \$8.3 million and \$10.0 million. Included in the 1997 grants were 1.7 million restricted shares, of which 685,000 had performance requirements, with a graduated vesting schedule over six years. The remaining restricted shares generally vest either on a graduated scale over four years or 100% at the end of a fixed vesting period, principally five years. Additionally, IBI granted 1,442,000, 169,000 and 357,000 restricted shares in 1997, 1996 and 1995 and A&F granted 540,000 and 50,000 restricted shares in 1997 and 1996. Vesting terms for the IBI and A&F restricted shares are similar to those of The Limited. The market value of restricted shares, subject to adjustment at measurement date for the performance awards, is being amortized as compensation expense over the vesting period, generally four to six years. Compensation expense related to restricted stock awards, including expense related to awards granted at IBI and A&F, amounted to \$29.0 million in 1997 and \$9.1 million in both 1996 and 1995.

THE LIMITED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--CONTINUED

The following table summarizes information about stock options outstanding at January 31, 1998:

OPTIONS OUTSTANDING				OPTIONS EXERCISABLE	
RANGE OF EXERCISE PRICES	NUMBER OUTSTANDING AT 1/31/98	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER EXERCISABLE AT 1/31/98	WEIGHTED AVERAGE EXERCISABLE PRICE
\$15-\$16	1,350,000	6.1	\$16	618,000	\$16
\$17-\$18	2,827,000	7.3	\$17	1,227,000	\$17
\$19-\$21	5,658,000	7.9	\$20	1,651,000	\$21
\$22-\$27	2,646,000	7.9	\$23	773,000	\$24
\$9 -\$31	1,589,000	7.5	\$20	638,000	\$20
\$9 -\$31	14,070,000	7.5	\$20	4,907,000	\$20

A summary of option activity for 1995, 1996 and 1997 follows:

	NUMBER OF SHARES	WEIGHTED AVERAGE OPTION PRICE PER SHARE
1995		
Outstanding at Beginning of Year.....	8,414,000	\$19.56
Granted.....	2,196,000	17.81
Exercised.....	(280,000)	12.43
Canceled.....	(1,188,000)	19.90
Outstanding at End of Year.....	9,142,000	\$19.32
Options Exercisable at Year-End.....	4,800,000	\$19.62
1996		
Outstanding at Beginning of Year.....	9,142,000	\$19.32
Granted.....	1,899,000	17.30
Exercised.....	(531,000)	14.89
Canceled.....	(1,311,000)	19.45
Outstanding at End of Year.....	9,199,000	\$19.14
Options Exercisable at Year-End.....	5,249,000	\$20.24
1997		
Outstanding at Beginning of Year.....	9,199,000	\$19.14
Granted.....	7,331,000	20.02
Exercised.....	(1,377,000)	17.70
Canceled.....	(1,083,000)	19.64
Outstanding at End of Year.....	14,070,000	\$19.70
Options Exercisable at Year-End.....	4,907,000	\$19.89

12. RETIREMENT BENEFITS

The Company sponsors a qualified defined contribution retirement plan and a nonqualified supplemental retirement plan. Participation in the qualified plan is available to all associates who have

THE LIMITED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--CONTINUED

completed 1,000 or more hours of service with the Company during certain 12-month periods and attained the age of 21. Participation in the nonqualified plan is subject to service and compensation requirements. Company contributions to these plans are based on a percentage of associates' eligible annual compensation. The cost of these plans was \$36.4 million in 1997, \$36.2 million in 1996 and \$33.3 million in 1995.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Current Assets, Current Liabilities and Restricted Cash

The carrying value of cash equivalents, restricted cash, accounts payable and accrued expenses approximates fair value because of their short maturity.

Long-Term Debt

The fair value of the Company's long-term debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the Company for debt of the same remaining maturities.

Interest Rate Swap Agreement

The fair value of the interest rate swap is the estimated amount that the Company would receive or pay to terminate the swap agreement at the reporting date, taking into account current interest rates and the current creditworthiness of the swap counterparty.

The estimated fair values of the Company's financial instruments are as follows:

	1997		1996	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE

(THOUSANDS)

Long-Term Debt.....	\$(650,000)	\$(667,391)	\$(650,000)	\$(638,798)
Interest Rate Swaps.....	\$ (328)	\$ (5,345)	\$ (351)	\$ (5,267)

14. SUBSEQUENT EVENT--REGISTRATION STATEMENT FOR A&F EXCHANGE OFFER

On February 17, 1998, a registration statement was filed with the Securities and Exchange Commission in connection with a plan to establish A&F as a fully independent company via a tax-free exchange offer pursuant to which The Limited shareholders will be given an opportunity to tender some or all of their shares of The Limited in return for shares of A&F. The transaction is subject to certain customary conditions.

THE LIMITED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--CONTINUED

15. QUARTERLY FINANCIAL DATA (UNAUDITED)

Summarized quarterly financial results for 1997 and 1996 follow:

	FIRST	SECOND	THIRD	FOURTH
----- (THOUSANDS EXCEPT PER SHARE AMOUNTS)				
1997 QUARTER				
Net Sales.....	\$1,829,780	\$2,020,084	\$2,070,559	\$3,268,381
Gross Income.....	501,471	538,907	620,982	1,156,617
Net Income.....	24,873	27,574	79,682	85,261
Net Income Per Basic Share.....	.09	.10	.29	.31
Net Income Per Diluted Share.....	*.09	.10	*.29	*.31
1996 QUARTER				
Net Sales.....	\$1,787,943	\$1,895,601	\$1,994,986	\$2,966,261
Gross Income.....	469,541	491,909	555,374	979,755
Net Income.....	28,152	33,150	159,513	213,393
Net Income Per Basic Share.....	.09	.12	.59	.79
Net Income Per Diluted Share.....	.09	.12	*.59	*.78

* Gains in connection with initial public offerings included an \$8.6 million (\$.02 per diluted share) pretax gain in the first quarter of 1997 in connection with the Company's ownership portion of Brylane, a 26% owned (post-IPO) catalogue retailer and a \$118.2 million (\$.44 per diluted share) gain in the third quarter of 1996 in connection with the IPO of a 15.8% interest of A&F (see Note 1). Special charges included \$276 million (\$.57 per diluted share) in special and nonrecurring items and an additional \$13 million (\$.03 per diluted share) in inventory liquidation charges during the fourth quarter of 1997, a net \$62.8 million (\$.14 per diluted share) pretax gain during the third quarter of 1997 relating to the sale of approximately one-half of its investment in Brylane and \$12 million (\$.02 per diluted share) in special and nonrecurring charges during the fourth quarter of 1996 in connection with the sale of the Penhaligon's business (see Note 2).

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[LETTERHEAD OF COOPERS & LYBRAND]

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of
Abercrombie & Fitch Co.

We have audited the accompanying consolidated balance sheets of Abercrombie & Fitch Co. and subsidiaries as of January 31, 1998 and February 1, 1997, and the related consolidated statements of income, shareholders' equity (deficit) and cash flows for each of the three fiscal years in the period ended January 31, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Abercrombie & Fitch Co. and subsidiaries as of January 31, 1998 and February 1, 1997 and the consolidated results of their operations and their cash flows for each of the three fiscal years in the period ended January 31, 1998, in conformity with generally accepted accounting principles.

/s/ Coopers & Lybrand, L.L.P.

Coopers & Lybrand L.L.P.
Columbus, Ohio
February 20, 1998

ABERCROMBIE & FITCH CO.

CONSOLIDATED STATEMENTS OF INCOME

	1997	1996	1995

	(THOUSANDS EXCEPT PER SHARE AMOUNTS)		
NET SALES.....	\$521,617	\$335,372	\$235,659
Costs of Goods Sold, Occupancy and Buying Costs...	320,537	211,606	155,865

GROSS INCOME.....	201,080	123,766	79,794
General, Administrative and Store Operating Ex- penses.....	116,955	77,773	55,996

OPERATING INCOME.....	84,125	45,993	23,798
Interest Expense, Net	3,583	4,919	--

INCOME BEFORE INCOME TAXES.....	80,542	41,074	23,798
Provision for Income Taxes.....	32,220	16,400	9,500

NET INCOME.....	\$ 48,322	\$ 24,674	\$ 14,298
	=====		
NET INCOME PER SHARE:			
Basic.....	\$.95	\$.54	\$.33
	=====		
Diluted.....	\$.94	\$.54	\$.33
	=====		

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

ABERCROMBIE & FITCH CO.
CONSOLIDATED BALANCE SHEETS

JANUARY 31, FEBRUARY 1,
1998 1997

(THOUSANDS)

	JANUARY 31, 1998	FEBRUARY 1, 1997
	-----	-----
ASSETS		
CURRENT ASSETS:		
Cash and Equivalents.....	\$ 42,667	\$ 1,945
Accounts Receivable.....	1,695	2,102
Inventories.....	33,927	34,943
Store Supplies.....	5,592	5,300
Intercompany Receivable.....	23,785	--
Other.....	1,296	588
	-----	-----
TOTAL CURRENT ASSETS.....	108,962	44,878
PROPERTY AND EQUIPMENT, NET.....	70,517	58,992
DEFERRED INCOME TAXES.....	3,759	1,885
OTHER ASSETS.....	--	6
	-----	-----
TOTAL ASSETS.....	\$183,238	\$105,761
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts Payable.....	\$ 15,968	\$ 6,414
Accrued Expenses.....	35,143	22,388
Income Taxes Payable.....	15,851	9,371
Intercompany Payable.....	--	5,417
	-----	-----
TOTAL CURRENT LIABILITIES.....	66,962	43,590
LONG-TERM DEBT.....	50,000	50,000
OTHER LONG-TERM LIABILITIES.....	7,501	933
SHAREHOLDERS' EQUITY:		
Common Stock.....	511	511
Paid-In Capital.....	117,972	117,980
Retained Earnings (Deficit).....	(58,931)	(107,253)
	-----	-----
Less: Treasury Stock, at Cost	59,552	11,238
	(777)	--
	-----	-----
TOTAL SHAREHOLDERS' EQUITY.....	58,775	11,238
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY.....	\$183,238	\$105,761
	=====	=====

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

ABERCROMBIE & FITCH CO.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIT)

	COMMON STOCK			RETAINED EARNINGS (DEFICIT)	TREASURY STOCK, AT COST	TOTAL SHAREHOLDERS' EQUITY (DEFICIT)
	SHARES OUTSTANDING	PAR VALUE	PAID-IN CAPITAL			
				(THOUSANDS)		
Balance, January 28, 1995.....	43,000	--	\$ 155	\$ (37,225)	--	\$(37,070)
Net Income.....	--	--	--	14,298	--	14,298
Other.....	--	--	150	--	--	150
Balance, February 3, 1996.....	43,000	--	\$ 305	\$ (22,927)	--	\$(22,622)
Transfer of Equity to Debt (\$50,000 Long-Term Debt and \$32,000 Short- Term Borrowings).....	--	--	--	(82,000)	--	(82,000)
Cash Dividend to Parent Prior to Initial Public Offering.....	--	--	--	(27,000)	--	(27,000)
Sale of Common Stock in Initial Public Offering.....	8,050	\$511	\$117,667	--	--	118,178
Net Income.....	--	--	--	24,674	--	24,674
Other.....	--	--	8	--	--	8
Balance, February 1, 1997.....	51,050	\$511	\$117,980	\$(107,253)	--	\$ 11,238
Purchase of Treasury Stock.....	(50)	--	--	--	\$(929)	(929)
Net Income.....	--	--	--	48,322	--	48,322
Exercise of Stock Options and Other.....	9	--	(8)	--	152	144
Balance, January 31, 1998.....	51,009	\$511	\$117,972	\$ (58,931)	\$(777)	\$ 58,775

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

ABERCROMBIE & FITCH CO.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	1997	1996	1995
	-----	-----	-----
(THOUSANDS)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income.....	\$ 48,322	\$ 24,674	\$14,298
Impact of Other Operating Activities on Cash Flows			
Depreciation and Amortization.....	16,342	11,759	9,104
Noncash Charge for Deferred Compensation....	6,219	--	--
Change in Assets and Liabilities:			
Inventories.....	1,016	(4,555)	(13,837)
Accounts Payable and Accrued Expenses.....	22,309	9,943	4,069
Income Taxes.....	4,606	4,218	(2,525)
Other Assets and Liabilities.....	1,381	797	1,605
	-----	-----	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES.....	100,195	46,836	12,714
	-----	-----	-----
CASH USED FOR INVESTING ACTIVITIES			
Capital Expenditures.....	(29,486)	(24,323)	(24,526)
	-----	-----	-----
FINANCING ACTIVITIES			
Increase (Decrease) in Intercompany Balance....	(29,202)	18,988	11,944
Dividend Paid to Parent.....	--	(27,000)	--
Net Proceeds from Issuance of Common Stock....	--	118,178	--
Proceeds from Credit Agreement.....	--	150,000	--
Repayment of Credit Agreement.....	--	(150,000)	--
Repayment of Trademark Obligations.....	--	(32,000)	--
Repayment of Intercompany Debt.....	--	(91,000)	--
Repayment of Working Capital Note.....	--	(8,616)	--
Purchase of Treasury Stock.....	(929)	--	--
Other Changes in Shareholders' Equity.....	144	8	150
	-----	-----	-----
NET CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES.....	(29,987)	(21,442)	12,094
	-----	-----	-----
NET INCREASE IN CASH AND EQUIVALENTS.....	40,722	1,071	282
Cash and Equivalents, Beginning of Year.....	1,945	874	592
	-----	-----	-----
CASH AND EQUIVALENTS, END OF YEAR.....	\$ 42,667	\$ 1,945	\$ 874
	=====	=====	=====

In 1996, noncash financing activities included the distribution of a note representing preexisting obligations of the Company's operating subsidiary in respect of certain trademarks in the amount of \$32 million by the Company's trademark subsidiary to The Limited, Inc., distribution of the \$50 million in long-term debt and the conversion of \$8.6 million of intercompany debt into a working capital note.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

Abercrombie & Fitch Co. (the "Company") was incorporated on June 26, 1996, and on July 15, 1996 acquired the stock of Abercrombie & Fitch Holdings, the parent company of the Abercrombie & Fitch business, and A&F Trademark, Inc., in exchange for 43 million shares of Class B common stock issued to The Limited, Inc. ("The Limited"). The Company is a specialty retailer of high quality, casual apparel for men and women with an active, youthful lifestyle. The business was established in 1892 and subsequently acquired by The Limited in 1988.

An initial public offering (the "Offering") of 8.05 million shares of the Company's Class A common stock, including the sale of 1.05 million shares pursuant to the exercise by the underwriters of their options to purchase additional shares, was consummated on October 1, 1996. As a result of the Offering, 84.2% of the outstanding common stock of the Company is owned by The Limited.

The net proceeds received by the Company from the Offering, approximating \$118.2 million, and cash from operations were used to repay the borrowings under a \$150 million credit agreement.

The accompanying consolidated financial statements include the historical financial statements of, and transactions applicable to the Company and its subsidiaries and reflect the assets, liabilities, results of operations and cash flows on a historical cost basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and all significant subsidiaries that are more than 50% owned and controlled. All significant intercompany balances and transactions have been eliminated in consolidation.

Fiscal Year

The Company's fiscal year ends on the Saturday closest to January 31. Fiscal years are designated in the financial statements and notes by the calendar year in which the fiscal year commences. The results for fiscal years 1997 and 1996 represent the fifty-two week periods ended January 31, 1998 and February 1, 1997. The results for fiscal year 1995 represent the fifty-three week period ended February 3, 1996.

Cash and Equivalents

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

Inventories

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

Store Supplies

The initial inventory of supplies for new stores including, but not limited to, hangers, signage, security tags and point-of-sale supplies are capitalized at the store opening date. Subsequent shipments are expensed except for new merchandise presentation programs which are capitalized.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--CONTINUED

Property and Equipment

Depreciation and amortization of property and equipment are computed for financial reporting purposes on a straight-line basis, using service lives ranging principally from 10-15 years for building improvements and 3-10 years for other property and equipment. Beneficial leaseholds represent the present value of the excess of fair market rent over contractual rent of existing stores at the 1988 purchase of the Company by The Limited and are being amortized over the lives of the related leases. The cost of assets sold or retired and the related accumulated depreciation or amortization are removed from the accounts with any resulting gain or loss included in net income. Maintenance and repairs are charged to expense as incurred. Major renewals and betterments that extend service lives are capitalized. Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that full recoverability is questionable. Factors used in the valuation include, but are not limited to, management's plans for future operations, recent operating results and projected cash flows.

Income Taxes

Income taxes are calculated in accordance with Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes," which requires the use of the liability method. Deferred tax assets and liabilities are recognized based on the difference between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

Deferred tax assets and liabilities are measured using enacted tax rates in effect in the years in which those temporary differences are expected to reverse. Under SFAS No. 109, the effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company is included in The Limited's consolidated federal and certain state income tax groups for income tax reporting purposes and is responsible for its proportionate share of income taxes calculated upon its federal taxable income at a current estimate of the annual effective tax rate.

Shareholders' Equity

At January 31, 1998, there were 150 million of \$.01 par value Class A shares authorized, of which 8.01 million and 8.05 million shares were outstanding at January 31, 1998 and February 1, 1997 and 150 million of \$.01 par value Class B shares authorized, of which 43 million shares were issued and outstanding. In addition there were 15 million of \$.01 par value preferred shares authorized, none of which have been issued.

Holders of Class A common stock generally have identical rights to holders of Class B common stock, except that holders of Class A common stock are entitled to one vote per share while holders of Class B common stock are entitled to three votes per share on all matters submitted to a vote of shareholders. Each share of Class B common stock is convertible while held by The Limited or any of its subsidiaries into one share of Class A common stock (see Note 11).

Revenue Recognition

Sales are recorded upon purchase by customers.

Catalogue and Advertising Costs

Costs related to the A&F Quarterly, which premiered in 1997, primarily consist of catalogue production and mailing costs and are expensed as incurred. Advertising costs consist of in-store

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--CONTINUED

photographs and advertising in selected national publications and are expensed when the photographs or publications first appear. Catalogue and advertising costs amounted to \$13.7 million in 1997, \$4.1 million in 1996 and \$3.1 million in 1995.

Store Preopening Expenses

Preopening expenses related to new store openings are charged to operations as incurred.

Fair Value of Financial Instruments

The recorded values of current assets and current liabilities, including accounts receivable and accounts payable, approximate fair value due to the short maturity and because the average interest rate approximates current market origination rates.

The fair value of the Company's long-term debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the Company for debt of the same remaining maturity. The estimated fair value of the Company's long-term debt was \$52.2 million at January 31, 1998 and \$50.6 million at February 1, 1997.

Earnings per Share

Net income per share is computed in accordance with SFAS No. 128, "Earnings Per Share," which the Company adopted in the fourth quarter of 1997. Basic earnings per share are computed based on the weighted average number of outstanding common shares. Diluted earnings per share include the weighted average effect of dilutive stock options and restricted stock. The common stock issued to The Limited (43 million Class B shares) in connection with the incorporation of the Company is assumed to have been outstanding for all periods.

Weighted Average Common Shares Outstanding (thousands):

	1997	1996	1995
	-----	-----	-----
Common shares issued.....	51,050	45,749	43,000
Treasury shares.....	(39)	--	--
	-----	-----	-----
Basic shares.....	51,011	45,749	43,000
Dilutive effect of options and restricted shares.....	467	11	--
	-----	-----	-----
Diluted shares.....	51,478	45,760	43,000
	=====	=====	=====

Options to purchase 228,000 and 240,000 shares of common stock were outstanding at year-end 1997 and 1996 but were not included in the computation of diluted earnings per share because the options' exercise price was greater than the average market price of the common shares.

Use of Estimates in the Preparation of Financial Statements

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

Reclassifications

Certain amounts in previously reported financial statement captions have been reclassified to conform with current year presentation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--CONTINUED

3. PROPERTY AND EQUIPMENT

Property and equipment, at cost, consisted of (thousands):

	1997	1996
	-----	-----
Furniture, fixtures and equipment.....	\$104,671	\$ 88,248
Beneficial leaseholds.....	7,349	7,925
Leasehold improvements.....	11,615	5,565
Construction in progress.....	365	181
	-----	-----
Total.....	\$124,000	\$101,919
Less: accumulated depreciation and amortization.....	53,483	42,927
	-----	-----
Property and equipment, net.....	\$ 70,517	\$ 58,992
	=====	=====

4. LEASED FACILITIES AND COMMITMENTS

Annual store rent is comprised of a fixed minimum amount, plus contingent rent based on a percentage of sales exceeding a stipulated amount. Store lease terms generally require additional payments covering taxes, common area costs and certain other expenses. Rent expense also includes charges from The Limited and its subsidiaries for space under formal agreements which approximate market rates (see Note 8).

