SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended October 31, 1998

OR

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

For the transition period from ____________ to ____________

Commission file number 1-8344

THE LIMITED, INC.
(Exact name of registrant as specified in its charter)

Delaware	31-1029810
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Three Limited Parkway, P.O. Box 16000, Columbus, OH 43216
(Address of principal executive offices) (Zip Code)

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

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

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

Common Stock	Outstanding at November 27, 1998
$.50 Par Value	226,307,345 Shares

THE LIMITED, INC.

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PART 1 - FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

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

	Thirteen Weeks Ended		Thirty-nine Weeks Ended	
	October 31, 1998	November 1, 1997	October 31, 1998	November 1, 1997
NET SALES	$1,999,862	$2,070,559	$6,091,040	$5,920,423
Cost of Goods Sold, Occupancy and Buying Costs	1,383,119	1,449,577	4,272,913	4,259,063
GROSS INCOME	616,743	620,982	1,818,127	1,661,360
General, Administrative and Store Operating Expenses	(535,757)	(525,750)	(1,604,416)	(1,443,844)
Special & Nonrecurring Items, Net	-	62,785	1,740,030	62,785
OPERATING INCOME	80,986	158,017	1,953,741	280,301
Interest Expense	(17,074)	(17,925)	(49,229)	(50,744)
Other Income	12,561	6,221	44,309	21,876
Minority Interest	(6,118)	(7,631)	(26,659)	(23,910)
Gain in Connection with Initial Public Offering	-	-	-	8,606
INCOME BEFORE INCOME TAXES	70,355	138,682	1,922,162	236,129
Provision for Income Taxes	31,000	59,000	119,000	104,000
NET INCOME	$ 39,355	$ 79,682	$1,803,162	$ 132,129
NET INCOME PER SHARE:				
Basic	$.17	$.29	$7.34	$.49
Diluted	$.17	$.29	$7.18	$.48
DIVIDENDS PER SHARE	$.13	$.12	$ .39	$.36

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

THE LIMITED, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Thousands)

	October 31, 1998 (Unaudited)	January 31, 1998
ASSETS		
CURRENT ASSETS:		
Cash and Equivalents	$ 64,799	$ 746,395
Accounts Receivable	101,474	83,370
Inventories	1,568,996	1,002,710
Store Supplies	95,169	99,167
Other	92,286	99,509
TOTAL CURRENT ASSETS	1,922,724	2,031,151
PROPERTY AND EQUIPMENT, NET	1,530,705	1,519,908
RESTRICTED CASH	351,600	351,600
DEFERRED INCOME TAXES	70,517	56,586
OTHER ASSETS	412,701	341,516
TOTAL ASSETS	$ 4,288,247	$ 4,300,761
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts Payable	$ 419,939	$ 300,703
Current Portion of Long-term Debt	100,000	-
Accrued Expenses	689,752	676,715
Income Taxes Payable	45,423	115,994
TOTAL CURRENT LIABILITIES	1,255,114	1,093,412
LONG-TERM DEBT	550,000	650,000
OTHER LONG-TERM LIABILITIES	57,776	58,720
MINORITY INTEREST	94,075	102,072
CONTINGENT STOCK REDEMPTION AGREEMENT	351,600	351,600
SHAREHOLDERS' EQUITY:		
Common Stock	180,352	180,352
Paid-in Capital	149,819	148,018
Retained Earnings	5,315,969	3,613,174
	5,646,140	3,941,544
Less: Treasury Stock, at Average Cost	(3,666,458)	(1,896,587)
TOTAL SHAREHOLDERS' EQUITY	1,979,682	2,044,957
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 4,288,247	$ 4,300,761

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

THE LIMITED, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Thousands)
(Unaudited)

	Thirty-nine Weeks Ended	
	October 31, 1998	November 1, 1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$ 1,803,162	$ 132,129
Impact of Other Operating Activities on Cash Flows:		
Net Gain in Connection with Initial Public Offering of Equity Investee	-	(5,606)
Special and Nonrecurring Items, Net of Tax	(1,705,030)	(37,785)
Depreciation and Amortization	214,146	226,578
Minority Interest, Net of Dividends Paid	9,262	7,119
Changes in Assets and Liabilities:		
Accounts Receivable	(19,055)	(44,019)
Inventories	(602,993)	(435,563)
Accounts Payable and Accrued Expenses	177,510	124,877
Income Taxes	(121,890)	(209,338)
Other Assets and Liabilities	(14,102)	(34,240)
NET CASH USED FOR OPERATING ACTIVITIES	(258,990)	(275,848)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital Expenditures	(357,813)	(296,363)
Net Proceeds from Sale of Property and Related Assets	51,476	156,731
Proceeds from Sale of Interest in Investee	131,262	108,259
NET CASH USED FOR INVESTING ACTIVITIES	(175,075)	(31,373)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net Proceeds from Commercial Paper and Other Short-term Borrowings	-	101,269
Dividends Paid	(94,783)	(97,783)
Stock Options and Other	44,042	27,985
Repurchase of Common Stock	(43,095)	-
Settlement of Abercrombie & Fitch Intercompany Account	(47,649)	-
Repurchase of Subsidiary Common Stock, Net	(106,046)	-
NET CASH PROVIDED FROM (USED FOR) FINANCING ACTIVITIES	(247,531)	31,471
NET DECREASE IN CASH AND EQUIVALENTS	(681,596)	(275,750)
Cash and Equivalents, Beginning of Year	746,395	312,796
CASH AND EQUIVALENTS, END OF PERIOD	$ 64,799	$ 37,046

