



Lbrands

VICTORIA'S SECRET / BATH & BODY WORKS
PINK / LA SENZA / HENRI BENDEL

Fourth Quarter Earnings Presentation
February 28, 2018



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

We caution that any forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) contained in this presentation or made by our company or our management involve risks and uncertainties and are subject to change based on various factors, many of which are beyond our control. Accordingly, our future performance and financial results may differ materially from those expressed or implied in any such forward-looking statements. Words such as “estimate,” “project,” “plan,” “believe,” “expect,” “anticipate,” “intend,” “planned,” “potential” and any similar expressions may identify forward-looking statements. Risks associated with the following factors, among others, in some cases have affected and in the future could affect our financial performance and actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements included in this presentation or otherwise made by our company or our management:

- general economic conditions, consumer confidence, consumer spending patterns and market disruptions including severe weather conditions, natural disasters, health hazards, terrorist activities, financial crises, political crises or other major events, or the prospect of these events;
- the seasonality of our business;
- the dependence on mall traffic and the availability of suitable store locations on appropriate terms;
- our ability to grow through new store openings and existing store remodels and expansions;
- our ability to successfully expand internationally and related risks;
- our independent franchise, license and wholesale partners;
- our direct channel businesses;
- our ability to protect our reputation and our brand images;
- our ability to attract customers with marketing, advertising and promotional programs;
- our ability to protect our trade names, trademarks and patents;
- the highly competitive nature of the retail industry and the segments in which we operate;
- consumer acceptance of our products and our ability to manage the life cycle of our brands, keep up with fashion trends, develop new merchandise and launch new product lines successfully;
- our ability to source, distribute and sell goods and materials on a global basis, including risks related to:
 - political instability, significant health hazards, environmental hazards or natural disasters;
 - duties, taxes and other charges;
 - legal and regulatory matters;
 - volatility in currency exchange rates;
 - local business practices and political issues;



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

Continued

- potential delays or disruptions in shipping and transportation and related pricing impacts;
- disruption due to labor disputes; and
- changing expectations regarding product safety due to new legislation;
- our geographic concentration of supplier and distribution facilities in central Ohio;
- fluctuations in foreign currency exchange rates;
- stock price volatility;
- our ability to pay dividends and related effects;
- our ability to maintain our credit rating;
- our ability to service or refinance our debt;
- our ability to retain key personnel;
- our ability to attract, develop and retain qualified employees and manage labor-related costs;
- the ability of our vendors to deliver products in a timely manner, meet quality standards and comply with applicable laws and regulations;
- fluctuations in product input costs;
- our ability to adequately protect our assets from loss and theft;
- fluctuations in energy costs;
- increases in the costs of mailing, paper and printing;
- claims arising from our self-insurance;
- our ability to implement and maintain information technology systems and to protect associated data;
- our ability to maintain the security of customer, associate, supplier or company information;
- our ability to comply with regulatory requirements;
- legal and compliance matters; and
- tax, trade and other regulatory matters.

We are not under any obligation and do not intend to make publicly available any update or other revisions to any of the forward-looking statements contained in this presentation to reflect circumstances existing after the date of this presentation or to reflect the occurrence of future events even if experience or future events make it clear that any expected results expressed or implied by those forward-looking statements will not be realized. Additional information regarding these and other factors can be found in Item 1A. Risk Factors in our 2016 Annual Report on Form 10-K.