A summary of rent expense for 1997, 1996 and 1995 follows (thousands):

	1997	1996	1995
	-----	-----	-----
Store rent:			
Fixed minimum.....	\$34,402	\$24,599	\$17,465
Contingent.....	2,138	1,620	1,322
	-----	-----	-----
Total store rent.....	\$36,540	\$26,219	\$18,787
Buildings, equipment and other.....	1,400	1,229	1,058
	-----	-----	-----
Total rent expense.....	\$37,940	\$27,448	\$19,845
	=====	=====	=====

At January 31, 1998, the Company was committed to noncancelable leases with remaining terms of one to fifteen years. These commitments include store leases with initial terms ranging primarily from ten to fifteen years and offices and a distribution center leased from an affiliate of The Limited with an initial term of fifteen years. A majority of the Company's store leases are guaranteed by The Limited. A summary of minimum rent commitments under noncancelable leases follows (thousands):

1998.....	\$40,775
1999.....	41,747
2000.....	41,866
2001.....	42,170
2002.....	42,254
Thereafter.....	181,769

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--CONTINUED

5. ACCRUED EXPENSES

Accrued expenses consisted of the following (thousands):

	1997	1996
	-----	-----
Rent and landlord charges.....	\$ 8,105	\$ 5,624
Compensation and benefits.....	8,357	4,638
Catalogue and advertising costs.....	4,012	1,449
Interest.....	986	2,162
Taxes, other than income.....	1,827	1,761
Other.....	11,856	6,754
	-----	-----
Total.....	\$35,143	\$22,388
	=====	=====

6. INCOME TAXES

The provision for income taxes consisted of (thousands):

	1997	1996	1995
	-----	-----	-----
Currently Payable:			
Federal.....	\$29,620	\$13,800	\$6,900
State.....	3,470	1,300	1,700
	-----	-----	-----
	\$33,090	\$15,100	\$8,600
	-----	-----	-----
Deferred:			
Federal.....	(3,200)	(400)	700
State.....	2,330	1,700	200
	-----	-----	-----
	\$ (870)	\$ 1,300	\$ 900
	-----	-----	-----
Total provision.....	\$32,220	\$16,400	\$9,500
	=====	=====	=====

A reconciliation between the statutory Federal income tax rate and the effective income tax rate follows:

	1997	1996	1995
	-----	-----	-----
Federal income tax rate.....	35.0%	35.0%	35.0%
State income tax, net of federal income tax effect.....	4.7%	4.7%	5.2%
Other items, net.....	0.3%	0.2%	(0.3)%
	-----	-----	-----
Total.....	40.0%	39.9%	39.9%
	=====	=====	=====

Income taxes payable included net current deferred tax assets of \$2.3 million and \$1.2 million at January 31, 1998 and February 1, 1997.

Current income tax obligations are treated as having been settled through the intercompany accounts as if the Company were filing its income tax returns on a separate company basis. Such amounts were \$27.6 million, \$10.6 million and \$7.5 million in 1997, 1996 and 1995.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--CONTINUED

The effect of temporary differences which give rise to net deferred income tax assets was as follows (thousands):

	1997	1996
	-----	-----
Depreciation and amortization.....	\$1,540	\$1,480
Rent.....	1,510	(413)
Accrued expenses.....	3,450	1,343
Other, net.....	(450)	683
	-----	-----
Total deferred income taxes.....	\$6,050	\$3,093
	=====	=====

No valuation allowance has been provided for deferred tax assets because management believes that it is more likely than not that the full amount of the net deferred tax assets will be realized in the future.

7. LONG-TERM DEBT

Long-term debt consists of a 7.80% unsecured note in the amount of \$50 million that matures May 15, 2002, and represents the Company's proportionate share of certain long-term debt of The Limited. The interest rate and maturity of the note parallels that of corresponding debt of The Limited. The note is to be automatically prepaid concurrently with any prepayment of the corresponding debt of The Limited.

8. RELATED PARTY TRANSACTIONS

Transactions between the Company, The Limited, and its subsidiaries and affiliates commonly occur in the normal course of business and principally consist of the following:

- Merchandise purchases
- Real estate management and leasing
- Capital expenditures
- Inbound and outbound transportation
- Corporate services

Information with regard to these transactions is as follows:

Significant purchases are made from Mast, a wholly-owned subsidiary of The Limited. Purchases are also made from Gryphon, an indirect subsidiary of The Limited. Mast is a contract manufacturer and apparel importer, while Gryphon is a developer of fragrance and personal care products and also a contract manufacturer. Prices are negotiated on a competitive basis by merchants of the Company with Mast, Gryphon and the manufacturers.

The Company's real estate operations, including all aspects of lease negotiations and ongoing dealings with landlords and developers, are handled centrally by the Real Estate Division of The Limited ("Real Estate Division"). Real Estate Division expenses are allocated to the Company based on a combination of new and remodeled store construction projects and open selling square feet.

The Company's store design and construction operations are coordinated centrally by the Store Planning Division of The Limited ("Store Planning Division"). The Store Planning Division facilitates the design and construction of the stores and upon completion transfers the stores to the Company at actual cost. Store Planning Division expenses are charged to the Company based on a combination of new and remodeled store construction projects and open selling square feet.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--CONTINUED

The Company's inbound and outbound transportation expenses are managed centrally by Limited Distribution Services ("LDS"), a wholly-owned subsidiary of The Limited. Inbound freight is charged to the Company based on actual receipts, while outbound freight is charged on a percentage of cartons shipped basis.

The Limited provides certain services to the Company including, among other things, aircraft, tax, treasury, legal, corporate secretary, accounting, auditing, corporate development, risk management, associate benefit plan administration, human resource and compensation, government affairs and public relation services. Identifiable costs are charged directly to the Company. All other services-related costs not specifically attributable to the business have been allocated to the Company based upon a percentage of sales.

The Company participates in The Limited's centralized cash management system whereby cash received from operations is transferred to The Limited's centralized cash accounts and cash disbursements are funded from the centralized cash accounts on a daily basis. Prior to the initial capitalization of the Company, the intercompany cash management account was noninterest bearing. After the initial capitalization of the Company on July 11, 1996, the intercompany cash management account became an interest earning asset or interest bearing liability of the Company depending upon the level of cash receipts and disbursements. Interest on the intercompany cash management account is calculated based on 30-day commercial paper rates for "AA" rated companies as reported in the Federal Reserve's H.15 statistical release. The average outstanding balance of the noninterest bearing intercompany payable to The Limited in the twenty-six weeks ended August 3, 1996 and fifty-three weeks ended February 3, 1996 approximated \$64.5 million and \$89.8 million. A summary of the intercompany payment activity during the noninterest bearing periods follows:

	TWENTY-SIX WEEKS ENDED AUGUST 3, 1996	FIFTY-THREE WEEKS ENDED FEBRUARY 3, 1996
	-----	-----
Balance at beginning of period.....	\$86,045	\$74,101
Mast and Gryphon purchases.....	23,178	35,167
Other transactions with related parties.....	9,667	33,546
Centralized cash management.....	(16,417)	(64,269)
Settlement of current period income taxes....	5,700	7,500
Payment to The Limited..	(91,000)	--
Conversion to Working Capital Note.....	(8,616)	--
	-----	-----
Balance at end of period.....	\$ 8,557	\$86,045
	=====	=====

The Company is charged rent expense, common area maintenance charges and utilities for stores shared with other consolidated subsidiaries of The Limited. The charges are based on square footage and represent the proportionate share of the underlying leases with third parties.

The Company is also charged rent expense and utilities for the distribution and home office space occupied (which approximates fair market value).

The Company and The Limited have entered into intercompany agreements that establish the provision of services in accordance with the terms described above. The prices charged to the Company for services provided under these agreements may be higher or lower than prices that may be charged by third parties. It is not practicable, therefore, to estimate what these costs would be if The Limited were not providing these services and the Company was required to purchase these services from outsiders or develop internal expertise. Management believes the charges and allocations described above are fair and reasonable.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--CONTINUED

The following table summarizes the related party transactions between the Company and The Limited and its subsidiaries, for the years indicated (thousands):

	1997	1996	1995
Mast and Gryphon purchases.....	\$ 89,892	\$61,776	\$35,167
Capital expenditures.....	27,012	20,839	20,280
Inbound and outbound transportation.....	5,524	3,326	2,869
Corporate charges.....	6,857	3,989	4,019
Store leases and other occupancy, net.....	1,184	1,509	1,397
Distribution center, MIS and home office expenses.....	3,102	2,696	2,564
Centrally managed benefits.....	3,596	3,136	2,417
Interest charges.....	3,583	2,190	--
	-----	-----	-----
	\$140,750	\$99,461	\$68,713
	=====	=====	=====

The Company and The Limited are parties to a corporate agreement under which the Company granted to The Limited a continuing option to purchase, under certain circumstances, additional shares of Class B Common Stock or shares of nonvoting capital stock of the Company.

The Company has no arrangements with The Limited which result in the Company's guarantee, pledge of assets or stock to provide security for The Limited's debt obligations.

The Company's proprietary credit card processing is performed by Alliance Data Systems which is approximately 40% owned by The Limited.

9. STOCK OPTIONS AND RESTRICTED STOCK

Under the Company's stock plan, associates may be granted up to a total of 3.5 million restricted shares and options to purchase the Company's common stock at the market price on the date of grant. In 1997, associates of the Company were granted approximately 1.7 million options, most of which are expected to vest on a graduated basis over six years, subject to certain performance goals. The remaining options generally vest 25% per year over the first four years of the grant. A total of 12,000 shares have been issued to nonassociate directors, all of which vest over four years. All options have a maximum term of ten years.

The Company adopted the disclosure requirements of SFAS No. 123, "Accounting for Stock--Based Compensation," effective with the 1996 financial statements, but elected to continue to measure compensation expense in accordance with APB Opinion No. 25, "Accounting for Stock Issued to Employees." Accordingly, no compensation expense for stock options has been recognized. If compensation expense had been determined based on the estimated fair value of options granted in 1997 and 1996, consistent with the methodology in SFAS No. 123, the pro forma effect on net income and diluted earnings per share would have been a reduction of approximately \$1.7 million, or \$.03 per share in 1997. In 1996, the pro forma effect would have had no impact on net income and diluted earnings per share. The weighted-average fair value of options granted during fiscal 1997 and 1996 was \$8.50 and \$6.67. The fair value of each option was estimated using the Black-Scholes option-pricing model with the following weighted-average assumptions for 1997 and 1996: no expected dividends, price volatility of 35%, risk-free interest rates of 6.0% and 6.25%, assumed forfeiture rates of 10% and expected lives of 6.5 and 5 years.

The pro forma effect on net income for 1997 and 1996 is not representative of the pro forma effect on net income in future years because it takes into consideration pro forma compensation expense related only to those grants made subsequent to the Company's initial public offering.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--CONTINUED

A summary of option activity for 1997 and 1996 follows:

	1997		1996	
	SHARES	WEIGHTED AVERAGE OPTION PRICE	SHARES	WEIGHTED AVERAGE OPTION PRICE
Outstanding at beginning of year.....	240,000	\$16.00	--	--
Granted.....	1,669,000	\$18.03	240,000	\$16.00
Exercised.....	(4,000)	\$16.00	--	--
Canceled.....	(21,000)	\$16.00	--	--
Outstanding at end of year.....	1,884,000	\$17.81	240,000	\$16.00
Options exercisable at year-end.....	35,000	\$16.00	--	--

Approximately 88% of the options outstanding at year-end are at \$16 per share. Most of the remaining options outstanding are at \$31 per share.

A total of 547,000 restricted shares were granted in 1997, with a total market value at grant date of \$8.7 million. Of this total, 500,000 shares were subject to performance requirements and a defined vesting schedule over six years. The remaining restricted stock grants generally vest either on a graduated scale over four years or 100% at the end of a fixed vesting period, principally five years. The market value of restricted stock, subject to adjustment at the measurement date for shares with performance requirements, is being amortized as compensation expense over the vesting period, generally four to six years. Compensation expenses related to restricted stock awards amounted to \$6.2 million, \$5 million and \$4 million in 1997, 1996 and 1995.

10. RETIREMENT BENEFITS

The Company participates in a qualified defined contribution retirement plan and a nonqualified supplemental retirement plan sponsored by The Limited. Participation in the qualified plan is available to all associates who have completed 1,000 or more hours of service with the Company during certain 12-month periods and attained the age of 21. Participation in the nonqualified plan is subject to service and compensation requirements. The Company's contributions to these plans are based on a percentage of associates' eligible annual compensation. The cost of these plans was \$1.6 million in 1997, \$753 thousand in 1996 and \$564 thousand in 1995.

11. REGISTRATION STATEMENT FOR EXCHANGE OFFER

On February 17, 1998, a registration statement was filed with the Securities and Exchange Commission in connection with a plan to establish the Company as a fully independent company via a tax-free exchange offer pursuant to which The Limited shareholders will be given an opportunity to exchange shares of The Limited for shares of the Company. At year end, The Limited owned 43 million of the Company's shares.

ABERCROMBIE & FITCH CO.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--CONTINUED

12. QUARTERLY FINANCIAL DATA (UNAUDITED)

Summarized quarterly financial results for 1997 and 1996 follow (thousands except per share amounts):

QUARTER -----	FIRST -----	SECOND -----	THIRD -----	FOURTH -----
1997				
Net sales.....	\$74,316	\$86,640	\$148,516	\$212,145
Gross income.....	23,941	27,786	52,990	96,363
Net income.....	565	2,053	10,403	35,301
Net income per basic share.....	\$.01	\$.04	\$.20	\$.69
Net income per diluted share.....	\$.01	\$.04	\$.20	\$.68
1996				
Net sales.....	\$51,020	\$57,431	\$ 87,688	\$139,233
Gross income.....	14,894	18,052	30,957	59,863
Net income (loss).....	(199)	374	3,982	20,517
Net income (loss) per basic share.....	\$.00	\$.01	\$.09	\$.40
Net income (loss) per diluted share.....	\$.00	\$.01	\$.09	\$.40

SCHEDULE A

TRANSACTIONS CONCERNING
LIMITED COMMON STOCK INC.

The following transactions were effected during the 40 business-day period preceding April 15, 1998. Except for the transactions by Mr. Wexner and Mr. Gilman (which were a contribution to a trust and a gift, respectively) and the sale by Health & Science Interests (which was a privately negotiated transaction), all of these transactions were effected as open-market purchases.

PERSON EFFECTING TRANSACTION	DATE OF TRANSACTION	NUMBER OF SHARES TRANSFERRED	PRICE PER SHARE	AGGREGATE PURCHASE PRICE
Leslie H. Wexner.....	02/25/98	2,500,000 shares	N/A	N/A
The Wexner Children's Trust II.....	03/02/98	2,000,000 shares	\$29.125	\$58,250,000
The Wexner Children's Trust II.....	03/05/98	500,000 shares	\$29.000	\$14,500,000
Harry and Hannah Wexner Trust. Harry, Hannah and David Wexner Trust.....	03/05/98	1,500,000 shares	\$29.000	\$43,500,000
Harry, Hannah and David Wexner Trust.....	03/05/98	500,000 shares	\$29.000	\$14,500,000
Harry and Hannah Wexner Trust. Kenneth B. Gilman.....	03/17/98	800,000 shares	\$29.875	\$23,900,000
Health and Science Interests..	03/17/98	144,600 shares	\$29.875	\$ 4,319,925
	03/25/98	3,000 shares	N/A	N/A
	04/09/98	2,500,000 shares	\$ 28.62	\$71,550,000

Manually signed facsimile copies of the Letter of Transmittal will be accepted. The Letter of Transmittal, certificates for shares of Limited Common Stock and any other required documents should be sent or delivered by each stockholder of The Limited or his or her broker, dealer, commercial bank, trust company or other nominee to the Exchange Agent at one of the addresses set forth below:

FIRST CHICAGO TRUST COMPANY OF NEW YORK

If by mail:	If by hand:	If by overnight delivery:
First Chicago Trust Company of New York Tenders & Exchanges Suite 4660 P.O. Box 2569 Jersey City, New Jersey 07303-2569	First Chicago Trust Company of New York Tenders & Exchanges c/o The Depository Trust Company 55 Water Street, DTC TAD Vietnam Veterans Memorial Plaza New York, New York 10041	First Chicago Trust Company of New York Tenders & Exchanges Suite 4680 14 Wall Street, 8th Floor New York, New York 10005

If by facsimile transmission:
(For Eligible Institutions only)
(201) 222-4720
or
(201) 222-4721
Facsimile confirmation number:
(201) 222-4707

Questions and requests for assistance may be directed to the Information Agent or the Dealer Managers at their respective addresses and telephone numbers set forth below. Additional copies of this Offering Circular-Prospectus, the Letter of Transmittal and other Exchange Offer material may be obtained from the Information Agent or the Dealer Managers as set forth below. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Exchange Offer.

The Information Agent for the Exchange Offer is:

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

The Dealer Managers for the Exchange Offer are:

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

LETTER OF TRANSMITTAL
TO ACCOMPANY CERTIFICATES OF
COMMON STOCK OF

THE LIMITED, INC.

TENDERED PURSUANT TO THE OFFERING CIRCULAR-PROSPECTUS DATED APRIL 15, 1998

THE EXCHANGE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, MAY 13, 1998, UNLESS THE EXCHANGE OFFER IS EXTENDED.

TO: FIRST CHICAGO TRUST COMPANY OF NEW YORK, EXCHANGE AGENT

<p>IF BY MAIL: First Chicago Trust Company of New York Tenders & Exchanges Suite 4660 P.O. Box 2569 Jersey City, New Jersey 07303-2569</p>	<p>IF BY HAND: First Chicago Trust Company of New York Tenders & Exchanges c/o The Depository Trust Company 55 Water Street, DTC TAD Vietnam Veterans Memorial Plaza New York, New York 10041</p>	<p>IF BY OVERNIGHT DELIVERY: First Chicago Trust Company of New York Tenders & Exchanges Suite 4680 14 Wall Street, 8th Floor New York, New York 10005</p>
<p>IF BY FACSIMILE TRANSMISSION: (FOR ELIGIBLE INSTITUTIONS ONLY) (201) 222-4720 or (201) 222-4721 FACSIMILE CONFIRMATION NUMBER: (201) 222-4707</p>		

BY COMPLETING THE BOX BELOW AND SIGNING THIS LETTER OF TRANSMITTAL, YOU WILL HAVE TENDERED SHARES OF LIMITED COMMON STOCK REPRESENTED BY THE CERTIFICATE(S) DESCRIBED BELOW. PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY BEFORE COMPLETING THIS LETTER OF TRANSMITTAL.

DELIVERY OF THIS LETTER OF TRANSMITTAL TO THE EXCHANGE AGENT OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE TRANSMISSION OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

BOX #1

DESCRIPTION OF CERTIFICATE(S)

<p>NAME(S) AND ADDRESS(ES) OF REGISTERED HOLDER(S) (PLEASE FILL IN, IF BLANK, EXACTLY AS NAME(S) APPEAR(S) ON STOCK CERTIFICATE(S))</p>	<p>CERTIFICATE NUMBER(S)(*)</p>	<p>NUMBER OF SHARES REPRESENTED BY CERTIFICATE(S)(*)</p>	<p>NUMBER OF SHARES TENDERED(**)</p>
---	-------------------------------------	--	--

TOTAL

* Need not be completed by Book-Entry Holders (see below).
** Unless otherwise indicated in this column, you will be deemed to have tendered all of the shares of Limited Common Stock represented by the certificate(s) indicated in the first column. See Instruction 2 below.

LIMITED STOCKHOLDERS SHOULD READ THE ENTIRE LETTER OF TRANSMITTAL CAREFULLY.
HOWEVER, YOUR ATTENTION IS INVITED IN PARTICULAR TO THE FOLLOWING:

1. If you want to retain your Limited Common Stock, you do not need to take any action.
2. If you want to participate in the Exchange Offer and wish to maximize the chance of having The Limited accept for exchange all the shares of Limited Common Stock you are tendering hereby, you should check the box marked "SHARES TENDERED AT EXCHANGE RATIO DETERMINED BY DUTCH AUCTION" in Box #2 below and complete the other portions of this Letter of Transmittal as appropriate.
3. If you wish to select a specific Exchange Ratio at which you will be tendering your shares of Limited Common Stock, you should select one of the boxes in the section captioned "SHARES TENDERED AT EXCHANGE RATIO DETERMINED BY STOCKHOLDER" in Box #2 below and complete the other portions of this Letter of Transmittal as appropriate.

IN ANY EVENT, YOUR BANK OR BROKER CAN ASSIST YOU IN COMPLETING THIS FORM. THE INSTRUCTIONS INCLUDED WITH THIS LETTER OF TRANSMITTAL MUST BE FOLLOWED. QUESTIONS AND REQUESTS FOR ASSISTANCE OR FOR ADDITIONAL COPIES OF THE OFFERING CIRCULAR-PROSPECTUS OR THIS LETTER OF TRANSMITTAL MAY BE DIRECTED TO THE INFORMATION AGENT AT THE ADDRESS OR TOLL-FREE NUMBER INDICATED ON THE BACK COVER.

LADIES AND GENTLEMEN:

Reference is made to the Offering Circular-Prospectus dated April 15, 1998 (the "Offering Circular-Prospectus"), of The Limited, Inc. ("The Limited"), and this Letter of Transmittal which together constitute The Limited's offer (the "Exchange Offer") to exchange up to 43,600,000 shares of Class A common stock, par value \$.01 per share (the "A&F Common Stock"), of Abercrombie & Fitch Co. ("A&F"), for shares of common stock, par value \$.50 per share (the "Limited Common Stock"), of The Limited that are validly tendered by the Expiration Date and not withdrawn or deemed withdrawn, at an Exchange Ratio not greater than .86 nor less than .73 of a share of A&F Common Stock for each share of Limited Common Stock tendered, upon the terms and subject to the conditions set forth herein and in the Offering Circular-Prospectus. See "Summary", "The Transactions" and "The Exchange Offer" in the Offering Circular-Prospectus. Capitalized terms used herein have the same meanings as in the Offering Circular-Prospectus.