In 1998, noncash financing activities include the addition of $1.766 billion to treasury stock as a result of the exchange of 40,484,545 common shares of Abercrombie & Fitch previously owned by the Company for 47,075,052 shares of common stock of the Company. Additional noncash financing activities include a $5.6 million dividend effected by a pro rata spin-off of the Company's remaining shares of Abercrombie & Fitch (see Note 7).

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. BASIS OF PRESENTATION

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

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

The consolidated financial statements as of October 31, 1998 and for the thirteen and thirty-nine week periods ended October 31, 1998 and November 1, 1997 are unaudited and are presented pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, these consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in the Company's 1997 Annual Report on Form 10-K. In the opinion of management, the accompanying consolidated financial statements reflect all adjustments (which are of a normal recurring nature) necessary to present fairly the financial position and results of operations and cash flows for the interim periods, but are not necessarily indicative of the results of operations for a full fiscal year.

The consolidated financial statements as of October 31, 1998 and for the thirteen and thirty-nine week periods ended October 31, 1998 and November 1, 1997 included herein have been reviewed by the independent public accounting firm of PricewaterhouseCoopers LLP and the report of such firm follows the notes to consolidated financial statements.

In March 1998, the Accounting Standards Executive Committee of the American Institute of Certified Public Accountants issued Statement of Position ("SOP") 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." The SOP requires that certain external costs and internal payroll and payroll related costs be capitalized during the application development and implementation stages of a software development project and amortized over the software's useful life. The SOP is effective in the first quarter of 1999.

Additionally, SOP 98-5, "Reporting on the Costs of Start-Up Activities," was issued in April 1998. The SOP requires that entities expense start-up costs and organization costs as they are incurred. The SOP is effective in the first quarter of 1999.

2. EARNINGS PER SHARE

Weighted average common shares outstanding (thousands):

	Thirteen Weeks Ended		Thirty-nine Weeks Ended	
	October 31, 1998	November 1, 1997	October 31, 1998	November 1, 1997
Common shares issued	379,454	379,454	379,454	379,454
Treasury shares	(152,141)	(107,334)	(133,693)	(107,659)
Basic shares	227,313	272,120	245,761	271,795
Dilutive effect of stock options and restricted shares	3,739	3,399	5,403	1,942
Diluted shares	231,052	275,519	251,164	273,737

Options to purchase 4.9 million and 1.3 million shares of common stock were outstanding at October 31, 1998 and November 1, 1997, but were not included in the computation of earnings per share because the options' exercise price was greater than the average market price of the common shares during the period. In addition, the 18.75 million shares subject to the Contingent Stock Redemption Agreement are excluded from the dilution calculation because their redemption would not have a dilutive effect on earnings per share.

3. INVENTORIES

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

4. PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consisted of (thousands):

	October 31, 1998	January 31, 1998
Property and equipment, at cost	$ 3,171,757	$ 3,104,612
Accumulated depreciation and amortization	(1,641,052)	(1,584,704)
Property and equipment, net	$ 1,530,705	$ 1,519,908

5. INCOME TAXES

The provision for income taxes is based on the current estimate of the annual effective tax rate. Income taxes paid during the thirty-nine weeks ended October 31, 1998 and November 1, 1997 approximated $203.5 million and $285.3 million.

The Internal Revenue Service has assessed the Company for additional taxes and interest for years 1992 to 1994 related 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 assessment. Management believes resolution of this matter will not have a material adverse effect on the Company's results of operations or financial condition.

6. FINANCING ARRANGEMENTS

Unsecured long-term debt consisted of (thousands):

	October 31, 1998	January 31, 1998
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
	650,000	650,000
Less current portion of long-term debt	100,000	-
	$550,000	$650,000

The Company maintains a $1 billion unsecured revolving credit agreement (the "Agreement"). 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 (September 29, 1997), 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 0.1% of the committed amount per annum. The Company is in compliance with covenants contained in the Agreement relating to the Company's working capital, debt and net worth. No amounts were outstanding under the Agreement at October 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 October 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.

Interest paid during the thirty-nine weeks ended October 31, 1998 and November 1, 1997 approximated $57.5 million and $59.1 million.

