

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-K

(Mark One)

/X/ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]

For the fiscal year ended January 28, 1995

OR

// TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

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, Ohio

43216

(Address of principal executive offices)

(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class Name of each exchange on which registered

Common Stock, \$.50 Par Value The New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None.

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 and (2) has been subject to the filing requirements for the past 90 days. Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. X

Aggregate market value of the registrant's Common Stock held by non-affiliates of the registrant as of March 24, 1995: \$6,965,448,984.

Number of shares outstanding of the registrant's Common Stock as of March 24, 1995: 357,202,512.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the registrant's annual report to shareholders for the fiscal year ended January 28, 1995 are incorporated by reference into Part I and Part II, and portions of the registrant's proxy statement for the Annual Meeting of Shareholders scheduled for May 15, 1995 are incorporated by reference into Part III.

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PART I

ITEM 1. BUSINESS.

GENERAL.

The Limited, Inc., a Delaware corporation (the "Company"), is principally engaged in the purchase, distribution and sale of women's apparel, lingerie, men's apparel, personal care products and children's apparel. The Company operates an integrated distribution system which supports the Company's retail activities. These activities are conducted under various trade names through the retail stores and catalogue divisions of the Company. Merchandise is targeted to appeal to customers in specialty markets who have distinctive consumer characteristics. The Company's women's apparel divisions offer regular and special-sized fashion apparel at various price levels, including shirts, blouses, sweaters, pants, skirts, coats and dresses. In addition, the Company offers lingerie and accessories, men's apparel, fragrances, bed, bath, personal care products, specialty gift items and children's apparel. The Company's wholly-owned credit card bank, World Financial Network National Bank, provides credit services to customers of the retail and catalogue divisions of the Company, as well as other affiliates of the Company.

DESCRIPTION OF OPERATIONS.

General.

As of January 28, 1995, the Company operated the following divisions: (1) five women's apparel retail divisions, (2) three lingerie divisions including two retail divisions and one catalogue division (Victoria's Secret Catalogue), (3) two men's apparel divisions, and (4) two personal care divisions and one children's apparel division. The following chart reflects the retail divisions and the number of stores in operation in each division at January 28, 1995 and January 29, 1994.

RETAIL DIVISIONS -----	NUMBER OF STORES -----	
	January 28, 1995 -----	January 29, 1994 -----
Women's		
Express	716	673
Lerner	846	877
Lane Bryant	812	817
The Limited	709	746
Henri Bendel	4	4

Lingerie

	Victoria's Secret Stores	601	570
	Cacique	114	108
Men's			
	Structure	466	394
	Abercrombie & Fitch Co.	67	49
Personal Care & Children's			
	Bath & Body Works	318	194
	Penhaligon's	4	7
	The Limited Too	210	184
		---	---
Total		4,867	4,623
		=====	=====

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The following table shows the changes in the number of retail stores operated by the Company for the past five fiscal years:

Fiscal Year ----	Beginning of Year -----	Acquired -----	Opened -----	Closed -----	End of Year -----
1990	3,344	7	456	(47)	3,760
1991	3,760	-	484	(50)	4,194
1992	4,194	-	323	(92)	4,425
1993	4,425	-	322	(124)	4,623
1994	4,623	-	358	(114)	4,867

The Company also operates Mast Industries, Inc., a contract manufacturer and apparel importer, and Gryphon Development, Inc. ("Gryphon"). Gryphon creates, develops and contract manufactures most of the bath and personal care products sold by the Company.

During fiscal year 1994, the Company purchased merchandise from approximately 4,000 suppliers and factories located throughout the world. Approximately 55% of the Company's merchandise is purchased in foreign markets and a portion of merchandise purchased in the domestic market is manufactured overseas. Company records, however, do not allocate between foreign and domestic sources for merchandise purchased domestically. No more than 5% of goods purchased originated from any single manufacturer.

Most of the merchandise and related materials for the Company's stores is shipped to the Company's distribution centers in the Columbus, Ohio area, where the merchandise is received and inspected. The Company uses common and contract carriers to distribute merchandise and related materials to its stores. The Company's divisions generally have independent distribution capabilities and no division receives priority over any other division. There are no distribution channels between the divisions.

The Company's policy is to maintain sufficient quantities of inventory on hand in its retail stores and distribution centers so that it can offer customers a full selection of current merchandise. The Company emphasizes rapid turnover and takes markdowns where required to keep merchandise fresh and current with fashion trends.

The Company views the retail apparel market as having two principal selling seasons, Spring and Fall. As is generally the case in the apparel industry, the Company experiences its peak sales activity during the Fall season. This

seasonal sales pattern results in increased inventory and accounts receivable during the Fall and Christmas selling periods. During fiscal year 1994, the highest inventory level approximated \$1.226 billion at the November 1994 month-end and the lowest inventory level approximated \$750 million at the June 1994 month-end.

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Merchandise sales are paid for in cash, personal check or by credit cards issued by the Company's wholly-owned credit card bank, World Financial Network National Bank ("WFNNB"), for customers of Express, Lerner New York, Lane Bryant, The Limited, Henri Bendel, Victoria's Secret Stores, Victoria's Secret Catalogue, Structure and Abercrombie & Fitch Co., as well as credit cards issued by third party banks and other financial institutions. Further information related to WFNNB's loan balances and allowance for uncollectible accounts is contained in Note 3 of the Notes To Consolidated Financial Statements included in The Limited, Inc. 1994 Annual Report to Shareholders, portions of which are annexed hereto as Exhibit 13 (the "1994 Annual Report") and is incorporated herein by reference.

The Company offers its customers a liberal return policy stated as "No Sale is Ever Final." The Company believes that certain of its competitors offer similar credit card and service policies.

The following is a brief description of each of the Company's operating divisions, including their respective target markets.

Women's

EXPRESS - Express brings international women's sportswear and accessories with a distinctive European point of view to fashion-forward women in a spirited continental store environment.

LERNER NEW YORK - Lerner New York is a moderate-priced specialty retailer of conventional women's sportswear, ready-to-wear and coats.

LANE BRYANT - Lane Bryant focuses on sportswear, ready-to-wear, coats and intimate apparel for the fashion-conscious large size woman.

THE LIMITED - The Limited offers a full range of fashion-forward private label sportswear, ready-to-wear and accessories for women.

HENRI BENDEL - Henri Bendel offers glamorous and sophisticated women's fashions in an exclusive shopping environment.

Lingerie

VICTORIA'S SECRET STORES - Victoria's Secret Stores offers lingerie, beautiful fragrances and romantic gifts in an atmosphere of "pure indulgence."

CACIQUE - Cacique offers fashion lingerie and gifts in an European shopping environment.

VICTORIA'S SECRET CATALOGUE - Victoria's Secret Catalogue sells women's lingerie, sportswear and ready-to-wear via catalogue.

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Men's

STRUCTURE - Structure offers a men's sportswear collection with a distinct international flavor. The store environment mixes classic Palladian and modern

architectural styles to appeal to men with a good sense of fine design.

ABERCROMBIE & FITCH CO. - Abercrombie & Fitch provides spirited traditional sportswear for young-thinking men and women.

Personal Care & Children's

BATH & BODY WORKS - Bath & Body Works provides personal care products for women and men.

PENHALIGON'S - Penhaligon's designs, distributes, wholesales and retails a variety of perfumes, toiletries, grooming accessories and antique silver gifts.

THE LIMITED TOO - The Limited Too offers fashionable casual sportswear for girls.

Additional information about the Company's business, including its revenues and profits for the last three years, plus selling square footage and other information about each of the Company's operating divisions, is set forth under the caption "Management's Discussion and Analysis" of the 1994 Annual Report and is incorporated herein by reference.

COMPETITION.

The sale of apparel and personal care products through retail stores is a highly competitive business with numerous competitors, including individual and chain fashion specialty stores and department stores. Design, price and quality are the principal competitive factors in retail store sales. The Company's catalogue division competes with numerous national and regional catalogue merchandisers in catalogue sales. Design, price, quality and catalogue presentation are the principal competitive factors in catalogue sales.

The Company is unable to estimate the number of competitors or its relative competitive position due to the large number of companies selling apparel and personal care products at retail, both through stores and catalogues.

ASSOCIATE RELATIONS.

On January 28, 1995, the Company employed approximately 105,600 associates, 72,400 of whom were part-time. In addition, temporary associates are hired during peak periods, such as the Christmas season.

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RECENT DEVELOPMENT.

On March 28, 1995, the Company announced that the Board of Directors has authorized management to explore and refine the following plan over the next few months:

- - First, the Company intends to create, out of its existing operations, two new entities. The Company expects that each will be 85-90% owned by The Limited, Inc., with the balance owned by public shareholders. These entities would initially be grouped based on complementary operations and opportunity. The first one is likely to contain the lingerie and personal care businesses: Victoria's Secret Stores, Cacique, Victoria's Secret Catalogue, Bath & Body Works, Penhaligon's and Gryphon. The other new entity is likely to contain the major women's apparel businesses: Express, Lerner New York, Lane Bryant and The Limited.

- - Second, to allow the Company's credit card bank, WFNNB, to supplement its capabilities, enhance its operations and aggressively pursue new opportunities for growth, the Company intends to seek strategic financial and marketing partners. This may involve selling a majority interest to these partners.

- - Third, the Company's intention is to distribute the cash made available as a result of these transactions to its shareholders. The size of this special distribution will depend upon the outcome of these transactions.
- - Finally, new ventures and the Company's other businesses -- Structure, Abercrombie & Fitch Co., The Limited Too, Henri Bendel and Mast Industries -- would continue to be wholly owned by The Limited, Inc.

ITEM 2. PROPERTIES.

The Company's business is principally conducted from office, distribution and shipping facilities located in the Columbus, Ohio area. Additional facilities are located in New York City, Andover, Massachusetts and Kettering, Ohio.

The distribution and shipping facilities owned by the Company consist of seven buildings located in Columbus, Ohio, comprising approximately 5.2 million square feet. The operations of WFNNB are located in three leased facilities in the Columbus area, which, in the aggregate, cover approximately 260,000 square feet.

Substantially all of the retail stores operated by the Company are located in leased facilities, primarily in shopping centers throughout the continental United States. The leases expire at various dates principally between 1995 and 2015 and generally do not have renewal options.

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Typically, when space is leased for a retail store in a shopping center, all improvements, including interior walls, floors, ceilings, fixtures and decorations, are supplied by the tenant. In certain cases, the landlord of the property may provide a construction allowance to defray a portion of the cost of improvements. The cost of improvements varies widely, depending on the size and location of the store. Rental terms for new locations usually include a fixed minimum rent plus a percentage of sales in excess of a specified amount. Certain operating costs such as common area maintenance, utilities, insurance, and taxes are typically paid by tenants.

ITEM 3. LEGAL PROCEEDINGS.

Not applicable.

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

Not applicable.

SUPPLEMENTAL ITEM. EXECUTIVE OFFICERS OF THE REGISTRANT.

Set forth below is certain information regarding the executive officers of the Company as of January 28, 1995.

Leslie H. Wexner, 57, has been Chairman of the Board of Directors of the Company for more than five years and its President and Chief Executive Officer since he founded the Company in 1963.

Kenneth B. Gilman, 48, has been Vice Chairman and Chief Financial Officer of the Company since June 1993. Mr. Gilman was the Executive Vice President and Chief Financial Officer of the Company for more than five years prior thereto.

Michael Weiss, 53, has been Vice Chairman of the Company since June 1993. Mr. Weiss was the Chief Executive Officer of the Company's Express division for more than five years prior thereto.

Bella Wexner, over 65 years of age, has been the Secretary of the Company for more than five years.

Martin Trust, 60, has been President of Mast Industries, Inc., a wholly-owned subsidiary of the Company, for more than five years.

Arnold F. Kanarick, 54, has been Executive Vice President and Director of Human Resources since October 1992. Mr. Kanarick was Vice President, Human Resources of Analog Devices, a manufacturer of semiconductors, from 1985 to 1992.

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Wade H. Buff, 60, has been Vice President, Internal Audit of the Company for more than five years.

Alfred S. Dietzel, 63, has been Vice President, Financial and Public Relations of the Company for more than five years.

Barry Erdos, 50, has been Vice President and Corporate Controller of the Company since August 1993. Mr. Erdos was Executive Vice President and Chief Financial Officer of the Company's Henri Bendel division for more than five years prior thereto.

Samuel P. Fried, 43, has been Vice President and General Counsel of the Company since November 1991. Mr. Fried was Vice President and General Counsel of Exide Corporation, a manufacturer of automotive and industrial batteries, from February 1987 to October 1991.

William K. Gerber, 40, has been Vice President, Finance of the Company since August 1993. Mr. Gerber was Vice President and Corporate Controller of the Company for more than five years prior thereto.

Patrick C. Hectorne, 42, has been Treasurer of the Company since August 1993. Mr. Hectorne was Assistant Treasurer of the Company for more than five years prior thereto.

Charles W. Hinson, 58, has been President, Store Planning of the Company for more than five years.

Jack Listanowsky, 47, has been Vice President and Chief Sourcing and Production Officer of the Company since March 1995. Mr. Listanowsky was Executive Vice President, Manufacturing and Operations for Liz Claiborne, Inc. for more than five years prior thereto.

Timothy B. Lyons, 48, has been Vice President, Taxes of the Company for more than five years.

Edward G. Razek, 46, has been Vice President and Director of Marketing of the Company since November 1993. Mr. Razek was the Executive Vice President of Marketing for Limited Stores for more than five years prior thereto.