The Exchange Offer, proration period and withdrawal rights will expire at 12:00 Midnight, New York City time, on Wednesday, May 13, 1998 (the "Expiration Date"), unless extended in accordance with applicable law and the terms of the Exchange Offer, in which event the term "Expiration Date" shall mean the latest time and date at which the Exchange Offer, as extended, shall expire.

Upon the terms and subject to the conditions of the Exchange Offer, I hereby tender to you the shares of Limited Common Stock represented by the certificate(s) described in Box #1 above. Subject to, and effective upon, the acceptance for exchange of such tendered shares of Limited Common Stock, I hereby sell, assign and transfer to you, or upon your order, all right, title and interest in and to such shares. I hereby irrevocably constitute and appoint the Exchange Agent as my true and lawful agent and attorney-in-fact (with full knowledge that the Exchange Agent also acts as your agent) with respect to such tendered shares of Limited Common Stock, with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest) (i) to deliver stock certificates representing such tendered shares of Limited Common Stock or transfer ownership of such shares on the account books maintained by The Depository Trust Company (the "Book-Entry Transfer Facility"), together, in any such case, with all accompanying evidences of transfer and authenticity, to you or upon your order, upon receipt by the Exchange Agent, as my agent, of shares of A&F Common Stock, to which I am entitled upon the acceptance for exchange by you of such tendered shares of Limited Common Stock; (ii) to present certificate(s) representing such tendered shares of Limited Common Stock for transfer on your books; and (iii) to receive all benefits and otherwise exercise all rights of beneficial ownership of such shares, all in accordance with the terms of the Exchange Offer. If my tendered shares of Limited Common Stock are accepted for exchange, I will be entitled to receive certificates representing shares of A&F Common Stock ("A&F Certificates").

I hereby represent and warrant to you that I have full power and authority to tender, sell, assign and transfer the shares of Limited Common Stock that I have tendered and that when such shares are accepted by you for exchange pursuant to the Exchange Offer, you will acquire good, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances, and that none of such shares of Limited Common Stock will be subject to any adverse claim when you accept such shares for exchange. I will, upon request, execute and deliver any additional documents deemed by the Exchange Agent or you to be necessary or desirable to complete the sale, assignment and transfer of the shares of Limited Common Stock that I have tendered. All authority conferred or agreed to be conferred in this Letter of Transmittal and all of my obligations hereunder shall be binding upon my successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives and shall not be affected by, and shall survive, my death or incapacity. This tender may be withdrawn only in accordance with the procedures set forth in the Offering Circular-Prospectus and the Instructions contained in this Letter of Transmittal.

I understand that the maximum number of shares of Limited Common Stock which will be accepted for exchange will be that number of shares which, when multiplied by the Final Exchange Ratio, equals 43,600,000 shares of A&F Common Stock. I understand that if more than such maximum number of shares of Limited Common Stock are tendered at Exchange Ratios at or below the Final Exchange Ratio, the Exchange Offer will

be oversubscribed, and shares of Limited Common Stock tendered at or below the Final Exchange Ratio will be subject to proration in accordance with the terms set forth in the Offering Circular-Prospectus under "The Exchange Offer--Terms of the Exchange Offer". I understand that, upon acceptance by you of the shares of Limited Common Stock that I have tendered, I will be deemed to have accepted the shares of A&F Common Stock exchange therefor and will be deemed to have relinquished all rights with respect to the accepted shares of Limited Common Stock.

I recognize that, under certain circumstances and subject to certain conditions to the Exchange Offer (which you may waive) set forth in the Offering Circular-Prospectus, you may not be required to accept for exchange any of the shares of Limited Common Stock that I have tendered (including any shares of Limited Common Stock tendered after the Expiration Date). Shares of Limited Common Stock delivered to the Exchange Agent and not accepted for exchange will be returned to me as promptly as practicable following expiration or termination of the Exchange Offer at the address set forth on the cover page of this Letter of Transmittal under "Description of Certificate(s)" (Box #1) unless otherwise indicated under "Special Delivery Instructions" (Box #6) below.

I understand that you will, upon the terms and subject to the conditions of the Exchange Offer, conduct the Exchange Offer as a modified "Dutch auction" in which each Limited stockholder has the opportunity to pick an Exchange Ratio within the Exchange Ratio Range (in increments of .005) at which he or she is willing to exchange some or all of his or her Limited Common Stock for shares of A&F Common Stock. I understand that a "Dutch auction" is a competitive bid between me and other Limited stockholders where the Final Exchange Ratio is the lowest bid which would permit the maximum number of shares of A&F Common Stock owned by The Limited to be exchanged in the Exchange Offer. I also understand that if I wish to maximize the chance of having The Limited accept for exchange all of the shares of Limited Common Stock I am tendering (subject to the possibility of proration), I am entitled to indicate that I am willing to accept the Exchange Ratio determined by the "Dutch auction" process. See "Box #2". I understand that all shares of Limited Common Stock properly tendered at Exchange Ratios at or below the Final Exchange Ratio and not withdrawn prior to the Expiration Date will be exchanged at the Final Exchange Ratio, upon the terms and subject to the conditions of the Exchange Offer, including its proration provisions, and that you will return all shares not exchanged pursuant to the Exchange Offer, including shares tendered and not withdrawn prior to the Expiration Date at Exchange Ratios greater than the Final Exchange Ratio and shares not exchanged because of proration. If proration of tendered shares of Limited Common Stock is required, I understand that you do not expect to be able to announce the final proration factor or to commence delivery of any shares of A&F Common Stock pursuant to the Exchange Offer until approximately seven business days after the Expiration Date.

Unless otherwise indicated under "Special Issuance Instructions" (Box #5) below, please issue (i) the A&F Certificate(s) to which I am entitled, (ii) if applicable, a check in lieu of a fractional share equal to such fraction multiplied by the average gross selling price per share, net of commissions, of A&F Common Stock obtained by the Exchange Agent upon the sale of all fractional shares on behalf of those tendering stockholders of The Limited otherwise entitled to receive fractional shares (a "Fractional Share Check"), and (iii) if applicable, the certificate(s) representing any shares of Limited Common Stock not tendered by me or any tendered shares that are not accepted for exchange, in each case in the name(s) of the registered holder(s) shown on the cover page of this Letter of Transmittal under "Description of Certificate(s)" (Box #1). Unless otherwise indicated in the box entitled "Special Delivery Instructions" (Box #6) below, please send (i) the A&F Certificate(s) to which I am entitled, (ii) if applicable, a Fractional Share Check, in each case issued in the name(s) of the registered holder(s) shown on the cover page of this Letter of Transmittal under "Description of Certificate(s)" (Box #1), and (iii) if applicable, the certificate(s) representing any shares of Limited Common Stock not tendered by me or any shares tendered herewith and not accepted for exchange by you (and accompanying documents, as appropriate), in each case to the address(es) of the registered holder(s) shown on the cover page of this Letter of Transmittal under "Description of Certificate(s)" (Box #1). Any shares of Limited Common Stock delivered by book-entry transfer that are not tendered or any shares tendered herewith delivered by book-entry transfer that are not accepted for exchange will be credited to the account at the Book-Entry Transfer Facility. I recognize that you have no obligation pursuant to the "Special Issuance Instructions" to transfer any shares of Limited Common

Stock from the name of the registered holder(s) hereof if you do not accept for exchange such shares. If Boxes #5 and #6 entitled "Special Issuance Instructions" and "Special Delivery Instructions" are both completed, please issue (i) the A&F Certificate(s) to which I am entitled, (ii) if applicable, a Fractional Share Check, and (iii) if applicable, the certificate(s) representing any shares of Limited Common Stock not tendered by me or any tendered shares that are not accepted for exchange, in each case in the name(s) of, and mail such certificate(s) and check (and accompanying documents, as appropriate) to, the person(s) so indicated.

I understand that the delivery and surrender of the shares of Limited Common Stock that I have tendered is not effective, and the risk of loss of the shares of Limited Common Stock (including shares of Limited Common Stock tendered herewith) does not pass to the Exchange Agent, until receipt by the Exchange Agent of this Letter of Transmittal, or a manually signed facsimile hereof, duly completed and signed, or an Agent's Message (as defined in the Offering Circular-Prospectus under "The Exchange Offer--Procedures for Tendering Shares of Limited Common Stock") in connection with a book-entry transfer of shares, together with all accompanying evidences of authority in form satisfactory to you and any other required documents. All questions as to the form of documents (including notices of withdrawal) and the validity, form, eligibility (including time of receipt) and acceptance for exchange of any tender of shares of Limited Common Stock will be determined by you in your sole discretion and such determination shall be final and binding upon all tendering stockholders.

I understand that a tender of shares of Limited Common Stock made pursuant to any method of delivery set forth in the Offering Circular-Prospectus and your acceptance for exchange of such shares pursuant to the procedures described in the Offering Circular-Prospectus under "The Exchange Offer--Procedures for Tendering Shares of Limited Common Stock" and in the Instructions hereto will constitute a binding agreement between us upon the terms and subject to the conditions of the Exchange Offer, including my representation that (i) I own the shares of Limited Common Stock being tendered within the meaning of Rule 14e-4 promulgated under the Exchange Act, and (ii) the tender of such shares of Limited Common Stock complies with Rule 14e-4.

PLEASE READ THE ENTIRE LETTER OF TRANSMITTAL CAREFULLY BEFORE CHECKING ANY BOX
BELOW

This Letter of Transmittal is to be used by tendering stockholders if either (i) the certificate(s) representing shares of Limited Common Stock are to be forwarded herewith or, unless an Agent's Message is utilized, if tenders are to be made by book-entry transfer to the account maintained by the Exchange Agent at the Book-Entry Transfer Facility or (ii) guaranteed delivery procedures are being used, according to the procedures set forth in the Offering Circular-Prospectus under "The Exchange Offer--Guaranteed Delivery Procedure". Delivery of documents to the Book-Entry Transfer Facility in accordance with its procedures does not constitute delivery to the Exchange Agent as required by the Offering Circular-Prospectus.

Holders of Limited Common Stock will receive that portion of a share of A&F Common Stock represented by the Final Exchange Ratio for each share of Limited Common Stock accepted for exchange. A holder of shares of Limited Common Stock wishing to tender portions of his or her holdings of Limited Common Stock at different Exchange Ratios must complete a separate Letter of Transmittal for each Exchange Ratio at which he or she wishes to tender such portion of his or her shares of Limited Common Stock.

Participants in The Limited's Stock Purchase Plan or Savings and Retirement Plan may not use this Letter of Transmittal to tender shares of Limited Common Stock held in either Plan. Instead, participants in these Plans must use the separate election forms which will be sent separately.

BOX #2

THE FOLLOWING MUST BE COMPLETED BY ALL TENDERING STOCKHOLDERS.
CHECK ONLY ONE BOX.

IF MORE THAN ONE BOX IS CHECKED OR IF NO BOX IS CHECKED, THERE IS NO PROPER
TENDER OF SHARES OF LIMITED COMMON STOCK.

SHARES TENDERED AT EXCHANGE RATIO DETERMINED BY DUTCH AUCTION

I WANT TO MAXIMIZE THE CHANCE OF HAVING THE LIMITED ACCEPT FOR EXCHANGE
ALL THE SHARES OF LIMITED COMMON STOCK I AM TENDERING (SUBJECT TO THE
POSSIBILITY OF PRORATION). ACCORDINGLY, BY CHECKING THIS ONE BOX INSTEAD
OF ONE OF THE EXCHANGE RATIO BOXES BELOW, I HEREBY TENDER SHARES OF
LIMITED COMMON STOCK AT, AND AM WILLING TO ACCEPT, THE EXCHANGE RATIO
RESULTING FROM THE DUTCH AUCTION TENDER PROCESS. THIS ACTION COULD
RESULT IN RECEIVING AN EXCHANGE RATIO AS LOW AS .73 OF A SHARE OF A&F
COMMON STOCK PER SHARE OF LIMITED COMMON STOCK.

OR

SHARES TENDERED AT EXCHANGE RATIO DETERMINED BY STOCKHOLDER

<input type="checkbox"/> .730	<input type="checkbox"/> .755	<input type="checkbox"/> .780	<input type="checkbox"/> .805	<input type="checkbox"/> .830	<input type="checkbox"/> .855
<input type="checkbox"/> .735	<input type="checkbox"/> .760	<input type="checkbox"/> .785	<input type="checkbox"/> .810	<input type="checkbox"/> .835	<input type="checkbox"/> .860
<input type="checkbox"/> .740	<input type="checkbox"/> .765	<input type="checkbox"/> .790	<input type="checkbox"/> .815	<input type="checkbox"/> .840	
<input type="checkbox"/> .745	<input type="checkbox"/> .770	<input type="checkbox"/> .795	<input type="checkbox"/> .820	<input type="checkbox"/> .845	
<input type="checkbox"/> .750	<input type="checkbox"/> .775	<input type="checkbox"/> .800	<input type="checkbox"/> .825	<input type="checkbox"/> .850	

BOX #3

THE FOLLOWING MUST BE COMPLETED ONLY IF SHARES OF LIMITED COMMON STOCK HELD IN
THE LIMITED'S DIVIDEND REINVESTMENT PLAN ARE TO BE TENDERED. SEE INSTRUCTION 6.

By checking this box, I represent that I am a participant in The
Limited's Dividend Reinvestment Plan and hereby instruct the Plan
Administrator to tender on my behalf the following number of shares of
Limited Common Stock credited to my Dividend Reinvestment Plan
account(s) at the Exchange Ratio indicated in Box #2 of this Letter of
Transmittal:

shares

* I understand and agree that all shares of Limited Common Stock held in my
Dividend Reinvestment Plan account(s) will be tendered if the above box
is checked and the space above is left blank.

THE FOLLOWING MUST BE COMPLETED BY ALL TENDERING STOCKHOLDERS.

CHECK HERE IF THE CERTIFICATE(S) REPRESENTING TENDERED SHARES OF LIMITED COMMON STOCK ARE ENCLOSED HERewith.

CHECK HERE IF TENDERED SHARES OF LIMITED COMMON STOCK ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER MADE TO THE ACCOUNT MAINTAINED BY THE EXCHANGE AGENT WITH THE BOOK-ENTRY TRANSFER FACILITY AND COMPLETE THE FOLLOWING:

Name of Tendering Institution: _____

Account Number at Book-Entry Transfer Facility: _____

Transaction Code Number: _____

CHECK HERE IF THE CERTIFICATE(S) REPRESENTING TENDERED SHARES OF LIMITED COMMON STOCK ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE EXCHANGE AGENT AND COMPLETE THE FOLLOWING (See Instruction 1):

Name(s) of Registered Holder(s): _____

Date of Execution of Notice of Guaranteed Delivery: _____

Window Ticket No. (if any): _____

Name of Institution that Guaranteed Delivery: _____

If delivered by Book-Entry Transfer,
Account Number at Book-Entry Transfer Facility: _____

Transaction Code Number: _____

THE FOLLOWING MUST BE COMPLETED BY TENDERING STOCKHOLDERS WHO HAVE SPECIAL
ISSUANCE OR DELIVERY INSTRUCTIONS.

BOX #5

BOX #6

SPECIAL ISSUANCE INSTRUCTIONS
(See Instructions 4 and 5)

To be completed ONLY if shares of Limited Common Stock not tendered or any shares of Limited Common Stock not accepted for exchange, A&F Certificate(s) and/or any Fractional Share Check issued in connection therewith are to be issued in the name of someone other than the undersigned.

ISSUE:
(check appropriate box(es)):

A&F Certificate(s) to:

Fractional Share Check to:

Limited Common Stock certificate(s) to:

Name(s): _____

(PLEASE PRINT)

(PLEASE PRINT)

Address: _____

ZIP CODE

EMPLOYER IDENTIFICATION OR SOCIAL SECURITY NUMBER

SPECIAL DELIVERY INSTRUCTIONS
(See Instructions 4 and 5)

To be completed ONLY if shares of Limited Common Stock not tendered or any shares of Limited Common Stock not accepted for exchange, A&F Certificate(s) and/or any Fractional Share Check issued in connection therewith are to be sent to someone other than the undersigned, or to the undersigned at an address other than that shown in the box entitled "Description of Certificate(s)" on the cover page of this Letter of Transmittal.

MAIL:
(check appropriate box(es)):

A&F Certificate(s) to:

Fractional Share Check to:

Limited Common Stock certificate(s) to:

Name(s): _____
(PLEASE PRINT)

(PLEASE PRINT)

Address: _____

ZIP CODE

THE FOLLOWING MUST BE COMPLETED BY ALL TENDERING STOCKHOLDERS.

IMPORTANT--PLEASE SIGN HERE
(Please Complete Substitute Form W-9 on Reverse)
(See Instructions 1 and 4)

X _____
X _____
SIGNATURE(S) OF OWNER(S)

In the case of tendering stockholders, this Letter of Transmittal must be signed by the registered holder(s) as the name(s) appear(s) on the Limited Common Stock certificate(s) or on a security position listing or by person(s) authorized to become registered holder(s) by endorsements and documents transmitted herewith. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer or other person acting in a fiduciary or representative capacity, please set forth full title. See Instruction 4.

Name(s):

(PLEASE PRINT)

Capacity: _____

Address: _____

(INCLUDE ZIP CODE)

Area Code and Telephone No.: _____
Date: _____, 1998

BOX #8

THE FOLLOWING MUST BE COMPLETED BY TENDERING STOCKHOLDERS WHO ARE REQUIRED TO PROVIDE SIGNATURE GUARANTEES. SEE INSTRUCTIONS 1 AND 4.

SIGNATURE GUARANTEE

FOR USE BY ELIGIBLE INSTITUTIONS ONLY.
PLACE MEDALLION GUARANTEE IN SPACE BELOW.

Signature(s) Guaranteed by an Eligible Institution: _____
(AUTHORIZED SIGNATURE)

Name: _____
(PLEASE PRINT)

Title: _____

Name of Firm: _____

Address: _____
(INCLUDE ZIP CODE)

Area Code and Telephone No.: _____

Date: _____, 1998

BOX #9

THE FOLLOWING MUST BE COMPLETED ONLY IF A SOLICITING DEALER FEE IS TO BE PAID IN CONNECTION WITH THIS TENDER. SEE INSTRUCTION 10.

NOTICE OF SOLICITED TENDERS

By checking this box, I represent that my tender was affirmatively solicited by the Soliciting Dealer listed below:

Name of Firm: _____
(PLEASE PRINT)

Name of Individual Broker or Financial Consultant: _____

Identification Number (if known): _____

Address: _____
(INCLUDE ZIP CODE)

INSTRUCTIONS
FORMING PART OF THE TERMS AND CONDITIONS OF THE EXCHANGE OFFER

1. DELIVERY OF THIS LETTER OF TRANSMITTAL AND LIMITED COMMON STOCK CERTIFICATE(S)

This Letter of Transmittal is to be completed by stockholders if either (i) the certificate(s) representing shares of Limited Common Stock tendered herewith are to be forwarded herewith or, unless an Agent's Message is utilized, if tenders are to be made pursuant to the procedures for book-entry transfer set forth in the Offering Circular-Prospectus under "The Exchange Offer--Procedures for Tendering Shares of Limited Common Stock" or (ii) the shares Limited Common Stock will be tendered pursuant to the guaranteed delivery procedures set forth in the Offering Circular-Prospectus under "The Exchange Offer--Guaranteed Delivery Procedure". The certificate(s) representing shares of Limited Common Stock tendered herewith, or confirmation of any book-entry transfer into the Exchange Agent's account at the Book-Entry Transfer Facility of shares of Limited Common Stock tendered electronically, as well as a properly completed and duly executed copy of this Letter of Transmittal or a manually signed facsimile hereof, and any other documents required by this Letter of Transmittal, must be received by the Exchange Agent at one of its addresses set forth herein prior to the Expiration Date. THE METHOD OF DELIVERY OF THIS LETTER OF TRANSMITTAL, THE CERTIFICATE(S) REPRESENTING SHARES OF LIMITED COMMON STOCK TENDERED HEREWITH AND ANY OTHER REQUIRED DOCUMENTS IS AT THE OPTION AND RISK OF THE TENDERING STOCKHOLDER, BUT, EXCEPT AS OTHERWISE PROVIDED BELOW, THE DELIVERY WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED OR CONFIRMED BY THE EXCHANGE AGENT. IF CERTIFICATE(S) REPRESENTING SHARES OF LIMITED COMMON STOCK TENDERED HEREWITH ARE SENT BY MAIL IT IS RECOMMENDED THAT TENDERING STOCKHOLDERS USE REGISTERED MAIL, RETURN RECEIPT REQUESTED AND ALLOW SUFFICIENT TIME TO ENSURE TIMELY RECEIPT.

DELIVERY OF DOCUMENTS TO THE BOOK-ENTRY TRANSFER FACILITY IN ACCORDANCE WITH ITS PROCEDURES DOES NOT CONSTITUTE DELIVERY TO THE EXCHANGE AGENT.

No alternative, conditional or contingent tenders will be accepted for exchange in the Exchange Offer. All tendering stockholders, by execution of this Letter of Transmittal or a manually signed facsimile hereof, waive any right to receive any notice of the acceptance of their shares of Limited common Stock for exchange.