7. SPECIAL ITEMS

On May 19, 1998, the Company completed a tax-free exchange offer to establish Abercrombie & Fitch ("A&F") as an independent company. A total of 47,075,052 shares of the Company's common stock were exchanged at a ratio of .86 of a share of A&F common stock for each Limited share tendered. In connection with the exchange, the Company recorded a $1.65 billion tax-free gain. In addition, on June 1, 1998 a $5.6 million dividend was effected through a pro rata spin-off to shareholders of the Company's remaining 3,115,455 A&F shares. Limited shareholders of record as of the close of trading on May 29, 1998 received .013673 of a share of A&F for each Limited share owned at that time.

During the first quarter of 1998, the Company recognized a pretax gain of $93.7 million from the sale of its remaining interest in Brylane, Inc., a specialty catalogue retailer. This gain was partially offset by a $5 million pretax charge for severance and other associate termination costs related to the closing of five of six Henri Bendel stores. At October 31, 1998, $4 million of these charges had been paid.

During the first quarter of 1997, the Company recognized a pretax gain of $8.6 million in connection with the initial public offering of Brylane. During the third quarter of 1997, the Company recognized a net $62.8 million pre-tax gain related to the sale of approximately one-half of its investment in Brylane, partially offset by valuation adjustments on certain investments where the carrying values are permanently impaired.

During the fourth quarter of 1997, the Company recorded pretax special and nonrecurring charges related to closing the Cacique lingerie business, streamlining the Henri Bendel business from six stores to one store, recognizing charges for impaired assets and closing and downsizing certain stores, principally at the women's businesses. Write-downs related to the $175 million noncash component of the charge were recognized in 1997. Outlays for the cash component of the charge are expected to approximate $70 to $80 million during 1998, leaving a remaining accrual at year-end of $20 to $30 million, principally for contractual obligations. Cash outlays of $39 million during the first three quarters of 1998 were principally related to store closings.

[LETTERHEAD OF PRICEWATERHOUSECOOPERS APPEARS HERE]

REPORT OF INDEPENDENT ACCOUNTANTS

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

We have reviewed the condensed consolidated balance sheet of The Limited, Inc. and Subsidiaries (the Company) at October 31, 1998, and the related condensed consolidated statements of income and cash flows for the thirteen-week and thirty-nine-week periods ended October 31, 1998 and November 1, 1997. These financial statements are the responsibility of the Company's management.

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

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

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet as of January 31, 1998, and the related consolidated statements of income, shareholders' equity, and cash flows for the year ended (not presented herein); and in our report dated February 20, 1998, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of January 31, 1998, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Columbus, Ohio
November 17, 1998

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

RESULTS OF OPERATIONS

Net sales for the third quarter ended October 31, 1998 decreased 3% to $2.0 billion from $2.071 billion last year. However, sales increased 4% in the third quarter after adjusting for the 1997 sales of Abercrombie & Fitch Co. ("A & F"), which became an independent public company in May 1998. Comparable store sales increased 5% for the quarter. Operating income was $81.0 million in 1998 and $158.0 million in 1997. Net income was $39.4 million in 1998 and $79.7 million in 1997. Earnings per diluted share were $.17 in 1998 and $.29 in 1997. In 1997, the Company recognized a $62.8 million pretax gain, or $.14 per diluted share of special and nonrecurring income relating principally to the sale of approximately one-half of the Company's interest in Brylane, Inc. Excluding special and nonrecurring items, operating income decreased 15% compared to $95.2 million last year; net income decreased 6% compared to $41.9 million last year (increased 21% after adjusting for A & F), and earnings per diluted share increased 13% from $.15 per diluted share last year.

Third quarter business highlights include the following:

The Intimate Brands businesses continued their consistent positive performance trend by recording an 8% operating income increase and a 12% increase in net income.

Victoria's Secret Stores' operating margin and operating income were higher on a comparable store sales increase of 4%. As expected, Victoria's Secret Catalogue sales decreased 9% as a result of its strategy of fewer, bigger catalogues (higher page counts) and more focused mailings.

Bath & Body Works delivered a comparable store sales increase of 6% and a substantial increase in operating profits. The net addition of 138 stores contributed to the sales and profit growth.

The women's businesses continued their sales improvement from the first and second quarters, principally due to a 15% increase in comparable store sales at Express. Overall, the women's businesses reported a 6% increase in comparable store sales. Operating income was down despite the improvement at Express due to declines at Lerner, Lane Bryant and Limited Stores.

Limited Too continued its strong sales momentum with a 11% comparable store sales gain. Structure continued to struggle with a 2% decrease in comparable store sales and an increased operating loss.

Net sales for the thirty-nine weeks ended October 31, 1998 increased 3% to $6.091 billion compared to $5.920 billion in 1997. Operating income was $1.954 billion compared to $280 million for 1997. Operating income in 1998 included a $93.7 million pretax gain from the sale of the Company's remaining interest in Brylane, Inc., a $5.1 million first quarter pretax charge for severance and other associate termination costs at Henri Bendel and a $1.651 billion second quarter gain from the split-off of A & F. Excluding these special and nonrecurring items, operating income decreased 2% to $214 million (increased 5% after adjusting for A & F). Net income increased to $1.8 billion from $132.1 million in 1997, and earnings per diluted share were $7.18 compared to $.48 in 1997. Excluding special and nonrecurring items and the $8.6 million 1997 gain in connection with the initial public offering of Brylane, Inc., net income increased 11% in 1998 to $98.1 million compared to $88.7 million for 1997 and earnings per share increased to $.39 from $.32 in 1997.

