

**JANUARY SALES SCRIPT**  
**FEBRUARY 2, 2017**

- GOOD MORNING EVERYONE. THIS IS AMIE PRESTON, CHIEF INVESTOR RELATIONS OFFICER.
- THIS IS L BRANDS' JANUARY SALES REPORT FOR THE FOUR WEEK PERIOD ENDING JANUARY 28, 2017.
- AS A MATTER OF FORMALITY, I NEED TO REMIND YOU THAT ANY FORWARD LOOKING STATEMENTS I MAY MAKE TODAY ARE SUBJECT TO THE SAFE HARBOR STATEMENT FOUND IN OUR SEC FILINGS.
- TOTAL L BRANDS SALES FOR THE FOUR WEEKS ENDED JANUARY 28, 2017 WERE \$805.2 MILLION VERSUS SALES OF \$811.3 MILLION FOR THE FOUR WEEKS ENDED JANUARY 30, 2016.
- L BRANDS JANUARY COMPS DECREASED 4%, AND WERE NEGATIVELY IMPACTED BY BY 5 POINTS FROM THE EXIT OF SWIM AND APPAREL AT VICTORIA'S SECRET.
- THE MERCHANDISE MARGIN RATE WAS UP TO LAST YEAR.
- INVENTORIES ENDED THE MONTH DOWN 1% PER SQUARE FOOT AT COST.
- FOURTH QUARTER SALES INCREASED 2% TO \$4.489 BILLION AND COMPS WERE FLAT.
- WE EXPECT TO REPORT FOURTH QUARTER EARNINGS PER SHARE OF ABOUT \$1.90, VERSUS OUR PREVIOUS GUIDANCE OF THE LOW END OF OUR INITIAL \$1.85 TO \$2.00 GUIDANCE.
- NOW FOR THE INDIVIDUAL BRAND RESULTS.

**VICTORIA'S SECRET STORES**

- VICTORIA'S SECRET JANUARY COMPARABLE SALES WERE DOWN 10% TO LAST YEAR. COMPARABLE SALES EXCLUDING THE NON GO-FORWARD CATEGORIES WERE DOWN 3% TO LAST YEAR, DRIVEN BY A REDUCTION IN PROMOTIONAL ACTIVITY. STRENGTH IN THE PINK AND BEAUTY BUSINESSES WAS OFFSET BY DECLINES IN THE EXITED CATEGORIES OF SWIM AND APPAREL AND THE LINGERIE BUSINESS.
- THE MERCHANDISE MARGIN RATE WAS DOWN TO LAST YEAR AS AN IMPROVEMENT IN GO-FORWARD SELLING MARGIN RATE WAS MORE THAN OFFSET BY YEAR-END INVENTORY ADJUSTMENTS AND BY THE IMPACT OF EXITING NON-CORE BUSINESSES.
- FOURTH QUARTER SALES AT VICTORIA'S SECRET DECREASED 1% TO \$2.591 BILLION AND COMPS DECREASED 3%. COMPS EXCLUDING THE NON GO-FORWARD CATEGORIES WERE UP 1%.
- FEBRUARY WILL BEGIN WITH A FOCUS ON VALENTINE'S DAY AND SHIFT TO OUR BODY BY VICTORIA COLLECTION AFTER VALENTINE'S DAY.

**BATH & BODY WORKS**

- AT BATH & BODY WORKS, JANUARY COMPS WERE UP 12% ON TOP OF 3% LAST YEAR DRIVEN BY A SUCCESSFUL SEMI ANNUAL SALE PERFORMANCE AND AN INCREMENTAL 6 SALE DAYS IN THE MONTH.
- THE MERCHANDISE MARGIN RATE FOR THE MONTH WAS UP SIGNIFICANTLY TO LAST YEAR, DRIVEN BY PRODUCT MIX.
- FOURTH QUARTER SALES WERE \$1.620 BILLION AND COMPS INCREASED 5%. FOURTH QUARTER SALES AT BBW DIRECT INCREASED 25% TO \$197.8 MILLION.
- FEBRUARY WILL FEATURE OUR TUTTI DOLCI THEME WITH NEW AND SEASONAL FRAGRANCES IN OUR SIGNATURE COLLECTION, HOME FRAGRANCE AND SOAP AND SANITIZER BUSINESSES

- IN CLOSING, WE EXPECT TOTAL COMPANY COMPS TO DECLINE MID-SINGLE DIGITS IN FEBRUARY, WHICH INCLUDES A NEGATIVE MID-SINGLE DIGIT IMPACT FROM THE EXIT OF SWIM AND APPAREL AT VICTORIA'S SECRET.
- WE WILL REPORT FOURTH QUARTER EARNINGS AFTER THE CLOSE OF THE MARKET ON FEBRUARY 22<sup>ND</sup>, AND WILL HOLD OUR CONFERENCE CALL AT 9 A.M. EASTERN ON FEBRUARY 23<sup>RD</sup>.
- THANK YOU FOR YOUR CONTINUING INTEREST IN L BRANDS.