Holders whose stock certificate(s) representing shares of Limited Common Stock are not immediately available or who cannot complete the procedure for delivery by book-entry transfer on a timely basis or who cannot deliver their certificate(s) and all other required documents to the Exchange Agent prior to the Expiration Date may tender their shares of Limited Common Stock pursuant to the guaranteed delivery procedure set forth in the Offering Circular-Prospectus under "The Exchange Offer--Guaranteed Delivery Procedure". Pursuant to such procedure: (i) such tender must be made by or through a participant in the Security Transfer Agents Medallion Program or the New York Stock Exchange Medallion Signature Guarantee Program or the Stock Exchange Medallion Program (an "Eligible Institution"); (ii) prior to the Expiration Date, the Exchange Agent must have received from such Eligible Institution a properly completed and duly executed Notice of Guaranteed Delivery substantially in the form provided by The Limited setting forth the name and address of the holder and the number of shares of Limited Common Stock tendered, stating that the tender is being made thereby and guaranteeing that, within three business days after the date of the Notice of Guaranteed Delivery, the certificate(s) representing the shares of Limited Common Stock accompanied by all other documents required by this Letter of Transmittal will be deposited by the Eligible Institution with the Exchange Agent; and (iii) the certificate(s) representing the shares of Limited Common Stock tendered herewith (or a confirmation of a book-entry transfer of such shares of Limited Common Stock into the Exchange Agent's account at the Book-Entry Transfer Facility as described above), together with a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile hereof) and any required signature guarantees, or an Agent's Message in connection with a book-entry transfer, and any other documents required hereby, must be received by the Exchange Agent within three business days after the date of the Notice of Guaranteed Delivery, all as provided in the Offering Circular-Prospectus under "The Exchange Offer--Guaranteed Delivery Procedure".

2. PARTIAL TENDERS (NOT APPLICABLE TO STOCKHOLDERS WHO TENDER BY BOOK-ENTRY TRANSFER); WITHDRAWALS

If less than all the shares of Limited Common Stock evidence by any certificate(s) are to be tendered, the tendering holder should fill in the number of shares to be tendered in the part of Box #1 entitled "Number of Shares Tendered". A reissued certificate representing the number of shares of Limited Common Stock not tendered will be issued in the name of, and sent to, such registered holder, unless otherwise indicated under "Special Issuance Instructions" (Box #5) or "Special Delivery Instructions" (Box #6) above, as soon as practicable after the Expiration Date. THE ENTIRE NUMBER OF SHARES OF LIMITED COMMON STOCK REPRESENTED BY ANY CERTIFICATE(S) DELIVERED TO THE EXCHANGE AGENT WILL BE DEEMED TO HAVE BEEN TENDERED UNLESS OTHERWISE INDICATED.

Any tendering holder of shares of Limited Common Stock may withdraw the tender at any time prior to the Expiration Date, and may also withdraw such tender after the expiration of 40 business days from the commencement of the Exchange Offer, unless theretofore accepted for exchange as provided in the Offering Circular-Prospectus.

To be effective, a written, telegraphic or facsimile transmission notice of withdrawal must be timely received by the Exchange Agent at one of its addresses set forth above and must comply with the requirements set forth in the Offering Circular-Prospectus under "The Exchange Offer--Withdrawal Rights". Withdrawals may not be rescinded, and shares of Limited Common Stock withdrawn will thereafter be deemed not validly tendered for purposes of the Exchange Offer. However, withdrawn shares of Limited Common Stock may be retendered by again following one of the procedures described in the Offering Circular-Prospectus under the caption "The Exchange Offer--Procedures for Tendering Shares of Limited Common Stock" at any time prior to the Expiration Date.

3. INDICATION OF EXCHANGE RATIO AT WHICH SHARES OF LIMITED COMMON STOCK ARE BEING TENDERED

For shares of Limited Common Stock to be properly tendered, the holder of shares of Limited Common Stock MUST check either (i) the box within Box #2 indicating his or her willingness to accept the Exchange Ratio determined by Dutch auction in the box entitled "Shares Tendered at Exchange Ratio Determined by Dutch Auction" or (ii) the box within Box #2 indicating the portion of a share of A&F Common Stock that he or she is willing to receive in exchange for a share of Limited Common Stock in the box entitled "Shares Tendered at Exchange Ratio Determined by Stockholder". Tenders at an Exchange Ratio selected by the tendering stockholder may only be made in increments of .005. ONLY ONE BOX MAY BE CHECKED. IF MORE THAN ONE BOX IS CHECKED OR IF NO BOX IS CHECKED, THERE IS NO PROPER TENDER OF SHARES OF LIMITED COMMON STOCK. A holder of shares of Limited Common Stock wishing to tender portions of his or her Limited Common Stock at different Exchange Ratios must complete a separate Letter of Transmittal for each Exchange Ratio at which he or she wishes to tender such portion of his or her Limited Common Stock. The same shares of Limited Common Stock cannot be tendered (unless previously properly withdrawn as provided in the Offering Circular-Prospectus under the caption "The Exchange Offer--Withdrawal Rights") at more than one Exchange Ratio. Holders of shares of Limited Common Stock who wish to maximize the chance that their shares will be exchanged at the relevant Final Exchange Ratio may check the box within Box #2 marked "Shares Tendered at Exchange Ratio Determined by Dutch Auction". Checking this box may result in an Exchange Ratio equal to the Minimum Exchange Ratio of .73 of a share of A&F Common Stock per share of Limited Common Stock.

4. SIGNATURES ON THIS LETTER OF TRANSMITTAL; STOCK POWERS AND ENDORSEMENTS; GUARANTEE OF SIGNATURES

If this Letter of Transmittal is signed by the registered holder(s) of the shares of Limited Common Stock tendered hereby, the signature(s) must correspond exactly with the name(s) as written on the face of the certificate(s) representing the shares of Limited Common Stock without alteration, enlargement or any other change whatsoever.

If any of the shares of Limited Common Stock tendered hereby are registered in the name of two or more joint owners, all such owners must sign this Letter of Transmittal.

If any tendered shares of Limited Common Stock are registered in the names of different holders, it will be necessary to complete, sign and submit as many separate copies of this Letter of Transmittal as there are different registrations of certificates.

If this Letter of Transmittal is signed by the registered holder(s) of the shares of Limited Common Stock listed and tendered hereby, no endorsements of certificates or separate stock powers are required, unless A&F Certificate(s) are to be issued, or certificate(s) for any untendered shares of Limited Common Stock or for any shares of Limited Common Stock not accepted for exchange are to be reissued, in the name of a person other than the registered holder(s), in which case, the stock certificate(s) evidencing the shares of Limited Common Stock tendered hereby must be endorsed or accompanied by appropriate stock power(s), in either case, signed exactly as the name(s) of the registered holder(s) appear(s) on such stock certificate(s). Signatures on such stock certificate(s) and stock power(s) 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 of Limited Common Stock listed and tendered hereby, the certificate(s) representing such shares of Limited Common Stock 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 such certificate(s), and such signatures must be guaranteed by an Eligible Institution.

If this Letter of Transmittal or any certificates or stock powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of a corporation or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and proper evidence satisfactory to The Limited of their authority so to act must be submitted.

Signatures on this Letter of Transmittal must be guaranteed by an Eligible Institution unless the shares of Limited Common Stock are tendered: (i) by a registered holder of such shares of Limited Common Stock (which term, for purposes of this Letter of Transmittal, shall include any participant in the Book-Entry Transfer Facility whose name appears on a security position listing as the owner of shares of Limited Common Stock) who has not completed the box entitled "Special Issuance Instructions" (Box #5) or "Special Delivery Instructions" (Box #6) of this Letter of Transmittal; or (ii) for the account of an Eligible Institution.

5. SPECIAL ISSUANCE AND DELIVERY INSTRUCTIONS

Tendering holders should indicate in the box entitled "Special Issuance Instructions" (Box #5) or "Special Delivery Instructions" (Box #6), as applicable, the name and address to which A&F Certificate(s), a Fractional Share Check, if any, and/or substitute certificate(s) for shares of Limited Common Stock not tendered or any shares of Limited Common Stock not accepted for exchange are to be issued or sent, if different from the name and address of the person signing this Letter of Transmittal. In the case of issuance in a different name, the employer identification or social security number of the person named must also be indicated.

6. PARTICIPANTS IN THE DIVIDEND REINVESTMENT PLAN OF THE LIMITED

If a tendering stockholder desires to have tendered pursuant to the Exchange Offer shares of Limited Common Stock credited to the stockholder's account under The Limited's Dividend Reinvestment Plan, Box #3 should be completed. A participant in the Dividend Reinvestment Plan wishing to tender portions of such participant's shares of Limited Common Stock in the Dividend Reinvestment Plan at different prices must complete a separate Letter of Transmittal for each price at which such participant wishes to tender each such portion of such participant's shares.

If a stockholder authorizes a tender of shares of Limited Common Stock held in the Dividend Reinvestment Plan, all such shares credited to such stockholder's account(s), including fractional shares, will be tendered, unless otherwise specified in the appropriate space in Box #3. In the event that Box #3 is not completed, no shares of Limited Common Stock held in the tendering stockholder's account will be tendered.

PARTICIPANTS IN THE STOCK PURCHASE PLAN OR THE SAVINGS AND RETIREMENT PLAN OF THE LIMITED MAY NOT USE THIS LETTER OF TRANSMITTAL TO DIRECT THE TENDER OF SHARES OF LIMITED COMMON STOCK, BUT MUST USE THE SEPARATE ELECTION FORM SENT TO THEM.

7. STOCK TRANSFER TAXES

The Limited will pay all stock transfer taxes, if any, payable on the transfer to it of shares of Limited Common Stock and the transfer to tendering stockholders of shares of A&F Common Stock pursuant to the Exchange Offer. If, however, the exchange of shares is to be made to, or (in the circumstances permitted by the Exchange Offer) if shares of Limited Common Stock that are not tendered or not accepted for exchange are to be registered in the name of or delivered to any person other than the registered owner, or if tendered certificates are registered in the name of any person other than the person signing this Letter of Transmittal, the amount of all stock transfer taxes, if any (whether imposed on the registered owner or such other person), payable on account of the transfer to such person must be paid by the tendering stockholder unless evidence satisfactory to The Limited of the payment of such taxes or exemption therefrom is submitted.

Except as provided in this Instruction 7, it will not be necessary for transfer tax stamps to be affixed to the certificate(s) representing shares of Limited Common Stock listed in this Letter of Transmittal.

8. MUTILATED, LOST, STOLEN OR DESTROYED LIMITED COMMON STOCK CERTIFICATES

If any certificate representing shares of Limited Common Stock has been mutilated, destroyed, lost or stolen, the stockholder must (i) furnish to the Exchange Agent evidence, satisfactory to it in its discretion, of the ownership of and the destruction, loss or theft of such certificate, (ii) furnish to the Exchange Agent indemnity, satisfactory to it in its discretion, and (iii) comply with such other reasonable requirements as the Exchange Agent may prescribe. Any holder whose stock certificate representing shares of Limited Common Stock has been mutilated, destroyed, lost or stolen should promptly contact the Exchange Agent at the address indicated above for further instructions.

9. QUESTIONS AND REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES

Questions relating to the procedure for tendering, as well as requests for assistance or additional copies of the Offering Circular-Prospectus, this Letter of Transmittal or the Notice of Guaranteed Delivery, may be directed to the Information Agent at the address indicated below. Additional copies of the Offering Circular-Prospectus, this Letter of Transmittal or the Notice of Guaranteed Delivery may also be obtained from the Information Agent or the Dealer Managers.

10. SOLICITED TENDERS

The Limited will pay a solicitation fee of \$1.00 per share, up to a maximum of 1,000 shares per tendering stockholder, for each share of Limited Common Stock tendered and accepted for exchange pursuant to the Exchange Offer, covered by the Letter of Transmittal which designates, in the box captioned "Notice of Solicited Tenders," as having solicited and obtained the tender, the name of (i) any broker of dealer in securities which is a member of any national securities exchange in the United States or of the National Association of Securities Dealers, Inc. or (ii) any bank or trust company located in the United States (each, a "Soliciting Dealer"), except that no solicitation fee shall be payable (i) in connection with a tender of Limited Common Stock by a stockholder (x) tendering more than 10,000 shares of Limited Common Stock or (y) tendering from a country outside of the United States or (ii) to the Dealer Managers. In addition, Soliciting Dealers are not entitled to a fee with respect to shares of Limited Common Stock beneficially owned by such Soliciting Dealer or with respect to any shares that are registered in the name of a Soliciting Dealer unless such shares are held by such Soliciting Dealer as nominee and are tendered for the benefit of beneficial holders identified in this Letter of Transmittal. No such fee shall be payable to a Soliciting Dealer if such Soliciting Dealer is required for any reason to transfer the amount of such fee to a tendering holder (other than itself). No broker, dealer, bank, trust company or fiduciary shall be deemed to be the agent of The Limited, the Exchange Agent, the Information Agent or the Dealer Managers for purposes of the Exchange Offer.

In order for a Soliciting Dealer to receive a solicitation fee with respect to the tender of shares of Limited Common Stock, the Exchange Agent must have received a properly completed and duly executed Letter of Transmittal (including a completed box entitled "Notice of Solicited Tenders" (Box #9)).

The acceptance of compensation by the Soliciting Dealer listed in "Notice of Solicited Tenders" (Box #9) will constitute a representation by such Soliciting Dealer that: (i) it has complied with the applicable requirements of the Securities Exchange Act of 1934, as amended, and the applicable rules and regulations thereunder, in connection with such solicitation; (ii) it is entitled to such compensation for such solicitation under the terms and conditions of the Offering Circular-Prospectus and this Letter of Transmittal, and (iii) in soliciting tenders of shares of Limited Common Stock, it has used no soliciting materials other than those furnished by The Limited.

11. IMPORTANT TAX INFORMATION; SUBSTITUTE FORM W-9

Federal income tax law requires that a holder whose tendered shares of Limited Common Stock are accepted for exchange must provide the Exchange Agent (as payor) with his or her correct taxpayer identification number ("TIN") on Substitute Form W-9 below, which, in the case of a holder who is an individual, is his or her social security number. If the Exchange Agent is not provided with the correct TIN or an adequate basis for exemption, the holder may be subject to a \$50 penalty imposed by the Internal Revenue Service (the "IRS") in addition to backup withholding in an amount equal to 31% of the cash proceeds received in lieu of fractional shares of A&F Common Stock resulting from the Exchange Offer if such amount equals or exceeds \$20.

Exempt holders (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. See the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional instructions.

To prevent backup withholding, each tendering holder must provide his or her correct TIN by completing the "Substitute Form W-9" set forth herein, certifying that the TIN provided is correct (or that such holder is awaiting a TIN) and that (i) the holder is exempt from backup withholding, (ii) the holder has not been notified by the IRS that he or she is subject to backup withholding as a result of the failure to report all interest or dividends or (iii) the IRS has notified the holder that he or she is no longer subject to backup withholding. In order to satisfy the Exchange Agent that a foreign individual qualifies as an exempt recipient, such holders must submit a statement signed under penalty of perjury attesting to such exempt status. Such statements may be obtained from the Exchange Agent. If the certificate(s) representing shares of Limited Common Stock are in more than one name or are not in the name of the actual owner, consult the enclosed guidelines for information on which TIN to report. If you do not have a TIN, consult the enclosed guidelines for instructions of applying for a TIN, check the box in Part 2 of the Substitute Form W-9 (Box #10), and complete the Certification of Awaiting Taxpayer Identification Number (Box #11) in order to avoid backup withholding. Notwithstanding that the box in Part 2 of Box #10 is checked and the Certification of Awaiting Taxpayer Identification Number is completed, the Exchange Agent will withhold 31% of all reportable payments made prior to the time a properly certified TIN is provided to the Exchange Agent, and if the TIN is provided within 60 days, such amount will be refunded.

If backup withholding applies, the Exchange Agent is required to withhold 31% of any such cash payments made in lieu of fractional shares of A&F Common Stock to the stockholder or other payee if such amount equals or exceeds \$20. Backup withholding is not an additional tax. Rather, the federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If backup withholding results in an overpayment of taxes, a refund may be obtained from the IRS.

Holders of shares of Limited Common Stock who acquired their shares at different times may have different tax bases in their shares of Limited Common Stock, and should consult with their tax advisors as to the possibility of identifying the specific shares of Limited Common Stock surrendered in the Exchange Offer in order to establish the basis of the shares of A&F Common Stock issued in exchange for shares of Limited Common Stock surrendered.

THE FOLLOWING BOXES MUST BE COMPLETED BY ALL TENDERING STOCKHOLDERS
(See Instruction 11)

PAYOR'S NAME: FIRST CHICAGO TRUST COMPANY OF NEW YORK

BOX #10

PART 1--PLEASE PROVIDE YOUR Social security number
TIN IN THE BOX AT RIGHT AND or employer
CERTIFY BY SIGNING AND identification number
DATING BELOW.

SUBSTITUTE
FORM W-9
DEPARTMENT OF THE
TREASURY INTERNAL
REVENUE SERVICE

PART 2--Awaiting TIN []

CERTIFICATION--UNDER THE 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 (a)
I am exempt from backup withholding, (b) I have not
been notified by the Internal Revenue Service that I
am subject to backup withholding as a result of the
failure to report all interest or dividends or (c)
the Internal Revenue Service has notified me that I
am no longer subject to backup withholding.

PAYOR'S REQUEST FOR
TAXPAYER
IDENTIFICATION
NUMBER (TIN)

Signature _____ Date _____

You must cross out item (2) above if you have been
notified by the Internal Revenue Service that you are
currently subject to backup withholding because of
under reporting interest or dividends on your tax
return. However, if after being notified by the IRS
that you were subject to backup withholding, you
received another notification from the IRS that you
are no longer subject to backup withholding, do not
cross out such item (2).

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN A \$50 PENALTY
IMPOSED BY THE INTERNAL REVENUE SERVICE AND BACKUP WITHHOLDING OF 31% OF
ANY PAYMENTS MADE TO YOU PURSUANT TO THE EXCHANGE OFFER. PLEASE REVIEW
THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION
NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU CHECKED THE BOX IN PART 2
OF THE SUBSTITUTE FORM W-9.

BOX #11

CERTIFICATION OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalty of perjury that a taxpayer identification number
has not been issued to me, and either that (i) I have mailed or delivered
an application to receive a taxpayer identification number to the
appropriate Internal Revenue Service Center or Social Security
Administration Office or (ii) I intend to mail or deliver an application in
the near future. I understand that if I do not provide a taxpayer
identification number by the time of payment, 31% of all reportable
payments made to me will be withheld, but that such amounts will be
refunded to me if I then provide a taxpayer identification number within
sixty (60) days.

Signature _____ Date _____

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

GUIDELINES FOR DETERMINING THE PROPER IDENTIFICATION NUMBER TO GIVE THE
PAYOR--Social Security numbers have nine digits separated by two hyphens: i.e.
000-00-0000. Employer identification numbers have nine digits separated by
only one hyphen: i.e. 00-0000000. The table below will help determine the
number to give the payer.

FOR THIS TYPE OF ACCOUNT:	GIVE THE SOCIAL SECURITY NUMBER OF--
1. An individual's account	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. Husband and wife (joint account)	The actual owner of the account or, if joint funds, either person(1)
4. Custodian account of a minor (Uniform Gift to Minors Act)	The minor(2)
5. Adult and minor (joint account)	The adult or, if the minor is the only contributor, the minor(1)
6. Account in the name of guardian or committee for a designated ward, minor, or incompetent person	The ward, minor, or incompetent person(3)
7. a. The usual revocable savings trust account (grantor is also trustee)	The grantor- trustee(1)
b. So-called trust account that is not a legal or valid trust under State law	The actual owner(1)
8. Sole proprietorship account	The owner(4)

FOR THIS TYPE OF ACCOUNT:	GIVE THE EMPLOYER IDENTIFICATION NUMBER OF--
9. A valid trust, estate, or pension trust	The legal entity (Do not furnish the identifying number of the personal representative or trustee unless the legal entity itself is not designated in the account title.)(5)
10. Corporate account	The corporation
11. Religious, charitable, or educational organization account	The organization
12. Partnership account held in the name of the business	The partnership
13. Association, club, or other tax-exempt organization	The organization
14. A broker or registered nominee	The broker or nominee
15. 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 agricultural 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) Circle the ward's, minor's or incompetent person's name and furnish such person's social security number.
 - (4) Show the name of the owner.
 - (5) List first and circle the name of the legal trust, estate, or pension trust.

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.

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION
NUMBER ON SUBSTITUTE FORM W-9
PAGE 2

OBTAINING A NUMBER

If you do not have a taxpayer identification number or you do not know your number, obtain Form SS-5, Application for a Social Security Number Card (for individuals), or Form SS-4, Application for Employer Identification Number (for businesses and all other entities), at the local office of the Social Security Administration or the Internal Revenue Service.

To complete Substitute Form W-9 if you do not have a taxpayer identification number, write "Applied For" in the space for the taxpayer identification number in Part 1, sign and date the Form, and give it to the requester. Generally, you will then have 60 days to obtain a taxpayer identification number and furnish it to the requester. If the requester does not receive your taxpayer identification number within 60 days, backup withholding, if applicable, will begin and continue until you furnish your taxpayer identification number to the requester.

