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 November 2, 1996

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) 479-7000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ___

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

Class A Common Stock	Outstanding at December 2, 1996
$.50 Par Value	271,062,248 shares

THE LIMITED, INC.

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PART I - FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

THE LIMITED, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

(Thousands except per share amounts)

(Unaudited)

	Thirteen Weeks Ended		Thirty-nine Weeks Ended	
	November 2, 1996	October 28, 1995	November 2, 1996	October 28, 1995
NET SALES	$1,994,986	$1,803,295	$ 5,678,530	$ 5,110,072
Cost of Goods Sold, Occupancy and Buying Cost	1,439,612	1,350,337	4,161,706	3,830,752
GROSS INCOME	555,374	452,958	1,516,824	1,279,320
General, Administrative and Store Operating Expenses	(467,024)	(361,597)	(1,293,096)	(1,011,186)
OPERATING INCOME	88,350	91,361	223,728	268,134
Interest Expense	(20,621)	(22,573)	(55,902)	(59,261)
Other Income, net	6,791	3,025	30,445	9,913
Minority Interest	(4,574)	-	(17,023)	-
Gain on Sale of Subsidiary Stock	118,567	613,500	118,567	613,500
INCOME BEFORE INCOME TAXES	188,513	685,313	299,815	832,286
Provision for Income Taxes	29,000	28,000	79,000	87,000
NET INCOME	$ 159,513	$ 657,313	$ 220,815	$ 745,286
NET INCOME PER SHARE	$.59	$1.83	$.78	$2.08
DIVIDENDS PER SHARE	$.10	$.10	$.30	$.30
WEIGHTED AVERAGE SHARES OUTSTANDING	271,728	358,920	284,765	358,619

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

THE LIMITED, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Thousands)

	November 2, 1996 (Unaudited)	February 3, 1996
ASSETS		
CURRENT ASSETS:		
Cash and Equivalents	$ 56,675	$1,645,731
Accounts Receivable	104,421	77,516
Inventories	1,361,095	958,953
Other	150,440	117,832
TOTAL CURRENT ASSETS	1,672,631	2,800,032
PROPERTY AND EQUIPMENT, NET	1,816,772	1,741,456
RESTRICTED CASH	351,600	351,600
OTHER ASSETS	436,436	373,475
TOTAL ASSETS	$ 4,277,439	$5,266,563
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts Payable	$ 440,541	$ 280,659
Accrued Expenses	426,233	388,818
Commercial Paper	346,900	-
Notes Payable	29,733	-
Income Taxes	31,128	47,098
TOTAL CURRENT LIABILITIES	1,274,535	716,575
LONG-TERM DEBT	650,000	650,000
DEFERRED INCOME TAXES	167,017	250,857
OTHER LONG-TERM LIABILITIES	51,764	50,791
MINORITY INTEREST	46,884	45,699
CONTINGENT STOCK REDEMPTION AGREEMENT	351,600	351,600
SHAREHOLDERS' EQUITY:		
Common Stock	180,352	180,352
Paid-in Capital	142,498	137,134
Retained Earnings	3,339,908	3,200,350
	3,662,758	3,517,836
Less Treasury Stock, at Average Cost	(1,927,119)	(316,795)
TOTAL SHAREHOLDERS' EQUITY	1,735,639	3,201,041
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 4,277,439	$5,266,563

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 November 2, 1996	Thirty-nine Weeks Ended October 28, 1995
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$ 220,815	$ 745,286
Gain on Sale of Subsidiary Stock	(118,567)	(613,500)
Impact of Other Operating Activities on Cash Flows:		
Depreciation and Amortization	216,086	214,893
Minority Interest, Net of Dividends Paid	1,185	-
Changes in Assets and Liabilities:		
Accounts Receivable	(26,905)	(19,805)
Inventories	(402,142)	(399,829)
Accounts Payable and Accrued Expenses	197,297	68,027
Income Taxes	(99,810)	(241,446)
Other Assets and Liabilities	(66,164)	23,339
NET CASH USED FOR OPERATING ACTIVITIES	(78,205)	(223,035)
INVESTING ACTIVITIES:		
Capital Expenditures	(319,834)	(285,576)
Business Acquired	-	(18,000)
CASH USED FOR INVESTING ACTIVITIES	(319,834)	(303,576)
FINANCING ACTIVITIES:		
Net Proceeds from Commercial Paper Borrowings and Certificates of Deposit	346,900	29,000
Proceeds from Notes Payable	150,000	250,000
Repayment of Notes Payable	(120,267)	(250,000)
Net Proceeds from Sale of Subsidiary Stock	118,567	635,000
Dividends Paid	(81,257)	(107,273)
Purchase of Treasury Stock	(1,615,000)	(8,981)
Stock Options and Other	10,040	10,971
NET CASH PROVIDED FROM (USED FOR) FINANCING ACTIVITIES	(1,191,017)	558,717
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(1,589,056)	32,106
Cash and Equivalents, Beginning of Year	1,645,731	242,780
CASH AND EQUIVALENTS, END OF PERIOD	$ 56,675	$ 274,886

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

THE LIMITED, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. BASIS OF PRESENTATION

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

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

The consolidated financial statements as of and for the periods ended November 2, 1996 and October 28, 1995 are unaudited and are presented pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, the consolidated financial statements should be read in conjunction with the financial statement disclosures contained in the Company's 1995 Annual Report. In the opinion of management, the accompanying consolidated financial statements reflect all adjustments (which are of a normal recurring nature) necessary to present fairly the financial position and results of operations and cash flows for the interim periods, but are not necessarily indicative of the results of operations for a full fiscal year.

The consolidated financial statements as of November 2, 1996 and for the thirteen and thirty-nine week periods ended November 2, 1996 and October 28, 1995 included herein have been reviewed by the independent public accounting firm of Coopers & Lybrand L.L.P. and the report of such firm follows the notes to consolidated financial statements.

2. ADOPTION OF ACCOUNTING STANDARD

In October 1995, the Financial Accounting Standards Board issued SFAS No. 123, "Accounting for Stock-Based Compensation." The Company will make the required disclosures in its 1996 Annual report.

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 utilizing the retail method. Inventory valuation at the end of the first and third quarters reflects adjustments for inventory markdowns and shrinkage estimates for the total selling season.

4. PROPERTY AND EQUIPMENT, NET

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

	November 2, 1996	February 3, 1996
Property and equipment, at cost	$ 3,243,957	$ 3,018,757
Accumulated depreciation and amortization	(1,427,185)	(1,277,301)
Property and equipment, net	$ 1,816,772	$ 1,741,456

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 November 2, 1996 and October 28, 1995 approximated $163.1 million and $191.4 million.

The Internal Revenue Service has assessed the Company for additional taxes and interest for years 1989 - 1992. The assessment was based primarily on the treatment of transactions involving the Company's foreign operations and construction allowances. Although a deposit has been made to mitigate further interest being assessed, 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.

6. FINANCING ARRANGEMENTS

Unsecured long-term debt consisted of (thousands):

	November 2, 1996	February 3, 1996
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

The Company maintains a $1 billion unsecured revolving credit agreement (the "Agreement"). Borrowings outstanding under the Agreement are due December 14, 2000. 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 (December 15, 1995), 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 1/8% 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 November 2, 1996.

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. Commercial paper outstanding at November 2, 1996 approximated $347 million.

Two subsidiaries of Abercrombie & Fitch Co. ("A&F"), a consolidated subsidiary of the Company, borrowed $150 million under a bank credit agreement in July 1996. The borrowings are guaranteed by A&F. The LIBOR-related interest rate at November 2, 1996 was 5.92%. The agreement places certain limitations on A&F and contains financial covenants, including fixed charge coverage and a maximum ratio of debt to earnings before income taxes, depreciation and amortization. The amounts borrowed are repayable in nine consecutive semi-annual installments, commencing on June 30, 1997. In addition, any outstanding borrowings must be paid in full in the event that the Company ceases to own directly at least 80% of the outstanding stock of A&F. A&F repaid approximately $120.3 million of this borrowing from proceeds received from its initial public offering and cash from operations in September, 1996 leaving $29.7 million outstanding at November 2, 1996.

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 November 2, 1996 and October 28, 1995 approximated $53.1 million and $66.9 million.

7. SELF-TENDER OFFER

On March 17, 1996, the Company completed the repurchase for $1.615 billion or $19 per share of 85 million shares of its common stock under a self-tender offer.

8. ISSUANCE OF SUBSIDIARY STOCK

Gains or losses resulting from stock issued by a subsidiary of the Company are recognized in current year's income. In September 1996, the Company recognized a $118.6 million gain which resulted from the initial public offering of 15.8% of the stock (8.05 million shares) of A&F. In October 1995, the Company recognized a $613.5 million gain which resulted from the initial public offering of 40 million shares (16% of the stock) of Intimate Brands, Inc. ("IBI"). IBI consists of Victoria's Secret Stores, Victoria's Secret Catalogue, Bath & Body Works, Cacique, Penhaligon's and Gryphon. An additional 2.7 million shares (.9% of the stock) of IBI were issued in November 1995 as a result of underwriters exercising options to purchase additional shares which resulted in a net gain of approximately $36 million. None of the aforementioned gains recorded by the Company were subject to tax.