L BRANDS, INC. AND SUBSIDIARIES
ADJUSTED CONSOLIDATED STATEMENTS OF INCOME
FOURTEEN WEEKS ENDED FEBRUARY 3, 2018 AND THIRTEEN WEEKS ENDED JANUARY 28, 2017
(Unaudited)
(In millions except per share amounts)

	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Net Sales	\$ 4,823.1	\$ 4,489.5	\$ 333.6	7%
Comparable Store Sales	-2%	0%		
Comparable Sales	2%	0%		
Gross Profit	2,040.3	1,944.0	96.3	5%
% of Sales	42.3%	43.3%	(100 bps)	
General, Administrative and Store Operating Expenses	1,053.7	956.5	97.2	10%
% of Sales	21.8%	21.3%	50 bps	
Operating Income	<u>986.6</u>	<u>987.5</u>	(0.9)	0%
% of Sales	20.5%	22.0%	(150 bps)	
Interest Expense and Other	<u>99.4</u>	<u>94.9</u>	4.5	5%
Income Before Income Taxes	887.2	892.6	(5.4)	-1%
Provision for Income Taxes	286.6	302.6	(16.0)	-5%
% of Pre-Tax Income	32.3%	33.9%		
Net Income	<u>\$ 600.6</u>	<u>\$ 590.0</u>	\$ 10.6	2%
% of Sales	12.5%	13.1%	(60 bps)	
Net Income Per Diluted Share	<u>\$ 2.11</u>	<u>\$ 2.03</u>	\$ 0.08	4%
Weighted Average Shares Outstanding	<u>284.5</u>	<u>290.2</u>		



L BRANDS, INC. AND SUBSIDIARIES
ADJUSTED CONSOLIDATED STATEMENTS OF INCOME
FIFTY-THREE WEEKS ENDED FEBRUARY 3, 2018 AND FIFTY-TWO WEEKS ENDED JANUARY 28, 2017
(Unaudited)
(In millions except per share amounts)

	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Net Sales	\$ 12,632.4	\$ 12,574.0	\$ 58.4	0%
Comparable Store Sales	-4%	1%		
Comparable Sales	-3%	2%		
Gross Profit	4,959.4	5,136.3	(176.9)	-3%
% of Sales	39.3%	40.8%	(150 bps)	
General, Administrative and Store Operating Expenses	3,231.0	3,099.0	132.0	4%
% of Sales	25.6%	24.6%	100 bps	
Operating Income	<u>1,728.4</u>	<u>2,037.3</u>	(308.9)	-15%
% of Sales	13.7%	16.2%	(250 bps)	
Interest Expense and Other	<u>371.1</u>	<u>379.4</u>	(8.3)	-2%
Income Before Income Taxes	1,357.3	1,657.9	(300.6)	-18%
Provision for Income Taxes	437.8	567.9	(130.1)	-23%
% of Pre-Tax Income	32.3%	34.3%		
Net Income	<u>\$ 919.5</u>	<u>\$ 1,090.0</u>	\$ (170.5)	-16%
% of Sales	7.3%	8.7%	(140 bps)	
Net Income Per Diluted Share	<u>\$ 3.20</u>	<u>\$ 3.74</u>	\$ (0.54)	-14%
Weighted Average Shares Outstanding	<u>287.1</u>	<u>291.1</u>		



L BRANDS, INC. AND SUBSIDIARIES OPERATING INCOME BY SEGMENT

FOURTEEN WEEKS ENDED FEBRUARY 3, 2018 AND THIRTEEN WEEKS ENDED JANUARY 28, 2017

(Unaudited)

(In millions)

	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Victoria's Secret	\$ 456.5	\$ 493.7	\$ (37.2)	-8%
% of Sales	17.1%	19.1%	(200 bps)	
Bath & Body Works	556.8	501.8	55.0	11%
% of Sales	31.0%	31.0%	0 bps	
Victoria's Secret and Bath & Body Works International	4.0	10.3	(6.3)	-62%
% of Sales	2.3%	8.3%	(600 bps)	
Other	(30.7)	(18.3)	(12.4)	-68%
% of Sales	(16.1%)	(11.7%)	(440 bps)	
Total L Brands	<u>\$ 986.6</u>	<u>\$ 987.5</u>	\$ (0.9)	0%
% of Sales	20.5%	22.0%	(150 bps)	



L BRANDS, INC. AND SUBSIDIARIES
ADJUSTED OPERATING INCOME BY SEGMENT
FIFTY-THREE WEEKS ENDED FEBRUARY 3, 2018 AND FIFTY-TWO WEEKS ENDED JANUARY 28, 2017
(Unaudited)
(In millions)