PAYEES EXEMPT FROM BACKUP WITHHOLDING

Payees specifically exempted from backup withholding on ALL payments include the following:

- . A corporation.
- . A financial institution.
- . An organization exempt from tax under section 501(a), or an individual retirement plan, or a custodial account under section 403(b)(7).
- . The United States or any agency or instrumentality thereof.
- . A State, the District of Columbia, a possession of the United States, or any political subdivision or instrumentality thereof.
- . A foreign government or, a political subdivision, agency or instrumentality thereof.
- . An international organization or any agency or instrumentality thereof.
- . A registered dealer in securities or commodities registered in the United States or a possession of the United States.
- . An exempt charitable remainder trust, or a non-exempt trust described in Section 4947(a)(1).
- . A real estate investment trust.
- . A common trust fund operated by a bank under section 584(a).
- . An entity registered at all times during the tax year under the Investment Company Act of 1940.
- . A foreign central bank of issue.

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

- . Payments to nonresident aliens subject to withholding under section 1441.
- . Payments to partnerships not engaged in a trade or business in the United States and which have at least one nonresident partner.
- . Payments of patronage dividends where the amount received is not paid in money.
- . Payments made by certain foreign organizations.
- . Payments made to a nominee.

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

- . Payments of interest on obligations issued by individuals. Note: You may be subject to backup withholding if this interest is \$600 or more and is paid in the course of the payor's trade or business and you have not provided your correct taxpayer identification number to the payor.
- . Payments of tax-exempt interest (including exempt-interest dividends under section 852).
- . Payments described in section 6049(b)(5) to nonresident aliens.
- . Payments on tax-free covenant bonds under section 1451.
- . Payments made by certain foreign organizations.
- . Payments made to a nominee.

Exempt payees described above should file a Substitute Form W-9 to avoid

possible erroneous backup withholding. FILE THIS FORM WITH THE PAYOR, FURNISH YOUR TAXPAYER IDENTIFICATION NUMBER, WRITE "EXEMPT" ON THE FACE OF THE FORM, SIGN AND DATE THE FORM AND RETURN IT TO THE PAYOR.

Certain payments other than interest, dividends, and patronage dividends, that are not subject to information reporting are also not subject to backup withholding. For details, see the regulations under sections 6041, 6041A(a), 6045, and 6050A.

PRIVACY ACT NOTICE

Section 6109 requires most recipients of dividends, interest, or other payments to give taxpayer identification numbers to payors who must report the payments to IRS. IRS uses the numbers for identification purposes. Payors must be given the numbers whether or not recipients are required to file tax returns. Payors 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 payor. Certain penalties may also apply.

PENALTIES

(1) PENALTY FOR FAILURE TO FURNISH TAXPAYER IDENTIFICATION NUMBER. If you fail to furnish your taxpayer identification number to a payor, 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.

(2) CRIMINAL PENALTY FOR FALSE INFORMATION WITH RESPECT TO WITHHOLDING. If you make a false statement with no reasonable basis which results in no imposition of backup withholding, you are subject to a penalty of \$500.

(3) CIVIL PENALTY FOR FALSIFYING INFORMATION. Falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

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

THE INFORMATION AGENT FOR THE EXCHANGE OFFER IS:

D.F. KING & CO., INC.
77 Water Street
New York, NY 10005

Call Collect: (212) 269-5550
or
Call Toll-Free: (800) 549-6864

THE DEALER MANAGERS FOR THE EXCHANGE OFFER ARE:

GOLDMAN SACHS & CO.
85 Broad Street
New York, NY 10004

Call Toll-Free: (800) 323-5678

NOTICE OF GUARANTEED DELIVERY
FOR
TENDER OF SHARES OF COMMON STOCK
OF
THE LIMITED, INC.

(NOT TO BE USED FOR SIGNATURE GUARANTEES)

This Notice of Guaranteed Delivery or one substantially like it must be used to accept the Exchange Offer (as defined herein) of The Limited, Inc., a Delaware corporation ("The Limited"), made pursuant to the Offering Circular-Prospectus dated April 15, 1998 (the "Offering Circular-Prospectus") and the related Letter of Transmittal, if (i) your stock certificate(s) representing shares of common stock, par value \$.50 per share (the "Limited Common Stock"), of The Limited are not immediately available, (ii) you cannot complete the procedure for book-entry transfer on a timely basis or (iii) you cannot deliver the certificate(s) and all other required documents to First Chicago Trust Company of New York (the "Exchange Agent") prior to the Expiration Date (as defined in the Offering Circular-Prospectus). You may deliver this Notice of Guaranteed Delivery by hand, telegram, facsimile transmission or mail to the Exchange Agent. See "The Exchange Offer--Guaranteed Delivery Procedure" in the Offering Circular-Prospectus.

THE EXCHANGE AGENT FOR THE EXCHANGE OFFER IS:

FIRST CHICAGO TRUST COMPANY OF NEW YORK

IF BY MAIL:	IF BY HAND:	IF BY OVERNIGHT DELIVERY:
	First Chicago Trust Company	First Chicago Trust Company
First Chicago Trust Company	of New York Tenders & Exchanges	of New York Tenders & Exchanges
of New York	c/o The Depository Trust Company	Suite 4680
Tenders & Exchanges	55 Water Street, DTC TAD	14 Wall Street, 8th Floor
Suite 4660	Vietnam Veterans Memorial Plaza	New York, New York 10005
P.O. Box 2569	New York, New York 10041	
Jersey City, New Jersey 07303-2569		

IF BY FACSIMILE TRANSMISSION:
(FOR ELIGIBLE INSTITUTIONS ONLY)
(201) 222-4720
or
(201) 222-4721

FACSIMILE CONFIRMATION NUMBER:
(201) 222-4707

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO THE EXCHANGE AGENT OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE TRANSMISSION TO A NUMBER OTHER THAN AS SET FORTH ABOVE WILL 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:

Upon the terms and subject to the conditions set forth in the Offering Circular-Prospectus, and the related Letter of Transmittal (which constitute the "Exchange Offer"), the receipt of which is hereby acknowledged, I hereby tender to you the number of shares of common stock, par value \$.50 per share (the "Limited Common Stock"), of The Limited, set forth below, at the Exchange Ratio (as defined in the Offering Circular-Prospectus) indicated in this Notice of Guaranteed Delivery, pursuant to the guaranteed delivery procedure set forth in "The Exchange Offer--Guaranteed Delivery Procedure" in the Offering Circular-Prospectus.

Holders of Limited Common Stock will receive that portion of a share of A&F Common Stock represented by the Final Exchange Ratio for each share of Limited Common Stock accepted for exchange. A holder of shares of Limited Common Stock wishing to tender portions of his or her holdings of Limited Common Stock at different Exchange Ratios must complete a separate Letter of Transmittal for each Exchange Ratio at which he or she wishes to tender such portion of his or her shares of Limited Common Stock.

CHECK ONLY ONE BOX.

IF MORE THAN ONE BOX IS CHECKED OR IF NO BOX IS CHECKED,
THERE IS NO PROPER TENDER OF SHARES OF LIMITED COMMON STOCK.

SHARES TENDERED AT EXCHANGE RATIO
DETERMINED BY DUTCH AUCTION

I WANT TO MAXIMIZE THE CHANCE OF HAVING THE LIMITED ACCEPT FOR EXCHANGE ALL THE SHARES OF LIMITED COMMON STOCK I AM TENDERING (SUBJECT TO THE POSSIBILITY OF PRORATION). ACCORDINGLY, BY CHECKING THIS ONE BOX INSTEAD OF ONE OF THE EXCHANGE RATIO BOXES BELOW, I HEREBY TENDER SHARES OF LIMITED COMMON STOCK AT, AND AM WILLING TO ACCEPT, THE EXCHANGE RATIO RESULTING FROM THE DUTCH AUCTION TENDER PROCESS. THIS ACTION COULD RESULT IN RECEIVING AN EXCHANGE RATIO AS LOW AS .73 OF A SHARE OF A&F COMMON STOCK PER SHARE OF LIMITED COMMON STOCK.

OR

SHARES TENDERED AT EXCHANGE RATIO DETERMINED BY STOCKHOLDER

<input type="checkbox"/> .730	<input type="checkbox"/> .760	<input type="checkbox"/> .790	<input type="checkbox"/> .820	<input type="checkbox"/> .850
<input type="checkbox"/> .735	<input type="checkbox"/> .765	<input type="checkbox"/> .795	<input type="checkbox"/> .825	<input type="checkbox"/> .855
<input type="checkbox"/> .740	<input type="checkbox"/> .770	<input type="checkbox"/> .800	<input type="checkbox"/> .830	<input type="checkbox"/> .860
<input type="checkbox"/> .745	<input type="checkbox"/> .775	<input type="checkbox"/> .805	<input type="checkbox"/> .835	
<input type="checkbox"/> .750	<input type="checkbox"/> .780	<input type="checkbox"/> .810	<input type="checkbox"/> .840	
<input type="checkbox"/> .755	<input type="checkbox"/> .785	<input type="checkbox"/> .815	<input type="checkbox"/> .845	

(PLEASE TYPE OR PRINT, EXCEPT FOR SIGNATURE)

Name(s) of Registered Holders: _____

Number of Shares of Limited Common
Stock Tendered: _____

Address(es): _____

Certificate No(s). (if applicable): _____

_____ (Include Zip Code)

Area Code and Tel. No(s).: _____

Total Number of Shares Represented
by Limited Common Stock
Certificate(s) _____

Dated: _____

Window Ticket No. (if any): _____

Signature(s): _____

IF SHARES OF LIMITED COMMON STOCK
WILL BE TENDERED BY BOOK-ENTRY
TRANSFER, PLEASE PROVIDE THE
FOLLOWING INFORMATION:

Account Number: _____

Transaction Code Number: _____

GUARANTEE

(NOT TO BE USED FOR SIGNATURE GUARANTEES)

The undersigned, a participant in the Security Transfer Agents Medallion Program or the New York Stock Exchange Medallion Signature Guarantee Program or the Stock Exchange Medallion Program, hereby (i) guarantees that either the certificates representing the shares of Limited Common Stock tendered hereby in proper form for transfer or a confirmation of a book-entry transfer of such shares of Limited Common Stock into the Exchange Agent's account at the Book-Entry Transfer Facility, in each case together with a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile thereof) and any required signature guarantees, or an Agent's Message (as defined in the Offering Circular-Prospectus) in connection with a book-entry transfer, and any other documents required by the Letter of Transmittal will be received by the Exchange Agent at one of its addresses set forth above, within three business days after the date hereof, (ii) represents that the holder on whose behalf this tender is being made owns the shares of Limited Common Stock being tendered within the meaning of Rule 14e-4 promulgated under the Securities Exchange Act of 1934, as amended ("Rule 14e-4"), and (iii) represents that the tender of such shares of Limited Common Stock complies with Rule 14e-4.

(PLEASE TYPE OR PRINT, EXCEPT FOR SIGNATURE)

Name of Firm

Authorized Signature

Address

Name: _____

(Include Zip Code)

Title

Date: _____

Area Code and Tel. No.

NOTE: DO NOT SEND CERTIFICATES FOR SHARES OF LIMITED COMMON STOCK WITH THIS NOTICE. STOCK CERTIFICATES SHOULD BE SENT WITH YOUR LETTER OF TRANSMITTAL TO THE EXCHANGE AGENT.

OFFER TO EXCHANGE

NOT MORE THAN .86 NOR LESS THAN .73 OF A SHARE OF CLASS A COMMON STOCK OF ABERCROMBIE & FITCH CO. FOR EACH SHARE OF COMMON STOCK OF THE LIMITED, INC.

THE EXCHANGE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, MAY 13, 1998, UNLESS THE EXCHANGE OFFER IS EXTENDED.

April 15, 1998

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

We refer to the enclosed Offering Circular-Prospectus dated April 15, 1998 (the "Offering Circular-Prospectus"), of The Limited, Inc. ("The Limited"), and the related Letter of Transmittal (the "Letter of Transmittal"), which together constitute The Limited's offer (the "Exchange Offer") to exchange up to 43,600,000 shares of Class A common stock, par value \$.01 per share ("A&F Common Stock"), of Abercrombie & Fitch Co. ("A&F"), for shares of common stock, par value \$.50 per share (the "Limited Common Stock"), of The Limited that are validly tendered by the Expiration Date and not withdrawn or deemed withdrawn, at an Exchange Ratio not greater than .86 nor less than .73 of a share of A&F Common Stock for each share of Limited Common Stock tendered, upon the terms and subject to the conditions set forth in the Offering Circular-Prospectus and in the related Letter of Transmittal. See "Summary", "The Transactions" and "The Exchange Offer" in the Offering Circular-Prospectus. Capitalized terms used herein have the same meanings as in the Offering Circular-Prospectus.

We have been appointed by The Limited to act as the Dealer Managers in connection with the Exchange Offer. Your attention is directed to the Offering Circular-Prospectus, which should be read by you in its entirety.

The Exchange Offer, proration period and withdrawal rights will expire at 12:00 Midnight, New York City time, on Wednesday, May 13, 1998 (the "Expiration Date"), unless extended in accordance with applicable law and the terms of the Exchange Offer, in which event the term "Expiration Date" shall mean the latest time and date to which the Exchange Offer, as extended, shall expire. The maximum number of shares of Limited Common Stock which will be accepted for exchange will be that number of shares which, when multiplied by the Final Exchange Ratio, equals 43,600,000 shares of A&F Common Stock. If more than such maximum number of shares of Limited Common Stock are tendered at Exchange Ratios at or below the Final Exchange Ratio, the Exchange Offer will be oversubscribed, and shares of Limited Common Stock tendered at or below the Final Exchange Ratio will be subject to proration in accordance with the terms set forth in the Offering Circular-Prospectus under "The Exchange Offer-Terms of the Exchange Offer".

The Limited will pay to a Soliciting Dealer (as defined below) a solicitation fee of \$1.00 per share, up to a maximum of 1,000 shares per tendering stockholder, for each share of Limited Common Stock tendered and accepted for exchange pursuant to the Exchange Offer if such Soliciting Dealer has affirmatively solicited and obtained such tender, except that no solicitation fee shall be payable (i) in connection with a tender of Limited Common Stock by a stockholder (A) tendering more than 10,000 shares of Limited Common Stock or (B) tendering from a country outside of the United States; or (ii) to the Dealer Managers. "Soliciting Dealer" includes (i) any broker or dealer in securities which is a member of any national securities exchange in the United States or of the National Association of Securities Dealers, Inc. or (ii) any bank or trust company located in the United States. In order for a Soliciting Dealer to receive a solicitation fee with respect to the tender of shares of Limited Common Stock, the Exchange Agent must have received a properly completed and duly executed Letter of Transmittal (including a completed box entitled "Notice of Solicited Tenders" (Box #9)).

No solicitation fee shall be payable to a Soliciting Dealer if such Soliciting Dealer is required for any reason to transfer the amount of such fee to a tendering holder (other than itself). Soliciting Dealers are not entitled to a solicitation fee with respect to shares of Limited Common Stock beneficially owned by such Soliciting Dealer or with respect to any shares that are registered in the name of a Soliciting Dealer unless the shares are held by such Soliciting Dealer as nominee and are tendered for the benefit of beneficial holders identified in the Letter of Transmittal. No broker, dealer, bank, trust company or fiduciary shall be deemed to be the agent of The Limited, A&F, the Exchange Agent, the Dealer Managers or the Information Agent for purpose of the Exchange Offer.

The acceptance of compensation by a Soliciting Dealer will constitute a representation by such Soliciting Dealer that: (i) it has complied with the applicable requirements of the Securities Exchange Act of 1934, as amended, and the applicable rules and regulations thereunder, in connection with such solicitation; (ii) it is entitled to such compensation for such solicitation under the terms and conditions of the Offering Circular-Prospectus and the related Letter of Transmittal and (iii) in soliciting tenders of shares of Limited Common Stock, it has used no soliciting materials other than those furnished by The Limited.

For your information and for forwarding to your clients for whom you hold shares of Limited Common Stock registered in your name or in the name of your nominee or who hold shares of Limited Common Stock registered in their own names, we are enclosing the following documents:

1. The Offering Circular-Prospectus;

2. The Letter of Transmittal, including the Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9, for your use and for the information of your clients;

3. A letter that may be sent to your clients for whose account you hold shares of Limited Common Stock registered in your name or the name of your nominee, with space provided for obtaining such clients' instructions with regard to the Exchange Offer;

4. A Notice of Guaranteed Delivery to be used to accept the Exchange Offer if the certificates for shares of Limited Common Stock are not immediately available, the procedure for book-entry transfer cannot be completed on a timely basis or time will not permit all required documents to reach First Chicago Trust Company of New York, the Exchange Agent, prior to the Expiration Date; and

5. A return envelope addressed to the Exchange Agent.

YOUR PROMPT ACTION IS REQUESTED. WE URGE YOU TO CONTACT YOUR CLIENTS AS PROMPTLY AS POSSIBLE. THE EXCHANGE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, MAY 13, 1998, UNLESS EXTENDED BY THE LIMITED AS PROVIDED IN THE OFFERING CIRCULAR-PROSPECTUS. Except as otherwise provided in the Offering Circular-Prospectus and the related Letter of Transmittal, tenders are irrevocable.

The Limited will not pay any fees or commissions to any broker or dealer or any other person (other than the Dealer Managers, the Soliciting Dealers, the Information Agent and the Exchange Agent as described in "The Exchange Offer-- Fees and Expenses" in the Offering Circular-Prospectus) for soliciting tenders of shares of Limited Common Stock pursuant to the Exchange Offer. The Limited will, however, upon request, reimburse you for reasonable and necessary costs and expenses incurred by you in forwarding any of the enclosed materials to your customers. The Limited will pay all stock transfer taxes, if any, payable on the transfer to it of shares of Limited Common Stock and the transfer to tendering stockholders of shares of A&F Common Stock pursuant to the Exchange Offer, except as otherwise provided in Instruction 7 of the Letter of Transmittal.

To participate in the Exchange Offer, certificate(s) for shares of Limited Common Stock or a confirmation of any book-entry transfer into the Exchange Agent's account at the Book-Entry Transfer Facility of shares of Limited Common Stock tendered electronically, as well as a properly completed and duly executed Letter of Transmittal (or manually signed facsimile thereof) and any required signature guarantees, or an Agent's Message in connection with a Book-Entry transfer of shares, and any other documents required by the Letter of Transmittal must be received by the Exchange Agent as indicated in the Letter of Transmittal and the Offering-Circular Prospectus prior to the Expiration Date.

Holders whose stock certificate(s) representing shares of Limited Common Stock are not immediately available or who cannot deliver the certificate(s) and all other required documents to the Exchange Agent prior to the Expiration Date may tender their shares of Limited Common Stock pursuant to the guaranteed delivery procedure set forth in the Offering Circular-Prospectus under "The Exchange Offer--Guaranteed Delivery Procedure".

Any inquiries you may have with respect to the Exchange Offer should be addressed to the Dealer Managers of the Information Agent at their respective addresses and telephone numbers set forth on the back cover of the Offering Circular-Prospectus. Additional copies of the enclosed material may also be obtained from the undersigned, telephone (800) 323-5678 (call toll-free), or the Information Agent, D.F. King & Co., Inc., telephone (212) 269-5550 (collect) or (800) 549-6864 (toll-free).

Very truly yours,

GOLDMAN, SACHS & CO.

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY OTHER PERSON AS AN AGENT OF THE LIMITED, A&F, THE EXCHANGE AGENT, THE INFORMATION AGENT, THE DEALER MANAGERS, THE SOLICITING DEALERS, OR ANY AFFILIATE OF ANY OF THE FOREGOING, 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 EXCHANGE OFFER, OTHER THAN THE ENCLOSED DOCUMENTS AND THE STATEMENTS CONTAINED THEREIN.

OFFER TO EXCHANGE

NOT MORE THAN .86 NOR LESS THAN .73 OF A SHARE OF CLASS A COMMON STOCK OF
ABERCROMBIE & FITCH CO. FOR EACH SHARE OF COMMON STOCK OF THE LIMITED,
INC.

THE EXCHANGE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL
EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY,
MAY 13, 1998, UNLESS THE EXCHANGE OFFER IS
EXTENDED.

April 15, 1998

To Our Clients:

Enclosed for your consideration is the Offering Circular-Prospectus dated April 15, 1998 (the "Offering Circular-Prospectus"), of The Limited, Inc. ("The Limited"), and the related Letter of Transmittal (the "Letter of Transmittal"), which together constitute The Limited's offer (the "Exchange Offer") to exchange up to 43,600,000 shares of Class A common stock, par value \$.01 per share ("A&F Common Stock"), of Abercrombie & Fitch Co. ("A&F"), for shares of common stock, par value \$.50 per share (the "Limited Common Stock"), of The Limited that are validly tendered by the Expiration Date and not withdrawn or deemed withdrawn, at an Exchange Ratio not greater than .86 nor less than .73 of a share of A&F Common Stock for each share of Limited Common Stock tendered, upon the terms and subject to the conditions set forth in the Offering Circular-Prospectus and in the related Letter of Transmittal. See "Summary", "The Transactions" and "The Exchange Offer" in the Offering Circular-Prospectus. Capitalized terms used herein have the same meanings as in the Offering Circular-Prospectus.