Bruce A. Soll, 37, has been Vice President of the Company since October 1991. Mr. Soll was Counselor/Director of Policy Planning for the U.S. Department of Commerce from February 1989 to September 1991.

All of the above officers serve at the pleasure of the Board of Directors of the Company.

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ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

Information regarding markets in which the Company's common stock was traded during fiscal years 1994 and 1993, approximate number of holders of common stock, and quarterly cash dividend per share information of the Company's common stock for the fiscal years 1994 and 1993 is set forth under the caption "Market Price and Dividend Information" of the 1994 Annual Report and is incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA.

Selected financial data is set forth under the caption "Financial Summary" of the 1994 Annual Report and is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Management's discussion and analysis of financial condition and results of operations is set forth under the caption "Management's Discussion and Analysis" of the 1994 Annual Report and is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The Consolidated Financial Statements of the Company and subsidiaries, the Notes to Consolidated Financial Statements and the Report of Independent Accountants are set forth in the 1994 Annual Report and are incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

Information regarding directors of the Company is set forth under the captions "ELECTION OF DIRECTORS - Nominees and Directors", "- Business Experience" and "- Information Concerning the Board of Directors" on pages 1 through 4 of the Company's proxy statement for the Annual Meeting of Shareholders to be held May 15, 1995 (the "Proxy Statement") and is incorporated herein by reference. Information regarding executive officers is set forth herein under the caption "SUPPLEMENTAL ITEM. EXECUTIVE OFFICERS OF THE REGISTRANT" in Part I. Information regarding family relationships is set forth under the caption "PRINCIPAL HOLDERS OF VOTING SECURITIES" on pages 13 and 14 of the Proxy Statement and is incorporated herein by reference.

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ITEM 11. EXECUTIVE COMPENSATION.

Information regarding executive compensation is set forth under the caption "EXECUTIVE COMPENSATION" on pages 6 through 8 of the Proxy Statement and is incorporated herein by reference. Such incorporation by reference shall not be deemed to specifically incorporate by reference the information referred to in Item 402(a)(8) of Regulation S-K.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

Information regarding the security ownership of certain beneficial owners and management is set forth under the caption "ELECTION OF DIRECTORS - Security

Ownership of Directors and Management" on pages 4 and 5 of the Proxy Statement and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Information regarding certain relationships and related transactions is set forth under the caption "ELECTION OF DIRECTORS - Business Experience" on pages 2 and 3 of the Proxy Statement and is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K.

(a) (1) List of Financial Statements.

The following consolidated financial statements of The Limited, Inc. and subsidiaries and the related notes are filed as a part of this report pursuant to ITEM 8:

Consolidated Statements of Income for the fiscal years ended January 28, 1995, January 29, 1994 and January 30, 1993.

Consolidated Balance Sheets as of January 28, 1995 and January 29, 1994.

Consolidated Statements of Shareholders' Equity for the fiscal years ended January 28, 1995, January 29, 1994 and January 30, 1993.

Consolidated Statements of Cash Flows for the fiscal years ended January 28, 1995, January 29, 1994 and January 30, 1993.

Notes to Consolidated Financial Statements.

Report of Independent Accountants.

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(a) (2) List of Financial Statement Schedules.

The following consolidated financial statement schedule of The Limited, Inc. and subsidiaries is filed as part of this report pursuant to ITEM 14(d):

II. Valuation and Qualifying Accounts.

All other schedules are omitted because the required information is either presented in the financial statements or notes thereto, or is not applicable, required or material. Columns omitted from schedules have been omitted because the information is not applicable.

(a) (3) List of 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 (the "1990 Form 10-K").

4. Instruments Defining the Rights of Security Holders.

- 4.1 Copy of the form of Global Security representing the Company's 7 1/2% Debentures due 2023, incorporated by reference to Exhibit 1 to the Company's Current Report on Form 8-K dated March 4, 1993.
- 4.2 \$900,000,000 Credit Agreement dated as of August 30, 1990 (the "Credit Agreement") among the Company, Morgan Guaranty Trust Company of New York and certain other banks (collectively, the "Banks"), incorporated by reference to Exhibit 4.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended August 4, 1990, as amended by Amendment No. 1 dated as of December 4, 1992, (reducing the aggregate amount to \$560,000,000) incorporated by reference to Exhibit 4.8 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 31, 1992.
- 4.3 \$280,000,000 Credit Agreement dated as of December 4, 1992 (the "WFNNB Credit Agreement") among the World Financial Network National Bank, the Company, the Banks and Morgan Guaranty Trust Company of New York, incorporated by reference to Exhibit 4.9 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 31, 1992.

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

Credit Agreement among the Company, Morgan Guaranty Trust Company of New York and the Banks, incorporated by reference to Exhibit 4.9 to the Company's Quarterly report on Form 10-Q for the quarter ended April 30, 1994.

- 4.10 Amendment No. 1 dated as of April 28, 1994 to the WFNNB Credit Agreement among the Company, Morgan Guaranty Trust Company of New York and the Banks, incorporated by reference to Exhibit 4.10 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 30, 1994.

10. Material Contracts.

- 10.1 The Restated 1981 Stock Option Plan of The Limited, Inc., incorporated by reference to Exhibit 28(b) to the Company's Registration Statement on Form S-8 (File No. 33-18533) (the "Form S-8").
- 10.2 The 1987 Stock Option Plan of The Limited, Inc., incorporated by reference to Exhibit 28(a) to the Form S-8.
- 10.3 Officers' Benefits Plan incorporated by reference to Exhibit 10.4 to the Company's Annual Report on Form 10-K for the fiscal year ended January 28, 1989 (the "1988 Form 10-K").

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- 10.4 The Limited Deferred Compensation Plan incorporated by reference to Exhibit 10.4 to the 1990 Form 10-K.
- 10.5 Form of Indemnification Agreement between the Company and the directors and officers of the Company, incorporated by reference to Exhibit A to the Company's definitive proxy statement dated April 18, 1988 for the Company's 1988 Annual Meeting of Shareholders held May 23, 1988.
- 10.6 Schedule of directors and officers who became parties to Indemnification Agreements effective May 23, 1988, incorporated by reference to Exhibit 19.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 29, 1988.
- 10.7 Supplemental schedule of officer who became a party to an Indemnification Agreement effective May 23, 1988 incorporated by reference to Exhibit 10.7 to the 1988 Form 10-K.
- 10.8 Supplemental schedule of directors and officers who became parties to Indemnification Agreements incorporated by reference to Exhibit 19.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended August 1, 1992.
- 10.9 Supplemental schedule of officer who became party to an Indemnification Agreement effective November 16, 1992 incorporated by reference to Exhibit 10.9 to the

Company's Annual Report on Form 10-K for the year ended January 30, 1993.

- 10.10 Supplemental schedule of officer who became party to an Indemnification Agreement effective June 3, 1993, incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended July 31, 1993.
- 10.11 The 1993 Stock Option and Performance Incentive Plan of the Company, incorporated by reference to Exhibit 4 to the Company's Registration Statement on Form S-8 (File No. 33-49871).
- 10.12 Supplemental schedule of director who became party to an Indemnification Agreement effective January 27, 1995.
- 10.13 Supplemental schedule of officer who became party to an Indemnification Agreement effective March 20, 1995.

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- 11 Statement re Computation of Per Share Earnings.
- 12 Statement re Computation of Ratio of Earnings to Fixed Charges.
- 13 Excerpts from the 1994 Annual Report to Shareholders.
- 21 Subsidiaries of the Registrant.
- 23 Consent of Independent Accountants.
- 24 Powers of Attorney.
- 99 Annual Report of The Limited, Inc. Savings and Retirement Plan.
- (b) Reports on Form 8-K.
No reports on Form 8-K were filed during the fourth quarter of fiscal year 1994.
- (c) Exhibits.
The exhibits to this report are listed in section (a)(3) of Item 14 above.
- (d) Financial Statement Schedules
The financial statement schedule filed with this report is listed in section (a)(2) of Item 14 above.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Date: April 25, 1995

THE LIMITED, INC.
(registrant)

By /s/ KENNETH B. GILMAN

Kenneth B. Gilman,
Vice Chairman and
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on April 25, 1995:

Signature -----	Title -----
/s/ LESLIE H. WEXNER* ----- Leslie H. Wexner	Chairman of the Board of Directors, President and Chief Executive Officer
/s/ KENNETH B. GILMAN ----- Kenneth B. Gilman	Director, Vice Chairman, Chief Financial Officer and Principal Accounting Officer
/s/ MICHAEL A. WEISS * ----- Michael A. Weiss	Director and Vice Chairman
----- Bella Wexner	Director
/s/ MARTIN TRUST* ----- Martin Trust	Director
/s/ EUGENE M. FREEDMAN* ----- Eugene M. Freedman	Director

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/s/ E. GORDON GEE* ----- E. Gordon Gee	Director
/s/ THOMAS G. HOPKINS* ----- Thomas G. Hopkins	Director
/s/ DAVID T. KOLLAT* ----- David T. Kollat	Director
/s/ CLAUDINE MALONE* ----- Claudine Malone	Director
/s/ DONALD B. SHACKELFORD* -----	Director

Donald B. Shackelford

/s/ ALLAN R. TESSLER* Director

Allan R. Tessler

/s/ RAYMOND ZIMMERMAN* Director

Raymond Zimmerman

*The undersigned, by signing his name hereto, does hereby sign this report on behalf of each of the above-indicated directors of the registrant pursuant to powers of attorney executed by such directors.

By /s/ KENNETH B. GILMAN

Kenneth B. Gilman
Attorney-in-fact

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF

THE SECURITIES EXCHANGE ACT OF 1934

THE LIMITED, INC.

(exact name of registrant as specified in its charter)

FINANCIAL STATEMENT SCHEDULES

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REPORT OF INDEPENDENT ACCOUNTANTS

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

We have audited the consolidated financial statements of The Limited, Inc. and Subsidiaries as of January 28, 1995, and January 29, 1994, and for each of the three fiscal years in the period ended January 28, 1995, which financial statements are included on pages 66 through 77 of the 1994 Annual Report to Shareholders of the Limited, Inc. and incorporated by reference herein. We have also audited the financial statement schedule for each of the three fiscal years in the period ended January 28, 1995, listed in Item 14(a)(2) of this Form 10-K. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Limited, Inc. and Subsidiaries as of January 28, 1995 and January 29, 1994, and the consolidated results of their operations and their cash flows for each of the three fiscal years in the period ended January 28, 1995 in conformity with generally accepted accounting principles. In addition, in our opinion, the financial statement schedule for each of the three fiscal years in the period ended January 28, 1995 referred to above, when considered in relation to the basic financial statements taken as a whole, present fairly, in all material respects, the information required to be included therein.

COOPERS & LYBRAND L.L.P.

Columbus, Ohio
February 13, 1995

Schedule II

THE LIMITED, INC. AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS
FOR THE FISCAL YEARS ENDED JANUARY 28, 1995,
JANUARY 29, 1994 AND JANUARY 30, 1993

(THOUSANDS)

Balance at Beginning of Fiscal Year -----	Charged to Costs and Expenses -----	Charged to Other Accounts -----	Deductions -----	Balance at End of Fiscal Year -----
--	--	--	---------------------	--

ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS					
Fiscal year ended January 28, 1995	\$34,897	72,725	-	62,676 (A)	\$44,946
	=====	=====	==	=====	=====
Fiscal year ended January 29, 1994	\$24,973	50,803	-	40,879 (A)	\$34,897
	=====	=====	==	=====	=====
Fiscal year ended January 30, 1993	\$24,678	40,026	-	39,731 (A)	\$24,973
	=====	=====	==	=====	=====

(A) - Write-offs, net of recoveries

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

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

THE LIMITED, INC.
(exact name of Registrant as specified in its charter)

EXHIBITS

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EXHIBIT INDEX

Exhibit No.	Document
10.12	Supplemental Schedule of Director who Became Part to an Indemnification Agreement.
10.13	Supplemental Schedule of Officer who Became Party to an Indemnification Agreement.
11	Statement re Computation of Per Share Earnings.
12	Statement re Computation of Ratio of Earnings to Fixed Charges.
13	Excerpts from the 1994 Annual Report to Shareholders.
21	Subsidiaries of the Registrant.
23	Consent of Independent Accountants.