Financial Summary

The following summarized financial and statistical data compares the thirteen-week and thirty-nine week periods ended October 31, 1998 to the comparable 1997 periods:

	THIRD QUARTER			YEAR-TO-DATE		
	1998	1997	CHANGE FROM PRIOR YEAR	1998	1997	CHANGE FROM PRIOR YEAR
NET SALES (MILLIONS):						
Victoria's Secret Stores	$ 352	$ 332	6%	$1,127	$1,046	8%
Victoria's Secret Catalogue	130	143	(9%)	531	519	2%
Bath & Body Works	218	182	19%	677	572	18%
Cacique (a)	-	22	N/M	-	64	N/M
Other	9	11	N/M	20	20	N/M
Total Intimate Brands	709	690	3%	2,355	2,221	6%
Express	357	315	13%	910	785	16%
Lerner	218	231	(6%)	636	629	1%
Lane Bryant	209	218	(4%)	649	639	2%
Limited Stores	181	177	2%	522	532	(2%)
Henri Bendel (c)	10	20	N/M	30	63	N/M
Total Women's Businesses	975	961	1%	2,747	2,648	4%
Structure	140	143	(2%)	393	423	(7%)
Limited Too	97	86	13%	254	213	19%
Galyan's	49	34	44%	130	100	30%
Mast and Other	30	8	N/A	56	6	N/A
Total Emerging Businesses	316	271	17%	833	742	12%
Subtotal	2,000	1,922	4%	5,935	5,611	6%
Abercrombie & Fitch (b)	-	149	N/M	156	309	N/M
Total Net Sales	$2,000	$2,071	(3%)	$6,091	$5,920	3%
OPERATING INCOME (MILLIONS):						
Intimate Brands	$ 71	$ 66	8%	$ 267	$ 233	15%
Women's Businesses	(16)	(4)	(300%)	(76) *	(99)	23%
Emerging Businesses	26	15	73%	11	59	(81%)
Subtotal	81	77	5%	202	193	5%
Special and Nonrecurring Items	-	63	N/A	1,740	63	N/A
Abercrombie & Fitch (b)	-	18	N/M	12	25	N/M
Total Operating Income	$ 81	$ 158	N/M	$1,954	$ 281	N/M

(a) The Cacique business was closed effective January 31, 1998.

(b) The Abercrombie & Fitch business was split-off effective May 19, 1998 via a tax-free exchange offer. Results up to this date are included in the consolidated financial statements.

(c) Five of six Henri Bendel stores were closed at the end of 1997.

*The women's businesses exclude a $5 million first quarter charge for special and nonrecurring items (see Note 7).

	THIRD QUARTER 1998	THIRD QUARTER 1997	CHANGE FROM PRIOR YEAR	YEAR-TO-DATE 1998	YEAR-TO-DATE 1997	CHANGE FROM PRIOR YEAR
INCREASE (DECREASE) IN COMPARABLE STORE SALES:						
Victoria's Secret Stores	4%	3%		4%	9%	
Bath & Body Works	6%	9%		3%	13%	
Cacique	-	16%		-	11%	
Total Intimate Brands	4%	5%		3%	10%	
Express	15%	(11%)		17%	(21%)	
Lerner	(1%)	(6%)		7%	(6%)	
Lane Bryant	(2%)	(1%)		4%	(1%)	
Limited Stores	7%	(13%)		1%	(9%)	
Henri Bendel	(2%)	(23%)		(15%)	(11%)	
Total Women's Businesses	6%	(8%)		8%	(11%)	
Structure	(2%)	(6%)		(7%)	(2%)	
Limited Too	11%	15%		17%	23%	
Galyan's	5%	4%		3%	4%	
Total Emerging Businesses	3%	1%		-	5%	
Abercrombie & Fitch (through May 19, 1998)	-	25%		-	19%	
Total comparable store sales increase (decrease)	5%	(2%)		6%	(2%)	
RETAIL SALES EXCLUDING CATALOGUE AND OTHER:						
Retail sales increase attributable to net new and remodeled stores (1998 change excludes impact of closing Cacique and split-off of A&F)	1%	5%		1%	6%	
Retail sales per average selling square foot	$ 68	$ 67	1%	$ 199	$ 188	6%
Retail sales per average store (thousands)	$ 336	$ 332	1%	$ 988	$ 941	5%
Average store size at end of quarter (selling square feet)	4,917	4,993	(2%)			
Retail selling square feet at end of quarter (thousands)	26,854	28,931	(7%)			
NUMBER OF STORES:						
Beginning of period	5,441	5,690		5,640	5,633	
Opened	72	129		195	280	
Disposed	-	-		(159) *	-	
Closed	(51)	(25)		(214)	(119)	
End of period	5,462	5,794		5,462	5,794	