The Exchange Offer, proration period and withdrawal rights will expire at 12:00 Midnight, New York City time, on Wednesday, May 13, 1998 (the "Expiration Date"), unless extended in accordance with applicable law and the terms of the Exchange Offer, in which event the term "Expiration Date" shall mean the latest time and date to which the Exchange Offer, as extended, shall expire.

THIS MATERIAL IS BEING FORWARDED TO YOU AS THE BENEFICIAL OWNER OF SHARES OF LIMITED COMMON STOCK HELD BY US FOR YOUR ACCOUNT BUT NOT REGISTERED IN YOUR NAME. A TENDER OF SUCH SHARES OF LIMITED COMMON STOCK MAY ONLY BE MADE 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 OF LIMITED COMMON STOCK HELD BY US FOR YOUR ACCOUNT.

Accordingly, we request instructions as to whether you wish us to tender any or all such shares of Limited Common Stock held by us for your account, pursuant to the terms and conditions set forth in the Exchange Offer.

Your attention is invited to the following:

1. The Exchange Ratio Range within which you may tender for exchange is not more than .86 nor less than .73 of a share of A&F Common Stock for each share of Limited Common Stock tendered and exchanged.
2. The Limited currently holds up to 43,600,000 of the shares of the A&F Common Stock, at least 90% of which will be distributed pursuant to the Exchange Offer, subject to the terms and conditions thereof.
3. The Exchange Offer is subject to the satisfaction of certain conditions, as described in the Offering Circular-Prospectus, and is also subject to proration in certain circumstances, as described below.

4. The Exchange Offer, proration period and withdrawal rights will expire at 12:00 Midnight, New York City time, on Wednesday, May 13, 1998, unless extended.

5. You have the right to tender all, or a portion, of your shares of Limited Common Stock. You may choose the Exchange Ratio at which you tender such shares by either (a) checking the box in the Section of Box #2 on the Letter of Transmittal captioned "SHARES TENDERED AT EXCHANGE RATIO DETERMINED BY DUTCH AUCTION" or (b) checking one of the boxes in the section of Box #2 on the Letter of Transmittal captioned "SHARES TENDERED AT EXCHANGE RATIO DETERMINED BY STOCKHOLDER". If you wish to maximize the chance of having The Limited accept for exchange all of the shares of Limited Common Stock you are tendering (subject to the possibility of proration), you should check the box in the Section of Box #2 on the Letter of Transmittal captioned "SHARES TENDERED AT EXCHANGE RATIO DETERMINED BY DUTCH AUCTION" below.

6. You will receive that portion of a share of A&F Common Stock represented by the Final Exchange Ratio for each share of Limited Common Stock accepted for exchange.

7. Tendering stockholders will not be obligated to pay brokerage fees or commissions or, except as otherwise provided in Instruction 7 of the Letter of Transmittal, stock transfer taxes with respect to the exchange of shares in the Exchange Offer.

8. Please instruct us clearly if you wish to tender some shares of Limited Common Stock at one Exchange Ratio and other shares of Limited Common Stock at one Exchange Ratio. We must submit separate Letters of Transmittal on your behalf for each Exchange Ratio, although the same shares of Limited Common Stock cannot be tendered for exchange at more than one Exchange Ratio.

The maximum number of shares of Limited Common Stock which will be accepted for exchange will be that number of shares which, when multiplied by the Final Exchange Ratio, equals 43,600,000 shares of A&F Common Stock. If more than such maximum number of shares of Limited Common Stock are tendered at Exchange Ratios at or below the Final Exchange Ratio, the Exchange Offer will be oversubscribed, and shares of Limited Common Stock tendered at or below the Final Exchange Ratio will be subject to proration in accordance with the terms set forth in the Offering Circular-Prospectus under "The Exchange Offer--Terms of the Exchange Offer". If proration of tendered shares of Limited Common Stock is required, the undersigned understands that The Limited does not expect that it would be able to announce the final proration factor or to commence delivery of any shares of A&F Common Stock pursuant to the exchange Offer until approximately seven business days after the Expiration Date. Upon acceptance by The Limited of the shares of Limited Common Stock tendered herewith, stockholders will be deemed to have accepted the shares of A&F Common Stock exchanged therefor and will be deemed to have relinquished all rights with respect to the shares of Limited Common Stock so accepted.

The Exchange Offer is made solely by the Offering Circular-Prospectus and the related Letter of Transmittal and is being made to all Limited stockholders. The Limited is not aware of any jurisdiction where the making of the Exchange Offer or the acceptance thereof would not be in compliance with applicable law. If The Limited becomes aware of any jurisdiction where the making of the Exchange Offer or acceptance thereof would not be in compliance with any valid applicable law, The Limited will make a good faith effort to comply with such law. If, after such good faith effort, The Limited cannot comply with such law, the Exchange Offer will not be made to, nor will tenders be accepted from or on behalf of, Limited stockholders in any such jurisdiction.

If you wish to have us tender any or all of your shares of Limited Common Stock, please so instruct us by completing, executing and returning to us the attached instruction form. An envelope to return your instructions is enclosed. Please forward your instructions to us in ample time to permit us to submit a tender on your behalf prior to the Expiration Date. IF YOU AUTHORIZE THE TENDER OF YOUR SHARES OF LIMITED COMMON STOCK, ALL SUCH SHARES WILL BE TENDERED UNLESS OTHERWISE SPECIFIED ON THE ATTACHED INSTRUCTION FORM.

INSTRUCTIONS WITH RESPECT TO THE OFFER TO EXCHANGE NOT MORE THAN .86 NOR LESS THAN .73 OF A SHARE OF A&F COMMON STOCK FOR EACH SHARE OF LIMITED COMMON STOCK.

I acknowledge receipt of your letter and the enclosed Offering Circular-Prospectus dated April 15, 1998 (the "Offering Circular-Prospectus") of The Limited, Inc. and the related Letter of Transmittal (the "Letter of Transmittal"), which together constitute The Limited's offer (the "Exchange Offer") to exchange up to 43,600,000 shares of Class A common stock, par value \$.01 per share (the "A&F Common Stock"), of Abercrombie & Fitch Co. ("A&F"), for shares of common stock, par value \$.50 per share (the "Limited Common Stock"), of The Limited that are validly tendered by the Expiration Date and not withdrawn or deemed withdrawn, at an Exchange Ratio not greater than .86 nor less than .73 of a share of A&F Common Stock for each share of Limited Common Stock tendered, upon the terms and subject to the conditions set forth in the Offering Circular-Prospectus and the related Letter of Transmittal. See "Summary", "The Transactions" and "The Exchange Offer" in the Offering Circular-Prospectus. Capitalized terms used herein shall have the same meanings as in the Offering Circular-Prospectus.

This will instruct you to tender the number of shares of Limited Common Stock indicated below (or, if no number is indicated below, all shares) at the Exchange Ratio indicated in the following box held by your for my account, upon the terms and subject to the conditions set forth in the Offering Circular-Prospectus and the related Letter of Transmittal.

CHECK ONLY ONE BOX.

IF MORE THAN ONE BOX IS CHECKED OR IF NO BOX IS CHECKED,
THERE IS NO PROPER TENDER OF SHARES OF LIMITED COMMON STOCK.

SHARES TENDERED AT EXCHANGE RATIO
DETERMINED BY DUTCH AUCTION

I WANT TO MAXIMIZE THE CHANCE OF HAVING THE LIMITED ACCEPT FOR EXCHANGE ALL THE SHARES OF LIMITED COMMON STOCK I AM TENDERING (SUBJECT TO THE POSSIBILITY OF PRORATION). ACCORDINGLY, BY CHECKING THIS ONE BOX INSTEAD OF ONE OF THE EXCHANGE RATIO BOXES BELOW, I HEREBY TENDER SHARES OF LIMITED COMMON STOCK AT, AND AM WILLING TO ACCEPT, THE EXCHANGE RATIO RESULTING FROM THE DUTCH AUCTION TENDER PROCESS. THIS ACTION COULD RESULT IN RECEIVING AN EXCHANGE RATIO AS LOW AS .73 OF A SHARE OF A&F COMMON STOCK PER SHARE OF LIMITED COMMON STOCK.

OR

SHARES TENDERED AT EXCHANGE RATIO
DETERMINED BY STOCKHOLDER

<input type="checkbox"/> .730	<input type="checkbox"/> .760	<input type="checkbox"/> .790	<input type="checkbox"/> .820	<input type="checkbox"/> .850
<input type="checkbox"/> .735	<input type="checkbox"/> .765	<input type="checkbox"/> .795	<input type="checkbox"/> .825	<input type="checkbox"/> .855
<input type="checkbox"/> .740	<input type="checkbox"/> .770	<input type="checkbox"/> .800	<input type="checkbox"/> .830	<input type="checkbox"/> .860
<input type="checkbox"/> .745	<input type="checkbox"/> .775	<input type="checkbox"/> .805	<input type="checkbox"/> .835	
<input type="checkbox"/> .750	<input type="checkbox"/> .780	<input type="checkbox"/> .810	<input type="checkbox"/> .840	
<input type="checkbox"/> .755	<input type="checkbox"/> .785	<input type="checkbox"/> .815	<input type="checkbox"/> .845	

NOTICE OF SOLICITED TENDERS

The Limited will pay to a Soliciting Dealer (as defined in the Offering Circular-Prospectus) a solicitation fee of \$1.00 per share per tendering stockholder, up to a maximum of 1,000 shares, for each share of Limited Common Stock tendered and accepted for exchange pursuant to the Exchange Offer if such Soliciting Dealer has affirmatively solicited and obtained such tender, except that no solicitation fee shall be payable (i) in connection with a tender of Limited Common Stock by a stockholder (a) tendering more than 10,000 shares of Limited Common Stock or (B) tendering from a country outside of the United States; or (ii) to the Dealer Managers. In addition, no such fee shall be payable to a Soliciting Dealer if such Soliciting Dealer is required for any reason to transfer the amount of such fee to a tendering holder (other than itself). No broker, dealer, bank, trust company or fiduciary shall be deemed to be the agent of The Limited, A&F, the Exchange Agent, the Dealer Managers or the Information Agent for purposes of the Exchange Offer.

By checking his box, I represent that my tender was affirmatively solicited by the Soliciting Dealer listed below:

Name of Firm:

(PLEASE PRINT)

Name of Individual Broker or Financial Consultant:

Identification Number (if known):

Address:

(INCLUDE ZIP CODE)

NUMBER OF SHARES OF LIMITED
COMMON STOCK TO BE TENDERED: *

SIGN HERE:

SHARES

SIGNATURE(S)

Account Numbers: -----

PLEASE TYPE OR PRINT NAME(S) HERE:

Dated: _____, 1998

PLEASE TYPE OR PRINT ADDRESS(ES) HERE:

AREA CODE AND TELEPHONE NUMBER

TAXPAYER IDENTIFICATION OR
SOCIAL SECURITY NUMBER(S)

* Unless otherwise indicated, it will be assumed that all shares of Limited
Common Stock held by us for your account are to be tendered.

LETTER FROM SAVINGS AND RETIREMENT PLAN
ADMINISTRATIVE COMMITTEE

April 15, 1998

OFFER TO EXCHANGE

NOT MORE THAN .86 NOR LESS THAN .73 OF A SHARE
OF CLASS A COMMON STOCK OF ABERCROMBIE & FITCH CO. FOR
EACH SHARE OF COMMON STOCK OF THE LIMITED, INC.

NAME/ADDRESS

Dear _____:

We are enclosing the Offering Circular-Prospectus dated April 15, 1998 (the "Offering Circular-Prospectus") of The Limited, Inc. ("The Limited"), and the related Letter of Transmittal (the "Letter of Transmittal"), which together constitute The Limited's offer to its stockholders (the "Exchange Offer") to exchange up to 43,600,000 shares of Class A common stock, par value \$.01 per share ("A&F Common Stock"), of Abercrombie & Fitch Co. ("A&F"), for shares of common stock, par value \$.50 per share (the "Limited Common Stock"), of The Limited that are validly tendered by the Expiration Date (as defined below) and not withdrawn or deemed withdrawn, at an Exchange Ratio not greater than .86 nor less than .73 of a share of A&F Common Stock for each share of Limited Common Stock tendered, upon the terms and subject to the conditions set forth in the Offering Circular-Prospectus and in the related Letter of Transmittal. See "Summary", "The Transactions" and "The Exchange Offer" in the Offering Circular-Prospectus. Capitalized terms used herein shall have the meanings ascribed to them in the Offering Circular-Prospectus. Also enclosed is a brief description of the Exchange Offer in connection with The Limited's Savings and Retirement Plan ("Savings and Retirement Plan"), questions and answers describing how the process works and a Tender Instruction Form for the tender of Limited Common Stock held in the Savings and Retirement Plan.

Our records indicate that you hold ____ whole shares of Limited Common Stock ("Plan Shares") allocated to your account under the Savings and Retirement Plan ("Account") as of February 28, 1998. As a participant in the Savings and Retirement Plan you may elect to "tender" (exchange) some or all of the shares of Limited Common Stock (excluding fractional shares) currently allocated to your Account 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 WEDNESDAY, MAY 13, 1998, YOU MUST SEND YOUR TENDER INSTRUCTION FORM TO THE ADMINISTRATIVE COMMITTEE FOR RECEIPT BY MAY 11, 1998. You also may withdraw any tender you have made under the Exchange Offer provided you do so prior to the May 11, 1998 deadline.

THIS MATERIAL IS BEING FORWARDED TO YOU AS THE BENEFICIAL OWNER OF SHARES OF LIMITED COMMON STOCK HELD ON YOUR BEHALF UNDER THE SAVINGS AND RETIREMENT PLAN BUT NOT REGISTERED IN YOUR NAME. A TENDER OF SUCH SHARES OF LIMITED COMMON STOCK MAY ONLY BE MADE BY THE TRUSTEE OF THE SAVINGS AND RETIREMENT PLAN 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 OF LIMITED COMMON STOCK HELD IN YOUR ACCOUNT UNDER THE SAVINGS AND RETIREMENT PLAN.

Accordingly, we request instructions as to whether you wish the Trustee to tender any or all such shares of Limited Common Stock held in your Account under the Savings and Retirement Plan, pursuant to the terms and conditions set forth in the Exchange Offer.

Your attention is invited to the following:

1. The Exchange Ratio Range within which you may direct the Trustee to tender for exchange is not more than .86 nor less than .73 of a share of A&F Common Stock for each share of Limited Common Stock tendered and exchanged.

2. The Limited currently holds up to 43,600,000 of the shares of A&F Common Stock, at least 90% of which will be distributed pursuant to the Exchange Offer, subject to the terms and conditions thereof.

3. The Exchange Offer is subject to the satisfaction of certain conditions, as described in the Offering Circular-Prospectus, and is also subject to proration in certain circumstances, as described below.

4. A holder of Limited Common Stock has the right to tender all, or a portion, of such holder's shares of Limited Common Stock (excluding fractional shares). You may choose the Exchange Ratio at which you tender such shares by either (a) checking the box marked "SHARES TENDERED AT EXCHANGE RATIO DETERMINED BY DUTCH AUCTION" or (b) checking one of the boxes in the section marked "SHARES TENDERED AT EXCHANGE RATIO DETERMINED BY STOCKHOLDER". If you wish to maximize the chance of having The Limited accept for exchange all of the shares of Limited Common Stock you are tendering (subject to the possibility of proration), you should check the box marked "SHARES TENDERED AT EXCHANGE RATIO DETERMINED BY DUTCH AUCTION" below.

5. Holders of Limited Common Stock will receive that fraction of a share of A&F Common Stock represented by the Final Exchange Ratio for each share of Limited Common Stock accepted for exchange.

6. Tendering stockholders will not be obligated to pay brokerage fees or commissions or, except as otherwise provided in Instruction 7 of the Letter of Transmittal, stock transfer taxes with respect to the exchange of shares in the Exchange Offer.

7. You must submit separate Tender Instruction Forms if you wish to tender some shares of Limited Common Stock in your Account at one Exchange Ratio and other shares of Limited Common Stock in your Account at another Exchange Ratio. Please note that the same shares of Limited Common Stock cannot be tendered for exchange at more than one Exchange Ratio.

The Exchange Offer, proration period and withdrawal rights will expire at 12:00 Midnight, New York City time, on Wednesday, May 13, 1998 (the "Expiration Date"), unless extended in accordance with applicable law and the terms of the Exchange Offer, in which event the term "Expiration Date" shall mean the latest time and date to which the Exchange Offer, as extended, shall expire.

The maximum number of shares of Limited Common Stock which will be accepted for exchange will be that number of shares which, when multiplied by the Final Exchange Ratio, equals 43,600,000 shares of A&F Common Stock. If more than such maximum number of shares of Limited Common Stock are tendered at Exchange Ratios at or below the Final Exchange Ratio, the Exchange Offer will be oversubscribed, and shares of Limited Common Stock tendered at or below the Final Exchange Ratio will be subject to proration

in accordance with the terms set forth in the Offering Circular-Prospectus under "The Exchange Offer--Terms of the Exchange Offer". If proration of tendered shares of Limited Common Stock is required, The Limited does not expect that it would be able to announce the final proration factor or to commence delivery of any shares of A&F Common Stock pursuant to the Exchange Offer until approximately seven business days after the Expiration Date. Upon acceptance by The Limited of the shares of Limited Common Stock tendered pursuant hereto, you will be deemed to have accepted the shares of A&F Common Stock exchanged therefor and will be deemed to have relinquished all rights with respect to the shares of Limited Common Stock so accepted.

The Exchange Offer is made solely by the Offering Circular-Prospectus and the related Letter of Transmittal and is being made to all holders of Limited Common Stock. The Limited is not aware of any jurisdiction where the making of the Exchange Offer or the acceptance thereof would not be in compliance with applicable law. If The Limited becomes aware of any jurisdiction where the making of the Exchange Offer or acceptance thereof would not be in compliance with any valid applicable law, The Limited will make a good faith effort to comply with such law. If, after such good faith effort, The Limited cannot comply with such law, the Exchange Offer will not be made to, nor will tenders be accepted from or on behalf of, holders of shares of Limited Common Stock in any such jurisdiction.

IF YOU WISH TO AUTHORIZE THE TENDER OF SHARES OF LIMITED COMMON STOCK HELD IN YOUR ACCOUNT IN THE SAVINGS AND RETIREMENT PLAN. PLEASE COMPLETE THE TENDER INSTRUCTION FORM, INDICATING THE NUMBER OF SHARES TENDERED AND THE EXCHANGE RATIO, AND RETURN THE SIGNED FORM TO US IN THE ENVELOPE PROVIDED. IF YOU INDICATE AN EXCHANGE RATIO AND DO NOT SPECIFY A SPECIFIC NUMBER OF SHARES, ALL SHARES IN YOUR ACCOUNT WILL BE TENDERED. IF YOU FAIL TO SIGN THE TENDER INSTRUCTION FORM OR FAIL TO INDICATE AN EXCHANGE RATIO, YOUR INSTRUCTION WILL BE INVALID AND NO SHARES IN YOUR ACCOUNT WILL BE TENDERED. PLEASE FORWARD YOUR INSTRUCTIONS TO THE ADMINISTRATIVE COMMITTEE BY MAY 11, 1998 TO PERMIT US TO SUBMIT A TENDER ON YOUR BEHALF PRIOR TO THE EXPIRATION DATE.

Before making a decision, you should read carefully the materials in the enclosed Offering Circular-Prospectus, the Notice to Savings and Retirement Plan Participants and the Tender Instruction Form. If you take no action, no shares in your Account will be tendered by the Trustee. The Administrative Committee and the Trustee will treat confidentially your decision whether or not to tender these shares.

NONE OF THE LIMITED, A&F, THE TRUSTEE, THE ADMINISTRATIVE COMMITTEE, THE BOARD OF DIRECTORS OF THE LIMITED OR THE BOARD OF DIRECTORS OF A&F MAKES ANY RECOMMENDATION TO ANY STOCKHOLDER OF THE LIMITED AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING SHARES OF LIMITED COMMON STOCK PURSUANT TO THE EXCHANGE OFFER. STOCKHOLDERS OF THE LIMITED MUST MAKE THEIR OWN DECISIONS WHETHER TO TENDER SHARES OF LIMITED COMMON STOCK PURSUANT TO THE EXCHANGE OFFER AND, IF SO, HOW MANY SHARES TO TENDER AND AT WHAT EXCHANGE RATIO TO TENDER SUCH SHARES AFTER READING THE OFFERING CIRCULAR-PROSPECTUS AND CONSULTING WITH THEIR ADVISORS BASED ON THEIR OWN FINANCIAL POSITION AND REQUIREMENTS.

If you direct the Trustee to tender shares of Limited Common Stock and such shares are exchanged for shares of A&F Common Stock, the A&F Common Stock will be held in a separate investment fund under the Savings and Retirement Plan. PLEASE NOTE THAT TO THE EXTENT SUCH SHARES OF A&F COMMON STOCK ARE NOT RETAINED BY YOU AS AN INVESTMENT UNDER THE SAVINGS AND RETIREMENT PLAN, 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 THE ATTACHED QUESTIONS AND ANSWERS ("Q&As") ON THE SAVINGS AND RETIREMENT PLAN.

For any Savings and Retirement Plan participant, during the period the Exchange Offer is open (and thereafter for so long as legal restrictions apply), the Trustee will not purchase any shares of Limited Common Stock for the Savings and Retirement Plan. Instead, the Trustee will accumulate any of your contributions and employer matching contributions that you have directed into the Account. The Trustee will invest these amounts in a short-term fund and will resume purchases of shares of Limited Common Stock once the Exchange Offer period is concluded.

