

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended July 30, 1994  
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OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-8344  
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THE LIMITED, INC.

-----  
(Exact name of registrant as specified in its charter)

Delaware  
-----

(State or other jurisdiction of  
incorporation or organization)

31-1029810  
-----

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

Three Limited Parkway, P.O. Box 16000, Columbus, OH 43230  
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(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (614) 479-7000  
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Indicate by check mark whether the registrant (1) has filed all reports required  
to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934  
during the preceding 12 months (or for such shorter period that the registrant  
was required to file such reports), and (2) has been subject to such filing  
requirements for the past 90 days. Yes X No  
-----

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

Class	Outstanding at September 2, 1994
----- Common Stock, \$.50 Par Value	----- Shares 358,146,619

THE LIMITED, INC.  
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## PART I - FINANCIAL INFORMATION

## Item 1. FINANCIAL STATEMENTS

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

(Unaudited)

	Thirteen Weeks Ended		Twenty-six Weeks Ended	
	July 30, 1994	July 31, 1993	July 30, 1994	July 31, 1993
NET SALES	\$1,585,392	\$1,689,055	\$3,067,020	\$3,207,616
Cost of Goods Sold, Occupancy and Buying Costs	1,182,726	1,261,345	2,279,423	2,399,179
GROSS INCOME	402,666	427,710	787,597	808,437
General, Administrative and Store Operating Expenses	300,400	301,416	594,161	596,654
OPERATING INCOME	102,266	126,294	193,436	211,783
Interest Expense	(14,750)	(16,349)	(29,420)	(31,337)
Other Income, net	1,316	1,287	4,092	3,011
INCOME BEFORE INCOME TAXES	88,832	111,232	168,108	183,457
Provision for Income Taxes	35,000	43,000	67,000	71,000
NET INCOME	\$ 53,832	\$ 68,232	\$ 101,108	\$ 112,457

NET INCOME PER SHARE	\$ .15	\$ .19	\$ .28	\$ .31
	-----	-----	-----	-----
	-----	-----	-----	-----
DIVIDENDS PER SHARE	\$ .09	\$ .09	\$ .18	\$ .18
	-----	-----	-----	-----
	-----	-----	-----	-----
WEIGHTED AVERAGE SHARES OUTSTANDING	358,634	363,889	358,599	363,972
	-----	-----	-----	-----
	-----	-----	-----	-----

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

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THE LIMITED, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Thousands)

ASSETS	July 30, 1994	January 29, 1994
-----	-----	-----
	(Unaudited)	
CURRENT ASSETS:		
Cash and Equivalents	\$ 108,250	\$ 320,558
Accounts Receivable	1,120,038	1,056,911
Inventories	867,316	733,700
Other	133,187	109,456
	-----	-----
TOTAL CURRENT ASSETS	2,228,791	2,220,625
PROPERTY AND EQUIPMENT, NET	1,666,527	1,666,588
OTHER ASSETS	302,465	247,892
	-----	-----
TOTAL ASSETS	\$4,197,783	\$4,135,105
	-----	-----
	-----	-----

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:		
Accounts Payable	320,008	250,363
Accrued Expenses	364,658	347,892
Certificates of Deposit	23,000	15,700
Income Taxes	29,798	93,489
	-----	-----
TOTAL CURRENT LIABILITIES	737,464	707,444
LONG-TERM DEBT	650,000	650,000
DEFERRED INCOME TAXES	266,077	275,101

OTHER LONG-TERM LIABILITIES	60,217	61,267
SHAREHOLDERS' EQUITY:		
Common Stock	189,727	189,727
Paid-in Capital	130,401	128,906
Retained Earnings	2,433,788	2,397,112
	-----	-----
	2,753,916	2,715,745
Less Treasury Stock, at average cost	(269,891)	(274,452)
	-----	-----
TOTAL SHAREHOLDERS' EQUITY	2,484,025	2,441,293
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$4,197,783	\$4,135,105
	-----	-----

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

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

(Thousands)

(Unaudited)