[LETTERHEAD OF COOPERS & LYBRAND]

REPORT OF INDEPENDENT ACCOUNTANTS

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

We have reviewed the condensed consolidated balance sheet of The Limited, Inc. and Subsidiaries at November 2, 1996, and the related condensed consolidated statements of income and cash flows for the thirteen-week and thirty-nine-week periods ended November 2, 1996 and October 28, 1995. 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 February 3, 1996, and the related consolidated statements of income, shareholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated February 26, 1996, except for paragraph 11 in Note 1 and Note 9, as to which the date is March 18, 1996, 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 February 3, 1996, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ COOPERS & LYBRAND L.L.P.
COOPERS & LYBRAND L.L.P.

Columbus, Ohio
December 11, 1996

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

RESULTS OF OPERATIONS

During the second half of 1995 and the first three quarters of 1996, the Company entered into a series of transactions that affected the comparability of the quarterly financial statements: 1) the initial public offering of a 16.9% interest in Intimate Brands, Inc. ("IBI"); 2) the sale of a 60% interest in the Company's previously wholly-owned credit card bank, World Financial Network National Bank ("WFNNB"); 3) a reduction in outstanding shares reflecting the Company's 85 million share repurchase via a self-tender consummated effective March 17, 1996; and 4) the initial public offering of a 15.8% interest of Abercrombie & Fitch Co. ("A&F") during the third quarter of 1996. Accordingly, to aid in the analysis of third quarter and year-to-date 1996 financial information as compared to the respective periods in 1995, certain pro-forma adjustments, including the tax impact, have been made to the 1996 and 1995 results as follows: 1) the 1995 general, administrative and store operating expenses have been adjusted for the fourth quarter 1995 sale of a 60% interest in WFNNB, as if the sale had been consummated at the beginning of 1995; 2) the 1995 statement of income has been adjusted to reflect the minority interest arising from the IBI transaction as if it had occurred as of the beginning of 1995; 3) weighted average shares outstanding have been reduced to reflect the 85 million share repurchase as if it occurred at the beginning of 1995; and 4) the 1996 statement of income has been adjusted to remove $10.5 million in interest income earned in the first quarter from the temporary investment of the proceeds from the IBI and WFNNB transactions that were used to consummate the self-tender effective March 17, 1996.

The adjusted pro-forma summary income information is presented below (thousands except per share data):

	Third Quarter 1995			Third Quarter 1996
	As Reported October 28, 1995	Pro-Forma Adjustments	Adjusted Pro-Forma October 28, 1995	As Reported November 2, 1996
Net sales	$1,803,295	_	$1,803,295	$1,994,986
Gross income	452,958	-	452,958	555,374
General, administrative and store operating expenses	(361,597)	$(22,275) (a)	(383,872)	(467,024)
Operating income	91,361	(22,275)	69,086	88,350
Interest expense	(22,573)	-	(22,573)	(20,621)
Other income, net	3,025	-	3,025	6,791
Minority interest	-	(2,383) (b)	(2,383)	(4,574)
Gain on sale of subsidiary stock	613,500	-	613,500	118,567
Income before taxes	685,313	(24,658)	660,655	188,513
Provision for income taxes	28,000	(8,000) (c)	20,000	29,000
Net income	$ 657,313	$(16,658)	$ 640,655	$ 159,513
Net income per share	$1.83		$2.34 (e)	$.59
Net income per share exclusive of gain on sale of subsidiary stock	$ .12		$ .10	$.15
Weighted average shares outstanding	358,920		273,920 (e)	271,728

	Year - to - Date 1995			Year - to - Date 1996
	As Reported October 28, 1995	Pro-Forma Adjustments	Adjusted Pro-Forma October 28, 1995	Adjusted Pro-Forma November 2, 1996
Net sales	$ 5,110,072	-	$ 5,110,072	$ 5,678,530
Gross income	1,279,320	-	1,279,320	1,516,824
General, administrative and store operating expenses	(1,011,186)	$(76,413) (a)	(1,087,599)	(1,293,096)
Operating income	268,134	(76,413)	191,721	223,728
Interest expense	(59,261)	-	(59,261)	(55,902)
Other income, net	9,913	-	9,913	19,945 (d)
Minority interest	-	(12,264) (b)	(12,264)	(17,023)
Gain on sale of subsidiary stock	613,500	-	613,500	118,567
Income before taxes	832,286	(88,677)	743,609	289,315
Provision for income taxes	87,000	(33,000) (c)	54,000	75,000 (c)
Net income	$ 745,286	$(55,677)	$ 689,609	$ 214,315
Net income per share	$2.08		$2.52 (e)	$.79 (e)
Net income per share exclusive of gain on sale of subsidiary stock	$.37		$.28	$.35
Weighted average shares outstanding	358,619		273,619 (e)	271,709 (e)

(a) Sale of a 60% interest in WFNNB as if it were consummated at the beginning of 1995.

(b) Minority interest in IBI as if the transaction was consummated at the beginning of 1995.

(c) Tax affect of pro-forma adjustments.

(d) Reduced 1996 interest income by $10.5 million earned from the temporary investment of proceeds from the IBI and WFNNB transactions that were used to consummate the self-tender.

(e) Net income per share and weighted average shares outstanding have been adjusted for the impacted of the self-tender for 85 million shares effective March 17, 1996 as if it were consummated at the beginning of 1995.

During the third quarter of 1996, net sales increased 11% to $1.995 billion compared to $1.803 billion a year ago. Net income for the quarter exclusive of gain on sale of subsidiary stock in both years, increased 51% to $40.9 million compared to pro-forma net income of $27.2 million last year. Earnings per share were $.15 compared to pro-forma earnings per share of $.10 in 1995.

Third quarter highlights include the following:

- Lerner New York substantially improved operating income with a comparable store sales gain of 18%.

- Abercrombie & Fitch more than doubled its operating income while producing a 19% comparable store sales gain.

- Structure showed substantial improvement in operating results over last year and achieved a 6% comparable store sales gain.

- Limited Too produced a 13% comparable store sales gain.

Sales for the thirty-nine weeks ended November 2, 1996 increased 11% to $5.679 billion compared to $5.110 billion in 1995. Pro-forma 1996 net income, exclusive of gains on sale of subsidiary stock in both years, increased 26% to $95.7 million from pro-forma 1995 net income of $76.1 million. Pro-forma 1996 earnings per share were $.35 compared to 1995 pro-forma earnings per share of $.28.

Financial Summary

The following summarized financial data compares the thirteen and thirty-nine week periods ended November 2, 1996 to the comparable periods for 1995:

	Third Quarter			Year - to - Date		
	1996	1995	Change From Prior Year	1996	1995	Change From Prior Year
Net sales (millions):						
Victoria's Secret Stores	$ 304	$ 264	15%	$ 910	$ 786	16%
Victoria's Secret Catalogue	133	132	1%	476	455	5%
Bath & Body Works	133	87	53%	378	237	59%
Cacique	20	19	5%	59	52	13%
Other	7	4	75%	13	9	44%
Total Intimate Brands, Inc.	$ 597	$ 506	18%	$1,836	$1,539	19%
Express	350	360	(3%)	982	977	1%
Lerner New York	257	223	15%	703	666	6%
Lane Bryant	220	219	-	646	629	3%
Limited Stores	211	214	(1%)	604	584	3%
Henri Bendel	26	24	8%	66	65	2%
Total Women's Businesses	$1,064	$1,040	2%	$3,001	$2,921	3%
Structure	149	128	16%	417	356	17%
Abercrombie & Fitch Co.	88	57	54%	196	129	52%
The Limited Too	73	58	26%	166	145	14%
Galyan's (since 7/2/95)	20	14	43%	57	20	
Other	4	-		6	-	
Total Emerging Businesses	$ 334	$ 257	30%	$ 842	$ 650	30%
Total Net Sales	$1,995	$1,803	11%	$5,679	$5,110	11%
Operating income (millions):						
Intimate Brands, Inc.	$53	$45	18%	$189	$159	19%
Women's Businesses	22	21	5%	7	29	(76%)
Emerging Businesses	13	3 *	333%	28	4 *	600%
Total Operating Income	$88	$69 *	28%	$224	$192 *	17%

* Reflects adjusted pro-forma results. Historical operating income for the Emerging Businesses (including WFNNB) was $25 million and $80 million in the third quarter and year-to-date period of 1995 and total operating income was $91 million and $268 million in the same periods.