	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Victoria's Secret % of Sales	\$ 932.3 12.6%	\$ 1,206.5 15.5%	\$ (274.2) (290 bps)	-23%
Bath & Body Works % of Sales	952.5 23.0%	907.2 23.6%	45.3 (60 bps)	5%
Victoria's Secret and Bath & Body Works International % of Sales	5.0 1.0%	39.9 9.4%	(34.9) (840 bps)	-87%
Other % of Sales	(161.4) (27.1%)	(116.3) (22.4%)	(45.1) (470 bps)	-39%
Total L Brands % of Sales	<u>\$ 1,728.4</u> 13.7%	<u>\$ 2,037.3</u> 16.2%	\$ (308.9) (250 bps)	-15%



L BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
(Unaudited)
(In thousands)

	February 3, 2018	January 28, 2017
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 1,514,911	\$ 1,933,822
Accounts Receivable, Net	310,057	293,445
Inventories	1,239,737	1,096,186
Other	228,049	141,409
Total Current Assets	3,292,754	3,464,862
Property and Equipment, Net	2,893,482	2,741,339
Goodwill	1,348,287	1,348,287
Trade Names and Other Intangible Assets, Net	411,000	411,000
Deferred Income Taxes	13,592	18,996
Other Assets	189,432	186,107
TOTAL ASSETS	\$ 8,148,547	\$ 8,170,591
 LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts Payable	\$ 716,904	\$ 683,414
Accrued Expenses and Other	1,029,419	997,155
Current Portion of Long-term Debt	86,672	35,887
Income Taxes	197,512	298,378
Total Current Liabilities	2,030,507	2,014,834
Deferred Income Taxes	237,656	351,638
Long-Term Debt	5,706,971	5,699,602
Other Long-Term Liabilities	924,422	831,375
Shareholders' Equity (Deficit)	(751,009)	(726,858)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)	\$ 8,148,547	\$ 8,170,591



L BRANDS 4TH QUARTER

4th Quarter 2017 versus 2016

(\$ amounts in millions)

(Unaudited)

	<u>Victoria's Secret</u>	<u>Bath & Body Works</u>	<u>Total L Brands</u>
Comparable store sales	(6%)	4%	(2%)
Comparable sales	(1%)	6%	2%
Comparable sales (excluding Victoria's Secret swim and apparel)	0%	N/A	2%
Sales change	3%	11%	7%
Sales	\$2,669	\$1,794	\$4,823
Gross profit (% of sales)	Down	Down Slightly	42.3%
Operating income (% of sales)	17.1%	31.0%	20.5%
Operating income	\$457	\$557	\$987
Adjusted net income			\$601
Average shares outstanding			285
Adjusted Earnings per share			\$2.11



L BRANDS FULL YEAR

Full Year 2017 versus 2016

(\$ amounts in millions)

(Unaudited)

	Victoria's Secret	Bath & Body Works	Total L Brands
Comparable store sales	(8%)	2%	(4%)
Comparable sales	(8%)	5%	(3%)
Comparable sales (excluding Victoria's Secret swim and apparel)	(3%)	N/A	0%
Sales change	(5%)	8%	0%
Sales	\$7,387	\$4,148	\$12,632
Gross profit (% of sales)	Down	Down	39.3%
Operating income (% of sales)	12.6%	23.0%	13.7%
Operating income	\$932	\$953	\$1,728
Adjusted net income			\$920
Average shares outstanding			287
Adjusted Earnings per share			\$3.20



**L Brands, Inc.
2018 Outlook as of February 28, 2018**

	<u>First Quarter</u>	<u>Full Year 2018</u>
Comps	Up low-single digits	Up 2% to 4%
Gross Margin Rate	Down slightly from 37.1 % LY	About flat to 39.3% LY
SG&A Expense Rate	Up from 28.5% LY	Up from 25.6% LY
Net Non-Operating Expense	About \$95 million	About \$370 million
Tax Rate (before discrete items)	About 27.0%	About 27.0%
Weighted Average Shares Outstanding	Approximately 283 million	Approximately 282 million
Earnings Per Share	\$0.15 to \$0.20	\$2.95 to \$3.25
Capital Expenditures	N/A	About \$750 million
Depreciation and Amortization	N/A	Approximately \$560 million
Free Cash Flow¹	N/A	About \$900 million

¹Defined as operating cash flow less capital expenditures.