24	Powers of Attorney.
27	Financial Data Schedule.
99	Annual Report of The Limited, Inc. Savings and Retirement Plan.

SUPPLEMENTAL SCHEDULE OF DIRECTOR WHO BECAME
A PARTY TO AN INDEMNIFICATION AGREEMENT
EFFECTIVE JANUARY 27, 1995

Signatory

- - - - -

Eugene M. Freedman

Capacity

- - - - -

Director

SUPPLEMENTAL SCHEDULE OF OFFICER WHO BECAME
A PARTY TO AN INDEMNIFICATION AGREEMENT
EFFECTIVE MARCH 20, 1995

Signatory

- - - - -

Jack Listanowsky

Capacity

- - - - -

Officer

EXHIBIT 11

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

	Quarter Ended	
	January 28, 1995	January 29, 1994
Net Income	\$ 256,745 =====	\$ 196,327 =====
Common Shares outstanding:		
Weighted average	379,454	379,454
Dilutive effect of stock options	640	617
Weighted average treasury shares	(21,769) -----	(18,920) -----
Weighted average used to calculate net income per share	358,325 =====	361,151 =====
Net Income per share	\$ 0.72 =====	\$ 0.54 =====

	Year Ended	
	January 28, 1995	January 29, 1994
Net Income	\$ 448,343 =====	\$ 390,999 =====
Common Shares outstanding:		
Weighted average	379,454	379,454
Dilutive effect of stock options	649	957
Weighted average treasury shares	(21,502) -----	(17,177) -----
Weighted average used to calculate net income per share	358,601 =====	363,234 =====
Net Income per share	\$ 1.25 =====	\$ 1.08 =====

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

	Year Ended				
	January 28, 1995	January 29, 1994	January 30, 1993	February 1, 1992	February 2, 1991
Adjusted Earnings					
Pretax earnings	\$ 744,343	\$644,999	\$745,497	\$660,302	\$653,438
Portion of minimum rent (\$614,147 in 1994, \$572,278 in 1993, \$510,544 in 1992, \$419,025 in 1991, and \$333,306 in 1990) representative of interest	204,716	190,759	170,181	139,675	111,102
Interest on indebtedness	65,381	63,865	62,398	63,927	56,609
Total Earnings as Adjusted	\$1,014,440	\$899,623	\$978,076	\$863,904	\$821,149
Fixed Charges					
Portion of minimum rent representative of interest	\$ 204,716	\$190,759	\$170,181	\$139,675	\$111,102
Interest on indebtedness	65,381	63,865	62,398	63,927	56,609
Total Fixed Charges	\$ 270,097	\$254,624	\$232,579	\$203,602	\$167,711
Ratio of Earnings to Fixed Charges	3.76x	3.53x	4.21x	4.24x	4.90x

pause

women's>

% OF TOTAL SALES

(\$ in Millions)

1994	\$4,318	59%
1993	4,655	64%
1992	4,683	67%

% OF TOTAL OPERATING

INCOME

(\$ in Millions)

1994	\$298	37%
1993	305	44%
1992	502	64%

		SALES (Millions)	% TOTAL SALES
Express	1994	\$1,387	19%
	1993	1,421	20%
	1992	1,312	19%
Lerner New York	1994	\$1,019	14%
	1993	1,141	16%
	1992	1,175	17%
Lane Bryant	1994	\$ 959	13%
	1993	928	13%
	1992	918	13%
The Limited	1994	\$ 869	12%
	1993	1,084	15%
	1992	1,205	17%
Henri Bendel	1994	\$ 84	01%
	1993	81	01%
	1992	73	01%

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pause

lingerie>

% OF TOTAL SALES

(\$ in Millions)

1994	\$1,842	25%
------	---------	-----

1993	1,514	21%
1992	1,263	18%

% OF TOTAL OPERATING
INCOME
(\$ in Millions)

1994	\$ 297	37%
1993	235	33%
1992	171	22%

men's>

% OF TOTAL SALES
(\$ in Millions)

1994	\$ 721	10%
1993	561	8%
1992	403	6%

% OF TOTAL OPERATING
INCOME
(\$ in Millions)

1994	\$ 75	9%
1993	52	7%
1992	29	4%

		SALES (Millions)	% TOTAL SALES
VICTORIA'S	1994	\$1,181	16%
SECRET	1993	992	14%
STORES	1992	840	12%
VICTORIA'S	1994	\$ 569	8%
SECRET	1993	436	6%
CATALOGUE	1992	367	5%
CACIQUE	1994	\$ 92	1%
	1993	86	1%
	1992	56	1%
STRUCTURE	1994	\$ 556	8%
	1993	450	6%
	1992	318	5%
ABERCROMBIE & FITCH CO.	1994	\$ 165	2%
	1993	111	2%
	1992	85	1%

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3

pause

personal care
& children's>

% OF TOTAL SALES
(\$ in Millions)

1994	\$ 439	6%
1993	264	4%
1992	170	3%

% OF TOTAL OPERATING
INCOME
(\$ in Millions)

1994	\$ 66	
------	-------	--

8%		
1993	23	3%
1992	(11)	-1%

SALES % TOTAL
(Millions) SALES

BATH &	1994	\$260	4%
--------	------	-------	----

BODY WORKS	1993	112	2%
	1992	57	1%
PENHALIGON'S	1994	\$ 5	0%
	1993	5	0%
	1992	5	0%
THE LIMITED TOO	1994	\$174	2%
	1993	147	2%
	1992	108	2%

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Our Operating Results
(Thousands except per share amounts)

	1994	1993	% Change
Net Sales	\$7,320,792	\$7,245,088	1%
Operating Income	\$ 798,989	701,556	14%
Net Income	\$ 448,343	\$ 390,999	15%
Net Income as a Percentage of Sales	6.1%	5.4%	
Net Income Per Share	\$ 1.25	\$ 1.08	16%
Dividends Per Share	\$.36	\$.36	

Our Year-End Position
(Thousands except per share amounts)

	1994	1993	% Change
Total Assets	\$4,570,077	\$4,135,105	11%
Working Capital	\$1,750,111	\$1,513,181	16%
Current Ratio	3.2	3.1	
Long-Term Debt	\$ 650,000	\$ 650,000	--
Debt to Equity Ratio	24%	27%	
Shareholders' Equity	\$2,760,956	\$2,441,293	13%
Return on Average Shareholders' Equity	17%	17%	

Stores Open at End of Year

	1994	1993
Express	716	673
Lerner New York	846	877

Lane Bryant	812	817
The Limited	709	746
Henri Bendel	4	4
Victoria's Secret Stores	601	570
Cacique	114	108
Structure	466	394
Abercrombie & Fitch Co.	67	49
Bath & Body Works	318	194
Penhaligon's	4	7
The Limited Too	210	184
Total Number of Stores	4,867	4,623
Selling Square Feet	25,627,000	24,426,000
Number of Associates		105,600

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FINANCIAL SUMMARY

(Thousands except per share amounts, ratios and store and associate data)

FISCAL YEAR	1994	1993 (1)	1992	1991 (2)	1990 (2)
SUMMARY OF OPERATIONS					
Net Sales	\$ 7,320,792	\$ 7,245,088	\$ 6,944,296	\$ 6,149,218	\$ 5,253,509
Gross Income	2,114,363	1,958,835	1,990,740	1,793,543	1,630,439
Operating Income	798,989	701,556	788,698	712,700	697,537
Income Before Income Taxes	744,343	644,999	745,497	660,302	653,438
Net Income	\$ 448,343	\$ 390,999	\$ 455,497	\$ 403,302	\$ 398,438
Net Income as a Percentage of Sales	6.1%	5.4%	6.6%	6.6%	7.6%
PER SHARE RESULTS					
Net Income	\$ 1.25	\$ 1.08	\$ 1.25	\$ 1.11	\$ 1.10
Dividends	\$.36	\$.36	\$.28	\$.28	\$.24
Book Value	\$ 7.72	\$ 6.82	\$ 6.25	\$ 5.19	\$ 4.33
Weighted Average Shares Outstanding	358,601	363,234	363,738	363,594	362,044
OTHER FINANCIAL INFORMATION					
Total Assets	\$ 4,570,077	\$ 4,135,105	\$ 3,846,450	\$ 3,418,856	\$ 2,871,878
Working Capital	\$ 1,750,111	\$ 1,513,181	\$ 1,063,352	\$ 1,084,205	\$ 884,004
Current Ratio	3.2	3.1	2.5	3.1	2.8
Long-Term Debt	\$ 650,000	\$ 650,000	\$ 541,639	\$ 713,758	\$ 540,446
Debt-to-Equity Ratio	24%	27%	24%	38%	35
Shareholders' Equity	\$ 2,760,956	\$ 2,441,293	\$ 2,267,617	\$ 1,876,792	\$ 1,560,052
Return on Average Shareholders' Equity	17%	17%	22%	23%	28%
STORES AND ASSOCIATES AT END OF YEAR					
Total Number of Stores Open	4,867	4,623	4,425	4,194	3,760
Selling Square Feet	25,627,000	24,426,000	22,863,000	20,355,000	17,008,000
Number of Associates	105,600	97,500	100,700	83,800	72,500

<FN>

- (1) Includes the results of companies disposed of up to the disposition date.
(2) Includes the results of companies acquired subsequent to the date of acquisition.
(3) Fifty-three week fiscal year.

Year	Number of Stores
----	-----
74	48
79	309

84	1,412
89	3,344
94	4,867

FINANCIAL SUMMARY

(Thousands except per share amounts, ratios and store and associate data)

FISCAL YEAR	1989(3) (1)	1988(2)	1987	1986	1985(2)	1984(3)
SUMMARY OF OPERATIONS						
Net Sales	\$ 4,647,916	\$ 4,070,777	\$ 3,527,941	\$ 3,142,696	\$ 2,387,110	\$ 1,343,134
Gross Income	1,446,635	1,214,703	992,775	961,827	718,843	404,321
Operating Income	625,254	467,418	408,872	438,229	276,212	173,102
Income Before Income Taxes	573,926	396,136	378,188	394,780	239,317	157,495
Net Income	\$ 346,926	\$ 245,136	\$ 235,188	\$ 227,780	\$ 145,317	\$ 92,495
Net Income as a Percentage of Sales	7.5%	6.0%	6.7%	7.2%	6.1%	6.9%
PER SHARE RESULTS						
Net Income	\$.96	\$.68	\$.62	\$.60	\$.40	\$.26
Dividends	\$.16	\$.12	\$.12	\$.08	\$.05	\$.04
Book Value	\$ 3.45	\$ 2.64	\$ 2.04	\$ 2.07	\$ 1.13	\$.77
Weighted Average Shares Outstanding	361,288	360,186	376,626	376,860	365,638	361,262
OTHER FINANCIAL INFORMATION						
Total Assets	\$ 2,418,486	\$ 2,145,506	\$ 1,929,477	\$ 1,726,544	\$ 1,494,313	\$ 657,242
Working Capital	\$ 685,524	\$ 567,639	\$ 629,783	\$ 586,827	\$ 419,706	\$ 180,960
Current Ratio	2.4	2.2	2.9	2.7	2.2	2.0
Long-Term Debt	\$ 445,674	\$ 517,952	\$ 681,000	\$ 417,420	\$ 670,744	\$ 150,139
Debt-to-Equity Ratio	36%	55%	93%	53%	166%	55%
Shareholders' Equity	\$ 1,240,454	\$ 946,207	\$ 729,171	\$ 781,542	\$ 404,075	\$ 275,403
Return on Average Shareholders' Equity	32%	29%	31%	38%	43%	40%
STORES AND ASSOCIATES AT END OF YEAR						
Total Number of Stores Open	3,344	3,497	3,115	2,682	2,353	1,412
Selling Square Feet	14,374,000	14,296,000	12,795,000	11,320,000	10,460,000	5,166,000
Number of Associates	63,000	56,700	50,200	43,200	33,600	17,700

<FN>

- (1) Includes the results of companies disposed of up to the disposition date.
(2) Includes the results of companies acquired subsequent to the date of acquisition.
(3) Fifty-three week fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

Net sales for the fourth quarter grew to \$2.539 billion, an increase of 5% from \$2.421 billion a year ago. Net income was \$257 million, compared to \$196 million last year, and earnings per share were \$0.72 versus \$0.54 in 1993.

Net sales for the 52-week fiscal year ended January 28, 1995 of \$7.321 billion increased \$318 million from sales of \$7.003 billion last year (excluding Brylane's 1993 sales). Net income was \$448 million compared to \$391 million a year ago. Earnings per share were \$1.25 compared to \$1.08 last year.

In 1994, the Company delivered solid results and made significant progress on the two principal objectives for the year.

First, the Company achieved the goal of restoring merchandise margin integrity at the women's fashion apparel businesses despite negative comparable store sales, and thereby increased their operating income contribution as a percentage of sales. Merchandise margin is the key indicator by which the Company is measuring its progress in its effort to return these businesses to their historic levels of productivity and profitability.

Second, the Company continued to profitably grow its lingerie, men's, personal care and children's businesses. These divisions increased their total sales by 28%, contributed 41% of total sales and 55% of operating income.

Divisional highlights include the following:

- Express delivered a significant increase in merchandise margin rate during the fourth quarter and one of the best Fall seasons in their history in terms of operating income.
- Lane Bryant also had a solid year, producing a moderate increase in

sales with improved margins.

- Although Lerner New York and Limited Stores experienced negative comparable store sales, merchandise margins for the year were up to last year.
- Victoria's Secret Stores set new fourth quarter and full year records in operating income dollars, on an increase in sales of almost \$200 million for the year.
- Abercrombie & Fitch Co. set new records for merchandise margin rate and profitability for the fourth quarter and year, increasing their earnings contribution over last year.
- Structure produced a 20% increase in earnings for the year in spite of a disappointing fourth quarter.
- Bath & Body Works produced another stellar year, more than doubling their sales while setting new records for the fourth quarter and year for merchandise margin and operating profit rate. The global potential for the brand was demonstrated by the successful opening of five stores in the United Kingdom in partnership with Next plc.

For further information about the Company's divisions including sales and operating income, see pages 22, 23, 34, 35, 42 and 43 of this Annual Report.