	Third Quarter 1996	Third Quarter 1995	Third Quarter Change From Prior Year	Year - to - Date 1996	Year - to - Date 1995	Year - to - Date Change From Prior Year
Increase (decrease) in comparable store sales:						
Victoria's Secret Stores	6%	(6%)		6%	(1%)	
Bath & Body Works	2%	26%		8%	26%	
Cacique	0%	(18%)		9%	(23%)	
Total Intimate Brands, Inc.	5%	(2%)		6%	2%	
Express	(7%)	(3%)		(3%)	2%	
Lerner New York	18%	(4%)		8%	(1%)	
Lane Bryant	0%	(9%)		1%	(8%)	
Limited Stores	0%	4%		5%	(6%)	
Henri Bendel	(6%)	3%		(2%)	7%	
Total Women's Businesses	2%	(3%)		2%	(2%)	
Structure	6%	(7%)		7%	(5%)	
Abercrombie & Fitch Co.	19%	9%		17%	6%	
The Limited Too	13%	(10%)		(2%)	1%	
Galyan's (since 7/2/95)	16%	N/A		13%	N/A	
Total Emerging Businesses	11%	(5%)		7%	(2%)	
Total comparable store sales increase (decrease)	4%	(3%)		4%	(2%)	
Retail sales increase attributable to new and remodeled stores	7%	5%		8%	6%	
Retail sales per average selling square foot	$65.69	$62.25	6%	$185.35	$176.91	5%
Retail sales per average store (thousands)	$ 333	$ 325	2%	$ 947	$ 926	2%
Average store size at end of quarter (square feet)	5,055	5,201	(3%)			
Retail selling square feet (thousands)	28,589	27,116	5%			
Number of stores:						
Beginning of period	5,454	5,048		5,298	4,867	
Opened	213	187		421	385	
Acquired	-	-		-	6	
Closed	(11)	(21)		(63)	(44)	
End of period	5,656	5,214		5,656	5,214	

	Number of Stores			Selling Sq. Ft. (thousands)		
	November 2, 1996	October 28, 1995	Change From Prior Year	November 2, 1996	October 28, 1995	Change From Prior Year
Victoria's Secret Stores	726	659	67	3,282	2,941	341
Bath & Body Works	737	450	287	1,313	748	565
Cacique	121	119	2	371	363	8
Penhaligon's	4	4	0	2	2	0
Total Intimate Brands, Inc.	1,588	1,232	356	4,968	4,054	914
Express	758	734	4	4,752	4,552	200
Lerner New York	811	843	(32)	6,168	6,489	(321)
Lane Bryant	830	824	6	3,982	3,933	49
Limited Stores	683	702	(19)	4,099	4,269	(170)
Henri Bendel	6	4	2	113	88	25
Total Women's Businesses	3,088	3,107	(19)	19,114	19,331	(217)
Structure	543	499	44	2,116	1,916	200
Abercrombie & Fitch Co.	119	86	3	934	689	245
The Limited Too	309	284	25	969	887	82
Galyan's	9	6	3	488	239	249
Total Emerging Businesses	980	875	105	4,507	3,731	776
Total stores and selling square feet	5,656	5,214	442	28,589	27,116	1,473

Net Sales

Net sales for the third quarter of 1996 increased 11% over third quarter 1995 primarily as a result of the 4% increase in comparable store sales and the net addition of new and remodeled stores. During the third quarter of this year, the Company opened 213 new stores and closed 11 stores.

Consistent with the third quarter, the year-to-date 1996 sales increase of 11% was a result of the 4% increase in comparable store sales and the net addition of 442 stores since the third quarter of 1995.

Sales at the Intimate Brands, Inc. businesses for the third quarter of 1996 increased 18% over the same period last year. This increase was attributable to the net addition of 356 new stores and a 5% increase in comparable store sales. Year-to-date Intimate Brands, Inc. sales increased 19% over the same period in 1995, due to the net addition of new and remodeled stores, a 6% increase in comparable store sales and a 5% increase in catalogue net sales.

Sales at the women's businesses for the third quarter and year-to-date period of 1996 increased slightly compared to the same periods in 1995, primarily due to the 2% increases in comparable store sales for the third quarter and year. Disappointing results at the Express division, which experienced declines of 7% and 3% in comparable store sales for the third quarter and year-to-date periods, were offset by improved results at Lerner New York, which sales increased by 15% in the third quarter and 6% year-to-date despite having fewer stores throughout the period.

In addition, the overall sales increase for the Company included strong sales increases at Structure and Abercrombie & Fitch, bolstered by third quarter comparable stores sales increases of 6% and 19%, respectively. In addition, these divisions experienced 7% and 17% increases, respectively, in comparable store sales for the year-to-date period.

Gross Income

Gross income increased as a percentage of sales to 27.8% for the third quarter 1996 from 25.1% for the same period in 1995. The merchandise margin rate, expressed as a percentage of sales, increased 1.5% due principally to improved initial mark-up which more than offset a slight increase in the markdown rate. Buying and occupancy costs decreased 1.2% as a percentage of sales, primarily due to the sales productivity associated with the 4% increase in comparable store sales.

The 1996 year-to-date gross income rate increased 1.7% to 26.7% as compared to 1995. Merchandise margins, expressed as a percentage of sales, increased .8% due to improved initial mark-up partially offset by a slight increase in the markdown rate. Buying and occupancy costs decreased .9% as a percentage of sales, primarily due to sales productivity associated with the 4% increase in comparable store sales.

General, Administrative and Store Operating Expenses

General, administrative and store operating expenses increased as a percentage of sales to 23.4% in the third quarter of 1996 compared to 21.3% on an adjusted pro-forma basis in the third quarter of 1995. This increase as a percentage of sales was attributable to a 3.4% rate increase at the IBI businesses sales performance at Express and a slight decline in sales at Limited Stores. IBI's increase is primarily the result of the disproportionate growth of Bath & Body Works in the overall mix of net sales for the Company and investments made in store staffing and management for the personal care portion of Victoria's Secret Stores. Due to the emphasis on point of sale marketing and sales floor coverage, these IBI businesses have higher general, administrative and store operating expenses as a percentage of net sales, which have been more than offset by higher gross margins.

Year-to-date general, administrative and store operating expenses increased as a percentage of sales to 22.8% in 1996 compared to 21.3% on an adjusted pro-forma basis in 1995. This increase was primarily due to the reasons discussed above.

During the fourth quarter of 1995, the Company recognized a special and nonrecurring charge of approximately $45.6 million related to the planned closing and downsizing of stores. The Company expects to have taken action on virtually all of the planned closing and downsizings by the end of 1996.

Operating Income

Third quarter and year-to-date operating income, as a percentage of sales, was 4.4% and 3.9% respectively, versus 3.8% on an adjusted pro-forma basis for the comparable periods in 1995. This increase was due to increases in gross income, which more than offset the general, administrative and store operating expense rate increases.

Gain on Sale of Subsidiary Stock

The 1996 third quarter results include a $118.6 million gain from the September, 1996 initial public offering of a 15.8% interest (8.05 million shares of common stock) in A&F (see Note 8). The 1995 third quarter results include a $613.5 million dollar gain which resulted from the October, 1995 initial public offering of a 16% interest in IBI. These gains were not subject to tax.

Interest Expense

	Third Quarter		Year-to-Date	
	1996	1995	1996	1995
Average Borrowings (millions)	$1,110	$1,051	$939	$915
Average Effective Interest Rate	7.43%	8.59%	7.94%	8.64%

Interest expense decreased in the third quarter and year-to-date periods of 1996 as compared to the comparable periods of 1995 primarily due to lower average effective interest rates, which more than offset a slight increase in average borrowings.

Other Income

The $3.8 million increase in other income in the third quarter of 1996 over 1995 is primarily attributable to interest income associated with the investment of $351.6 million restricted cash. The $20.5 million increase in year-to-date other income over 1995 is attributable to the investment of restricted cash and approximately $10.5 million of interest income arising from $1.6 billion of funds temporarily invested that were used to consummate the Company's self-tender in mid-March of this year.

FINANCIAL CONDITION

Liquidity and Capital Resources

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

	November 2, 1996	February 3, 1996	Adjusted February 3, 1996*
Working Capital	$ 398,096	$2,083,457	$ 468,457
Capitalization:			
Long-term debt	$ 650,000	$ 650,000	$ 650,000
Deferred income taxes	167,017	250,857	250,857
Shareholders' equity	1,735,639	3,201,041	1,586,041
Total Capitalization	$2,552,656	$4,101,898	$2,486,898
Additional amounts available under committed long-term credit agreements (see note 5)	$1,000,000	$1,000,000	$1,000,000

* Adjusted February 3, 1996 reflects the impact of the March 17, 1996 repurchase of 85 million shares of the Company's common stock for $1.615 billion.

Net cash used for operating activities totaled $78.2 million for the thirty-nine weeks ended November 2, 1996 versus $223 million in the same period of 1995. Lower amounts of cash were required to fund inventories due to an increase in accounts payable and accrued expenses primarily resulting from increases in merchandise payables related to holiday inventory purchases. Cash used for income taxes is due principally to the timing of payment of taxes on the prior year's fourth quarter earnings. Cash required for other assets and liabilities includes additional investments in joint ventures.

Investing activities included capital expenditures, primarily for new and remodeled stores. In addition, 1995 included the acquisition of Galyan's for $18 million in cash and stock.

Financing activities include proceeds from and the partial repayment of $150 million in short-term debt borrowed by A&F and net proceeds of $118.6 million from A&F's initial public offering (see Note 8). Financing activities also included $1.615 billion used to repurchase 85 million shares of the Company's common stock (see Note 7). Financing activities in 1995 include proceeds from and the repayment of $250 million in short-term debt borrowed by IBI and net proceeds of $635 million from the initial public offering of IBI.

Capital Expenditures

Capital expenditures totaled $319.8 million during the thirty-nine weeks ended November 2, 1996, compared to $285.6 million for the comparable period of 1995. The Company anticipates spending approximately $380 - $390 million for capital expenditures in 1996 of which approximately $240 - $250 million will be for new stores, the remodeling of existing stores, and fixturing and related improvements for the retail businesses.

The Company presently anticipates that substantially all 1996 capital expenditures will be funded by net cash provided from operating activities. In addition, the Company presently has available $1 billion under committed, unsecured long-term credit agreements and has the ability to offer up to $250 million in additional debt securities and warrants to purchase debt securities under its shelf registration statement (see Note 5).