ANY DISTRIBUTIONS OR INVESTMENT FUND TRANSFERS THAT MAY BE REQUESTED DURING THE EXCHANGE OFFER PERIOD MAY BE DELAYED UNTIL AFTER THE EXPIRATION OF THE EXCHANGE OFFER.

IF YOU ELECT TO INSTRUCT THE TRUSTEE TO TENDER SHARES FROM YOUR ACCOUNT, THE ENCLOSED YELLOW TENDER INSTRUCTION FORM MUST BE RECEIVED BY THE ADMINISTRATIVE COMMITTEE BY MAY 11, 1998. PLEASE USE THE ENCLOSED REPLY ENVELOPE TO RETURN YOUR TENDER INSTRUCTION FORM.

TENDER INSTRUCTION FORMS RECEIVED AFTER THE ABOVE DATE WILL NOT BE ACCEPTED.

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

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 SECURITIES, BLUE SKY OR OTHER LAWS OF SUCH JURISDICTION. IN THOSE JURISDICTIONS WHERE THE SECURITIES, BLUE SKY OR OTHER 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 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 (the "SARP Committee Letter") from the Administrative Committee of The Limited, Inc. Savings and Retirement Plan ("Savings and Retirement Plan") and the attached Notice to Savings and Retirement Plan Participants ("Notice"). Capitalized terms used herein shall have the meanings ascribed to them in the SARP Committee Letter or the Offering Circular-Prospectus, as the case may be.)

TO THE TRUSTEE OF THE SAVINGS AND RETIREMENT PLAN:

I am a participant in the above-referenced Savings and Retirement Plan who has shares of Limited Common Stock credited to my Account and, as such, acknowledge receipt of your letter and the enclosed Offering Circular-Prospectus and the related Letter of Transmittal, which together constitute The Limited's offer to its stockholders to exchange up to 43,600,000 shares of A&F Common Stock for shares of Limited Common Stock that are validly tendered by the Expiration Date and not withdrawn or deemed withdrawn, at an Exchange Ratio not greater than .86 nor less than .73 of a share of A&F Common Stock for each share of Limited Common Stock tendered and exchanged, upon the terms and subject to the conditions set forth in the Offering Circular-Prospectus and in the related Letter of Transmittal.

This form instructs you to tender the number of shares of Limited Common Stock indicated below (or, if no number is indicated below, all shares) at the Exchange Ratio indicated in the following box held by you for the account of the undersigned, upon the terms and subject to the conditions set forth in the Offering Circular-Prospectus and the related Letter of Transmittal. I acknowledge that if I instruct you to tender more shares of Limited Common Stock than are held in my account, my instruction will be invalid and you will not tender any shares of Limited Common Stock held in my Account.

PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY
BEFORE COMPLETING THIS TENDER INSTRUCTION FORM.

THE UNDERSIGNED, BY COMPLETING THE BOXES BELOW AND SIGNING THIS TENDER INSTRUCTION FORM, WILL BE DEEMED TO HAVE INSTRUCTED THE TRUSTEE TO TENDER THE INDICATED NUMBER OF SHARES OF LIMITED COMMON STOCK HELD IN THE UNDERSIGNED'S ACCOUNT IN THE SAVINGS AND RETIREMENT PLAN

SAVINGS AND RETIREMENT PLAN ACCOUNT

NAME OF SAVINGS AND RETIREMENT PLAN PARTICIPANT	NUMBER OF WHOLE SHARES HELD IN PARTICIPANT'S ACCOUNT	NUMBER OF SHARES TENDERED (*)
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-----	-----	-----

* Unless otherwise indicated in this column, the participant will be deemed to have tendered all of the shares of Limited Common Stock held in the participant's Savings and Retirement Plan Account.

CHECK ONLY ONE BOX BELOW TO INDICATE EXCHANGE RATIO SELECTED.

IF MORE THAN ONE BOX IS CHECKED OR IF NO BOX IS CHECKED, THERE IS NO PROPER TENDER OF SHARES OF LIMITED COMMON STOCK.

SHARES TENDERED AT EXCHANGE RATIO DETERMINED BY DUTCH AUCTION

I WANT TO MAXIMIZE THE CHANCE OF HAVING THE LIMITED ACCEPT FOR EXCHANGE ALL THE SHARES OF LIMITED COMMON STOCK I AM TENDERING (SUBJECT TO THE POSSIBILITY OF PRORATION). ACCORDINGLY, BY CHECKING THIS ONE BOX INSTEAD OF ONE OF THE EXCHANGE RATIO BOXES BELOW, I HEREBY TENDER SHARES OF LIMITED COMMON STOCK AT, AND AM WILLING TO ACCEPT, THE EXCHANGE RATIO RESULTING FROM THE DUTCH AUCTION TENDER PROCESS. THIS ACTION COULD RESULT IN RECEIVING AN EXCHANGE RATIO AS LOW AS .73 OF A SHARE OF A&F COMMON STOCK PER SHARE OF LIMITED COMMON STOCK.

OR

SHARES TENDERED AT EXCHANGE RATIO DETERMINED BY STOCKHOLDER

<input type="checkbox"/> .730	<input type="checkbox"/> .760	<input type="checkbox"/> .790	<input type="checkbox"/> .820	<input type="checkbox"/> .850
<input type="checkbox"/> .735	<input type="checkbox"/> .765	<input type="checkbox"/> .795	<input type="checkbox"/> .825	<input type="checkbox"/> .855
<input type="checkbox"/> .740	<input type="checkbox"/> .770	<input type="checkbox"/> .800	<input type="checkbox"/> .830	<input type="checkbox"/> .860
<input type="checkbox"/> .745	<input type="checkbox"/> .775	<input type="checkbox"/> .805	<input type="checkbox"/> .835	
<input type="checkbox"/> .750	<input type="checkbox"/> .780	<input type="checkbox"/> .810	<input type="checkbox"/> .840	
<input type="checkbox"/> .755	<input type="checkbox"/> .785	<input type="checkbox"/> .815	<input type="checkbox"/> .845	

I have read and understand the Offering Circular-Prospectus, the SARP Committee Letter and the Notice, and all attachments thereto, and I agree to be bound by the terms of the Exchange Offer. I hereby direct the Trustee to tender these shares of Limited Common Stock on my behalf and to hold shares of A&F Common Stock, if any, received in the Exchange Offer in an investment fund under the Savings and Retirement Plan. I understand and declare that if the tender of my shares of Limited Common Stock is accepted, the payment therefor will be full and adequate compensation for these shares of Limited Common Stock in my judgment, notwithstanding any potential fluctuation in the price of such shares between the last day I can withdraw my tender and the date the Trustee exchanges such shares.

_____ DATE	_____ SIGNATURE OF PARTICIPANT
Home Telephone: _____	
Work Telephone: _____	_____ PLEASE PRINT NAME
_____ SOCIAL SECURITY NUMBER	_____ PLEASE PRINT ADDRESS

NOTE: THIS TENDER INSTRUCTION FORM MUST BE COMPLETED AND SIGNED IF SHARES OF LIMITED COMMON STOCK HELD IN THE SAVINGS AND RETIREMENT PLAN ARE TO BE TENDERED. IF THE FORM IS NOT COMPLETED AND 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 MAY 11, 1998. YOUR DECISION WHETHER OR NOT TO HAVE YOUR PLAN SHARES TENDERED WILL BE KEPT CONFIDENTIAL.

NOTICE TO SAVINGS AND RETIREMENT PLAN PARTICIPANTS

April 15, 1998

TO: ALL PARTICIPANTS IN THE LIMITED, INC. SAVINGS AND RETIREMENT PLAN (THE "SAVINGS AND RETIREMENT PLAN") WITH LIMITED COMMON STOCK CREDITED TO THEIR ACCOUNT

The Limited, Inc. ("The Limited") has announced an offer (the "Exchange Offer") to exchange up to 43,600,000 shares of Class A common stock, par value \$.01 per share ("A&F Common Stock"), of Abercrombie & Fitch Co., a subsidiary of The Limited ("A&F"), for shares of common stock, par value \$.50 per share (the "Limited Common Stock"), of The Limited that are validly tendered by the Expiration Date and not withdrawn or deemed withdrawn, at an Exchange Ratio not greater than .86 nor less than .73 of a share of A&F Common Stock for each share of Limited Common Stock tendered, upon the terms and subject to the conditions set forth in the Offering Circular-Prospectus and in the related Letter of Transmittal. See "Summary", "The Transactions" and "The Exchange Offer" in the Offering Circular-Prospectus. Capitalized terms used herein shall have the meanings ascribed to them in the Offering Circular-Prospectus and the accompanying Letter from the Savings and Retirement Plan Administrative Committee. This Exchange Offer commenced on April 15, 1998, and will expire at 12:00 midnight, New York City time, on Wednesday, May 13, 1998, unless the Exchange Offer is extended. You, as a Savings and Retirement Plan participant, may participate in this Exchange Offer by instructing the Trustee of the Savings and Retirement Plan (by May 11, 1998) to tender your shares of Limited Common Stock held in the Savings and Retirement Plan ("Plan Shares") in exchange for shares of A&F Common Stock.

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 Exchange Offer which have been furnished to holders of Limited Common Stock. Please read these materials so that you may properly make your decision regarding this Exchange Offer.

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

DO NOT CALL THE TRUSTEE, THE ADMINISTRATIVE COMMITTEE OR YOUR BENEFITS ADMINISTRATOR TO GIVE YOUR DECISION REGARDING THE EXCHANGE 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

A0 DESCRIPTION OF THE EXCHANGE OFFER

1. WHICH DOCUMENTS DID I RECEIVE AND WHAT IS THEIR PURPOSE? You received the following materials in this mailing:
 - Offering Circular-Prospectus. This document (WHITE, bound document) describes the Exchange Offer. PLEASE READ IT CAREFULLY.
 - Letter of Transmittal. This document (BLUE document) is part of the "Exchange 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 of Limited Common Stock outside of the Savings and Retirement Plan, please refer to the Letter of Transmittal for instructions on how to tender those shares.
 - Letter from the Savings and Retirement Plan Administrative Committee (the "SARP Committee Letter"). This transmits information about the Savings and Retirement Plan and the Exchange 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.
2. WHAT IS THE EXCHANGE OFFER? On April 15, 1998, The Limited offered to exchange in a modified "Dutch auction" up to 43,600,000 shares of A&F Common Stock for shares of Limited Common Stock that are validly tendered by the Expiration Date and not withdrawn or deemed withdrawn, at an Exchange Ratio not greater than .86 nor less than .73 of a share of A&F Common Stock for each share of Limited Common Stock tendered, upon the terms and subject to the conditions set forth in the Offering Circular-Prospectus and in the related Letter of Transmittal. This Exchange Offer will be open from April 15, 1998 until it expires at 12:00 midnight, New York City time, on Wednesday, May 13, 1998, unless it is extended by The Limited. Savings and Retirement Plan participants who hold Plan Shares may provide for the tender of Plan Shares pursuant to this Exchange Offer by so indicating on the enclosed Tender Instruction Form and returning it as directed by May 11, 1998.

The Exchange Offer is fully described in the Offering Circular-Prospectus provided to you. PLEASE READ IT CAREFULLY.
3. WHAT IS A MODIFIED "DUTCH AUCTION?" A modified "Dutch auction" means that you pick the exchange ratio at which you are willing to exchange some or all of your shares of Limited Common Stock for shares of A&F Common Stock from within the specified range of not more than .86 nor less than .73 of a share of A&F for each share of The Limited. For information on a procedure designed to ensure that you participate in the Exchange Offer, see Question 14.
4. WHAT IS THE "EXCHANGE RATIO?" The exchange ratio represents the number of A&F shares which stockholders of The Limited will receive for each share of Limited Common Stock tendered in the Exchange Offer.

5. HOW WILL THE LIMITED DECIDE ON THE FINAL EXCHANGE RATIO? The Limited will select as the final exchange ratio the lowest exchange ratio within the exchange ratio range that would permit the maximum number of the shares of A&F Common Stock owned by The Limited to be exchanged in the Exchange Offer. The final exchange ratio will apply to all tendering stockholders whose shares of Limited Common Stock are accepted for exchange.
6. HOW DO I DECIDE WHETHER TO PARTICIPATE IN THE EXCHANGE OFFER? Whether you should participate in the Exchange Offer depends on many factors. You should consider, among other things, (i) your view of the relative values of a single share of Limited Common Stock and a single share of A&F Common Stock, (ii) the opportunity to receive the Anticipated Premium (see Question 9) and (iii) your investment strategy with regard to the two stocks. In addition, you should consider all of the factors described under "Risk Factors" in the Offering Circular-Prospectus. None of the Trustee, the Administrative Committee, The Limited and A&F and any of their respective directors makes any recommendation as to whether you should tender your Limited shares. You must make your own decision after reading the documents provided to you and consulting with your advisors based on your own financial position and requirements.
7. HOW MANY PLAN SHARES MAY I TENDER AND HOW DO I LEARN THAT NUMBER? The number of shares of Limited Common Stock that you held under the Savings and Retirement Plan as of February 28, 1998, is set forth in the SARP Committee Letter and on the Tender Instruction Form. You may tender all or any number of such Plan Shares (excluding fractional Plan Shares, if any).
8. WHAT IF I HAVE SHARES IN MY SAVINGS AND RETIREMENT PLAN ACCOUNT AND ALSO HOLD SHARES OUTSIDE OF THE SAVINGS AND RETIREMENT PLAN? If you have shares of Limited Common Stock in the Savings and Retirement Plan and have other shares of Limited Common Stock in your possession (or at a brokerage firm), you will receive two or more sets of Exchange Offer materials. You should be careful to follow the directions that apply to each kind of shares.
9. WHAT IS THE ANTICIPATED PREMIUM? Based on the closing trading prices for Limited (NYSE/LSE: LTD) and A&F shares (NYSE: ANF) on April 14, 1998, any of the designated exchange ratios would result in a Limited stockholder receiving shares of A&F Common Stock with a market value greater than the market value of the shares of Limited Common Stock tendered for exchange. This greater value is referred to as the "Anticipated Premium". We cannot, however, predict what the amount of the Anticipated Premium, if any, will be or the prices at which shares of A&F Common Stock or Limited Common Stock will trade over time.

You can calculate the Anticipated Premium using the following formula:

$$\frac{\text{Exchange Ratio} \times \text{Price of one A\&F share}}{\text{Price of one Limited share}}$$

For example: Assume a price of \$293/8 for a Limited share and a price of \$4313/16 for an A&F share (the closing trading prices of Limited and A&F shares on April 14, 1998). At an exchange ratio of .795 of a share of A&F for each Limited share (the midpoint of the range of exchange ratios), the Anticipated Premium would be approximately 19%. At the minimum exchange ratio of .73, the Anticipated Premium would be approximately 9%. At the maximum exchange ratio of .86, the Anticipated Premium would be approximately 28%.

10. DO I DO ANYTHING IF I WANT TO RETAIN MY PLAN SHARES? No. If you want to retain your Plan Shares, you do not need to take any action.
11. IF I DECIDE TO PARTICIPATE IN THE EXCHANGE OFFER, HOW DO I SELECT AN APPROPRIATE EXCHANGE RATIO? In selecting an exchange ratio, you should consider your view of the value of one share of Limited Common Stock compared to that of one share of A&F Common Stock, as well as the level of certainty that you desire that your tender will be accepted in the Exchange Offer. The higher your exchange ratio, the lower the likelihood that your shares will be accepted for exchange. Conversely, the lower your exchange ratio, the higher the likelihood that your shares will be

accepted for exchange. A tender at an exchange ratio greater than the final exchange ratio will not be accepted. See "The Exchange Offer--Determining to Participate in the Exchange Offer--Selecting an Exchange Ratio", in the Offering Circular-Prospectus.

12. WHAT HAPPENS IF I SELECT AN EXCHANGE RATIO HIGHER THAN THE FINAL EXCHANGE RATIO? You will not participate in the Exchange Offer and Plan Shares tendered on your behalf will be returned to the Savings and Retirement Plan.
13. WHAT HAPPENS IF I SELECT EITHER THE EXCHANGE RATIO SELECTED BY THE DUTCH AUCTION OR A SPECIFIC EXCHANGE RATIO WHICH IS EQUAL TO OR LOWER THAN THE FINAL EXCHANGE RATIO? You will participate in the Exchange Offer at the final exchange ratio, but the actual number of your Plan Shares accepted for exchange will depend on whether the Exchange Offer is oversubscribed.
14. HOW CAN I MAKE SURE THAT I WILL PARTICIPATE IN THE EXCHANGE OFFER? To ensure participation in the Exchange Offer, you should check the box captioned "Shares Tendered at Exchange Ratio Determined by Dutch Auction" indicating that you will accept whatever the final exchange ratio is determined to be. In this case you will participate in the Exchange Offer, but the actual number of your Plan Shares accepted for exchange will depend on whether the Exchange Offer is oversubscribed. If the Exchange Offer is oversubscribed, you will participate on a pro rata basis.
15. CAN I SELECT MORE THAN ONE EXCHANGE RATIO? The same shares may not be tendered at more than one exchange ratio. You may, however, tender different portions of your Limited shares at different exchange ratios, but you must complete separate Tender Instruction Forms for each exchange ratio selected.
16. WHAT HAPPENS IF I INSTRUCT THE TRUSTEE TO TENDER MORE LIMITED SHARES THAN ARE IN MY ACCOUNT? Your instructions will not be valid and no Plan Shares will be tendered by the Trustee on your behalf.
17. WHAT IS PRORATION? Proration will occur if the Exchange Offer is oversubscribed; that is, if the number of Limited shares tendered multiplied by the final exchange ratio exceeds the number of A&F shares available for exchange at the final exchange ratio. In this case, all Limited shares that are tendered at or below the final exchange ratio will be accepted for exchange on a pro rata basis at the final exchange ratio.
18. WHAT HAPPENS IF THE NUMBER OF LIMITED SHARES TENDERED IS SUCH THAT MORE THAN 39,240,000 A&F SHARES, BUT FEWER THAN 43,600,000 A&F SHARES, WOULD BE EXCHANGED? A&F shares held by The Limited after completion of the Exchange Offer will be distributed to its stockholders on a pro rata basis. This distribution is referred to in the Offering Circular-Prospectus as the "Spin-Off".
19. WHAT HAPPENS IF THE NUMBER OF LIMITED SHARES TENDERED IS SUCH THAT MORE THAN 43,600,000 SHARES OF A&F WOULD BE EXCHANGED, I.E., THE EXCHANGE OFFER IS OVERSUBSCRIBED? All Limited shares which are tendered at or below the final exchange ratio will be accepted for exchange on a pro rata basis at the final exchange ratio. Any shares not accepted for exchange will be returned to tendering stockholders.
20. WHEN DOES THE EXCHANGE OFFER EXPIRE? Although the Exchange Offer, proration period and withdrawal rights will expire at 12:00 midnight, New York City time, on Wednesday, May 13, 1998, unless extended. Your instructions must be received by the Savings and Retirement Plan Administrative Committee by May 11, 1998, unless extended, in order to participate in the Exchange Offer.
21. WHEN WILL TENDERING STOCKHOLDERS KNOW THE OUTCOME OF THE EXCHANGE OFFER? Preliminary results of the Exchange Offer, including any preliminary proration factor, will be announced by press release promptly after the expiration of the Exchange Offer. Announcement of any final proration factor should occur approximately seven business days after the expiration of the Exchange Offer.
22. ARE THERE ANY CONDITIONS TO THE LIMITED'S OBLIGATION TO COMPLETE THE EXCHANGE OFFER? Yes, The Limited's obligation to complete the Exchange Offer is subject to the conditions outlined in the Offering Circular-Prospectus. Among other things, the Exchange Offer will not close unless enough Limited shares are tendered so that at least

39,240,000 shares of A&F stock can be distributed to Limited stockholders. The number of Limited shares that must be tendered to produce this result is referred to in the Offering Circular-Prospectus as the "Trigger Amount".

23. WHAT ARE MY RIGHTS UNDER THE OFFER? The records of the Savings and Retirement Plan indicate that shares of Limited Common Stock are allocated to your Account. You may tender some or all of these Plan 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 Account.

24. HOW DO I DIRECT THE PLAN TRUSTEE? The only way that you can tender your Plan Shares is by completing the YELLOW Tender Instruction Form as described, signing and returning it to the Administrative Committee for the Savings and Retirement Plan, 82 South Street, Hopkinton, MA 01748-9918, 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 MAY 11, 1998. 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 SARP Committee Letter and the Tender Instruction Form. These will tell you how to direct the Plan Trustee regarding your Plan Shares.
- FORM. Complete the enclosed YELLOW Tender Instruction Form.
- SHARES. Designate on the Tender Instruction Form the number of Plan Shares (excluding fractional shares) you wish to be tendered.
- EXCHANGE RATIO. Designate on the Tender Instruction Form the Exchange Ratio at which you are tendering the Shares.
- 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 Exchange Offer materials. Use this envelope to return your completed Tender Instruction Form if you wish to have the Trustee tender your Plan Shares.

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

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

25. 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 01748-9918 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.
26. 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.