FINANCIAL SUMMARY

The following summarized financial data compares 1994 to the comparable periods for 1993 and 1992:

	1994	1993	1992	% CHANGE	
				1994-93	1993-92
Retail Sales (millions)	\$ 6,752	\$ 6,567	\$ 6,153	3%	7%
Catalogue Sales (millions)	569	678	791	(16%)	(14%)
Total Net Sales (millions)	\$ 7,321	\$ 7,245	\$ 6,944	1%	4%
Increase (Decrease) in					
Comparable Store Sales	(3%)	(1%)	2%		
Retail Sales Increase Attributable to New and Remodeled Stores	6%	8%	12%		
Retail Sales per Average Selling Square Foot	\$ 270	\$ 278	\$ 285	(3%)	(2%)
Retail Sales per Average Store (thousands)	\$ 1,423	\$ 1,452	\$ 1,428	(2%)	2%
Average Store Size at End of Year (square feet)	5,265	5,284	5,167	-	2%
Retail Selling Square Feet (thousands)	25,627	24,426	22,863	5%	7%
Number of Stores:					
Beginning of Year	4,623	4,425	4,194		
Opened	358	322	323		
Closed	(114)	(124)	(92)		
End of Year	4,867	4,623	4,425		

NET SALES

Fourth quarter 1994 sales as compared to 1993 increased 5% to \$2.539 billion due to a 9% increase in sales attributable to new and remodeled stores. Fourth quarter 1993 sales of \$2.421 billion were flat to 1992 due to the sale of a 60% interest in the Brylane division on August 30, 1993. Excluding Brylane sales from 1992, fourth quarter sales in 1993 would have increased 4% due to an 8% increase in sales attributable to new and remodeled stores.

The 1994 retail sales increase is attributable to the net addition of new and remodeled stores, which was partially offset by a 3% decline in comparable store sales. The Company added 358 new stores in 1994, remodeled 226 stores and closed 114 stores for a net addition of 244 stores and in excess of 1.2 million square feet of new retail selling space. Consistent with the comparable store sales decline, average sales productivity declined slightly to \$270 per square foot.

Catalogue sales decreased 16% in 1994 as compared to 1993 due to Brylane sales being included in the first and second quarters of 1993 prior to its sale

in August 1993. Had last year's catalogue sales excluded Brylane, catalogue sales would have increased 30%, due to a significant increase in the number of books mailed, although the average sales demand per book decreased slightly.

Retail sales increased 7% during 1993, reflecting the additional volume from new and remodeled stores. The Company added 322 new stores in 1993, remodeled 239 stores and closed 124 stores for a net addition of 198 stores and in excess of 1.5 million square feet of new retail selling space. However, average sales productivity declined slightly to \$278 per square foot.

Catalogue sales decreased 14% in 1993, due to Brylane sales being included in the third and fourth quarters of 1992. Had 1992's catalogue sales excluded Brylane, catalogue sales would have increased 19% during 1993 as the number of books mailed during the year increased while the average sales demand per book decreased slightly.

GROSS INCOME

Gross income increased as a percentage of sales to 32.8% for the fourth quarter of 1994 from 29.1% for the same period in 1993. Merchandise margins, expressed as a percentage of sales, increased 4.4%, as the Company continued to be less price promotional than a year earlier. However, the merchandise margin increase was partially offset by increased buying and occupancy costs, which rose .7% as a percentage of sales, primarily due to the lower sales productivity associated with an 11% decrease in women's apparel comparable store sales.

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Gross income decreased as a percentage of sales to 29.1% for the fourth quarter of 1993 from 32.2% for the same period in 1992. Merchandise margins, expressed as a percentage of sales, decreased 1.4% reflecting a higher level of promotional activity (particularly in the women's apparel businesses) to liquidate seasonal inventories. In addition, buying and occupancy costs, expressed as a percentage of sales, increased 1.6% primarily as a result of lower sales productivity associated with several of the Company's women's apparel businesses.

The 1994 gross income rate of 28.9% was 1.9% above the rate for 1993. Merchandise margins, expressed as a percentage of sales, increased 3.0%, due to the Company's less promotional pricing strategy. However, the merchandise margin increase was partially offset by increased buying and occupancy costs, which rose 1.2% as a percentage of sales, primarily due to the lower sales productivity associated with a 9% decrease in women's apparel comparable store sales.

The 1993 gross income rate of 27.0% was 1.7% below the rate for 1992. Merchandise margins, expressed as a percentage of sales, decreased .4% reflecting higher promotional activity, notably in the fourth quarter. Buying and occupancy costs were not sufficiently leveraged (particularly at the Company's women's apparel businesses) and as a result, these costs increased approximately 1.2%, expressed as a percentage of sales.

GENERAL, ADMINISTRATIVE AND STORE OPERATING EXPENSES

General, administrative and store operating expenses, expressed as a percentage of sales, increased to 15.4% in the fourth quarter of 1994 from 15.1% in the same period of 1993, principally due to lower sales productivity. Sales productivity, which is initially lower in new and remodeled stores, was also lower in existing stores. The Company continued to maintain its high level of customer service despite negative comparable store sales, particularly at the women's apparel businesses where comparable store sales were down 11%.

These costs, expressed as a percentage of sales, were 18.0%, 17.4% and 17.3% for fiscal years 1994, 1993 and 1992. The increases in 1994 and 1993 were due to the lower sales productivity at both existing stores and new and remodeled stores. The Company expects to continue its policy of maintaining a high level of customer service.

SPECIAL AND NONRECURRING ITEMS

As more fully described in Note 2 to the Consolidated Financial Statements, the Company announced during 1993 the sale of a 60% interest in its Brylane division for \$285 million in cash. This transaction was part of a program aimed at accelerating the growth of the retail businesses, which included the acceleration of the store remodeling, downsizing and closing program at the Limited Stores and Lerner divisions, and the refocusing of the merchandising strategy at the Henri Bendel division. The net pre-tax gain from these special and nonrecurring items was \$2.6 million. The impact of these items on future operating results is anticipated to be immaterial. In the near term, the Company's reduced share of Brylane's operating income is expected to be offset by improved sales productivity and reduced depreciation and amortization costs.

The Company also announced a program to repurchase up to \$500 million of the Company's common stock over time as market conditions warrant. As of the end of fiscal year 1994, the Company had repurchased 5.9 million shares at a cost of \$104.7 million. Market conditions will dictate any future purchases.

INTEREST EXPENSE

	FOURTH QUARTER		YEAR-TO-DATE		
	1994	1993	1994	1993	1992
Average Daily Borrowings (in millions)	\$996.7	\$848.2	\$785.0	\$822.5	\$1,046.3
Average Effective Interest Rate	7.84%	7.62%	8.33%	7.76%	5.96%

Interest expense increased in the fourth quarter and for all 1994 as compared to the comparable periods in 1993. Higher interest rates increased costs approximately \$.6 million and \$4.4 million during the fourth quarter and for all of 1994. Higher borrowing levels during the fourth quarter increased costs by \$2.8 million. For the year, lower borrowing levels resulted in lower interest costs of approximately \$2.9 million as compared to 1993, which partially offset the effective interest rate increase.

OPERATING INCOME

Operating income, as a percentage of sales, was 10.9%, 9.6% and 11.4% for fiscal years 1994, 1993 and 1992. The increase in operating income in 1994 was primarily due to higher merchandise margins, partially offset by higher buying and occupancy costs and higher general, administrative and store operating expenses.

GAIN ON ISSUANCE OF UNITED RETAIL GROUP, INC. STOCK

The 1992 results include a \$9 million pre-tax gain which resulted from the March 1992 initial public offering of United Retail Group, Inc. (URGI), a specialty retailer of large-size woman's apparel. URGI sold approximately 3.7 million shares of common stock at \$15 per share and received total consideration of approximately \$55.6 million. Prior to the initial public offering, the Company owned approximately a 33% equity interest; subsequent to the initial public offering, the Company's ownership was diluted to approximately 20%. See Note 1 to the Consolidated Financial Statements for further discussion of this matter.

ACQUISITIONS

Gryphon Development, L.P. (Gryphon) creates, develops and manufactures most of the bath and personal care products sold by the Company. Prior to April 10, 1992, the Company owned approximately 65% of Gryphon. Effective April 10, 1992, the Company acquired the remaining 35% of Gryphon for approximately \$60 million and separately entered into a non-compete agreement with certain of the former Gryphon partners in return for warrants to purchase 1.5 million shares of the Company's common stock.

 FINANCIAL CONDITION

The Company's balance sheet at January 28, 1995 provides continuing evidence of financial strength and flexibility. The Company's debt-to-equity ratio declined to only 23.5% at the end of 1994, the current ratio reached a record 3.2 and working capital was in excess of \$1.75 billion. A more detailed discussion of liquidity, capital resources and capital requirements follows:

 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):

	1994	1993	1992
Cash Provided by Operating Activities	\$ 361,078	\$ 448,139	\$ 754,128
Working Capital	\$1,750,111	\$1,513,181	\$1,063,352
Capitalization:			
Long-Term Debt	\$ 650,000	\$ 650,000	\$ 541,639
Deferred Income Taxes	306,139	275,101	274,844
Shareholders' Equity	2,760,956	2,441,293	2,267,617
TOTAL CAPITALIZATION	\$3,717,095	\$3,366,394	\$3,084,100
Additional Amounts Available			
Under Long-Term Credit Agreements	\$ 840,000	\$ 840,000	\$ 811,000

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

	1994	1993	1992
Debt-to-Equity Ratio (Long-Term Debt Divided by Shareholders' Equity)	24%	27%	24%
Debt-to-Capitalization Ratio (Long-Term Debt Divided by Total Capitalization)	17%	19%	18%
Interest Coverage Ratio (Income Before Interest Expense, Depreciation, Amortization and Income Taxes Divided by Interest Expense)	16x	15x	17x
Cash Flow to Capital Investment (Net Cash Provided by Operating Activities Divided by Capital Expenditures)	113%	151%	176%

Net cash provided by operating activities totaled \$361.1 million, \$448.1 million and \$754.1 million for 1994, 1993 and 1992 and continued to serve as the

Company's primary source of liquidity. Cash requirements for accounts receivable increased \$235 million in 1994 and \$220 million in 1993 due to the continued growth in the number of proprietary credit card holders at the Company's various divisions. Cash requirements for inventories and accounts payable and accrued expenses have tended to fluctuate during the three-year period based on sales volumes and inventory management practices. An increase in income taxes payable in 1994 resulted in an additional \$30 million in cash as compared to 1993 due to the timing of tax payments associated with the fourth quarter earnings increase. Cash requirements for other assets and liabilities related primarily to a deposit made to the Internal Revenue Service in 1994 in connection with an assessment for additional taxes and interest for 1989 and 1990 which is discussed further in Note 7 to the Consolidated Financial Statements.

Investing activities included capital expenditures, primarily for new and remodeled stores, the 1993 sale of 60% of the Company's interest in Brylane, and the 1992 acquisition of Gryphon.

Financing activities included the repurchase of \$11.4 million and \$93.3 million of the Company's common stock in 1994 and 1993, which represented approximately .6 million and 5.3 million shares. Cash dividends paid in 1993 increased 25% from 1992. Cash dividends paid in 1994 remained consistent with 1993 at \$.36 per share.

At January 28, 1995, the Company had available \$840 million under its long-term credit agreements. In addition, the Company has the ability to offer up to \$250 million of additional debt securities and warrants to purchase debt securities under its shelf registration statement authorization.

 CAPITAL EXPENDITURES

Capital expenditures amounted to \$319.7 million, \$295.8 million and \$429.5 million in 1994, 1993 and 1992, respectively, of which \$201.2 million, \$198.1 million and \$258.2 million was for new stores and remodeling and expanding existing stores. The Company expended \$10.7 million in 1994 for a catalogue telemarketing center in Kettering, Ohio to expand Victoria's Secret Catalogue operations. Approximately \$29 million was expended in 1992 for the completion of Victoria's Secret Catalogue's fulfillment center and office facility in Columbus, Ohio. In addition, office facilities previously committed under a long-term lease were acquired in 1992 for approximately \$101 million.

The Company anticipates spending \$325-\$375 million for capital expenditures in 1995, of which \$230-\$270 million will be for new stores, the remodeling of existing stores and related improvements for the retail businesses. The Company expects that substantially all 1995 capital expenditures will be funded by net cash provided by operating activities.