L BRANDS
COMPANY - OWNED STORE COUNT AND SELLING SQ FT
2017 Actuals

	Beginning of Year	New Stores	Closures	Total Reconstructions and Change in SSF	End of Year	Increase / (Decrease)	
Victoria's Secret							
Store Count	998	5	(19)	75	984	(14)	(1%)
Selling Sq Ft 000's	6,720	29	(95)	66	6,719	(1)	(0%)
PINK							
Store Count	133	8	(1)	2	140	7	5%
Selling Sq Ft 000's	461	33	(5)	2	491	30	6%
Victoria's Secret - Canada							
Store Count	37	2	-	1	39	2	5%
Selling Sq Ft 000's	361	17	-	0	379	18	5%
PINK - Canada							
Store Count	9	-	(2)	-	7	(2)	(22%)
Selling Sq Ft 000's	35	-	(7)	-	28	(7)	(20%)
Subtotal VS							
Store Count	1,177	15	(22)	78	1,170	(7)	(1%)
Selling Sq Ft 000's	7,577	79	(108)	69	7,616	40	1%
Bath & Body Works ¹							
Store Count	1,591	32	(31)	156	1,592	1	0%
Selling Sq Ft 000's	3,912	89	(63)	93	4,032	120	3%
Bath & Body Works - Canada							
Store Count	102	-	-	1	102	-	-
Selling Sq Ft 000's	254	-	-	1	255	1	0%
Subtotal BBW							
Store Count	1,693	32	(31)	157	1,694	1	0%
Selling Sq Ft 000's	4,165	89	(63)	94	4,286	121	3%
Victoria's Secret - UK / Ireland							
Store Count	15	4	-	-	19	4	27%
Selling Sq Ft 000's	158	35	-	-	193	35	22%
PINK - UK							
Store Count	3	2	-	-	5	2	67%
Selling Sq Ft 000's	11	6	-	-	17	6	50%
Victoria's Secret - Greater China							
Store Count	-	7	-	-	7	7	-
Selling Sq Ft 000's	-	89	-	-	89	89	-
VSBA - Greater China							
Store Count	31	4	(6)	-	29	(2)	(6%)
Selling Sq Ft 000's	32	3	(7)	-	29	(4)	(11%)
Subtotal VS & BBW International							
Store Count	49	17	(6)	-	60	11	22%
Selling Sq Ft 000's	202	133	(7)	-	328	126	63%
La Senza - U.S.							
Store Count	4	1	-	-	5	1	25%
Selling Sq Ft 000's	10	3	-	-	13	3	25%
La Senza - Canada							
Store Count	122	1	(4)	2	119	(3)	(2%)
Selling Sq Ft 000's	361	2	(13)	(15)	335	(26)	(7%)
Subtotal La Senza							
Store Count	126	2	(4)	2	124	(2)	(2%)
Selling Sq Ft 000's	371	5	(13)	(15)	347	(24)	(6%)
Henri Bendel							
Store Count	29	-	(2)	-	27	(2)	(7%)
Selling Sq Ft 000's	81	-	(3)	-	78	(3)	(4%)
Total							
Store Count	3,074	66	(65)	237	3,075	1	0%
Selling Sq Ft 000's	12,396	306	(194)	147	12,656	260	2%