*Split-off of Abercrombie & Fitch effective May 19, 1998

	Number of Stores			Selling Sq. Ft. (thousands)		
	Oct. 31, 1998	Nov. 1, 1997	Change From Prior Year	Oct. 31, 1998	Nov. 1, 1997	Change From Prior Year
Victoria's Secret Stores	812	784	28	3,662	3,533	129
Bath & Body Works	1,044	906	138	2,054	1,728	326
Cacique	-	118	(118)	-	363	(363)
Total Intimate Brands	1,856	1,808	48	5,716	5,624	92
Express	706	755	(49)	4,535	4,764	(229)
Lerner	677	753	(76)	5,195	5,743	(548)
Lane Bryant	770	807	(37)	3,740	3,869	(129)
Limited Stores	593	648	(55)	3,577	3,874	(297)
Henri Bendel	1	6	(5)	35	113	(78)
Total Women's Businesses	2,747	2,969	(222)	17,082	18,363	(1,281)
Structure	534	546	(12)	2,126	2,149	(23)
Limited Too	311	311	-	983	976	7
Galyan's	14	11	3	947	641	306
Total Emerging Businesses	859	868	(9)	4,056	3,766	290
Abercrombie & Fitch	-	149	(149)	-	1,178	(1,178)
Total stores and selling square feet	5,462	5,794	(332)	26,854	28,931	(2,077)

Net Sales

Net sales for the third quarter of 1998 decreased 3% from the third quarter of 1997. Third quarter net sales increased 4% excluding A&F sales in 1997 as a result of a 5% increase in comparable store sales. Net sales for the thirty-nine weeks ended October 31, 1998 increased 3% as compared to the same period in 1997 as the 6% increase in comparable store sales more than offset a 3% decrease from the split-off of A&F.

Sales at the Intimate Brands businesses for the third quarter of 1998 increased 3% over the same period last year. The increase was attributable to the net addition of 166 new stores, excluding Cacique, and a 4% increase in comparable store sales partially offset by a 9% decrease in catalogue net sales and the loss of Cacique. Year-to-date Intimate Brands sales increased 6% over the same period in 1997, due to the net addition of new stores, a 3% increase in comparable store sales, and a 2% increase in catalogue net sales, partially offset by the loss of Cacique. Adjusted for the impact of closing Cacique, the third quarter sales increase would have been 6% and year-to-date would have been 9%.

Sales at the women's businesses for the third quarter and year-to-date periods of 1998 increased 1% and 4%, compared to the same periods in 1997, primarily due to the 6% and 8% increases in comparable store sales, offset by the impact of closed stores. Express continued its strong comparable store sales results with a 15% increase and Limited Stores increased comparable store sales by 7%, primarily driven by promotional activities. Sales at Lerner and Lane Bryant declined.

Gross Income

Gross income, expressed as a percentage of sales, increased to 30.8% for the third quarter of 1998 from 30.0% for the third quarter of 1997. Merchandise margins increased slightly, as a result of a 2.6% increase at Intimate Brands more than offsetting declines at the women's businesses and Structure. The increase in the gross income rate was primarily attributable to a .6% improvement in the buying and occupancy rate driven by leverage achieved from a 5% increase in comparable store sales and efforts over the past two years to close underperforming stores.

The year-to-date gross income percentage increased to 29.8% in 1998 from 28.1% for the same period in 1997. This increase is primarily attributable to a 1.3% improvement in margin, expressed as a percentage of sales, due to improved initial mark-up and a .4% improvement in the buying and occupancy rate.

General, Administrative and Store Operating Expenses

General, administrative and store operating expenses, expressed as a percentage of sales, increased to 26.8% for the third quarter of 1998 as compared to 25.4% for the third quarter of 1997. This increase was attributable to a 2.2% increase at Intimate Brands, a lack of expense leverage at Limited Stores and Structure, expenses associated with increased investments in information technology in preparation for the Year 2000, and expenses associated with the rollout of the merchandise process redesign and brand building.

Year-to-date general, administrative and store operating expenses increased as a percentage of sales to 26.3% in 1998 compared to 24.4% in 1997. This increase was due primarily to the reasons discussed above.

Operating Income

Exclusive of special and nonrecurring items described in Note 7, third quarter and year-to-date 1998 operating income, expressed as a percentage of sales, was 4.0% and 3.5%, compared to 4.6% and 3.7%, respectively for 1997. Increases in gross income dollars were more than offset by increases in general, administrative and store operating expenses. Gains in third quarter operating income at Express, Limited Too and Intimate Brands were more than offset by declines in operating results at the other Women's businesses and at Structure.

Interest Expense

	Third Quarter		Year-to-Date	
	1998	1997	1998	1997
Average Borrowings (millions)	$ 840	$ 891	$ 776	$ 817
Average Effective Interest Rate	8.12%	8.05%	8.46%	8.28%

Interest expense decreased $.9 million and $1.5 million in the third quarter and year-to-date periods in 1998 from the comparable periods in 1997. The year-to-date decrease was mainly a result of lower average short-term borrowings.