27. 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.
28. 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. All withdrawals will be deemed to be a withdrawal of all Plan Shares tendered to date.
 - 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) 787-2651.
 - The notice of withdrawal must state your name and social security number.
 - The notice of withdrawal must be received by the Administrative Committee before 5:00 p.m., New York City time, on May 11, 1998.
29. 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 May 11, 1998. You may obtain another copy by faxing your request to (508) 787-2651.
30. WHO SHOULD I CALL IF I HAVE QUESTIONS ON THE EXCHANGE OFFER? For general Exchange Offer-related questions please call D.F. KING at (800) 549-6864. For Savings and Retirement Plan-related questions, please call (800) 637-3766.
31. HOW CAN I OBTAIN COPIES OF ADDITIONAL SAVINGS AND RETIREMENT PLAN-RELATED DOCUMENTS? You may request additional copies of the Tender Instruction Form, Notice to Savings and Retirement Plan Participants, Letter from the Savings and Retirement Plan Administrative Committee and Offering Circular-Prospectus by fax at (508) 787-2651 or by mail to the Administrative Committee for the Savings and Retirement Plan, 82 South Street, Hopkinton, MA 01748-9918. Your request must include your name, address and/or fax number, and the name of the item you are requesting.

B. OPERATION OF THE SAVINGS AND RETIREMENT PLAN DURING THE EXCHANGE OFFER

32. WHAT HAPPENS TO CONTRIBUTIONS ALLOCABLE TO ACCOUNTS MADE AFTER FEBRUARY 28, 1998? Beginning April 7, 1998, the Trustee stopped purchasing shares of Limited Common Stock for allocation to Accounts. Employer and participant contributions made to the Savings and Retirement Plan, and dividends and other funds which are normally allocated to acquire shares of Limited Common Stock, which are received by the Savings and Retirement Plan during the period of the Exchange Offer and for 10 business days thereafter (while the results are tabulated) will be accumulated and invested in a short-term fund. Thereafter, upon the cessation of legal restrictions, purchases by the Trustee will resume and the accumulated funds will be invested pursuant to the investment elections then in effect.
33. WHAT HAPPENS IF I REQUEST A DISTRIBUTION, WITHDRAWAL OR INVESTMENT FUND TRANSFER FOLLOWING THE ANNOUNCEMENT OF THE EXCHANGE OFFER DURING THE OFFER PERIOD? Distributions, withdrawals or investment fund transfers from the Savings and Retirement Plan may be delayed until after the conclusion of the Exchange Offer. Authorized distributions, withdrawals or investment fund transfers before or during this period will be processed as soon as reasonably feasible.
34. 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 Exchange Offer. SECTION 16 INSIDERS WHO HAVE TRANSFERRED AMOUNTS INTO THEIR ACCOUNT FROM OTHER INVESTMENT FUNDS UNDER THE SAVINGS AND RETIREMENT PLAN WITHIN THE PRECEDING SIX MONTHS SHOULD BE AWARE

THAT THE TENDER OF THEIR PLAN SHARES IN THE EXCHANGE OFFER WILL NOT BE EXEMPT FROM THE SHORT-SWING PROFIT RECOVERY PROVISIONS OF SECTION 16(b) OF THE EXCHANGE ACT. IN ANY EVENT, SECTION 16 INSIDERS WHO WISH TO PARTICIPATE IN THE EXCHANGE OFFER SHOULD CONSULT WITH COUNSEL.

35. WILL I BE TAXED ON ANY PROCEEDS RECEIVED BY THE SAVINGS AND RETIREMENT PLAN IN 1998 FROM THE PLAN SHARES THAT ARE 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.

C. REINVESTMENT OF EXCHANGE OFFER PROCEEDS

36. HOW WILL THE SAVINGS AND RETIREMENT PLAN INVEST THE SHARES OF A&F COMMON STOCK RECEIVED UPON EXCHANGE OF THE PLAN SHARES THAT ARE TENDERED? Shares of A&F Common Stock received from this Exchange Offer will be held by the Trustee in a separate investment fund under the Savings and Retirement Plan. You may reallocate amounts denominated in A&F Common Stock under the Savings and Retirement Plan to other investment funds, mindful of the possible tax consequences noted below. You may not make new contributions to, or reallocate amounts from other investment funds to, the A&F Common Stock Fund.

D. CERTAIN TAX INFORMATION

You should be aware that the disposition of any shares of A&F Common Stock received pursuant to the exchange of Plan Shares in the Exchange Offer may, in certain circumstances, result in certain tax consequences upon the ultimate distributions of your account, pursuant to which, but for participation in the Exchange Offer, you would otherwise receive shares of Limited Common Stock.

Special tax rules apply to certain distributions from the Savings and Retirement Plan that consist, in whole or in part, of shares of Limited Common Stock. 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 of Limited Common Stock are exchanged for shares of A&F Common Stock in a tax-free exchange, as would be the case in the Exchange Offer, the cost or other basis of such newly acquired shares of A&F Common Stock for NUA purposes will be the cost or other basis of the tendered shares of Limited Common Stock.

If the shares of A&F Common Stock received pursuant to the Exchange Offer are disposed of within the Savings and Retirement Plan and the proceeds of such disposition are directly reinvested in the Limited Stock Fund within 90 days, the cost or other basis of the shares of Limited Common Stock for NUA purposes will be the same as the cost or other basis of the disposed of shares of A&F Common Stock.

Conversely, if shares of A&F Common Stock received pursuant to the Exchange Offer are disposed of within the Savings and Retirement Plan and the proceeds of such disposition are not directly reinvested in The Limited Stock Fund under the Savings and Retirement Plan, the opportunity to retain for NUA purposes the cost or other basis of the Plan 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.

[MERRILL LYNCH LETTERHEAD]

NOTICE TO PARTICIPANTS IN STOCK PURCHASE PLAN

April 15, 1998

Dear Client:

Enclosed for your consideration is the Offering Circular-Prospectus dated April 15, 1998 (the "Offering Circular-Prospectus") of The Limited, Inc., a Delaware corporation ("The Limited"), which describes The Limited's offer to its stockholders (the "Exchange Offer") to exchange up to 43,600,000 shares of Class A Common Stock, par value \$0.01 per share, of Abercrombie & Fitch Co. ("A&F Common Stock") for shares of Common Stock, par value \$.50 per share, of The Limited ("Limited Common Stock") that are validly tendered and not withdrawn (or deemed withdrawn) by the Expiration Date (as defined below) at an exchange ratio not greater than .86 nor less than .73 of a share of A&F Common Stock for each share of Limited Common Stock tendered and exchanged, upon the terms and subject to the conditions set forth in the Offering Circular-Prospectus. See "Summary", "The Transactions" and "The Exchange Offer" in the Offering Circular-Prospectus.

If you wish to exchange all or any number of your shares of Limited Common Stock in your account pursuant to the Exchange Offer you must contact a Customer Service Representative at our toll-free Client Services number 1-800-637-3766 (U.S. Residents) or our Client Services number 1-732-563-7305 (Overseas Residents) by 3:30 p.m. (New York City time), Wednesday, May 13, 1998. Our representatives are available Monday through Friday 8:00 a.m. to 7:00 p.m. (New York City time).

Please instruct the Merrill Lynch Customer Service Representative clearly if you wish to tender some shares of Limited Common Stock in your account at one exchange ratio and other shares of Limited Common Stock in your account at another exchange ratio.

Fractional shares held in your account will not be entitled to participate in the Exchange Offer.

Shares of A&F Common Stock received in respect of any shares of Limited Common Stock tendered and accepted for exchange by The Limited will be held in your account. Any shares of Limited Common Stock tendered but not accepted for exchange by The Limited will be returned to your account.

If at any time you have instructed Merrill Lynch to tender your shares, you may instruct Merrill Lynch to withdraw them from tender. To do so, you must contact a Customer Service Representative as explained above. In the event that you choose to withdraw your shares from tender, we must receive withdrawal instructions by 3:30 p.m. (New York City time), on Wednesday, May 13, 1998.

Please note that Merrill Lynch will tender the specific number of shares that you instruct us to tender, up to all of your shares in your account, at the time of your call to our Merrill Lynch Customer Service Representative. If your account acquires additional shares after you have given Merrill Lynch your tender instructions, these shares will not be tendered unless you call again, and instruct Merrill Lynch to also tender the additional shares in your account.

In the event that you instruct Merrill Lynch to tender your Limited Common Stock, your shares will be frozen to prohibit you from transferring the stock that has been tendered or from taking a distribution from your account. You may have your account unfrozen at any time by withdrawing your shares from tender as described above.

The Exchange Offer is conditioned upon the tender of a sufficient number of shares of Limited Common Stock so that at least 39,240,000 shares of A&F Common Stock are distributed in the Exchange Offer. The Exchange Offer is also subject to certain other conditions, per the enclosed Offering Circular-Prospectus. The shares are exchanged without any brokerage fees or commissions. Please note that this exchange offer may be subject to proration.

THE OFFERING CIRCULAR-PROSPECTUS IS BEING FORWARDED TO YOU AS THE BENEFICIAL OWNER OF SHARES OF LIMITED COMMON STOCK HELD ON YOUR BEHALF UNDER THE PLAN, BUT NOT REGISTERED IN YOUR NAME. A TENDER OF SUCH SHARES OF LIMITED COMMON STOCK MAY ONLY BE MADE BY MERRILL LYNCH AS THE HOLDER OF RECORD AND PURSUANT TO YOUR INSTRUCTIONS.

The maximum number of shares of Limited Common Stock which will be accepted for exchange will be that number of shares which, when multiplied by the Final Exchange Ratio, equals 43,600,000 shares of A&F Common Stock. If more than such maximum number of shares of Limited Common Stock are tendered at Exchange Ratios at or below the Final Exchange Ratio, the Exchange Offer will be oversubscribed, and shares of Limited Common Stock tendered at or below the Final Exchange Ratio will be subject to proration in accordance with the terms set forth in the Offering Circular-Prospectus under "The Exchange Offer-Terms of the Exchange Offer".

Before making a decision, you should read the enclosed Offering Circular-Prospectus carefully. If you take no action, the shares in your account will not be tendered by Merrill Lynch.

NONE OF THE LIMITED, A&F, MERRILL LYNCH, THE BOARD OF DIRECTORS OF THE LIMITED OR THE BOARD OF DIRECTORS OF A&F MAKES ANY RECOMMENDATION TO ANY HOLDERS OF LIMITED COMMON STOCK AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING SHARES OF LIMITED COMMON STOCK PURSUANT TO THE EXCHANGE OFFER. EACH STOCKHOLDER OF THE LIMITED MUST MAKE HIS OR HER OWN DECISION WHETHER TO TENDER SHARES OF LIMITED COMMON STOCK PURSUANT TO THE EXCHANGE OFFER AND, IF SO, HOW MANY SHARES TO TENDER AND AT WHAT EXCHANGE RATIO TO TENDER SUCH SHARES AFTER READING THE OFFERING CIRCULAR-PROSPECTUS AND CONSULTING WITH HIS OR HER ADVISORS BASED ON HIS OR HER OWN FINANCIAL POSITION AND REQUIREMENTS.

The above offer, proration period, and withdrawal rights will expire at 12:00 Midnight, (New York City time) on Wednesday, May 13, 1998, unless extended. However, you must contact a Customer Service Representative at the above toll-free number by 3:30 p.m. if you wish to tender all or any number of your shares of Limited Common Stock.

Sincerely,

Merrill Lynch Group Employee Services

FORM OF SUMMARY ADVERTISEMENT

This announcement is neither an offer to exchange nor a solicitation of an offer to exchange any securities. The Exchange Offer is made solely by the Offering Circular-Prospectus dated April 15, 1998 and the related Letter of Transmittal and is not being made to (nor will tenders be accepted from or on behalf of) stockholders of The Limited, Inc. in any jurisdiction in which the making of the Exchange Offer or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. In those jurisdictions where the securities, blue sky or other laws require the Exchange Offer to be made by a licensed broker or dealer, the Exchange Offer shall be deemed to be made on behalf of The Limited, Inc. by Goldman, Sachs & Co. or one or more registered brokers or dealers licensed under the laws of the relevant jurisdiction.

NOTICE OF OFFER TO EXCHANGE

43,600,000 SHARES OF COMMON STOCK

OF

ABERCROMBIE & FITCH CO.

FOR SHARES OF COMMON STOCK

OF

THE LIMITED, INC.

AT AN EXCHANGE RATIO NOT GREATER THAN .86
NOR LESS THAN .73 OF A SHARE FOR EACH SHARE
OF COMMON STOCK OF THE LIMITED, INC.

THE EXCHANGE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS
WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY,
MAY 13, 1998, UNLESS THE EXCHANGE OFFER IS EXTENDED.

The Limited, Inc., a Delaware corporation ("The Limited"), is offering to exchange up to 43,600,000 shares of common stock, par value \$.01 per share (the "A&F Common Stock"), of Abercrombie & Fitch Co., a Delaware corporation and a subsidiary of The Limited ("Abercrombie & Fitch"), which The Limited owns, for shares of the common stock, par value

\$.50 per share (the "Limited Common Stock"), of The Limited at an exchange ratio (the "Exchange Ratio") not greater than .86 (the "Maximum Exchange Ratio") nor less than .73 (the "Minimum Exchange Ratio") of a share of A&F Common Stock for each share of Limited Common Stock validly tendered and not properly withdrawn or deemed withdrawn by 12:00 Midnight, New York City time, on Wednesday, May 13, 1998, unless the Exchange Offer is extended (the "Expiration Date"), upon the terms and subject to the conditions set forth in the Offering Circular-Prospectus dated April 15, 1998 (the "Offering Circular-Prospectus") and the related Letter of Transmittal (which together constitute the "Exchange Offer"). The maximum number of shares of Limited Common Stock which will be accepted for exchange will be that number of shares which, when multiplied by the final exchange ratio (determined in the manner set forth below), equals 43,600,000 shares of A&F Common Stock.

The Exchange Offer is intended, among other things, to result in a complete separation of Abercrombie & Fitch from The Limited and to allow holders of Limited Common Stock to adjust their investment between The Limited and Abercrombie & Fitch as they may choose on a tax-free basis.

The Exchange Offer is being conducted as a modified "Dutch auction" in which each holder of Limited Common Stock will be able to specify the portion of a share of A&F Common Stock (in increments of .005) that such holder is willing to receive in exchange for a share of Limited Common Stock. The Exchange Ratio specified by each tendering stockholder must be no greater than the Maximum Exchange Ratio and no less than the Minimum Exchange Ratio (the "Exchange Ratio Range"). The Limited will select as the final exchange ratio the lowest Exchange Ratio that will permit the maximum number of the shares of A&F Common Stock "owned by The Limited to be exchanged in the Exchange Offer (the "Final Exchange Ratio"). In addition, holders of Limited Common Stock wishing to ensure their participation in the Exchange Offer will be able to indicate that they are willing to accept the Final Exchange Ratio determined pursuant to the "Dutch auction" process.

All shares of Limited Common Stock properly tendered and not withdrawn or deemed withdrawn at Exchange Ratios at or below the Final Exchange Ratio will be exchanged at the Final Exchange Ratio, on the terms and subject to the conditions of the Exchange Offer, including the proration provisions thereof. If the result of the Exchange Offer is such that more than 43,600,000 shares of A&F Common Stock would need to be exchanged for shares of Limited Common Stock which have been validly tendered for exchange at or below the Final Exchange Ratio and are not properly withdrawn prior to the Expiration Date, The Limited will exchange shares of A&F Common Stock for such tendered shares of Limited Common Stock on a pro rata basis (with appropriate adjustments to avoid acceptance for exchange of fractional shares of Limited Common Stock). If the result of the Exchange Offer is such that fewer than 43,600,000 shares but more than 39,240,000 shares of A&F Common Stock are exchanged pursuant to the Exchange Offer, promptly after the consummation of the Exchange Offer, The Limited will distribute its remaining shares of A&F Common Stock to the remaining holders of Limited Common Stock pro rata based on their then respective holdings of Limited Common Stock.

The Exchange Offer is subject to certain conditions, including that enough shares of Limited Common Stock are validly tendered and not properly withdrawn or deemed withdrawn on or prior to the Expiration Date so that at least 90% of the shares of A&F Common Stock owned by

the Limited (39,240,000 out of a total of 43,600,000 shares) can be exchanged for shares of Limited Common Stock.

NONE OF THE LIMITED, ABERCROMBIE & FITCH, THE DEALER MANAGERS, THE SOLICITING DEALERS, THE BOARD OF DIRECTORS OF THE LIMITED OR THE BOARD OF DIRECTORS OF ABERCROMBIE & FITCH MAKES ANY RECOMMENDATION TO ANY STOCKHOLDER WHETHER TO TENDER SHARES OF LIMITED COMMON STOCK PURSUANT TO THE EXCHANGE OFFER. STOCKHOLDERS MUST MAKE THEIR OWN DECISIONS WHETHER TO TENDER SHARES OF LIMITED COMMON STOCK PURSUANT TO THE EXCHANGE OFFER AND, IF SO, HOW MANY SHARES TO TENDER AND AT WHAT EXCHANGE RATIO.

For purposes of the Exchange Offer, The Limited shall be deemed, subject to the proration provisions of the Exchange Offer, to have accepted for exchange and exchanged shares of Limited Common Stock validly tendered for exchange when, as and if The Limited gives oral or written notice thereof to the First Chicago Trust Company of New York (the "Exchange Agent"). Exchange of shares of Limited Common Stock accepted for exchange pursuant to the Exchange Offer will be made by deposit of tendered shares of Limited Common Stock with the Exchange Agent, which will act as agent for the tendering stockholders for the purpose of receiving shares of A&F Common Stock from The Limited and transmitting such shares to tendering stockholders. In all cases, exchange of shares of Limited Common Stock will be made only after timely receipt by the Exchange Agent of (i) certificates for such shares of Limited Common Stock (or timely confirmation of a book-entry transfer of such shares of Limited Common Stock into the Exchange Agent's account at the Book-Entry Transfer Facility (as defined in the Offering Circular-Prospectus)) and (ii) a properly completed and duly executed Letter of Transmittal (or manually signed facsimile thereof) or an Agent's Message (as defined in the Offering Circular-Prospectus) in connection with a book-entry transfer of shares, together with any other documents required by the Letter of Transmittal. No fractional shares of A&F Common Stock will be issued pursuant to the Exchange Offer, nor will interest be paid by The Limited in any circumstances, regardless of any delay in making such exchange.

The Limited expressly reserves the right, at any time or from time to time, in its sole discretion and regardless of whether any of the conditions specified in the Offering Circular-Prospectus under the caption "The Exchange Offer-- Conditions to Consummation of the Exchange Offer" has been satisfied, (i) to extend the period of time during which the Exchange Offer is open by giving oral or written notice of such extension to the Exchange Agent and by making a public announcement of such extension or (ii) to amend the Exchange Offer in any respect by making a public announcement of such amendment.

Tenders of shares of Limited Common Stock made pursuant to the Exchange Offer are irrevocable provided that tenders of shares may be withdrawn at any time on or prior to the Expiration Date and may also be withdrawn after the expiration of 40 business days from the commencement of the Exchange Offer, unless theretofore accepted for exchange. To be effective, a written, telegraphic or facsimile transmission notice of withdrawal must be timely received by the Exchange Agent at one of its addresses set forth on the back cover page of the Offering Circular-Prospectus and must specify the name of the person who tendered the shares of Limited Common Stock to be withdrawn and the number of shares of Limited Common Stock to be withdrawn precisely as they appear in the Letter of Transmittal. If the shares of Limited

Common Stock to be withdrawn have been delivered to the Exchange Agent, a signed notice of withdrawal with signatures guaranteed by an Eligible Institution (as defined in the Offering Circular-Prospectus) must be submitted prior to the release of such shares of Limited Common Stock (except that such signature guarantee requirement is not applicable in the case of shares of Limited Common Stock tendered by an Eligible Institution). In addition, such notice must specify, in the case of shares of Limited Common Stock 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 of Limited Common Stock to be withdrawn or, in the case of shares of Limited Common Stock tendered by book-entry transfer, the name and number of the account at the Book-Entry Transfer Facility from which the shares were transferred. All questions as to the form of documents (including notices of withdrawal) and the validity, form, eligibility (including time of receipt) and acceptance for exchange of any tender of shares of Limited Common Stock will be determined by The Limited in its sole discretion, which determination shall be final and binding on all tendering stockholders. None of The Limited, Abercrombie & Fitch, the Dealer Managers, the Exchange Agent, the Soliciting Dealers, the Information Agent or any other person will be under any duty to give notification of any defect or irregularity in tenders or any notice of withdrawal or incur any liability for failure to give any such notification.

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 incorporated herein by reference to the Offering Circular-Prospectus.

The Offering Circular-Prospectus, the Letter of Transmittal and other relevant materials are being mailed to record holders of Limited Common Stock and furnished to brokers, dealers, banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the stockholder list of The Limited or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of Limited Common Stock. The Offering Circular-Prospectus, the Letter of Transmittal and the related materials contain important information which should be read before any decision is made with respect to the Exchange Offer.

Requests for additional copies of the Offering Circular-Prospectus, the Letter of Transmittal and other Exchange Offer materials should be directed to the Information Agent, at its address and telephone number as set forth below, and copies will be furnished promptly at The Limited's expense. Questions and requests for assistance may be directed to the Information Agent or the Dealer Managers.

The Information Agent for the Exchange Offer is:

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

The Dealer Managers for the Exchange Offer are:

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