	Twenty-six Weeks Ended	
	July 30, 1994	July 31, 1993
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	\$101,108	\$112,457
Impact of other operating activities on cash flows:		
Depreciation and amortization	127,928	139,029
Changes in assets and liabilities:		
Accounts receivable	(63,127)	(27,367)
Inventories	(133,616)	(100,691)
Accounts payable and accrued expenses	86,411	101
Income taxes	(63,691)	(66,605)
Other assets and liabilities	(73,656)	(32,290)
	-----	-----
NET CASH (USED FOR) PROVIDED FROM OPERATING ACTIVITIES	(18,643)	24,634
	-----	-----
CASH USED FOR INVESTING ACTIVITIES		
Capital expenditures	(142,588)	(161,952)
	-----	-----
FINANCING ACTIVITIES:		
Net proceeds of (repayments) commercial paper borrowings and certificates of deposit	7,300	(28,222)
Proceeds from issuance of unsecured notes	-	250,000

Dividends paid	(64,433)	(65,299)
Stock options and other	6,056	3,002
	-----	-----
NET CASH (USED FOR) PROVIDED FROM FINANCING ACTIVITIES	(51,077)	159,481
	-----	-----
NET (DECREASE) INCREASE IN CASH AND EQUIVALENTS	(212,308)	22,163
Cash and equivalents, beginning of year	320,558	41,235
	-----	-----
CASH AND EQUIVALENTS, END OF PERIOD	\$108,250	\$63,398
	-----	-----
	-----	-----

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

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THE LIMITED, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. BASIS OF PRESENTATION

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

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

The consolidated financial statements as of and for the periods ended July 30, 1994 and July 31, 1993 are unaudited and are presented pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, the consolidated financial statements should be read in conjunction with the financial statement disclosures contained in the Company's 1993 Annual Report. In the opinion of management, the accompanying consolidated financial statements reflect all adjustments (which are of a normal recurring nature) necessary to present fairly the financial position and results of operations and cash flows for the interim periods, but are not necessarily indicative of the results of operations for a full fiscal year.

The consolidated financial statements as of July 30, 1994 and for the thirteen and twenty-six week periods ended July 30, 1994 and July 31, 1993 included herein have been reviewed by the independent accounting firm of Coopers & Lybrand and the report of such firm follows the notes to consolidated financial statements.

2. INVENTORIES

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

3. INCOME TAXES

The provision for income taxes is based on the current estimate of the annual effective tax rate. Income taxes paid during the twenty-six weeks ended July 30, 1994 and July 31, 1993 approximated \$130.4 million and \$136.1 million.

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.

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4. FINANCING ARRANGEMENTS

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

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

Effective April 28, 1994, the Company amended its two revolving credit agreements (the "Agreements") totaling \$840 million. One Agreement provides the Company available borrowings of up to \$490 million. The other Agreement provides World Financial Network National Bank, a wholly-owned consolidated subsidiary, available borrowings of up to \$350 million. Borrowings outstanding under the Agreements are due December 4, 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. The Agreements place restrictions on the amount of the Company's working capital, debt and net worth. No amounts were outstanding under the Agreements at July 30, 1994.

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

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

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

Interest paid during the twenty-six weeks ended July 30, 1994 and July 31, 1993 approximated \$24.1 million and \$21.7 million.

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5. PROPERTY AND EQUIPMENT, NET

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

	July 30, 1994	January 29, 1994
	-----	-----
Property and equipment, at cost	\$2,710,479	\$2,638,197
Accumulated depreciation and amortization	(1,043,952)	(971,609)
	-----	-----
Property and equipment, net	\$1,666,527	\$1,666,588
	-----	-----

6. SPECIAL AND NONRECURRING ITEMS

During the third quarter of 1993, the Company approved a plan which includes the following components: the sale of a 60% interest in the Brylane mail order business; the acceleration of 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 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 85 of these stores and remodeled approximately 95 of these stores as of July 30, 1994.

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

[COOPERS & LYBRAND LETTERHEAD]

REPORT OF INDEPENDENT ACCOUNTANTS

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

We have reviewed the condensed consolidated balance sheet of The Limited, Inc. and Subsidiaries at July 30, 1994, and the related condensed consolidated statements of income and cash flows for the thirteen-week and twenty-six-week periods ended July 30, 1994 and July 31, 1993. These financial statements are the responsibility of the Company's management.

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

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

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

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

Columbus, Ohio

September 8, 1994

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

RESULTS OF OPERATIONS

During the second quarter of 1994, net sales increased 1% to \$1.585 billion compared to \$1.563 billion a year ago (excluding Brylane sales). Net income for the quarter was \$53.8 million compared to \$68.2 million last year and earnings per share were \$.15 compared to \$.19 per share in 1993.