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

All forward-looking statements made by the Company involve material risks and uncertainties and are subject to change based on various important factors 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. Such factors include, but are not limited to, 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 associates, and other factors that may be described in the Company's filings with the Securities and Exchange Commission. The Company does not undertake to publicly update or revise its forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized.

PART II - OTHER INFORMATION

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, 1988.

   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.

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, 1988 between the Company and The Bank of New York, incorporated by reference to Exhibit 4.1(a) to the Company's Current Report on Form 8-K dated March 21, 1989.

   4.3 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 December 15, 1995 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 1995 Annual Report on Form 10-K.

4.9 Credit Agreement dated as of June 28, 1996 among Abercrombie & Fitch Stores, Inc., Abercrombie & Fitch Trademark, Inc., the banks listed therein and Chase Manhattan Bank, N.A. as Agent, incorporated by reference to Exhibit 4.9 to the Company's quarterly report on Form 10-Q for the quarter ended August 3, 1996.

10. Material Contracts

10.1 The Limited, Inc. 1993 Stock Option and Performance Incentive Plan (1996 Amendment and Restatement).

10.2 The Limited, Inc. 1996 Stock Plan for Non-Associate Directors.

10.3 The Limited, Inc. Incentive Compensation Plan

11. Statement re: Computation of Per Share Earnings

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

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

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/ Kenneth B. Gilman

Kenneth B. Gilman
Vice Chairman and Chief
Financial Officer*

Date: December 13, 1996

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

EXHIBIT INDEX

Exhibit No.	Document
10.1	The Limited, Inc. 1993 Stock Option and Performance Incentive Plan (1996 Amendment and Restatement).
10.2	The Limited, Inc. 1996 Stock Plan for Non-Associate Directors.
10.3	The Limited, Inc. Incentive Compensation Plan
11	Statement re: Computation of Per Share Earnings.
12	Statement re: Ratio of Earnings to Fixed Charges.
15	Letter re: Unaudited Interim Financial Information re: Incorporation of Report of Independent Accountants.
27	Financial Data Schedule.

EXHIBIT 10.1

THE LIMITED, INC.
1993 STOCK OPTION AND PERFORMANCE INCENTIVE PLAN
(1996 Amendment and Restatement)

(Amended and Restated as of November 1, 1996)

THE LIMITED, INC.
1993 STOCK OPTION AND PERFORMANCE INCENTIVE PLAN
(1996 Amendment and Restatement)

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THE LIMITED, INC.

1993 STOCK OPTION AND PERFORMANCE INCENTIVE PLAN
(1996 Amendment and Restatement)

ARTICLE ONE

ESTABLISHMENT AND PURPOSE

1.1 Establishment and Effective Date. The Limited, Inc., a Delaware corporation (the "Company"), hereby establishes a stock incentive plan to be known as "The Limited, Inc. 1993 Stock Option and Performance Incentive Plan (1996 Amendment and Restatement)" (the "Plan"). The Plan shall become effective on May 20, 1996, subject to the approval of the Company's stockholders at the 1996 Annual Meeting. Upon approval by the Board of Directors of the Company (the "Board"), awards may be made as provided herein, subject to subsequent stockholder approval. In the event that such stockholder approval is not obtained, any such awards shall be cancelled and all rights of associates with respect to such award shall thereupon cease.

1.2 Purpose. The Company desires to attract and retain the best available executive and key management associates for itself and its subsidiaries and to encourage the highest level of performance by such associates in order to serve the best interests of the Company and its stockholders. The Plan is expected to contribute to the attainment of these objectives by offering eligible associates the opportunity to acquire stock ownership interests in the Company, and other rights with respect to stock of the Company, and to thereby provide them with incentives to put forth maximum efforts for the success of the Company and its subsidiaries.

ARTICLE TWO

AWARDS

2.1 Form of Awards. Awards under the Plan may be granted in any one or all of the following forms: (i) incentive stock options ("Incentive Stock Options") meeting the requirements of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"); (ii) nonstatutory stock options ("Nonstatutory Stock Options") (unless otherwise indicated, references in the Plan to Options shall include both Incentive Stock Options and Nonstatutory Stock Options); (iii) stock appreciation rights ("Stock Appreciation Rights"), as described in Article 7, which may be awarded either in tandem with Options ("Tandem Stock Appreciation Rights") or on a stand-alone basis ("Nontandem Stock Appreciation Rights"); (iv) shares of common stock of the Company ("Common Stock") which are restricted as provided in Article

11 ("Restricted Shares"); (v) units representing shares of Common Stock, as described in Article 12 ("Performance Shares"); (vi) units which do not represent shares of Common Stock but which may be paid in the form of Common Stock, as described in Article 13 ("Performance Units"); (vii) shares of unrestricted Common Stock ("Unrestricted Shares"); and (viii) tax offset payments ("Tax Offset Payments"), as described in Article 15.

2.2 Maximum Shares Available. The maximum aggregate number of shares of Common Stock available for award under the Plan is 17,298,225 subject to adjustment pursuant to Article 16. In addition, Tax Offset Payments which may be awarded under the Plan will not exceed the number of shares available for issuance under the Plan.] Shares of Common Stock issued pursuant to the Plan may be either authorized but unissued shares or issued shares reacquired by the Company. In the event that prior to the end of the period during which Options may be granted under the Plan, any Option or any Nontandem Stock Appreciation Right under the Plan expires unexercised or is terminated, surrendered or cancelled (other than in connection with the exercise of a Stock Appreciation Right) without being exercised in whole or in part for any reason, or any Restricted Shares, Performance Shares or Performance Units are forfeited, or if such awards are settled in cash in lieu of shares of Common Stock, then such shares or units may, at the discretion of the Committee to the extent permissible under Rule 16b-3 under the Securities Exchange Act of 1934 (the "Act"), be made available for subsequent awards under the Plan, upon such terms as the Committee may determine.

2.3 Return of Prior Awards. As a condition to any subsequent award, the Committee shall have the right, at its discretion, to require associates to return to the Company awards previously granted under this Plan. Subject to the provisions of this Plan, such new award shall be upon such terms and conditions as are specified by the Committee at the time the new award is granted.

ARTICLE THREE

ADMINISTRATION

3.1 Committee. The Plan shall be administered by a Committee (the "Committee") appointed by the Board and consisting of not less than two (2) members of the Board. Each member of the Committee shall be an "outside director" (within the meaning of Section 162(m) of the Code) and a "non-employee director" (within the meaning of Rule 16b-3(b)(3)(i) under the Act).

3.2 Powers of Committee. Subject to the express provisions of the Plan, the Committee shall have the power and authority (i) to grant Options and to determine the purchase price of the Common Stock covered by each Option, the term of each Option, the number of shares of Common Stock to be covered by each Option and any performance objectives or vesting standards applicable to each Option; (ii) to designate Options as Incentive Stock Options or Nonstatutory Stock Options and to determine which Options, if any, shall be accompanied by Tandem Stock Appreciation Rights; (iii) to grant Tandem Stock Appreciation Rights and Nontandem Stock Appreciation Rights and to determine the terms and conditions of such rights; (iv) to grant Restricted Shares and to determine the term of the restricted period and other conditions and restrictions applicable to such shares; (v) to grant Performance Shares and Performance Units and to determine the performance objectives, performance periods and other conditions applicable to such shares or units; (vi) to grant Unrestricted Shares; (vii) to determine the amount of, and to make, Tax Offset Payments; and (viii) to determine the associates to whom, and the time or times at which, Options, Stock Appreciation Rights, Restricted Shares, Performance Shares, Performance Units and Unrestricted Shares shall be granted.

3.3 Delegation. The Committee may delegate to one or more of its members or to any other person or persons such ministerial duties as it may deem advisable; provided, however, that the Committee may not delegate any of its responsibilities hereunder if such delegation will cause (i) transactions under the Plan to fail to comply with Section 16 of the Act or (ii) the Committee to fail to qualify as "outside directors" under Section 162(m) of the Code. The Committee may also employ attorneys, consultants, accountants or other professional advisors and shall be entitled to rely upon the advice, opinions or valuations of any such advisors.

3.4 Interpretations. The Committee shall have sole discretionary authority to interpret the terms of the Plan, to adopt and revise rules, regulations and policies to administer the Plan and to make any other factual determinations which it believes to be necessary or advisable for the administration of the Plan. All actions taken and interpretations and determinations made by the Committee in good faith shall be final and binding upon the Company, all associates who have received awards under the Plan and all other interested persons.

3.5 Liability; Indemnification. No member of the Committee, nor any associate to whom ministerial duties have been delegated, shall be personally liable for any action, interpretation or determination made with respect to the Plan or awards made thereunder, and each member of the Committee shall be fully indemnified and protected by the Company with respect to any liability he or she may incur with respect to any such action, interpretation or determination, to the extent permitted by applicable law and to the extent provided in the Company's Certificate of Incorporation and Bylaws, as amended from time to time.