The Company has announced its intention to add approximately 1.6 million selling square feet in 1995 which will represent a 6% increase over year-end 1994. It is anticipated the increase will result from the net addition of approximately 465 new stores and the remodeling of approximately 225 stores. A summary of stores and selling square feet by division for 1993 and 1994 and goals for 1995 follow:

YEAR	SELLING SQUARE FEET
-----	-----
79	\$ 1,082,000
84	5,166,000
89	14,374,000
94	25,627,000

	GOAL-1995	1994	1993	CHANGE FROM	
				1995-94	1994-93
EXPRESS					
Stores	745	716	673	29	43
Selling Sq. Ft.	4,613,000	4,357,000	3,902,000	256,000	455,000
LERNER NEW YORK					
Stores	838	846	877	(8)	(31)
Selling Sq. Ft.	6,396,000	6,580,000	6,802,000	(184,000)	(222,000)
LANE BRYANT					
Stores	826	812	817	14	(5)
Selling Sq. Ft.	3,936,000	3,859,000	3,852,000	77,000	7,000
THE LIMITED					
Stores	708	709	746	(1)	(37)
Selling Sq. Ft.	4,284,000	4,358,000	4,482,000	(74,000)	(124,000)
HENRI BENDEL					
Stores	4	4	4	0	0
Selling Sq. Ft.	88,000	93,000	93,000	(5,000)	0
VICTORIA'S SECRET STORES					
Stores	667	601	570	66	31
Selling Sq. Ft.	2,966,000	2,586,000	2,346,000	380,000	240,000
CACIQUE					
Stores	120	114	108	6	6
Selling Sq. Ft.	364,000	342,000	318,000	22,000	24,000
STRUCTURE					
Stores	514	466	394	48	72
Selling Sq. Ft.	1,985,000	1,755,000	1,409,000	230,000	346,000
ABERCROMBIE & FITCH CO.					
Stores	102	67	49	35	18
Selling Sq. Ft.	808,000	541,000	405,000	267,000	136,000
BATH & BODY WORKS					
Stores	518	318	194	200	124
Selling Sq. Ft.	881,000	489,000	248,000	392,000	241,000
PENHALIGON'S					
Stores	4	4	7	0	(3)
Selling Sq. Ft.	2,000	2,000	3,000	0	(1,000)
THE LIMITED TOO					
Stores	288	210	184	78	26
Selling Sq. Ft.	907,000	665,000	566,000	242,000	99,000
TOTAL RETAIL DIVISIONS					
Stores	5,334	4,867	4,623	467	244
Selling Sq. Ft.	27,230,000	25,627,000	24,426,000	1,603,000	1,201,000

IMPACT OF INFLATION

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

(Thousands except per share amounts)

NET SALES	\$ 7,320,792	\$ 7,245,088	\$ 6,944,296
Costs of Goods Sold, Occupancy and Buying Costs	(5,206,429)	(5,286,253)	(4,953,556)

GROSS INCOME	2,114,363	1,958,835	1,990,740
General, Administrative and Store Operating Expenses	(1,315,374)	(1,259,896)	(1,202,042)
Special and Nonrecurring Items, Net	-	2,617	-

OPERATING INCOME	798,989	701,556	788,698
Interest Expense	(65,381)	(63,865)	(62,398)
Other Income, Net	10,735	7,308	10,080
Gain on Issuance of United Retail Group Stock	-	-	9,117

INCOME BEFORE INCOME TAXES	744,343	644,999	745,497
Provision for Income Taxes	296,000	254,000	290,000

NET INCOME	\$ 448,343	\$ 390,999	\$ 455,497

NET INCOME PER SHARE	\$ 1.25	\$ 1.08	\$ 1.25

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

NET INCOME
(Millions)
CAGR 17%
(Compound Annual
Growth Rate, last
ten years)

84	\$ 92
85	145
86	228
87	235
88	245
89	347
90	398
91	403
92	455
93	391
94	448

NET SALES
(Millions)
CAGR 18%

84	\$1,343
85	2,387
86	3,143
87	3,528
88	4,071
89	4,648
90	5,254
91	6,149

92	6,944
93	7,245
94	7,321

CONSOLIDATED BALANCE SHEETS

(Thousands)

ASSETS	JAN. 28, 1995	JAN. 29, 1994
CURRENT ASSETS		
Cash and Equivalents	\$ 242,780	\$ 320,558
Accounts Receivable	1,292,399	1,056,911
Inventories	870,440	733,700
Other	142,047	109,456
TOTAL CURRENT ASSETS	2,547,666	2,220,625
PROPERTY AND EQUIPMENT, NET	1,692,145	1,666,588
OTHER ASSETS	330,266	247,892
TOTAL ASSETS	\$4,570,077	\$4,135,105
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable	\$ 275,303	\$ 250,363
Accrued Expenses	372,676	347,892
Certificates of Deposit	25,200	15,700
Income Taxes	124,376	93,489
TOTAL CURRENT LIABILITIES	797,555	707,444
LONG-TERM DEBT	650,000	650,000
DEFERRED INCOME TAXES	306,139	275,101
OTHER LONG-TERM LIABILITIES	55,427	61,267
SHAREHOLDERS' EQUITY		
Common Stock	189,727	189,727
Paid-In Capital	132,938	128,906
Retained Earnings	2,716,516	2,397,112
	3,039,181	2,715,745
Less: Treasury Stock, at Cost	(278,225)	(274,452)
TOTAL SHAREHOLDERS' EQUITY	2,760,956	2,441,293
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$4,570,077	\$4,135,105

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

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(Thousands)

	PAID-IN CAPITAL	RETAINED EARNINGS	TREASURY STOCK, AT COST	TOTAL SHAREHOLDERS' EQUITY
BALANCE, FEBRUARY 1, 1992	\$100,929	\$1,783,027	\$(196,891)	\$1,876,792
Net Income	--	455,497	--	455,497
Cash Dividends	--	(101,730)	--	(101,730)
Exercise of Stock Options and Other	6,598	--	10,211	16,809
Warrants Issued for Acquisition	20,249	--	--	20,249
BALANCE, JANUARY 30, 1993	\$127,776	\$2,136,794	\$(186,680)	\$2,267,617
Net Income	--	390,999	--	390,999
Cash Dividends	--	(130,681)	--	(130,681)
Purchase of Treasury Stock	--	--	(93,328)	(93,328)
Exercise of Stock Options and Other	1,130	--	5,556	6,686
BALANCE, JANUARY 29, 1994	\$128,906	\$2,397,112	\$(274,452)	\$2,441,293
Net Income	--	448,343	--	448,343
Cash Dividends	--	(128,939)	--	(128,939)
Purchase of Treasury Stock	--	--	(11,382)	(11,382)
Exercise of Stock Options and Other	4,032	--	7,609	11,641
BALANCE, JANUARY 28, 1995	\$132,938	\$2,716,516	\$(278,225)	\$2,760,956

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

WORKING CAPITAL
(Millions)

84	85	86	87	88	89	90	91	92	93	94
\$1.181	\$1.420	\$1.587	\$1.630	\$1.568	\$1.686	\$1.884	\$1,084	\$1,063	\$1,513	\$1,750

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Thousands)

	1994	1993	1992
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income	\$ 448,343	\$ 390,999	\$ 455,497
IMPACT OF OTHER OPERATING ACTIVITIES ON CASH FLOWS			
Depreciation and Amortization	267,888	271,353	246,977
Special and Nonrecurring Items	--	(2,617)	--

CHANGE IN ASSETS AND LIABILITIES			
Accounts Receivable	(235,488)	(219,534)	(101,545)
Inventories	(136,740)	70,006	(73,657)
Accounts Payable and Accrued Expenses	49,724	14,943	118,289
Income Taxes	30,887	20,773	82,369
Other Assets and Liabilities	(63,536)	(97,784)	26,198

NET CASH PROVIDED BY OPERATING ACTIVITIES	361,078	448,139	754,128

INVESTING ACTIVITIES			
Capital Expenditures	(319,676)	(295,804)	(429,545)
Businesses Acquired	--	--	(60,043)
Proceeds from Sale of Business	--	285,000	--
Tax Effect of Gain on Sale of Business	--	(64,750)	--

CASH USED FOR INVESTING ACTIVITIES	(319,676)	(75,554)	(489,588)

FINANCING ACTIVITIES			
Net Proceeds (Repayments) of Commercial Paper Borrowings and Certificates of Deposit	9,500	(25,939)	(322,119)
Repayments of Long-Term Debt	--	(100,000)	--
Proceeds from Issuance of Unsecured Notes	--	250,000	150,000
Dividends Paid	(128,939)	(130,681)	(101,730)
Purchase of Treasury Stock	(11,382)	(93,328)	--
Stock Options and Other	11,641	6,686	16,809

NET CASH USED FOR FINANCING ACTIVITIES	(119,180)	(93,262)	(257,040)

NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(77,778)	279,323	7,500
Cash and Equivalents, Beginning of Year	320,558	41,235	33,735

CASH AND EQUIVALENTS, END OF YEAR	\$ 242,780	\$ 320,558	\$ 41,235

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

-- PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements include the accounts of The Limited, Inc. (the Company) and all significant subsidiaries which are more than 50% owned and controlled. All significant intercompany balances and transactions have been eliminated in consolidation.

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

-- FISCAL YEAR

The Company's fiscal year ends on the Saturday closest to January 31. Fiscal years are designated in the financial statements and notes by the calendar year in which the fiscal year commences. The results for fiscal years 1994, 1993 and 1992 represent the 52-week periods ended January 28, 1995, January 29, 1994 and January 30, 1993.

-- CASH AND EQUIVALENTS

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

-- INVENTORIES

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

-- PROPERTY AND EQUIPMENT

Depreciation and amortization of property and equipment are computed for financial reporting purposes on a straight-line basis, using service lives ranging principally from 10-30 years for buildings and improvements and 3-10

years for other property and equipment. The cost of assets sold or retired and the related accumulated depreciation or amortization are removed from the accounts with any resulting gain or loss included in net income. Maintenance and repairs are charged to expense as incurred. Major renewals and betterments which extend service lives are capitalized.

- - GOODWILL AMORTIZATION

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

- - INTEREST RATE SWAP AGREEMENTS

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

- - INCOME TAXES

Effective January 31, 1993, the Company adopted Statement of Financial Accounting Standards (SFAS) 109, "Accounting for Income Taxes." SFAS 109 requires a change from the deferred method of accounting for income taxes to the liability method. Under this method, deferred tax assets and liabilities are recognized based on the difference between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect in the years in which those temporary differences are expected to reverse. Under SFAS 109, the effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date. Under the deferred method, which was applied in 1992 and prior years, deferred income taxes are recognized for income and expense items that are reported in different years for financial reporting purposes and income tax purposes using the tax rate applicable for the year of calculation. Under the deferred method, deferred taxes are not adjusted for subsequent changes in tax rates.

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- - SHAREHOLDERS' EQUITY

Five hundred million shares of \$.50 par value common stock are authorized, of which 357.6 million and 357.8 million were outstanding, net of 21.8 million shares and 21.7 million shares held in treasury at January 28, 1995 and January 29, 1994. Ten million shares of \$1.00 par value preferred stock are authorized, none of which have been issued.

- - NET INCOME PER SHARE

Net income per share is computed based upon the weighted average number of outstanding common shares, including the effect of stock options. There were 358.6 million, 363.2 million and 363.7 million weighted average outstanding shares for 1994, 1993 and 1992.

- - 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 1992, the Company recognized a \$9 million pre-tax gain which resulted from the March 1992 initial public offering of the United Retail Group, Inc. A more detailed discussion of this matter is included under the heading "Gain on Issuance of United Retail Group, Inc. Stock" in Management's Discussion and Analysis on page 63 of this Annual Report.

2 SPECIAL AND NONRECURRING ITEMS

During the third quarter of 1993, the Company approved a plan which includes the following components: the sale of a 60% interest in the Brylane mail order business; the acceleration of the store remodeling, downsizing and closing program at the Limited Stores and Lerner divisions; and the refocusing of the merchandise strategy at the Henri Bendel division. The net pre-tax gain from these special and nonrecurring items was \$2.6 million.

The remodeling, downsizing and closing program includes approximately

360 Limited and Lerner stores and is expected to be completed by the end of 1995. The Company had closed approximately 80 of these stores and remodeled approximately 200 of these stores as of January 28, 1995. The charge for these actions totaled approximately \$200 million. Costs remaining to be incurred related to this program are approximately \$14 million at January 28, 1995.

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

A further discussion of this matter is included under the heading "Special and Non-recurring Items" in Management's Discussion and Analysis on page 62 of this Annual Report.

3 ACCOUNTS RECEIVABLE

Accounts receivable consisted of (Thousands):

	1994	1993
Deferred Payment Accounts	\$1,250,636	\$1,013,276
Trade and Other	86,709	78,532
Allowance for Uncollectible Accounts	(44,946)	(34,897)
	-----	-----
	\$1,292,399	\$1,056,911

Finance charge revenue on the deferred payment accounts amounted to \$223.9 million, \$174.5 million and \$141.8 million in 1994, 1993 and 1992, and the provision for uncollectible accounts amounted to \$72.7 million, \$50.8 million and \$40.0 million in 1994, 1993 and 1992. These amounts are classified as components of the cost to administer the deferred payment program and are included in general, administrative and store operating expenses.

4 PROPERTY AND EQUIPMENT

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

	1994	1993
Land, Buildings and Improvements	\$ 510,563	\$ 510,998
Furniture, Fixtures and Equipment	1,714,587	1,571,568
Leaseholds and Improvements	515,226	506,258
Construction in Progress	58,039	49,373
	-----	-----
	2,798,415	2,638,197
Less: Accumulated Depreciation and Amortization	1,106,270	971,609
	-----	-----
Property and Equipment, Net	\$1,692,145	\$1,666,588

5 LEASED FACILITIES AND COMMITMENTS

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

A summary of rent expense for 1994, 1993 and 1992 follows (Thousands):

STORE RENT:	1994	1993	1992
Fixed Minimum	\$586,437	\$540,381	\$498,607
Contingent	17,522	19,727	19,043
Total Store Rent	603,959	560,108	517,650
Equipment and Other	27,710	31,897	37,228
Total Rent Expense	\$631,669	\$592,005	\$554,878

At January 28, 1995, the Company was committed to noncancelable leases with remaining terms of one to forty years. A substantial portion of these commitments are store leases with initial terms ranging from ten to twenty years. Accrued rent expense was \$116.5 million and \$99.1 million at January 28, 1995 and January 29, 1994.

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

1995	\$ 617,645
1996	606,120
1997	587,825
1998	565,999
1999	539,742
Thereafter	\$2,802,487

6 LONG-TERM DEBT

Long-term debt consisted of (Thousands):

	1994	1993
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 two revolving credit agreements (the "Agreements") totaling \$840 million. One Agreement provides the Company available borrowings of up to \$490 million. The other Agreement provides World Financial Network National Bank, a wholly-owned consolidated subsidiary, available borrowings of up to \$350 million. Borrowings outstanding under the Agreements are due December 4, 1999. However, the revolving terms of each of the Agreements may be extended an additional two years upon notification by the Company at least 60 days prior to December 4, 1996, subject to the approval of the lending banks. Both Agreements have similar borrowing options, including interest rates which are based on either the lender's "Base Rate," as defined, LIBOR, CD based options or at a rate submitted under a bidding process. Aggregate commitment and facility fees for the Agreements approximate 0.11% of the total commitment. Both Agreements place restrictions on the amount of the Company's working capital, debt and net worth. No amounts were outstanding under the Agreements

at January 28, 1995.