Divisional highlights include the following:

Victoria's Secret Stores operating income was up significantly over last year and was their best ever second quarter operating income rate.

Victoria's Secret Catalogue generated significant sales and operating income increases.

Structure continued to produce strong sales gains.

Abercrombie & Fitch improved margins dramatically and, as a consequence, had a significantly improved bottom line.

Bath & Body Works delivered a significant increase in sales and the highest store-for-store sales gains in the Company.



Limited Too produced meaningful sales and operating income improvements.

The comparable store sales of the women's apparel businesses (Express, Lerner, Limited Stores, Lane Bryant and Henri Bendel) decreased 13%, consistent with the sales pattern seen in the first quarter. As a consequence, these businesses, in aggregate, produced lower second quarter operating income than last year.

Sales for the twenty-six weeks ended July 30, 1994 increased 3% over the same period in 1993 (excluding Brylane sales). Operating income decreased 9% to \$193.4 million, while net income decreased 10% to \$101.1 million. Earnings per share decreased 10% to \$.28 per share.

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#### FINANCIAL SUMMARY

The following summarized financial data compares the thirteen and twenty-six week periods ended July 30, 1994 to the comparable periods for 1993:

	Second Quarter		Change From Prior Period	Year-to-Date		Change From Prior Period
	1994	1993		1994	1993	
	-----	-----	-----	-----	-----	-----
Retail Sales (millions)	\$1,445	\$1,460	(1%)	\$2,804	\$2,758	2%
Catalogue Sales (millions)	140	229	(39%)	263	450	(42%)
	-----	-----	-----	-----	-----	-----
Total Net Sales (millions)	\$1,585	\$1,689	(6%)	\$3,067	\$3,208	(4%)
	-----	-----	-----	-----	-----	-----
Increase (Decrease) in Comparable Store Sales	(7%)	4%		(4%)	1%	
Retail Sales Increase Attributable to New and Remodeled Stores	6%	9%		6%	8%	
Retail Sales per Average Selling Square Foot	\$58.52	\$62.62	(7%)	\$113.86	\$119.06	(4%)
Retail Sales per Average Store (thousands)	\$310	\$327	(5%)	\$602	\$619	(3%)
Average Store Size at End of Quarter (square feet)	5,287	5,237	1%			
Number of Stores:						
Beginning of Period	4,641	4,457	4%	4,623	4,425	4%
Opened	71	58		121	116	
Closed	(16)	(34)		(48)	(60)	
	-----	-----	-----	-----	-----	-----
End of Period	4,696	4,481	5%	4,696	4,481	5%
	-----	-----	-----	-----	-----	-----

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#### NET SALES

Retail sales for the second quarter of 1994 decreased 1% from the second quarter

of 1993 primarily due to the decline in sales productivity at the Company's women's apparel divisions where comparable store sales decreased 13%. The non-women's apparel businesses (lingerie, men's, girl's and personal care) had comparable store sales increases of over 10%.

The year-to-date 1994 retail sales increase of 2% is a result of a 15% increase in comparable store sales at the non-women's apparel businesses combined with 6% increase in sales attributable to new and remodeled stores. Women's apparel comparable store sales for the year-to-date period declined 10%.

Catalogue sales decreased 39% in the second quarter due to Brylane sales being excluded in the second quarter of 1994. Had the second quarter of 1993 excluded Brylane, catalogue sales would have increased 37% as the number of books mailed increased significantly and was somewhat offset by a slight decline in the average demand per book.

Year-to-date catalogue sales decreased 42% due to Brylane sales being excluded in the 1994 year-to-date results. Had 1993 excluded Brylane, catalogue sales would have increased over 26% as the number of books mailed increased significantly and average demand per book also increased slightly.