ARTICLE FOUR

ELIGIBILITY

Awards shall be limited to executive and key management associates who are regular, full-time associates of the Company and its present and future subsidiaries. In determining the associates to whom awards shall be granted and the number of shares to be covered by each award, the Committee shall take into account the nature of the services rendered by such associates, their present and potential contributions to the success of the Company and its subsidiaries and such other factors as the Committee in its sole discretion shall deem relevant. Notwithstanding the foregoing, the Committee may also grant awards to non-associate directors of the Company and its present and future subsidiaries. Unless otherwise specified, references to associates herein shall mean both associates and non-associate directors who have received grants under this Plan. As used in this Plan, the term "subsidiary" shall mean any corporation which at the time qualifies as a subsidiary of the Company under the definition of "subsidiary corporation" set forth in Section 424(f) of the Code, or any similar provision hereafter enacted. No associate may be granted in any calendar year awards covering more than 400,000 shares of Common Stock.

ARTICLE FIVE

STOCK OPTIONS

5.1 Grant of Options. Options may be granted under this Plan for the purchase of shares of Common Stock. Options shall be granted in such form and upon such terms and conditions, including the satisfaction of corporate or individual performance objectives and other vesting standards, as the Committee shall from time to time determine.

5.2 Option Price. The option price of each Option to purchase Common Stock shall be determined by the Committee at the time of the grant, but shall not be less than 100 percent of the fair market value of the Common Stock subject to such Option on the date of grant. The option price so determined shall also be applicable in connection with the exercise of any Tandem Stock Appreciation Right granted with respect to such Option.

5.3 Term of Options. The term of each Nonstatutory Stock Option granted under the Plan shall not exceed ten (10) years and one day from the date of grant, subject to earlier termination as provided in Articles 9 and 10. Except as otherwise provided in Section 6.1 with respect to ten (10) percent stockholders of the Company, the term of each Incentive Stock Option shall not exceed ten (10) years from the date of grant, subject to earlier termination as provided in Articles 9 and 10.

5.4 Exercise of Options. An Option may be exercised, in whole or in part, at such time or times as the Committee shall determine. The Committee may, in its discretion, accelerate the exercisability of any Option at any time. Options may be exercised by an associate by giving written notice to the Committee stating the number of shares of Common Stock with respect to which the Option is being exercised and tendering payment therefor. Payment for the Common Stock issuable upon exercise of the Option shall be made in full in cash or by certified check or, if the Committee, in its sole discretion, permits, in shares of Common Stock (valued at fair market value on the date of exercise). As soon as reasonably practicable following such exercise, a certificate representing the shares of Common Stock purchased, registered in the name of the associate, shall be delivered to the associate. Notwithstanding the foregoing, an associate may not exercise an Option prior to the approval of the Plan by the stockholders.

5.5 Cancellation of Stock Appreciation Rights. Upon exercise of all or a portion of an Option, the related Tandem Stock Appreciation Rights shall be cancelled with respect to an equal number of shares of Common Stock.

ARTICLE SIX

SPECIAL RULES APPLICABLE TO INCENTIVE STOCK OPTIONS

6.1 Ten Percent Stockholder. Notwithstanding any other provision of this Plan to the contrary, no associate may receive an Incentive Stock Option under the Plan if such associate, at the time the award is granted, owns (after application of the rules contained in Section 424(d) of the Code) stock possessing more than ten (10) percent of the total combined voting power of all classes of stock of the Company or its subsidiaries, unless (i) the option price for such Incentive Stock Option is at least 110 percent of the fair market value of the Common Stock subject to such Incentive Stock Option on the date of grant and (ii) such Option is not exercisable after the date five (5) years from the date such Incentive Stock Option is granted.

6.2 Limitation on Grants. The aggregate fair market value (determined with respect to each Incentive Stock Option at the time such Incentive Stock Option is granted) of the shares of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by an associate during any calendar year (under this Plan or any other plan of the Company or a subsidiary) shall not exceed $100,000.

6.3 Limitations on Time of Grant. No grant of an Incentive Stock Option shall be made under this Plan more than ten (10) years after the earlier of the date of adoption of the Plan by the Board or the date the Plan is approved by stockholders.

ARTICLE SEVEN

STOCK APPRECIATION RIGHTS

7.1 Grants of Stock Appreciation Rights. Tandem Stock Appreciation Rights may be awarded by the Committee in connection with any Option granted under the Plan, either at the time the Option is granted or thereafter at any time prior to the exercise, termination or expiration of the Option. Nontandem Stock Appreciation Rights may also be granted by the Committee at any time. At the time of grant of a Nontandem Stock Appreciation Right, the Committee shall specify the number of shares of Common Stock covered by such right and the base price of shares of Common Stock to be used in connection with the calculation described in Section 7.4 below. The base price of a Nontandem Stock Appreciation Right shall be not less than 100 percent of the fair market value of a share of Common Stock on the date of grant. Stock Appreciation Rights shall be subject to such terms and conditions not inconsistent with the other provisions of this Plan as the Committee shall determine.

7.2 Limitations on Exercise. A Tandem Stock Appreciation Right shall be exercisable only to the extent that the related Option is exercisable and shall be exercisable only for such period as the Committee may determine (which period may expire prior to the expiration date of the related Option). Upon the exercise of all or a portion of Tandem Stock Appreciation Rights, the related Option shall be cancelled with respect to an equal number of shares of Common Stock. Shares of Common Stock subject to Options, or portions thereof, surrendered upon exercise of a Tandem Stock Appreciation Right, shall not be available for subsequent awards under the Plan. A Nontandem Stock Appreciation Right shall be exercisable during such period as the Committee shall determine.

7.3 Surrender or Exchange of Tandem Stock Appreciation Rights. A Tandem Stock Appreciation Right shall entitle the associate to surrender to the Company unexercised the related option, or any portion thereof, and to receive from the Company in exchange therefor that number of shares of Common Stock having an aggregate fair market value equal to (A) the excess of (i) the fair market value of one (1) share of Common Stock as of the date the Tandem Stock Appreciation Right is exercised over (ii) the option price per share specified in such Option, multiplied by (B) the number of shares of Common Stock subject to the Option, or portion thereof, which is surrendered. Cash shall be delivered in lieu of any fractional shares.

7.4 Exercise of Nontandem Stock Appreciation Rights. The exercise of a Nontandem Stock Appreciation Right shall entitle the associate to receive from the Company that number of shares of Common Stock having an aggregate fair market value equal to (A) the excess of (i) the fair market value of one (1) share of Common Stock as of the date on which the Nontandem Stock Appreciation Right is exercised over (ii) the base price of the shares covered by the Nontandem Stock Appreciation Right, multiplied by (B) the number of shares of Common Stock covered by the Nontandem Stock Appreciation Right, or the portion thereof being exercised. Cash shall be delivered in lieu of any fractional shares.

7.5 Settlement of Stock Appreciation Rights. As soon as is reasonably practicable after the exercise of a Stock Appreciation Right, the Company shall (i) issue, in the name of the associate, stock certificates representing the total number of full shares of Common Stock to which the associate is entitled pursuant to Section 7.3 or 7.4 hereof and cash in an amount equal to the fair market value, as of the date of exercise, of any resulting fractional shares, and (ii) if the Committee causes the Company to elect to settle all or part of its obligations arising out of the exercise of the Stock Appreciation Right in cash pursuant to Section 7.6, deliver to the associate an amount in cash equal to the fair market value, as of the date of exercise, of the shares of Common Stock it would otherwise be obligated to deliver.

7.6 Cash Settlement. The Committee, in its discretion, may cause the Company to settle all or any part of its obligation arising out of the exercise of a Stock Appreciation Right by the payment of cash in lieu of all or part of the shares of Common Stock it would otherwise be obligated to deliver in an amount equal to the fair market value of such shares on the date of exercise.

ARTICLE EIGHT

NONTRANSFERABILITY OF OPTIONS AND STOCK APPRECIATION RIGHTS

No Option or Stock Appreciation Right may be transferred, assigned, pledged or hypothecated (whether by operation of law or otherwise), except as provided by will or the applicable laws of descent and distribution, and no Option or Stock Appreciation Right shall be subject to execution, attachment or similar process. Any attempted assignment, transfer, pledge, hypothecation or other disposition of an Option or a Stock Appreciation Right not specifically permitted herein shall be null and void and without effect. An Option or Stock Appreciation Right may be exercised by an associate only during his or her lifetime, or following his or her death pursuant to Article 10.

ARTICLE NINE

TERMINATION OF EMPLOYMENT

9.1 Exercise after Termination of Employment. In the event that the employment of an associate to whom an Option or Stock Appreciation Right has been granted under the Plan shall be terminated (for reasons other than death or total disability), such Option or Stock Appreciation Right may be exercised (to the extent that the associate was entitled to do so at the termination of his employment) at any time within three (3) months after such termination of employment.

9.2 Total Disability. In the event that an associate to whom an Option or Stock Appreciation Right has been granted under the Plan shall become totally disabled, such Option or Stock Appreciation Right may be exercised at any time during the first nine (9) months that the associate receives benefits under The (illegible) Long-Term Disability Plan (the "Disability Plan"). For purposes hereof, "total disability" shall have the definition set forth in the Disability Plan, which definition is hereby incorporated by reference.

9.3 Disability or Cessation of Director's Term. A non-associate director shall be entitled to exercise Options or Stock Appreciation Rights only during his or her term as director and for a period of three (3) months thereafter; provided, however, that a non-associate director shall be entitled to exercise awards for a period of nine (9) months following the total disability of such non-associate director.