The Agreements support the Company's commercial paper program which is used from time to time to fund working capital and other general corporate requirements. No commercial paper was outstanding at January 28, 1995.

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

All long-term debt outstanding at January 28, 1995 and January 29, 1994 is unsecured.

The Company periodically enters into interest rate swap agreements with the intent to manage interest rate exposure. At January 28, 1995, the Company had three interest rate swap positions outstanding, each having a \$100 million notional principal amount. One contract effectively changed the Company's interest rate exposure on \$100 million of variable rate debt to a fixed rate of 8.09% through July 2000. The counterparty to the swap contract has an option to cancel the remaining term of the contract in July 1995. The remaining two contracts effectively change the interest rate on \$200 million of fixed rate debt to a variable rate. These contracts expire in November 1995 and February 1996.

No long-term debt matures in years 1995-1998; \$100 million matures in 1999. Interest paid approximated \$64.7 million, \$57.4 million and \$60.0 million in 1994, 1993 and 1992.

7 INCOME TAXES

The Company adopted SFAS No. 109 effective January 31, 1993. No cumulative effect adjustment was required for the adoption as the difference in deferred income taxes under SFAS 109 and APB Opinion 11 was immaterial. The impact on the year of adoption was also immaterial.

The provision for income taxes consisted of (Thousands):

CURRENTLY PAYABLE:	1994	1993	1992
Federal	\$231,000	\$249,400	\$174,900
State	32,000	35,100	28,700
Foreign	4,100	6,400	6,400
	-----	-----	-----
	267,100	290,900	210,000
DEFERRED:			
Federal	12,900	(41,800)	62,700
State	16,000	4,900	17,300
	-----	-----	-----
	28,900	(36,900)	80,000
Total Provision	\$296,000	\$254,000	\$290,000

The foreign component of pre-tax income, arising principally from overseas sourcing operations, was \$40.9 million, \$54.8 million and \$58.7 million in 1994, 1993 and 1992.

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

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	1994	1993	1992
Federal Income Tax Rate	35.0%	35.0%	34.0%
State Income Tax, Net of			

Federal Income Tax Effect	4.2	4.0	4.0
Other Items, Net	.6	.4	.9
	----	----	----
	39.8%	39.4%	38.9%

Income taxes payable included current deferred tax assets of \$44.5 million and \$41.1 million at January 28, 1995 and January 29, 1994. The effect of temporary differences which give rise to deferred income tax balances was as follows (Thousands):

	1994			1993		
	ASSETS	LIABILITIES	TOTAL	ASSETS	LIABILITIES	TOTAL
Excess of Tax Over						
Book Depreciation	--	\$ (156,208)	\$ (156,208)	--	\$ (123,539)	\$ (123,539)
Undistributed Earnings						
of Foreign Affiliate	--	(109,350)	(109,350)	--	(103,485)	(103,485)
Investment in Affiliate	--	(28,056)	(28,056)	--	(39,171)	(39,171)
State Income Taxes	\$12,595	--	12,595	\$ 8,681	--	8,681
Bad Debt Reserve	18,678	--	18,678	11,022	--	11,022
Special and Nonrecurring	18,912	--	18,912	25,092	--	25,092
Other	30,170	(48,385)	(18,215)	23,163	(35,735)	(12,572)
	-----	-----	-----	-----	-----	-----
Total Deferred						
Income Taxes	\$80,355	\$ (341,999)	\$ (261,644)	\$67,958	\$ (301,930)	\$ (233,972)

For the year 1992, deferred income tax expense resulted from timing differences in the recognition of income and expense. The components of the deferred tax provision follow (Thousands):

	1992
Excess of Tax Over Book Depreciation	\$45,400
Other Items, Net	34,600

	\$80,000

Income tax payments approximated \$230.9 million, \$291.3 million and \$199.8 million for 1994, 1993 and 1992.

The Internal Revenue Service has assessed the Company for additional taxes and interest for 1989 and 1990. The assessment was based primarily on the treatment of transactions involving the Company's foreign operations and construction allowances. 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.

8 STOCK OPTIONS AND RESTRICTED STOCK

Stock options are granted to officers and key employees based upon fair market value at the date of grant. Option activity for 1992, 1993 and 1994 follows:

	Number of Shares	Weighted Average Option Price Per Share
OUTSTANDING OPTIONS, FEBRUARY 1, 1992	5,122,000	\$16.49
Activity During 1992:		
Granted	1,476,000	23.91
Exercised	(772,000)	12.73
Canceled	(312,000)	22.99
OUTSTANDING OPTIONS, JANUARY 30, 1993	5,514,000	\$18.57
Activity During 1993:		
Granted	2,457,000	21.74

	Exercised	(431,000)	12.22
	Canceled	(357,000)	22.32

OUTSTANDING OPTIONS, JANUARY 29, 1994		7,183,000	\$19.87
Activity During 1994:	Granted	2,122,000	17.19
	Exercised	(393,000)	11.44
	Canceled	(498,000)	21.49

OUTSTANDING OPTIONS, JANUARY 28, 1995		8,414,000	\$19.56

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The Company had approximately 2.2 million shares available for grant at January 28, 1995 as compared to 5.3 million shares available at January 29, 1994 and 7.4 million shares available at January 30, 1993. Approximately 8.4 million shares of the Company's common stock were reserved for outstanding options, of which 4.1 million were exercisable as of January 28, 1995.

In 1994 and 1993, approximately 848,000 and 590,000 restricted shares of the Company's common stock were granted to certain officers and key associates. The market value of the shares at the date of grant amounted to \$16.7 million in 1994 and \$12.7 million in 1993 and is recorded within treasury stock in the accompanying Consolidated Financial Statements. The market value is being amortized as compensation expense over the vesting period which ranges from four to ten years. Compensation expense of \$7.3 million and \$1.3 million was recorded in 1994 and 1993.

9 RETIREMENT BENEFITS

The Company sponsors a defined contribution retirement plan. Participation in this plan is available to all associates who have completed 1,000 or more hours of service with the Company during certain 12 month periods and attained the age of 21. Company contributions to this plan are based on a percentage of the associates' annual compensation. The cost of this plan was \$26.7 million in 1994, \$25.9 million in 1993 and \$20.1 million in 1992.

10 FINANCE SUBSIDIARY

World Financial Network National Bank, a wholly-owned consolidated finance subsidiary, provides private label credit card lines to the customers of certain retail affiliates. Condensed financial information of the finance subsidiary follows (Thousands):

ASSETS	JAN. 28, 1995	JAN. 29, 1994

Credit Card Receivables, Net of		
Allowance for Uncollectible Accounts	\$1,206,000	\$0,978,500
Other Assets, Net	48,900	40,300
	-----	-----
	\$1,254,900	\$1,018,800

LIABILITIES AND INVESTMENT		
Certificates of Deposit	\$ 25,200	\$ 15,700
Payable to Wholly-Owned Subsidiaries		
and Affiliates of The Limited, Inc.	37,400	18,200

INVESTMENT OF THE LIMITED, INC.:		
Subordinated Debt	1,095,900	902,700
Equity Investment	96,400	82,200
	-----	-----
	\$1,254,900	\$1,018,800

Holders of credit cards issued by the finance subsidiary are located throughout the United States, and have various available lines of credit which are subject to change by the finance subsidiary. The credit cards are used to purchase merchandise offered for sale by affiliates.

11 DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

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

// CURRENT ASSETS AND CURRENT LIABILITIES

The carrying value of cash equivalents, short-term borrowings, accounts payable and accrued expenses approximates fair value because of their short maturity. The carrying amount of the credit card receivables approximates fair value due to the short maturity and because the average interest rate approximates current market origination rates.

// LONG-TERM DEBT

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

// INTEREST RATE SWAP AGREEMENTS

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

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

	1994		1993	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Long-Term Debt	\$ (650,000)	\$ (620,540)	\$ (650,000)	\$ (712,078)
Interest Rate Swaps	\$ (886)	\$ (5,970)	\$ (13)	\$ (13,289)

12 QUARTERLY FINANCIAL DATA (UNAUDITED)

Summarized quarterly financial results for 1994 and 1993 follow (Thousands except per share amounts):

	FIRST	SECOND	THIRD	FOURTH
1994 QUARTER				
Net Sales	\$1,481,628	\$1,585,392	\$1,715,176	\$2,538,596
Gross Income	384,931	402,666	495,295	831,471
Net Income	47,276	53,832	90,490	256,745
Net Income Per Share	\$0.13	\$0.15	\$0.25	\$0.72
1993 QUARTER				
Net Sales	\$1,518,561	\$1,689,055	\$1,616,667	\$2,420,805
Gross Income	380,727	427,710	447,048	703,350
Net Income	44,225	68,232	82,215	196,327
Net Income Per Share	\$0.12	\$0.19	\$0.23	\$0.54

MARKET PRICE AND DIVIDEND INFORMATION

CASH DIVIDEND

	MARKET PRICE		PER SHARE

FISCAL YEAR 1994	HIGH	LOW	
4th Quarter	\$21-3/8	\$16-7/8	\$.09
3rd Quarter	21-5/8	17-1/4	.09
2nd Quarter	20	16-7/8	.09
1st Quarter	\$22-1/4	\$16-3/4	\$.09

FISCAL YEAR 1993			
4th Quarter	\$23-1/4	\$16-5/8	\$.09
3rd Quarter	24	20	.09
2nd Quarter	24-7/8	19-3/4	.09
1st Quarter	\$30	\$21-1/4	\$.09

The Company's common stock is traded on the New York Stock Exchange ("LTD") and the London Stock Exchange. On January 28, 1995, there were 74,321 shareholders of record. However, when including active associates who participate in the Company's stock purchase plan, associates who own shares through Company sponsored retirement plans and others holding shares in broker accounts under street name, the Company estimates the shareholder base at approximately 140,000.

SUBSIDIARIES OF THE REGISTRANT

Subsidiaries (a) -----	Jurisdiction of Incorporation -----
Express, Inc.(b)	Delaware
Lerner New York, Inc.(c)	Delaware
Lane Bryant, Inc.(d)	Delaware
The Limited London-Paris-New York, Inc.(e)	Delaware
Henri Bendel, Inc.(f)	Delaware
Victoria's Secret Stores, Inc.(g)	Delaware
Cacique, Inc.(h)	Delaware
Victoria's Secret Catalogue, Inc.(i)	Delaware
Structure, Inc.(j)	Delaware
Abercrombie & Fitch, Inc.(k)	Delaware
Bath & Body Works, Inc.(l)	Delaware
Penhaligon's Limited(m)	United Kingdom
Limited Too, Inc.(n)	Delaware
Mast Industries, Inc.(o)	Delaware
Mast Industries (Far East) Limited(p)	Hong Kong
Gryphon Development, Inc.(q)	Delaware
World Financial Network National Bank(r)	United States
Limited Distribution Services, Inc.(s)	Delaware
Limited Service Corporation(t)	Delaware

-
- (a) The names of certain subsidiaries are omitted since such unnamed subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary as of January 28, 1995.
- (b) Express, Inc. is a wholly-owned subsidiary of Express Holding Corporation, a Delaware corporation and a wholly-owned subsidiary of the registrant.
- (c) Lerner New York, Inc. is a wholly-owned subsidiary of Lerner Holding Corporation, a Delaware corporation and a wholly-owned subsidiary of the registrant.
- (d) Lane Bryant, Inc. is a wholly-owned subsidiary of Lane Bryant Holding Corporation, a Delaware corporation and a wholly-owned subsidiary of the registrant.
- (e) The Limited London-Paris-New York, Inc. is a wholly-owned subsidiary of LIM Holding Corporation, a Delaware corporation and a wholly-owned subsidiary of the registrant.
- (f) Henri Bendel, Inc. is a wholly-owned subsidiary of Henri Bendel Holding Corporation, a Delaware corporation and a wholly-owned subsidiary of the registrant.
- (g) Victoria's Secret Stores, Inc. is a wholly-owned subsidiary of Victoria's Secret Stores Holding Corporation, a Delaware corporation and a wholly-owned subsidiary of the registrant.
- (h) Cacique, Inc. is a wholly-owned subsidiary of Cacique Holding Corporation, a Delaware corporation and a wholly-owned subsidiary of the registrant.

- (i) Victoria's Secret Catalogue, Inc. is a wholly-owned subsidiary of Victoria's Secret Catalogue Holding Corporation, a Delaware corporation and a wholly-owned subsidiary of the registrant.
- (j) Structure, Inc. is a wholly-owned subsidiary of Structure Holding Corporation, a Delaware corporation and a wholly-owned subsidiary of the registrant.
- (k) Abercrombie & Fitch, Inc. is a wholly-owned subsidiary of Abercrombie & Fitch Holding Corporation, a Delaware corporation and a wholly-owned subsidiary of the registrant.
- (l) Bath & Body Works, Inc. is a wholly-owned subsidiary of Bath and Body Works Holding Corporation, Inc., a Delaware corporation and a wholly-owned subsidiary of the registrant.
- (m) Penhaligon's Limited is a wholly-owned subsidiary of PENHAL Investments, Inc., a Delaware corporation and a wholly-owned subsidiary of the registrant.
- (n) Limited Too, Inc. is a wholly-owned subsidiary of Limited Too Holding Corporation, a Delaware corporation and a wholly-owned subsidiary of the registrant.
- (o) Mast Industries, Inc. is a wholly-owned subsidiary of Mast Holding Corporation, a Delaware corporation and a wholly-owned subsidiary of the registrant.
- (p) Mast Industries (Far East) Limited is a wholly-owned subsidiary of Mast Industries, Inc.
- (q) Gryphon Development, Inc. is a wholly-owned subsidiary of the Gryphon Holding Corporation, a Delaware corporation and a wholly-owned subsidiary of the registrant.
- (r) World Financial Network National Bank is a wholly-owned subsidiary of the registrant.
- (s) Limited Distribution Services, Inc. is a wholly-owned subsidiary of LTDSP, Inc., a Delaware corporation and a wholly-owned subsidiary of the registrant.
- (t) Limited Service Corporation is a wholly-owned subsidiary of the registrant.