Other Income

Other income increased $6.3 million and $22.4 million in the third quarter and year-to-date periods in 1998 from the comparable periods in 1997 due to interest earned on significantly higher average cash balances during 1998.

FINANCIAL CONDITION

Liquidity and Capital Resources

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

	October 31, 1998	January 31, 1998
Working Capital	$ 667,610	$ 937,739
Capitalization:		
Long-term debt	$ 550,000	$ 650,000
Shareholders' equity	1,979,682	2,044,957
Total Capitalization	$2,529,682	$2,694,957
Amounts available under long-term credit agreements*	$1,000,000	$1,000,000

* In addition, the Company may offer up to $250 million of debt securities and warrants to purchase debt securities under its shelf registration statement.

Net cash used for operating activities was $259.0 million for the thirty-nine weeks ended October 31, 1998 versus $275.8 million last year. The use of cash in both years is principally from the growth of inventories for the Fall selling seasons and the timing of tax payments.

Investing activities included capital expenditures of approximately $240 million in 1998 and $156 million in 1997 for new and remodeled stores and proceeds from the sale of approximately 50% of the Company's investment in Brylane, Inc. in both years. Investing activities also included $39 million in expenditures and $51 million in proceeds from the sale of properties associated with the Easton project in 1998 (see "Capital Expenditures" below) and the sale of the Newport office tower in 1997.

Cash used for financing activities for 1998 reflects an increase in the quarterly dividend to $.13 per share from $.12 per share offset by the reduction in shares outstanding from the split-off of A & F. No commercial paper borrowings were outstanding at quarter end in 1998. Intimate Brands repurchased 4.5 million shares for $106.0 million, that are specifically reserved to cover shares needed for employee benefit plans. In addition, the Company repurchased 1.9 million shares in the third quarter with proceeds from stock option exercises and to fund employee benefit plans. In connection with the split-off of A & F (see Note 7), the Company paid $47.6 million to settle its intercompany balance at May 19, 1998.

Capital Expenditures

Capital expenditures totaled $358 million for the thirty-nine weeks ended October 31, 1998, compared to $296 million for the same period of 1997. The Company anticipates spending $460 to $480 million for capital expenditures in 1998, of which $200 to $220 million will be for new stores, the remodeling of existing stores and related improvements for the retail businesses.

Significant capital expenditures, other than those classified as store related, include expenditures for Galyan's land and buildings, information technology expenditures for new systems related to the Year 2000 issue, deposits on replacement aircraft, and land acquisition and development costs for the Easton project in Columbus, Ohio. With respect to Easton, the sale of land, buildings and interests in various development projects is expected to more than offset capital expenditures in 1998, and the project is projected to continue to be net cash positive in 1999 and going forward.

The Company expects that 1998 capital expenditures will be funded with cash from operations.

Adoption of New Accounting Standards

In March 1998, the Accounting Standards Executive Committee of the American Institute of Certified Public Accountants issued Statement of Position ("SOP") 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." The SOP requires that certain external costs and internal payroll and payroll related costs be capitalized during the application development and implementation stages of a software development project and amortized over the software's useful life. The SOP is effective in the first quarter of 1999 and the Company does not anticipate that this SOP will have an adverse effect on the Company's reported results of operations.

Additionally, SOP 98-5, "Reporting on the Costs of Start-Up Activities," was issued in April 1998. The SOP requires that entities expense start-up costs and organization costs as they are incurred. The

SOP is effective in the first quarter of 1999 and the Company does not anticipate that this SOP will have an adverse effect on the Company's reported results of operations.

Year 2000 Readiness Disclosures

The Year 2000 issue arises primarily from computer programs, commercial systems and embedded chips that will be unable to properly interpret dates beyond the year 1999. The Limited utilizes a variety of proprietary and third party computer technologies - both hardware and software - directly in its businesses. The Company also relies on numerous third parties and their systems' ability to address the Year 2000 issue. The Company's critical information technology (IT) functions include point-of-sale equipment, merchandise distribution, merchandise and non-merchandise procurement, credit card and banking services, transportation, and business and accounting management systems. The Company is using both internal and external resources to complete its Year 2000 initiatives.

In order to address the Year 2000 issue for The Limited, Inc., the Company established a program management office to oversee, monitor and coordinate the company-wide Year 2000 effort. This office has developed and is implementing a Year 2000 plan. The implementation includes five stages, including (i) awareness, (ii) assessment, (iii) renovation/development, (iv) validation, and (v) implementation. There are several areas of focus: (1) renovation of legacy systems throughout the Company; (2) installation of new software packages to replace legacy systems at five of our operating businesses; (3) assessment of Year 2000 readiness at key vendors and suppliers; and (4) evaluating facilities and distribution equipment with embedded computer technology.

(1) All five stages of Year 2000 implementation for renovation of legacy systems are nearly complete or have been completed for significant IT systems at the Company businesses.

(2) Replacement of significant legacy systems with new software packages for the five operating companies is underway. The validation and implementation stages of these new systems are expected to be substantially complete in or prior to the second quarter of 1999.