ARTICLE TEN

DEATH OF ASSOCIATE

If an associate to whom an Option or Stock Appreciation Right has been granted under the Plan shall while employed by the Company or one of its subsidiaries or within three (3) months after the termination of such employment or cessation of director's term, such Option or Stock Appreciation Right may be exercised to the extent that the associate was entitled to do so at the time of his or her death, by the associate's estate or by the person who acquires the right to exercise such Option or Stock Appreciation Right (illegible) his or her death by bequest or inheritance. Such exercise may occur at any time within one (1) year (illegible) the date of the associate's death, but in no case later than the date on which the Option or Stock Appreciation Right terminates.

ARTICLE ELEVEN

RESTRICTED SHARES

11.1 Grant of Restricted Shares. The Committee may from time to time cause the Company to grant Restricted Shares under the Plan to associates, subject to such restrictions, conditions and other terms as the Committee may determine.

11.2 Restrictions. At the time a grant of Restricted Shares is made, the Committee shall establish a period of time (the "Restricted Period") applicable to such Restricted Shares. Each grant of Restricted Shares may be subject to a different Restricted Period. The Committee may, in its sole discretion, at the time a grant is made, prescribe restrictions in addition to or other than the expiration of the Restricted Period, including the satisfaction of corporate or individual performance objectives, which shall be applicable to all or any portion of the Restricted Shares. The Committee may also, in its sole discretion, shorten or terminate the Restricted Period or waive any other restrictions applicable to all or a portion of such Restricted Shares. None of the Restricted Shares may be sold, transferred, assigned, pledged or otherwise encumbered or disposed of during the Restricted Period or prior to the satisfaction of any other restrictions prescribed by the Committee with respect to such Restricted Shares.

11.3 Restricted Stock Certificates. The Company shall issue, in the name of each associate to whom Restricted Shares have been granted, stock certificates representing the total number of Restricted Shares granted to the associate, as soon as reasonably practicable after the grant. The Secretary of the Company shall hold such certificates, properly endorsed for transfer, for the associate's benefit until such time as the Restricted Shares are forfeited to the Company, or the restrictions lapse.

11.4 Rights of Holders of Restricted Shares. Holders of Restricted Shares shall not have the right to vote such shares or the right to receive any dividends with respect to such shares. All distributions, if any, received by an associate with respect to Restricted Shares as a result of any stock split-up, stock distribution, a combination of shares, or other similar transaction shall be subject to the restrictions of this Article 11.

11.5 Forfeiture. Any Restricted Shares granted to an associate pursuant to the Plan shall be forfeited if the associate terminates employment with the Company or its subsidiaries (or if a non-associate director ceases to be a director of the Company or one of its subsidiaries) prior to the expiration or termination of the Restricted Period and the satisfaction of any other conditions applicable to such Restricted Shares. Upon such forfeiture, the Secretary of the Company shall either cancel or retain in its treasury the Restricted Shares that are forfeited to the Company. If the associate's employment (or director's term) terminates as a result of his or her death or total disability (as defined in Article 9), Restricted Shares of such associate shall be forfeited, unless the Committee, in its sole discretion, shall determine otherwise.

11.6 Delivery of Restricted Shares. Upon the expiration or termination of the Restricted Period and the satisfaction of any other conditions prescribed by the Committee, the restrictions applicable to the Restricted Shares shall lapse and a stock certificate for the number of Restricted Shares with respect to which the restrictions have lapsed shall be delivered, free of all such restrictions, to the associate or the associate's beneficiary or estate, as the case may be.

11.7 Performance-Based Objectives. At the time of the grant of Restricted Shares to an associate, and prior to the beginning of the performance period to which performance objectives relate, the Committee may establish performance objectives based on operating income and/or gross margin objectives of the Company or any subsidiary or division thereof. These objectives shall be based on an analysis of historical performance and growth expectations for the relevant business unit, financial results of other comparable businesses both inside and outside the Company, and progress towards achieving the long-range strategic plan for that business unit. These objectives and determination of results shall be based entirely on such financial measures, and the Committee shall have no discretion to modify such results.

ARTICLE TWELVE

PERFORMANCE SHARES

12.1 Award of Performance Shares. For each Performance Period (as defined in Section 12.2), Performance Shares may be granted under the Plan to such associates of the Company and its subsidiaries as the Committee shall determine. Each Performance Share shall be deemed to be equivalent to one (1) share of Common Stock. Performance Shares granted to an associate shall be credited to an account (a "Performance Share Account") established and maintained for such associate.

12.2 Performance Period. "Performance Period" shall mean such period of time as shall be determined by the Committee in its sole discretion. Different Performance Periods may be established for different associates receiving Performance Shares. Performance Periods may run consecutively or concurrently.

12.3 Right to Payment of Performance Shares. With respect to each award of Performance Shares under this Plan, the Committee shall specify performance objectives (the "Performance Objectives") which must be satisfied in order for the associate to vest in the Performance Shares which have been awarded to him or her for the Performance Period. If the Performance Objectives established for an associate for the Performance Period are partially but not fully met, the Committee may, nonetheless, in its sole discretion, determine that all or a portion of the Performance Shares have vested. If the Performance Objectives for a Performance Period are exceeded, the Committee may, in its sole discretion, grant additional, fully vested Performance Shares to the associate. The Committee may also determine, in its sole discretion, that Performance Shares awarded to an associate shall become partially or fully vested upon the associate's death, total disability (as defined in Article 9) or retirement, or upon the termination of the associate's employment (or director's term) prior to the end of the Performance Period.

12.4 Payment for Performance Shares. As soon as practicable following the end of a Performance Period, the Committee shall determine whether the Performance Objectives for the Performance Period have been achieved (or partially achieved to the extent necessary to permit partial vesting at the discretion of the Committee pursuant to Section 12.3). If the Performance Objectives for the Performance Period have been exceeded, the Committee shall determine whether additional Performance Shares shall be granted to the associate pursuant to Section 12.3. As soon as reasonably practicable after such determinations, or at such later date as the Committee shall determine at the time of grant, the Company shall pay to the associate an amount with respect to each vested Performance Share equal to the fair market value of a share of Common Stock on such payment date or, if the Committee shall so specify at the time of grant, an amount equal to (i) the fair market value of a share of Common Stock on the payment date less (ii) the fair market value of a share of Common Stock on the date of grant of the Performance Share. Payment shall be made entirely in cash, entirely in Common Stock (including Restricted Shares) or in such combination of cash and Common Stock as the Committee shall determine.

12.5 Voting and Dividend Rights. Except as the Committee may otherwise provide, no associate shall be entitled to any voting rights, to receive any dividends, or to have his or her Performance Share Account credited or increased as a result of any dividends or other distribution with respect to Common Stock. Notwithstanding the foregoing, within sixty (60) days from the date of payment of a dividend by the Company on its shares of Common Stock, the Committee, in its discretion, may credit an associate's Performance Share Account with additional Performance Shares having an aggregate fair market value equal to the dividend per share paid on the Common Stock multiplied by the number of Performance Shares credited to his or her account at the time the dividend was declared.

ARTICLE THIRTEEN

PERFORMANCE UNITS

13.1 Award of Performance Units. For each Performance Period (as defined in Section 12.2), Performance Units may be granted under the Plan to such associates of the Company and its subsidiaries as the Committee shall determine. The award agreement covering such Performance Units shall specify a value for each Performance Unit or shall set forth a formula for determining the value of each Performance Unit at the time of payment (the "Ending Value"). If necessary to make the calculation of the amount to be paid to the associate pursuant to Section 13.3, the Committee shall also state in the award agreement the initial value of each Performance Unit (the "Initial Value"). Performance Units granted to an associate shall be credited to an account (a "Performance Unit Account") established and maintained for such associate.

13.2 Right to Payment of Performance Units. With respect to each award of Performance Units under this Plan, the Committee shall specify Performance Objectives which must be satisfied in order for the associate to vest in the Performance Objectives established for an associate for the Performance Period are partially but not fully met, the Committee may, nonetheless, in its sole discretion, determine that all or a portion of the Performance Units have vested. If the Performance Objectives for a Performance Period are exceeded, the Committee may, in its sole discretion, grant additional, fully vested Performance Units to the associate. The Committee may also determine, in its sole discretion, total disability (as defined in Article 9) or retirement, or upon the termination of employment of the associate by the Company.

13.3 Payment for Performance Units. As soon as practicable following the end of a Performance Period, the Committee shall determine whether the Performance Objectives for the Performance Period have been achieved (or partially achieved to the extent necessary to permit partial vesting at the discretion of the Committee pursuant to Section 13.2). If the Performance Objectives for the Performance Period have been exceeded, the Committee shall determine whether additional Performance Units shall be granted to the associate pursuant to Section 13.2. As soon as reasonably practicable after such determinations, or at such later date as the Committee shall determine at the time of grant, the Company shall pay to the associate an amount with respect to each vested Performance Unit equal to the Ending Value of the Performance Unit or, if the Committee shall so specify at the time of grant, an amount equal to (i) the Ending Value of the Performance Unit less (ii) the Initial Value of the Performance Unit. Payment shall be made entirely in cash, entirely in Common Stock (including Restricted Shares) or in such combination of cash and Common Stock as the Committee shall determine.

ARTICLE FOURTEEN

UNRESTRICTED SHARES

14.1 Award of Unrestricted Shares. The Committee may cause the Company to grant Unrestricted Shares to associates at such time or times, in such amounts and for such reasons as the Committee, in its sole discretion, shall determine. No payment shall be required for Unrestricted Shares.