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statements of The Limited, Inc. on Form S-8, Registration Nos. 33-18533, 33-25005, 2-92277, 33-24829, 33-24507, 33-24828, 2-95788, 2-88919, 33-24518, 33-6965, 33-14049, 33-22844, 33-44041, 33-49871 and the registration statements on Form S-3, Registration Nos. 33-20788, 33-31540, 33-43832 and 33-53366 of our report dated February 13, 1995, on our audits of the consolidated financial statements and financial statement schedule of The Limited, Inc. and Subsidiaries as of January 28, 1995, and January 29, 1994, and for the fiscal years ended January 28, 1995, January 29, 1994, and January 30, 1993, which report is included in this Annual Report on Form 10-K.

COOPERS & LYBRAND L.L.P.

Columbus, Ohio
April 24, 1995

POWER OF ATTORNEY
OFFICERS AND DIRECTORS OF
THE LIMITED, INC.

The undersigned officer and/or director of The Limited, Inc., a Delaware corporation, which anticipates filing an Annual Report on Form 10-K for its fiscal year ended January 28, 1995 under the provisions of the Securities Exchange Act of 1934 with the Securities and Exchange Commission, Washington, D.C., hereby constitutes and appoints Leslie H. Wexner and Kenneth B. Gilman, and each of them, with full powers of substitution and resubstitution, as attorney to sign for the undersigned in any and all capacities such Annual Report on Form 10-K and any and all amendments thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining to such Annual Report on Form 10-K with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present. The undersigned hereby ratifies and confirms all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

EXECUTED as of the 27th day of January, 1995.

/s/ Leslie H. Wexner

Leslie H. Wexner

POWER OF ATTORNEY
OFFICERS AND DIRECTORS OF
THE LIMITED, INC.

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EXECUTED as of the 27th day of January, 1995.

/s/ Michael A. Weiss

Michael A. Weiss

POWER OF ATTORNEY
OFFICERS AND DIRECTORS OF
THE LIMITED, INC.

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EXECUTED as of the 27th day of January, 1995.

/s/ Martin Trust

Martin Trust

POWER OF ATTORNEY
OFFICERS AND DIRECTORS OF
THE LIMITED, INC.

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EXECUTED as of the 27th day of January, 1995.

/s/ Eugene M. Freedman

Eugene M. Freedman

POWER OF ATTORNEY
OFFICERS AND DIRECTORS OF
THE LIMITED, INC.

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EXECUTED as of the 27th day of January, 1995.

/s/ E. Gordon Gee

E. Gordon Gee

POWER OF ATTORNEY
OFFICERS AND DIRECTORS OF
THE LIMITED, INC.

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EXECUTED as of the 27th day of January, 1995.

/s/ Thomas G. Hopkins

Thomas G. Hopkins

POWER OF ATTORNEY
OFFICERS AND DIRECTORS OF
THE LIMITED, INC.

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EXECUTED as of the 27th day of January, 1995.

/s/ David T. Kollat

David T. Kollat

POWER OF ATTORNEY
OFFICERS AND DIRECTORS OF
THE LIMITED, INC.

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EXECUTED as of the 27th day of January, 1995.

/s/ Claudine B. Malone

Claudine B. Malone

POWER OF ATTORNEY
OFFICERS AND DIRECTORS OF
THE LIMITED, INC.

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EXECUTED as of the 27th day of January, 1995.

/s/ Donald B. Shackelford

Donald B. Shackelford

POWER OF ATTORNEY
OFFICERS AND DIRECTORS OF
THE LIMITED, INC.

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EXECUTED as of the 27th day of January, 1995.

/s/ Allan R. Tessler

Allan R. Tessler

POWER OF ATTORNEY
OFFICERS AND DIRECTORS OF
THE LIMITED, INC.

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EXECUTED as of the 27th day of January, 1995.

/s/ Raymond Zimmerman

Raymond Zimmerman

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[ARY, EARMAN and ROEPCKE LETTERHEAD]

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Plan Administrator of The Limited,
Inc. Savings and Retirement Plan:

We have audited the accompanying statements of net assets available for benefits of The Limited, Inc. Savings and Retirement Plan as of December 31, 1994 and 1993, and the related statements of changes in net assets available for benefits for each of the three years in the period ended December 31, 1994. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 1994 and 1993, and the changes in net assets available for benefits for each of the three years in the period ended December 31, 1994, in conformity with generally accepted accounting principles.

/s/ ARY, EARMAN and ROEPCKE

Columbus, Ohio
March 29, 1995.

THE LIMITED, INC. SAVINGS AND RETIREMENT PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 1994

	TOTAL	Limited Stock Fund	Fixed Income Fund	Indexed Fund	World Fund
ASSETS					
Investments, at Fair Value:					
Determined by Quoted Market Price					
Common Stock of The Limited, Inc. (Cost \$31,473,031)	\$ 74,213,936	\$ 74,213,936	\$ -	\$ -	\$ -
Vanguard Indexed Mutual Fund (Cost \$21,363,025)	22,393,334	-	-	22,393,334	-
Vanguard World Mutual Fund (Cost \$16,934,527)	17,568,066	-	-	-	17,568,066
Determined By Contract Value:					
Guaranteed Investment Contracts:					
Vanguard Investment Contract Trust	54,831,553	-	54,831,553	-	-
Metropolitan Life Insurance	12,983,134	-	12,983,134	-	-
Temporary Investments (Cost Approximates Fair Value)	38,054	10,693	21,013	3,000	3,348
Total Investments	182,028,077	74,224,629	67,835,700	22,396,334	17,571,414
Contribution Receivable from Employers	16,899,542	2,706,921	8,659,768	3,198,332	2,334,521
Receivable from Employers for Withheld Participants' Contributions	936,072	147,762	351,168	264,962	172,180
Due from Brokers	1,406,791	1,406,791	-	-	-
Interfund Transfers	-	(916,433)	408,641	456,929	50,863
Accrued Interest and Dividends	2,622	1,287	771	291	273
Other Assets	412	-	-	-	412
Total Assets	201,273,516	77,570,957	77,256,048	26,316,848	20,129,663
LIABILITIES					

Administrative Fees Payable	372,240	161,033	134,051	43,429	33,727
NET ASSETS AVAILABLE FOR BENEFITS	\$200,901,276	\$ 77,409,924	\$ 77,121,997	\$ 26,273,419	\$ 20,095,936

The accompanying notes are an integral part of this financial statement.

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THE LIMITED, INC. SAVINGS AND RETIREMENT PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 1993

	TOTAL	Limited Stock Fund	Fixed Income Fund	Indexed Fund	World Fund
ASSETS					
Investments, at Fair Value:					
Determined by Quoted Market Price					
Common Stock of The Limited, Inc. (Cost \$28,548,294)	\$ 76,924,612	\$ 76,924,612	\$ -	\$ -	\$ -
Vanguard Indexed Mutual Fund (Cost \$15,690,019)	17,288,449	-	-	17,288,449	-
Vanguard World Mutual Fund (Cost \$13,532,146)	13,799,287	-	-	-	13,799,287
Determined By Contract Value:					
Guaranteed Investment Contracts:					
Vanguard Investment Contract Trust	46,129,637	-	46,129,637	-	-
Metropolitan Life Insurance	11,929,738	-	11,929,738	-	-
John Hancock Life Insurance	1,693,809	-	1,693,809	-	-
Temporary Investments (Cost Approximates Fair Value)	351,056	2,390	312,905	17,880	17,881
Total Investments	168,116,588	76,927,002	60,066,089	17,306,329	13,817,168
Contribution Receivable from Employers	16,654,367	2,961,061	8,853,901	2,637,242	2,202,163
Receivable from Employers for Withheld Participants' Contributions	884,649	111,468	381,942	227,114	164,125
Due from Brokers	531,601	531,601	-	-	-
Interfund Transfers	-	(856,847)	373,730	340,564	142,553
Accrued Interest and Dividends	1,373	621	358	143	251
Other Assets	780	-	368	-	412
Total Assets	186,189,358	79,674,906	69,676,388	20,511,392	16,326,672
LIABILITIES					
Other Liabilities	1,218	1,218	-	-	-
Administrative Fees Payable	699,365	320,641	249,463	71,876	57,385
Total Liabilities	700,583	321,859	249,463	71,876	57,385
NET ASSETS AVAILABLE FOR BENEFITS	\$185,488,775	\$ 79,353,047	\$ 69,426,925	\$ 20,439,516	\$ 16,269,287

The accompanying notes are an integral part of this financial statement.

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THE LIMITED, INC. SAVINGS AND RETIREMENT PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 1994

Limited Fixed

	Total	Stock Fund	Income Fund	Indexed Fund	World Fund
Investment Income:					
Increase (Decrease) in Net Unrealized Appreciation	\$ 1,716,786	\$ 1,918,510	\$ -	\$ (568,121)	\$ 366,397
Realized Gain on Sale of Securities	3,033,768	2,781,458	-	206,695	45,615
Interest	4,123,855	9,181	4,110,632	2,223	1,819
Dividends	1,575,897	1,575,897	-	-	-
Mutual Funds' Earnings	864,642	-	-	661,477	203,165
Total Investment Income	11,314,948	6,285,046	4,110,632	302,274	616,996
Contributions:					
Employers	23,236,673	4,220,346	11,221,074	4,509,396	3,285,857
Participants	10,745,605	2,466,228	3,919,556	2,532,832	1,826,989
Total Contributions	33,982,278	6,686,574	15,140,630	7,042,228	5,112,846
Transfer of Participants' Account Balances to Former Affiliate's Plan	(37,482)	(14)	(37,468)	-	-
Interfund Transfers	-	(1,149,559)	231,825	879,225	38,509
Administrative Expense	(755,565)	(335,032)	(270,359)	(84,273)	(65,901)
Benefits to Participants	(29,091,678)	(13,430,138)	(11,480,188)	(2,305,551)	(1,875,801)
Increase (Decrease) in Net Assets Available for Benefits	15,412,501	(1,943,123)	7,695,072	5,833,903	3,826,649
Beginning Net Assets Available for Benefits	185,488,775	79,353,047	69,426,925	20,439,516	16,269,287
Ending Net Assets Available for Benefits	\$200,901,276	\$ 77,409,924	\$ 77,121,997	\$ 26,273,419	\$ 20,095,936

The accompanying notes are an integral part of this financial statement.

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THE LIMITED, INC. SAVINGS AND RETIREMENT PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 1993

	Total	Limited Stock Fund	Fixed Income Fund	Indexed Fund	World Fund
Investment Income:					
Increase (Decrease) in Net Unrealized Appreciation	\$(51,165,802)	\$(51,222,621)	\$ -	\$ 537,811	\$ (480,992)
Realized Gain on Sale of Securities	4,073,977	3,367,169	-	636,926	69,882
Interest	4,439,846	6,689	4,429,569	1,880	1,708
Dividends	1,783,025	1,783,025	-	-	-
Mutual Funds' Earnings	657,135	-	-	464,994	192,141
Total Investment Income (Loss)	(40,211,819)	(46,065,738)	4,429,569	1,641,611	(217,261)
Contributions:					
Employers	23,371,564	5,561,152	11,270,178	3,496,942	3,043,292
Participants	10,428,961	3,098,271	3,790,368	1,934,509	1,605,813
Total Contributions	33,800,525	8,659,423	15,060,546	5,431,451	4,649,105
Transfer of Participants' Account Balances from Affiliated Plans	1,140,371	-	514,198	422,367	203,806
Transfer of Participants' Account Balances to Former Affiliate's Plan	(20,815,838)	(5,390,244)	(10,483,032)	(3,227,343)	(1,715,219)
Interfund Transfers	-	(4,461,978)	1,028,778	3,401,455	31,745
Administrative Expense	(752,234)	(354,091)	(261,967)	(75,921)	(60,255)
Benefits to Participants	(39,043,060)	(20,796,573)	(13,029,735)	(2,847,422)	(2,369,330)

Increase (Decrease) in Net Assets Available for Benefits	(65,882,055)	(68,409,201)	(2,741,643)	4,746,198	522,591
Beginning Net Assets Available for Benefits	251,370,830	147,762,248	72,168,568	15,693,318	15,746,696
Ending Net Assets Available for Benefits	\$185,488,775	\$ 79,353,047	\$ 69,426,925	\$ 20,439,516	\$ 16,269,287

The accompanying notes are an integral part of this financial statement.