(3) A vast network of vendors and suppliers located both within and outside the United States provide the Company with merchandise for resale and supplies for operational purposes. The Company has identified key vendors and suppliers and has begun making inquiries to determine their Year 2000 status. The Company has obtained assurances from a number of its key vendors regarding their Year 2000 status and expects to complete this process in mid-1999. In addition, the Company plans to conduct on-site assessments of certain of its key vendors to further assess such vendors' progress. Also, the Company, along with other major retail organizations, is participating in a national industry Year 2000 survey of over 80,000 suppliers and vendors.

(4) The Company also utilizes various facilities and distribution equipment with embedded computer technology, such as conveyors, elevators, security systems, fire protection systems, and energy management systems. The Company's assessment of these systems is in process and all stages of its efforts are expected to be complete in or prior to the first quarter of 1999.

The Company believes that the reasonably likely worst case scenario would involve short-term disruption of systems affecting its supply and distribution channels. The Company is in the early stages of developing contingency plans, such as alternative sourcing, and identifying the necessary actions that it would need to take if critical systems or service providers were not Year 2000 compliant. The Company expects to finalize these contingency plans by mid-1999.

At the present time, the Company is not aware of any Year 2000 issues that are expected to affect materially its products, services, competitive position or financial performance. However, despite the Company's significant efforts to make its systems, facilities and equipment Year 2000 compliant, the compliance of third party service providers and vendors (including, for instance, governmental entities and utility companies) is beyond the Company's control. Accordingly, the Company can give no assurances that the failure of systems of other companies on which the Company's systems rely, or the failure of key suppliers or other third parties to comply with Year 2000 requirements, will not have a material adverse effect on the Company.

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 Company's financial condition in any year during the conversion process from 1997 through 2000.

In 1998, incremental expenses will total approximately $25 to $30 million, of which $23 million has been incurred as of October 31, 1998. In addition, we have incurred significant internal payroll costs (not separately identified) relating to the Company's Year 2000 initiatives.

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

The Company cautions that any forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) contained in this Report or made by management of the Company involve risks and uncertainties and are subject to change based on various important factors, many of which may be beyond the Company's control. Accordingly, the Company's future performance and financial results may differ materially from those expressed or implied in any such forward-looking statements. Among other things, the foregoing statements as to costs and dates relating to the Year 2000 effort are forward-looking and are based on the Company's current best estimates that may be proven incorrect as additional information becomes available. The Company's Year 2000-related forward-looking statements are also based on assumptions about many important factors, including the technical skills of employees and independent contractors, the representations and preparedness of third parties, the ability of vendors to deliver merchandise or perform services required by the Company and the collateral effects of the Year 2000 issues on the Company's business partners and customers. While the Company believes its assumptions are reasonable, it cautions that it is impossible to predict factors that could cause actual costs or timetables to differ materially from the expected results. In addition to Year 2000 issues, the following factors, among others, in some cases have affected and in the future could affect the Company'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 forward-looking statements included in this Report or otherwise made by management: 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 at appropriate terms, ability to develop new merchandise and ability to hire and train associates.

PART II - OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

The Company is a defendant in a variety of lawsuits arising in the ordinary course of business.

On November 13, 1997, the United States District Court for the Southern District of Ohio, Eastern Division, dismissed with prejudice an amended complaint previously transferred to that court by the United States District Court for the Central District of California. The amended complaint, which had been filed against the Company and certain of its subsidiaries by the American Textile Manufacturers Institute ("ATMI"), a textile industry trade association, alleged that the defendants violated the federal False Claims Act by submitting false country of origin records to the U.S. Customs Service. On November 26, 1997, ATMI served a motion to alter or amend judgment and a motion to disqualify the presiding judge and to vacate the order of dismissal. The motion to disqualify was denied on December 22, 1997, but as a matter of his personal discretion, the presiding judge elected to recuse himself from further proceedings and this matter was transferred to a judge of the United States District Court for the Southern District of Ohio, Western Division. On May 21, 1998, this judge denied all pending motions seeking to alter, amend or vacate the judgment that had been entered in favor of the Company. On June 5, 1998, ATMI filed a notice of appeal to the United States Court of Appeals for the Sixth Circuit.

Although it is not possible to predict with certainty the eventual outcome of any litigation, in the opinion of management, the foregoing proceedings are not expected to have a material adverse effect on the Company's financial position or results of operations.

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits.

3. Articles of Incorporation and Bylaws.

   3.1 Certificate of Incorporation of the Company incorporated by reference to Exhibit 3.4 to the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 1998.

   3.2 Restated Bylaws of the Company incorporated by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-K for the fiscal year ended February 2, 1991 (the "1990" Form 10-K).

4. Instruments Defining the Rights of Security Holders.

   4.1 Copy of the form of Global Security representing the Company's 7 1/2% Debentures due 2023, incorporated by reference to Exhibit 1 to the Company's Current Report on Form 8-K dated March 4, 1993.