14.2 Delivery of Unrestricted Shares. The Company shall issue, in the name of each associate to whom Unrestricted Shares have been granted, stock certificates representing the total number of Unrestricted Shares granted to the associate, and shall deliver such certificates to the associate as soon as reasonably practicable after the date of grant or on such later date as the Committee shall determine at the time of grant.

ARTICLE FIFTEEN

TAX OFFSET PAYMENTS

The Committee shall have the authority at the time of any award under this Plan or anytime thereafter to make Tax Offset Payments to assist associates in paying income taxes incurred as a result of their participation in this Plan. The Tax Offset Payments shall be determined by multiplying a percentage established by the Committee times all or a portion (as the Committee shall determine) of the taxable income recognized by an associate upon (i) the exercise of a Nonstatutory Stock Option or a Stock Appreciation Right, (ii) the disposition of shares received upon exercise of an Incentive Stock Option, (iii) the lapse of restrictions on Restricted Shares, (iv) the award of Unrestricted Shares, or (v) payments for Performance Shares or Performance Units. The percentage shall be established, from time to time, by the Committee at that rate which the Committee, in its sole discretion, determines to be appropriate and in the best interests of the Company to assist associates in paying income taxes incurred as a result of the events described in the preceding sentence. Tax Offset Payments shall be subject to the restrictions on transferability applicable to Options and Stock Appreciation Rights under Article 8.

ARTICLE SIXTEEN

ADJUSTMENT UPON CHANGES IN CAPITALIZATION

Notwithstanding any other provision of the Plan, the Committee may at any time make or provide for such adjustments to the Plan, to the number and class of shares available thereunder or to any outstanding Options, Stock Appreciation Rights, Restricted Shares or Performance Shares as it shall deem appropriate to prevent dilution or enlargement of rights, including adjustments in the event of changes in the number of shares of outstanding Common Stock by reason of stock dividends, extraordinary cash dividends, split-ups, recapitalizations, mergers, consolidations, combinations or exchanges of shares, separations, reorganizations, liquidations and the like.

ARTICLE SEVENTEEN

ADJUSTMENT UPON CHANGES IN CAPITALIZATION

The Board may suspend, terminate, modify or amend the Plan, provided that any amendment that would (i) materially increase the aggregate number of shares which may be issued under the Plan; (ii) materially increase the benefits accruing to associates under the Plan; or (iii) materially modify the requirements as to eligibility for participation in the Plan, shall be subject to the approval of the Company's stockholders, except that any such increase or modification that may result from adjustments authorized by Article 16 does not require such approval. If the Plan is terminated, the terms of the Plan shall, notwithstanding such termination, continue to apply to awards granted prior to such termination. No suspension, termination, modification or amendment of the Plan may, without the consent of the associate to whom an award shall theretofore have been granted, adversely affect the rights of such associate under such award.

ARTICLE EIGHTEEN

WRITTEN AGREEMENT

Each award of Options, Stock Appreciation Rights, Restricted Shares, Performance Shares, Performance Units, Unrestricted Shares and Tax Offset Payments shall be evidenced by a written agreement, executed by the associate and the Company, and containing such restrictions, terms and conditions, if any, as the Committee may require. In the event of any conflict between a written agreement and the Plan, the terms of the Plan shall govern.

ARTICLE NINETEEN

MISCELLANEOUS PROVISIONS

19.1 Fair Market Value. "Fair market value" for purposes of this Plan shall be the closing price of the Common Stock as reported on the principal exchange on which the shares are listed for the date on which the grant, exercise or other transaction occurs, or if there were no sales on such date, the most recent prior date on which there were sales.

19.2 Tax Withholding. The Company shall have the right to require associates or their beneficiaries or legal representatives to remit to the Company an amount sufficient to satisfy Federal, state and local withholding tax requirements, or to deduct from all payments under this Plan, including Tax Offset Payments, amounts sufficient to satisfy all withholding tax requirements. Whenever payments under the Plan are to be made to an associate in cash, such payments shall be net of any amounts sufficient to satisfy all Federal, state and local withholding tax requirements. The Committee may, in its discretion, permit an associate to satisfy his or her tax withholding obligation either by (i) surrendering shares owned by the associate or (ii) having the Company withhold from shares otherwise deliverable to the associate. Shares surrendered or withheld shall be valued at their fair market value as of the date on which income is required to be recognized for income tax purposes. In the case of an award of Incentive Stock Options, the foregoing right shall be deemed to be provided to the associate at the time of such award.

19.3 Compliance With Section 16 and Section 162(m). In the case of associates who are or may be subject to Section 16 of the Act, it is the intent of the corporation that any award granted hereunder satisfy and be interpreted in a manner that satisfies the applicable requirements of Rule 16b-3, so that such persons will be entitled to the benefits of Rule 16b-3 or other exemptive rules under Section 16 of the Act and will not be subjected to liability thereunder. If any provision of the Plan or any award would otherwise conflict with the intent expressed herein, that provision, to the extent possible, shall be interpreted and deemed amended so as to avoid such conflict. To the extent of any remaining irreconcilable conflict with such intent, such provision shall be deemed void as applicable to associates who are or may be subject to Section 16 of the Act. If any award hereunder is intended to qualify as performance-based for purposes of Section 162(m) of the Code, the Committee shall not exercise any discretion to increase the payment under such award except to the extent permitted by Section 162(m) and the regulations thereunder.

19.4 Successors. The obligations of the Company under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to substantially all of the assets and businesses of the Company. In the event of any of the foregoing, the Committee may, at its discretion prior to the consummation of the transaction, cancel, offer to purchase, exchange, adjust or modify any outstanding awards, at such time and in such manner as the Committee deems appropriate and in accordance with applicable law.

19.5 General Creditor Status. Associates shall have no right, title, or interest whatsoever in or to any investments which the Company may make to aid it in meeting its obligations under the Plan. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company and any associate or beneficiary or legal representative of such associate. To the extent that any person acquires a right to receive payments from the Company under the Plan, such right shall be no greater than the right of an unsecured general creditor of the Company. All payments to be made hereunder shall be paid from the general funds of the Company and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such amounts except as expressly set forth in the Plan.

19.6 No Right to Employment. Nothing in the Plan or in any written agreement entered into pursuant to Article 18, nor the grant of any award, shall confer upon any associate any right to continue in the employ of the Company or a subsidiary or to be entitled to any remuneration or benefits not set forth in the Plan or such written agreement or interfere with or limit the right of the Company or a subsidiary to modify the terms of or terminate such associate's employment at any time.

19.7 Other Plans. Effective upon the adoption of the Plan by the stockholders, no further awards shall be made under The Limited, Inc. 1987 Stock Option Plan (as amended as of April 20, 1992) (the "Prior Plan"). Thereafter, all awards made under the Prior Plan prior to adoption of this Plan by the stockholders shall continue in accordance with the terms of the Prior Plan.

19.8 Notices. Notices required or permitted to be made under the Plan shall be sufficiently made if sent by registered or certified mail addressed (a) to the associate at the associate's address set forth in the books and records of the Company or its subsidiaries, or (b) to the Company or the Committee at the principal office of the Company.

19.9 Severability. In the event that any provision of the Plan shall be held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

19.10 Governing Law. To the extent not preempted by Federal law, the Plan, and all agreements hereunder, shall be construed in accordance with and governed by the laws of the State of Delaware.

19.11 Term of Plan. Unless earlier terminated pursuant to Article 17 hereof, the Plan shall terminate on the tenth (10th) anniversary of the date of adoption of the Plan by the stockholders.

EXHIBIT 10.2

THE LIMITED, INC.

1996 STOCK PLAN FOR NON-ASSOCIATE DIRECTORS

1. Purpose

The purpose of The Limited, Inc. 1996 Stock Plan for Non-Associate Directors (the "Plan") is to promote the interests of The Limited, Inc. (the "Company") and its stockholders by increasing the proprietary interest of non-associate directors in the growth and performance of the Company by granting such directors options to purchase shares of common stock (the "Shares") of the Company and by awarding Shares to such directors in respect of a portion of the Retainer (as defined in Section 6(b)) payable to such directors.

2. Administration

The Plan shall be administered by the Company's Board of Directors (the "Board"). Subject to the provisions of the Plan, the Board shall be authorized to interpret the Plan, to establish, amend, and rescind any rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan; provided, however, that the Board shall have no discretion with respect to the selection of directors to receive options, the number of Shares subject to any such options, the purchase price thereunder or the timing of grants of options under the Plan. The determinations of the Board in the administration of the Plan, as described herein, shall be final and conclusive. The Secretary of the Company shall be authorized to implement the Plan in accordance with its terms and to take such actions of a ministerial nature as shall be necessary to effectuate the intent and purposes thereof. The validity, construction and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the State of Delaware.

3. Eligibility

The class of individuals eligible to receive grants of options and awards of Shares in respect of the Retainer under the Plan shall be directors of the Company who are not associates of the Company or its affiliates ("Eligible Directors"). Any holder of an option or Shares granted hereunder shall hereinafter be referred to as a "Participant".