	# of Stores			Selling Sq. Ft. (000's)		
	July 30, 1994	July 31, 1993	Change From Prior Period	July 30, 1994	July 31, 1993	Change From Prior Period
Express	690	650	40	4,090	3,609	481
Lerner	864	897	(33)	6,694	6,897	(203)
Limited Stores	726	748	(22)	4,444	4,352	92
Lane Bryant	815	813	2	3,858	3,815	43
Henri Bendel	4	4	0	93	93	0
Victoria's Secret Stores	578	559	19	2,430	2,155	275
Cacique	109	92	17	324	260	64
Structure	417	355	62	1,523	1,225	298
Abercrombie & Fitch	56	41	15	462	343	119
Bath & Body Works	244	131	113	338	146	192
Penhaligon's	7	6	1	3	3	0
Limited Too	186	185	1	570	568	2
	-----	-----	---	-----	-----	-----
Total Stores and Selling Square Feet	4,696	4,481	215	24,829	23,466	1,363
	-----	-----	---	-----	-----	-----

#### GROSS INCOME

Gross income increased as a percentage of sales to 25.4% for the second quarter of 1994 from 25.3% for the same period in 1993. Merchandise margins, expressed as a percentage of sales, increased 2.2% as the Company continued to be less price promotional than a year earlier. Buying and occupancy costs, which increased 2.1% as a percentage of sales, somewhat offset this impact, due to lower sales productivity associated with the 7% decrease in comparable store sales.

The 1994 year-to-date gross income rate increased .5% to 25.7% as compared to 1993. Merchandise margins, expressed as a percentage of sales, increased 2.5% due to the Company's less promotional pricing strategy, offset somewhat by an increase in buying and occupancy costs resulting from a 4% decline in sales productivity.

#### GENERAL, ADMINISTRATIVE AND STORE OPERATING EXPENSES

General, administrative and store operating expenses decreased in absolute

dollars but increased as a percentage of sales to 18.9% in the second quarter of 1994 from 17.8% for the same period in 1993. Sales productivity which is initially lower in new and remodeled stores was also lower in existing stores. The Company continues to maintain its high level of customer service, particularly at its women apparel businesses even though comparable store sales were down 13%.

Year-to-date general, administrative and store operating expenses were also lower in absolute dollars but as a percentage of sales were 19.4% in 1994 compared to 18.6% in 1993. This increase was due to lower sales productivity at both existing stores and new, remodeled and expanded stores. The Company expects to continue its policy of maintaining a high level of customer service.

#### OPERATING INCOME

Year-to-date operating income, as a percentage of sales, was 6.3% and 6.6% in 1994 and 1993. The Company incurred higher general, administrative and store operating expenses that were not entirely offset by higher merchandise margins.

#### INTEREST EXPENSE

	Second Quarter		Year-to-Date	
	1994	1993	1994	1993
Average Borrowings (in millions)	\$678.3	\$854.0	\$679.8	\$814.3
Average Effective Interest Rate	8.70%	7.66%	8.66%	7.70%

Interest expense decreased in the second quarter and year-to-date periods of 1994 as compared to the comparable periods of 1993. Higher interest rates increased interest costs approximately \$1.8 million and \$3.3 million during the second quarter and year-to-date periods. Lower borrowing levels reduced interest costs approximately \$3.4 million and \$5.2 million during the second quarter and year-to-date periods.

#### FINANCIAL CONDITION

##### LIQUIDITY AND CAPITAL RESOURCES

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

	July 30, 1994	January 29, 1994
Working Capital	\$1,491,327	\$1,513,181
Capitalization -		
Long-term debt	\$ 650,000	\$ 650,000
Deferred income taxes	266,077	275,101
Shareholders' equity	2,484,025	2,441,293

Total Capitalization	\$3,400,102	\$3,366,394
	-----	-----
Additional amounts available under committed long-term credit agreements	\$ 840,000	\$ 840,000
	-----	-----

Net cash used for operating activities was \$18.6 million for the twenty-six weeks ended July 30, 1994 versus \$24.6 million net cash provided from operating activities for the same period of 1993. Cash requirements for accounts receivable grew in the twenty-six weeks ended July 30, 1994 compared to the same period in 1993 due to the introduction of proprietary credit cards at Limited Stores and Structure in the Fall of 1993. Additionally, cash requirements for inventories were primarily due to the net addition of approximately 1.4 million selling square feet which was somewhat offset by conservatively planned inventory levels at our women's apparel businesses. Cash requirements for other assets and liabilities related primarily to a deposit made to the Internal Revenue Service in connection with an assessment for additional taxes and interest for 1989 and 1990 which is described in note 3 to the financial statements.