4.2 Conformed copy of the Indenture dated as of March 15, 1998 between the Company and The Bank of New York, incorporated by reference to Exhibit 4.1(a) to the Company's Current Report on Form 8-K dated March 21, 1989.

4.3 Copy of the form of Global Security representing the Company's 8 7/8% Notes due August 15, 1999 incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated August 14, 1989.

4.4 Copy of the form of Global Security representing the Company's 9 1/8% Notes due February 1, 2001 incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated February 6, 1991.

4.5 Copy of the form of Global Security representing the Company's 7.80% Notes due May 15, 2002, incorporated by reference to the Company's Current Report on Form 8-K dated February 27, 1992.

4.6 Proposed form of Debt Warrant Agreement for Warrants attached to Debt Securities, with proposed form of Debt Warrant Certificate incorporated by reference to Exhibit 4.2 to the Company's Registration Statement on Form S-3 (File no. 33-53366) originally filed with the Securities and Exchange Commission (the "Commission") on October 16, 1992 as amended by Amendment No. 1 thereto, filed with the Commission on February 23, 1993 (the "1993 Form S-3").

4.7 Proposed form of Debt Warrant Agreement for Warrants not attached to Debt Securities, with proposed form of Debt Warrant Certificate incorporated by reference to Exhibit 4.3 to the 1993 Form S-3.

4.8 Credit Agreement dated as of September 25, 1997 among the Company, Morgan Guaranty Trust Company of New York and the banks listed therein, incorporated by reference to Exhibit 4.8 to the Company's Quarterly Report on Form 10-Q for the quarter ended November 1, 1997.

10. Material Contracts.

10.1 The 1998 Restatement of The Limited, Inc. 1993 Stock Option and Performance Incentive Plan incorporated by reference to Exhibit A to the Company's Proxy Statement dated April 20, 1998.

10.2 The Limited, Inc. 1996 Stock Plan for Non-Associate Directors incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended November 2, 1996.

10.3 The Limited, Inc. Incentive Compensation Performance Plan incorporated by reference to Exhibit A to the Company's Proxy Statement dated April 14, 1997.

10.19 Employment agreement by and between The Limited, Inc. and V. Ann Hailey dated as of July 27, 1998 incorporated by reference to Exhibit 10.19 to the Company's Quarterly Report on Form 10-Q for the quarter ended August 1, 1998.

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

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

27. Financial Data Schedule.

(b) Reports on Form 8-K.

None.

SIGNATURE

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

THE LIMITED, INC.
(Registrant)

By /s/ V. Ann Hailey

V. Ann Hailey,
Executive Vice President and Chief
Financial Officer*

Date: December 11, 1998

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

EXHIBIT INDEX

Exhibit No.	Document
12	Statement re: Ratio of Earnings to Fixed Charges.
15	Letter re: Unaudited Interim Financial Information to Securities and Exchange Commission re: Incorporation of Independent Accountants' Report.
27	Financial Data Schedule.

EXHIBIT 12

THE LIMITED, INC. AND SUBSIDIARIES

RATIO OF EARNINGS TO FIXED CHARGES

(Thousands except ratio amounts)

	Thirty-nine Weeks Ended October 31, 1998	Thirty-nine Weeks Ended November 1, 1997
Adjusted Earnings		
Income, excluding gain on split-off of Abercrombie & Fitch, before income taxes	$ 270,765	$ 236,129
Portion of minimum rent ($546,662 in 1998 and $565,157 in 1997) representative of interest	182,221	186,502
Interest on indebtedness	49,229	50,744
Minority interest	26,659	23,910
Total earnings as adjusted	$ 528,874	$ 497,285
Fixed Charges		
Portion of minimum rent representative of interest	$ 182,221	$ 186,502
Interest on indebtedness	49,229	50,744
Total fixed charges	$ 231,450	$ 237,246
Ratio of earnings to fixed charges	2.29x	2.10x

EXHIBIT 15

[LETTERHEAD OF PRICEWATERHOUSECOOPERS APPEARS HERE]

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

We are aware that our report dated November 17, 1998, on our review of the interim consolidated financial information of The Limited, Inc. and Subsidiaries for the thirteen-week and thirty-nine-week periods ended October 31, 1998 and included in this Form 10-Q is incorporated by reference in the Company's registration statements on Form S-8, Registration Nos. 33-18533, 33-25005, 2-92277, 33-24829, 33-24507, 33-24828, 2-95788, 2-88919, 33-24518, 33-6965, 33-14049, 33-22844, 33-44041, 33-49871, 333-04927, 333-04941, and the registration statements on Form S-3, Registration Nos. 33-20788, 33-31540, 33-43832, and 33-53366. Pursuant to Rule 436(c) under the Securities Act of 1933, this report should not be considered a part of the registration statement prepared or certified by us within the meaning of Sections 7 and 11 of that Act.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Columbus, Ohio
December 11, 1998

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) OF THE LIMITED, INC. AND SUBSIDIARIES FOR THE QUARTER ENDED OCTOBER 31, 1998 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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OCT-31-1998
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