4. Shares Subject to the Plan

Subject to adjustment as provided in Section 7, an aggregate of 100,000 Shares shall be available for issuance under the Plan. The Shares deliverable upon the exercise of options or in respect of the Retainer may be made available from authorized but unissued Shares or treasury Shares. If any option granted under the Plan shall terminate for any reason without having been exercised, the Shares subject to, but not delivered under, such option shall be available for issuance under the Plan.

5. Grant, Terms and Conditions of Options

(a) Subject to the approval by the Company's shareholders of this Plan, each Eligible Director on the date of such approval will be granted on such date an option to purchase 1,000 Shares.

(b) Each Eligible Director on the first business day of a fiscal year of the Company beginning thereafter, will be granted on such a day an option to purchase 1,000 Shares.

(c) The options granted will be nonstatutory stock options not intended to qualify under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code") and shall have the following terms and conditions:

(i) Price. The purchase price per Share deliverable upon the exercise of each option shall be 100% of the Fair Market Value per Share on the date the option is granted. For purposes of the Plan, Fair Market Value shall be the closing price of the Shares as reported on the principal exchange on which the shares are listed for the date in question, or if there were no sales on such date, the most recent prior date on which there were sales.

(ii) Payment. Options may be exercised only upon payment of the purchase price thereof in full. Such payment shall be made in cash.

(iii) Exercisability and Term of Options. Options shall become exercisable in four equal annual installments commencing on the first anniversary of the date of grant, provided the holder of such Option is an Eligible Director on such anniversary, and shall be exercisable until the earlier of ten years from the date of grant and the expiration of the one year period provided in paragraph (iv) below.

(iv) Termination of Service as Eligible Director. Upon termination of a Participant's service as a director of the Company for any reason, all outstanding options held by such Eligible Director, to the extent then exercisable, shall be exercisable in whole or in part for a period of one year from the date upon which the Participant ceases to be a Director, provided that in no event shall the options be exercisable beyond the period provided for in paragraph (iii) above.

(v) Nontransferability of Options. No option may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant otherwise than by will or the laws of descent and distribution, and during the lifetime of the Participant to whom an option is granted it may be exercised only by the Participant or by the Participant's guardian or legal representative. Notwithstanding the foregoing, options may be transferred pursuant to a qualified domestic relations order.

(vi) Option Agreement. Each option granted hereunder shall be evidenced by an agreement with the Company which shall contain the terms and provisions set forth herein and shall otherwise be consistent with the provisions of the Plan.

6. Grant of Shares

(a) From and after the approval of the Plan by the Company's shareholders, 50% of the Retainer of each Eligible Director shall be paid in a number of Shares equal to the quotient of (i) 50% of the Retainer divided by (ii) the Fair Market Value on the Retainer Payment Date. Cash shall be paid to an Eligible Director in lieu of a fractional Share.

(b) For purposes of this Plan "Retainer" shall mean the annual retainer payable to an Eligible Director (as defined in Section 3) for any fiscal quarter of the Company, the amount of which Retainer may not be changed for purposes of this Plan more often than once every six months and

"Retainer Payment Date" shall mean the first business day of the Company's calendar quarter.

7. Adjustment of and Changes in Shares

In the event of a stock split, stock dividend, extraordinary cash dividend, subdivision or combination of the Shares or other change in corporate structure affecting the Shares, the number of Shares authorized by the Plan shall be increased or decreased proportionately, as the case may be, and the number of Shares subject to any outstanding option shall be increased or decreased proportionately, as the case may be, with appropriate corresponding adjustment in the purchase price per Share thereunder.

8. No Rights of Shareholders

Neither a Participant nor a Participant's legal representative shall be, or have any of the rights and privileges of, a shareholder of the Company in respect of any Shares purchasable upon the exercise of any option, in whole or in part, unless and until certificates for such Shares shall have been issued.

9. Plan Amendments

The Plan may be amended by the Board as it shall deem advisable or to conform to any change in any law or regulation applicable thereto; provided, that the Board may not, without the authorization and approval of shareholders of the Company: (i) increase the number of Shares which may be purchased pursuant to options hereunder, either individually or in the aggregate, except as permitted by Section 7, (ii) change the requirement of Section 5(b) that option grants be priced at Fair Market Value, except as permitted by Section 7, (iii) modify in any respect the class of individuals who constitute Eligible Directors or (iv) materially increase the benefits accruing to Participants hereunder. The provisions of Sections 3, 5 and/or 6 may not be amended more often than once every six months, other than to comport with changes in the Code, the Employee Retirement Income Security Act of 1974, as amended, or the rules under either such statute.

10. Listing and Registration

Each Share shall be subject to the requirement that if at any time the Board shall determine, in its discretion, that the listing, registration or qualification of the Shares upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the granting of such Shares, no such Share may be disposed of unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any condition not acceptable to the Board.

11. Effective Date and Duration of Plan

The Plan shall become effective on the date the Company's shareholders approve the Plan. The Plan shall terminate the day following the tenth Annual Shareholders Meeting at which Directors are elected succeeding such approval, unless the Plan is extended or terminated at an earlier date by Shareholders or is terminated by exhaustion of the Shares available for issuance hereunder.

Exhibit 10.3

THE LIMITED, INC.

Incentive Compensation Plan

The Limited, Inc. Incentive Compensation Plan (the "Incentive Plan") is intended to satisfy the applicable provisions of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"). The Incentive Plan shall be administered by the Compensation Committee (the "Committee") of the Board of Directors of The Limited, Inc. (the "Company"). The Committee shall determine which key executives of the Company with significant operating and financial responsibility will be eligible to earn seasonal cash incentive compensation payments to be paid twice each year under the Incentive Plan.

Prior to the beginning of each spring and fall selling season, the Committee may establish operating income and/or gross margin and/or sales objectives for the Company. These objectives must assume an increased performance level, and be based on an analysis of historical performance and growth expectations for the business, financial results of other comparable businesses, and progress towards achieving the long-range strategic plan for the business. These objectives and determination of results are based entirely on financial measures, and the Committee may not use any discretion to modify award results.

Annual incentive compensation targets may be established for eligible executives ranging from 10% to 100% of base salary, as established under the Company's pay guidelines. Executives may earn their target incentive compensation if the business achieves the established operating income and/or gross margin and/or sales objectives. The target incentive compensation percentage for each executive will be based on the level and functional responsibility of his or her position, size of the business for which the executive is responsible, and competitive practices, in that order of priority. The annual incentive compensation targets for the Company's eligible executive officers required to be named in the Company's proxy statement may range from 50% to 100% of base salary. The amount of incentive compensation paid to participating executives may range from zero to double their targets, based upon the extent to which operating income and/or gross margin and/or sales objectives are achieved or exceeded. The minimum level at which a participating executive will earn any incentive payment, and the level at which an executive will earn the maximum incentive payment of double the target, must be established by the Committee prior to the commencement of each bonus period. Actual payouts must be based on a straight-line interpolation based on these minimum and maximum levels and the target operating income and/or gross margin and/or sales objectives.

The maximum dollar amount to be paid for any year under the Incentive Plan to any participant may not exceed $2,300,000.

EXHIBIT 11

THE LIMITED, INC. AND SUBSIDIARIES

COMPUTATION OF PER SHARE EARNINGS

(Thousands except per share amounts)

	Thirteen Weeks Ended	
	November 2, 1996	October 28, 1995
Net income	$ 159,513	$657,313
Common shares outstanding:		
Weighted average	379,454	379,454
Dilutive effect of stock options	736	787
Weighted average treasury shares	(108,462)	(21,321)
Weighted average used to calculate net income per share	271,728	358,920
Net income per share	$.59	$1.83

	Thirty-nine Weeks Ended	
	November 2, 1996	October 28, 1995
Net income	$220,815	$745,286
Common shares outstanding:		
Weighted average	379,454	379,454
Dilutive effect of stock options	855	961
Weighted average treasury shares	(95,544)	(21,796)
Weighted average used to calculate net income per share	284,765	358,619
Net income per share	$.78	$2.08

Note: Exercise of the Wexner Agreement (which cannot occur prior to February 1, 1998) was determined not to dilute reported earnings per share.

EXHIBIT 12

THE LIMITED, INC. AND SUBSIDIARIES

RATIO OF EARNINGS TO FIXED CHARGES

(Thousands except ratio amounts)

	Thirty-nine Weeks Ended	
	November 2, 1996	October 28, 1995
Adjusted Earnings		
Income before income taxes	$299,815	$ 832,286
Portion of minimum rent ($546,176 in 1996 and $503,679 in 1995) representative of interest	182,059	167,893
Interest on indebtedness	55,902	59,261
Minority interest	17,023	-
Total earnings as adjusted	$554,799	$1,059,440
Fixed Charges		
Portion of minimum rent representative of interest	$182,059	$ 167,893
Interest on indebtedness	55,902	59,261
Total fixed charges	$237,961	$ 227,154
Ratio of earnings to fixed charges	2.33x	4.66x

EXHIBIT 15

[LETTERHEAD OF COOPERS & LYBRAND]

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

We are aware that our report dated December 11, 1996, 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 November 2, 1996 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/ COOPERS & LYBRAND L.L.P.
COOPERS & LYBRAND L.L.P.

Columbus, Ohio
December 11, 1996

This schedule contains summary financial information extracted from the Consolidated Financial Statements (unaudited) of The Limited, Inc. and Subsidiaries for the quarter ended November 2, 1996 and is qualified in its entirety by reference to such financial statements.

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FEB-04-1996
NOV-02-1996
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