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THE LIMITED, INC. SAVINGS AND RETIREMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 1992

	Total	Limited Stock Fund	Fixed Income Fund	Indexed Fund	World Fund	Balanced Fund
Investment Income:						
Increase (Decrease) in Net Unrealized Appreciation	\$(35,113,811)	\$(30,558,791)	\$ -	\$ 1,040,860	\$ 740,430	\$(6,336,310)
Realized Gain on Sale of Securities	14,724,409	14,621,430	-	76,279	26,700	-
Master Trusts' Earnings	5,079,699	-	410,088	-	-	4,669,611
Interest	3,339,282	20,979	3,317,745	273	285	-
Dividends	1,656,283	1,656,283	-	-	-	-
Mutual Funds' Earnings	569,200	-	-	336,311	232,889	-
Total Investment Income (Loss)	(9,744,938)	(14,260,099)	3,727,833	1,453,723	1,000,304	(1,666,699)
Contributions:						
Employers:						
Cash	21,629,777	6,331,664	10,291,305	2,211,975	2,391,300	403,533
The Limited, Inc. Common Stock	2,252,884	2,252,884	-	-	-	-
Participants	9,745,785	3,664,723	3,776,604	846,944	877,007	580,507
Total Contributions	33,628,446	12,249,271	14,067,909	3,058,919	3,268,307	984,040
Transfer of Participants' Account Balances from Affiliated Plans	121,306,985	61,642,002	12,602,071	-	-	47,062,912
Interfund Transfers	-	(4,110,765)	46,737,477	12,081,798	12,305,257	(67,013,767)
Administrative Expense	(386,007)	(225,205)	(113,686)	(23,692)	(23,424)	-
Benefits to Participants	(43,518,434)	(29,018,749)	(12,495,636)	(877,430)	(803,748)	(322,871)
Increase (Decrease) in Net Assets Available for Benefits	101,286,052	26,276,455	64,525,968	15,693,318	15,746,696	(20,956,385)
Beginning Net Assets Available for Benefits	150,084,778	121,485,793	7,642,600	-	-	20,956,385
Ending Net Assets Available for Benefits	\$251,370,830	\$147,762,248	\$ 72,168,568	\$ 15,693,318	\$ 15,746,696	\$ -

The accompanying notes are an integral part of this financial statement.

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THE LIMITED, INC. SAVINGS AND RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

(1) DESCRIPTION OF THE PLAN

General

The Limited, Inc. Savings and Retirement Plan (the "Plan"), formerly The Limited Stores Savings and Retirement Plan, is a defined contribution plan covering certain employees of The Limited, Inc. and its affiliates (the "Employers") who are at least 21 years of age and have completed 1,000 or more hours of service during their first consecutive twelve months of employment or any calendar year beginning in or after their first consecutive twelve months of employment. Certain employees of the Employers, who are covered by a collective bargaining agreement, are not eligible to participate in the Plan. At December 31, 1994, there were 20,891 participants in the Plan.

Effective January 1, 1992, the plans of affiliates, except Fulcrum Management Group Savings and Retirement Plan, were merged and all assets and liabilities of the affiliate plans were pooled into the Plan. Effective January 1, 1993, the Fulcrum Management Group Savings and Retirement Plan was merged into the Plan.

On August 31, 1993, The Limited, Inc. sold 60% of its interest in Brylane, Inc. and transferred the assets and liabilities allocated to the employees of Brylane, Inc. and its affiliates to the Brylane L.P. Savings and Retirement Plan.

The following description of the Plan provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) as amended.

Amendments

Effective January 1, 1992, the Plan was amended and restated to, among other things, (1) change the sponsorship of the Plan to the Limited Service Corporation from The Limited, Inc., (2) rename the Plan to The Limited, Inc. Savings and Retirement Plan from The Limited Stores Savings and Retirement Plan and (3) change the Employers' retirement contributions as noted under "Employer Contributions" below.

Effective April 1, 1992, the Plan was amended and restated to, among other things, (1) allow participants to change investment directions quarterly and in 1% increments from semi-annually and 10%, (2) allow participants to direct the investment of the Employers' retirement contribution and (3) allow the payment of benefits as noted under "Payment of Benefits" below.

Contributions

Employer Contributions:

The Employers may provide a non-service related retirement contribution of 4% of annual compensation up to the Social Security wage base and 7% of annual compensation after that and a service related retirement contribution of 1% of annual compensation for participants who have completed five or more years of vesting service as of the last day of the Plan year. Participants who complete 500 hours of service during the Plan year and are participants on the last day of the Plan year are eligible. The annual compensation of each participant taken into account under the Plan is limited to the maximum amount permitted under Section 401(a)(17) of the Internal Revenue Code. The annual compensation limit for the Plan year ended December 31, 1994, was \$150,000. Prior to the amendments effective January 1, 1992 there was no service related retirement contribution.

The Employers may provide a matching contribution of 100% of the participant's voluntary contributions up to 3% of the participant's total annual compensation.

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Participant Voluntary Contributions:

A participant may elect to make a voluntary tax-deferred contribution of 1% to 6% of his or her annual compensation up to the maximum permitted under Section 402(g) of the Internal Revenue Code adjusted annually (\$9,240 at December 31, 1994). This voluntary tax-deferred contribution may be limited by Section 401(k) of the Internal Revenue Code.

A participant earning annually more than \$66,000, \$64,245 and \$62,345, for the years ended December 31, 1994, 1993 and 1992, respectively, may be limited to voluntary contributions to the Plan of less than 6% due to requirements of Section 401(k) of the Internal Revenue Code based on the current levels of participant voluntary contributions.

Vesting

A participant is fully and immediately vested for voluntary and rollover contributions. A summary of vesting percentages in the Employers' contributions follows:

Years of Vested Service -----	Percentage -----
Less than 3 years	0%
3 years	20
4 years	40
5 years	60
6 years	80
7 years	100

Payment Of Benefits

The full value of participants' accounts becomes payable upon retirement, disability, or death. Upon termination of employment for any other reason participants' accounts, to the extent vested, become payable. Those participants with vested account balances greater than \$3,500 have the option of leaving their accounts invested in the Plan until age 65. All benefits will be paid as a lump-sum distribution. Those participants holding greater than 100 shares of Employer Securities will be distributed the shares. Prior to the amendment effective April 1, 1992, participants had the option of receiving cash in lieu of shares. Effective January 1, 1993, participants have the option of having their benefit paid directly to an eligible retirement plan specified by the participant.

A participant who is fully vested in his or her account and who has participated in the Plan for at least five years may obtain an in-service withdrawal from their account based on the percentage amounts designated by the Plan. A participant may also request a hardship distribution due to an immediate and heavy financial need based on the terms of the Plan.

Amounts Allocated Participants Withdrawn from the Plan

The vested portion of net assets available for benefits allocated to participants withdrawn from the plan as of December 31, 1994 and 1993, is set forth below:

	Total -----	Limited Stock Fund -----	Fixed Income Fund -----	Indexed Fund -----	World Fund -----
December 31, 1994	\$3,894,855	\$1,796,254	\$1,321,029	\$ 452,849	\$ 324,723
December 31, 1993	\$2,746,868	\$ 964,773	\$1,332,112	\$ 280,308	\$ 169,675

Forfeitures

Forfeitures are used to reduce the Employers' required contributions. In 1994, 1993 and 1992, forfeitures utilized amounted to \$3,851,243, \$2,362,621 and \$2,937,347, respectively.

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Expenses and Unallocated Earnings

Administrative expenses of the Plan may be paid from the Plan unless the Employers elect to pay such expenses. Prior to July 1, 1992, expenses of the Plan were paid by the Employers. Since July 1, 1992, the Plan has been paying these expenses from earnings not allocated to participants' accounts. Unallocated earnings being held as of December 31, 1994 and 1993 are set forth below:

	Total -----	Limited Stock Fund -----	Fixed Income Fund -----	Indexed Fund -----	World Fund -----
December 31, 1994	\$354,505	\$ 93,066	\$146,831	\$ 52,607	\$ 62,001
December 31, 1993	\$974,367	\$402,278	\$289,298	\$149,361	\$133,430

Tax Determination

The Plan obtained its latest determination letter on January 30, 1995, in which the Internal Revenue Service stated that the Plan, as amended and restated January 11, 1992 and April 1, 1992, was in compliance with the applicable requirements of the Internal Revenue Code. Accordingly, the following Federal income tax rules will apply to the Plan:

Voluntary tax-deferred contributions made under the Plan by a participant and contributions made by the Employers to participant accounts are generally not taxable until such amounts are distributed.

The participants are not subject to Federal income tax on interest, dividends, or gains in their particular accounts until distributed.

The foregoing is only a brief summary of certain tax implications and

applies only to Federal tax regulations currently in effect.

(2) SUMMARY OF ACCOUNTING POLICIES

The Plan's financial statements are prepared on the accrual basis of accounting. Assets of the Plan are valued at fair value. If available, quoted market prices are used to value investments. The amounts for investments that have no quoted market price are shown at their estimated fair value, which is determined based on yields equivalent for such securities or for securities of comparable maturity, quality, and type as obtained from market makers. Guaranteed investment contracts issued by insurance companies are valued at contract value. Contract value represents contributions made under the contract, and interest at the contract rate, less Plan withdrawals and administration expenses charged by the insurance companies.

Realized gains or losses on the distribution or sale of securities represent the difference between the average cost of such securities held and the fair value on the date of distribution or sale.

INVESTMENTS

Net unrealized appreciation, equal to the difference between cost and fair value of all investments held at the applicable valuation dates, is recognized in determining the value of each fund. The unrealized appreciation as of December 31, 1994, 1993 and 1992 follows:

	Total	Limited Stock Fund	Fixed Income Fund	Indexed Fund	World Fund
December 31, 1994	\$ 44,404,753	\$ 42,740,905	\$ -	\$ 1,030,309	\$ 633,539
December 31, 1993	\$ 50,241,889	\$ 48,376,318	\$ -	\$ 1,598,430	\$ 267,141
December 31, 1992	\$119,696,266	\$117,914,976	\$ -	\$ 1,040,860	\$ 740,430

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The Following is a summary of the net gain on securities sold during the periods ended December 31, 1994, 1993 and 1992:

	Total	Limited Stock Fund	Fixed Income Fund	Indexed Fund	World Fund
Period Ended December 31, 1994					
Proceeds	\$26,357,549	\$ 4,926,530	\$14,779,530	\$ 3,511,736	\$ 3,139,753
Cost	23,323,781	2,145,072	14,779,530	3,305,041	3,094,138
Net Realized Gain	\$ 3,033,768	\$ 2,781,458	\$ -	\$ 206,695	\$ 45,615
Period Ended December 31, 1993					
Proceeds	\$47,420,114	\$ 4,627,603	\$29,287,560	\$ 7,187,529	\$ 6,317,422
Cost	43,346,137	1,260,434	29,287,560	6,550,603	6,247,540
Net Realized Gain	\$ 4,073,977	\$ 3,367,169	\$ -	\$ 636,926	\$ 69,882
Period Ended December 31, 1992					
Proceeds	\$33,651,152	\$17,863,464	\$13,045,550	\$ 1,662,911	\$ 1,079,227
Cost	18,926,743	3,242,034	13,045,550	1,586,632	1,052,527
Net Realized Gain	\$14,724,409	\$14,621,430	\$ -	\$ 76,279	\$ 26,700

Contributions under the Plan are invested in one of four investment funds: (1) The Limited Stock Fund, consisting of common stock of The Limited, Inc., a Delaware corporation (the "Issuer") and parent company of the Employers, (2) the Fixed Income Fund, which is invested in the Vanguard Investment Contract Trust and other guaranteed investment contracts issued by insurance companies, (3) the Indexed Fund, which is invested in the Vanguard Indexed Fund, and (4) the World Fund, which is invested in the Vanguard World Fund.

Prior to April 1, 1992, the Fixed Fund was invested through a master trust consisting of guaranteed investment contracts issued by insurance companies and the Plan provided for a Balanced Fund, which was invested through a master trust consisting of stocks, bonds, notes, investment contracts, cash and cash equivalents. Effective April 1, 1992, the Balanced Fund was eliminated as an investment election when the Indexed and World Funds were offered.

Participants' voluntary and Employers' contributions may be invested in any one or more of the funds, at the election of the participant. There are 5,968 participants in the Limited Stock Fund, 14,570 in the Fixed Income Fund, 4,657 in the Indexed Fund, and 3,886 in the World Fund at December 31, 1994.

The Balanced Fund was held in The Limited, Inc. Balanced Fund Master Trust (the "Balanced Fund Trust") along with other balanced funds of other employee benefit plans of the Employers' affiliates. Effective April 1, 1992, the Balanced Fund Trust was terminated with the assets being sold and cash distributed to the participating plans. The Plan's participation in the Balanced Fund Trust assets was based on fair value and monthly earnings in the Balanced Fund Trust were allocated based on the respective Plan's investment as of the 15th of the month.

The Fixed Income Fund was held in The Limited Fixed Income Fund Master Trust (the "Fixed Income Fund Trust") along with other fixed income funds of other employee benefit plans of the Employers' affiliates. Effective April 1, 1992, the Fixed Income Fund Trust was terminated and the assets distributed to the respective participating plans. The Plan's participation in the Fixed Income Fund Trust assets was based on fair value and monthly earnings in the Fixed Income Fund Trust were allocated based on the respective Plan's investment as of the 15th of the month in each of the investment pools within the Fixed Income Fund Trust.

(4) PLAN ADMINISTRATION

The Plan is administered by a Committee, the members of which are appointed by the Board of Directors of the Employers.

(5) PLAN TERMINATION

Although the Employers have not expressed any intent, the Employers have the right under the Plan to discontinue their contributions at any time. The Limited, Inc. has the right any time, by action of its Board of Directors, to terminate the Plan subject to provisions of ERISA. Upon Plan termination or partial termination, participants will become fully vested in their accounts.