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#### CAPITAL EXPENDITURES

Capital expenditures totaled \$142.6 million during the twenty-six weeks ended July 30, 1994, compared to \$162.0 million for the comparable period of 1993. The Company anticipates spending approximately \$350 - \$375 million for capital expenditures in 1994, of which approximately \$250 - \$275 million will be for new stores, the remodeling of existing stores, and fixturing and related improvements for the retail businesses. The Company anticipates spending approximately \$10 million for a 24-hour telephone catalogue sales center in Kettering, Ohio to expand Victoria's Secret Catalogue operations.

Through the end of the second quarter, a total of 0.4 million net selling square feet was added. Based upon current store design and construction schedules, the Company expects to add approximately 1.2 million net additional selling square feet over the balance of the year.

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

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#### PART II - OTHER INFORMATION

##### Item 6. EXHIBITS AND REPORTS ON FORM 8-K

###### (a) EXHIBITS.

###### 4. Instruments Defining the Rights of Security Holders.

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

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- 4.9. Amendment No. 2 dated as of April 28, 1994 to the Credit Agreement among the Company, Morgan Guaranty Trust Company of New York and the Banks.
- 4.10. Amendment No. 1 dated as of April 28, 1994 to the WFNNB Credit Agreement among the Company, Morgan Guaranty Trust Company of New York and the Banks.

11. Statement re: Computation of Per Share Earnings.
12. Statement re: Computation of Ratio of Earnings to Fixed Charges.
15. Letter re: Unaudited Interim Financial Information to Securities and Exchange Commission re: Incorporation of Accountants' Report.
27. Financial Data Schedule.

(b) REPORTS ON FORM 8-K.

None.

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SIGNATURE

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

THE LIMITED, INC.  
(Registrant)

By: /S/ Kenneth B. Gilman  
-----  
Kenneth B. Gilman,  
Vice Chairman and Chief  
Financial Officer\*

Date: September 9, 1994

- - - - -

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

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EXHIBIT INDEX

Exhibit No.	Document
- - - - -	-----
11	Statement re: Computation of Per Share Earnings.
12	Statement re: Ratio of Earnings to Fixed Charges.
15	Letter re: Unaudited Interim Financial Information re: Incorporation of Report of Independent Accountants
27	Financial Data Schedule

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## THE LIMITED, INC. AND SUBSIDIARIES

## COMPUTATION OF PER SHARE EARNINGS

(Thousands except per share amounts)

	Thirteen Weeks Ended	
	July 30, 1994	July 31, 1993
Net income	\$ 53,832	\$ 68,232
Common shares outstanding:		
Weighted average	379,454	379,454
Dilutive effect of stock options	553	1,022
Weighted average treasury shares	(21,373)	(16,587)
Weighted average used to calculate net income per share	358,634	363,889
Net income per share	\$.15	\$.19

	Twenty-six Weeks Ended	
	July 30, 1994	July 31, 1993
Net income	\$101,108	\$112,457
Common shares outstanding:		
Weighted average	379,454	379,454
Dilutive effect of stock options	612	1,173
Weighted average treasury shares	(21,467)	(16,655)
Weighted average used to calculate net income per share	358,599	363,972
Net income per share	\$.28	\$.31

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EXHIBIT 12

THE LIMITED, INC. AND SUBSIDIARIES

RATIO OF EARNINGS TO FIXED CHARGES

(Thousands except ratio amounts)

	Twenty-six Weeks Ended	
	July 30, 1994	July 31, 1993
	-----	-----
ADJUSTED EARNINGS		
Income before income taxes	\$168,108	\$183,457
Portion of minimum rent (\$303,864 in 1994 and \$286,364 in 1993) representative of interest	101,288	95,455
Interest on indebtedness	29,420	31,337
	-----	-----
Total Earnings as Adjusted	\$298,816	\$310,249
	-----	-----
FIXED CHARGES		
Portion of minimum rent representative of interest	\$101,288	\$ 95,455
Interest on indebtedness	29,420	31,337
	-----	-----
Total Fixed Charges	\$130,708	\$126,792
	-----	-----
Ratio of Earnings to Fixed Charges	2.29x	2.45x
	-----	-----

[COOPERS & LYBRAND LETTERHEAD]

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

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

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

Columbus, Ohio

September 8, 1994

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EXHIBIT 27

This schedule contains summary financial information extracted from the Consolidated Financial Statements (unaudited) of The Limited, Inc., and subsidiaries for the quarter ended July 30, 1994 and is qualified in its entirety by reference to such financial statements.

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