1 - Includes White Barn Candle



L BRANDS
COMPANY - OWNED STORE COUNT AND SELLING SQ FT
2018 Forecast

	Beginning of Year	New Stores	Closures	Total Reconstructions and Change in SSF	End of Year	Increase / (Decrease)	
Victoria's Secret							
Store Count	984	4	(15)	35	973	(11)	(1%)
Selling Sq Ft 000's	6,719	33	(76)	26	6,702	(17)	(0%)
PINK							
Store Count	140	3	-	7	143	3	2%
Selling Sq Ft 000's	491	13	-	11	515	24	5%
Victoria's Secret - Canada							
Store Count	39	-	-	-	39	-	-
Selling Sq Ft 000's	379	-	-	-	379	-	-
PINK - Canada							
Store Count	7	-	(1)	-	6	(1)	(14%)
Selling Sq Ft 000's	28	-	(5)	-	23	(5)	(17%)
Subtotal VS							
Store Count	1,170	7	(16)	42	1,161	(9)	(1%)
Selling Sq Ft 000's	7,616	46	(81)	37	7,619	3	0%
Bath & Body Works ¹							
Store Count	1,592	59	(30)	141	1,621	29	2%
Selling Sq Ft 000's	4,032	158	(58)	44	4,176	144	4%
Bath & Body Works - Canada							
Store Count	102	1	-	2	103	1	1%
Selling Sq Ft 000's	255	3	-	1	259	4	2%
Subtotal BBW							
Store Count	1,694	60	(30)	143	1,724	30	2%
Selling Sq Ft 000's	4,286	161	(58)	46	4,435	148	3%
Victoria's Secret - UK / Ireland							
Store Count	19	2	-	-	21	2	11%
Selling Sq Ft 000's	193	21	-	-	214	21	11%
PINK - UK							
Store Count	5	1	-	-	6	1	20%
Selling Sq Ft 000's	17	4	-	-	21	4	23%
Victoria's Secret - Greater China							
Store Count	7	11	-	-	18	11	157%
Selling Sq Ft 000's	89	95	-	-	184	95	107%
VSBA - Greater China							
Store Count	29	11	(7)	-	33	4	14%
Selling Sq Ft 000's	29	8	(7)	-	30	1	3%
Subtotal VS & BBW International							
Store Count	60	25	(7)	-	78	18	30%
Selling Sq Ft 000's	328	128	(7)	-	449	121	37%
La Senza - U.S.							
Store Count	5	7	-	-	12	7	140%
Selling Sq Ft 000's	13	17	-	-	30	17	131%
La Senza - Canada							
Store Count	119	-	(4)	1	115	(4)	(3%)
Selling Sq Ft 000's	335	-	(12)	(0)	323	(12)	(4%)
Subtotal La Senza							
Store Count	124	7	(4)	1	127	3	2%
Selling Sq Ft 000's	347	17	(12)	(0)	353	5	1%
Henri Bendel							
Store Count	27	-	(3)	-	24	(3)	(11%)
Selling Sq Ft 000's	78	-	(4)	-	73	(4)	(6%)
Total							
Store Count	3,075	99	(60)	186	3,114	39	1%
Selling Sq Ft 000's	12,656	352	(162)	83	12,929	273	2%

1 - Includes White Barn Candle



**L BRANDS, INC.
INTERNATIONAL STORE COUNT
2017 ACTUAL**

	<u>2016 Year End</u>	<u>2017 New Stores</u>	<u>2017 Closures</u>	<u>2017 Year End</u>
<u>Wholly Owned Stores</u>				
Victoria's Secret Full Assortment - U.K.	15	3	0	18
PINK - U.K.	3	2	0	5
Victoria's Secret Full Assortment - Ireland	0	1	0	1
Victoria's Secret Full Assortment - Greater China	0	7	0	7
Victoria's Secret Beauty & Accessories - Greater China	31	4	(6)	29
Wholly Owned Total	<u>49</u>	<u>17</u>	<u>(6)</u>	<u>60</u>
<u>Partner Owned Stores</u>				
Victoria's Secret Full Assortment	23	9	0	32
PINK	5	0	0	5
Victoria's Secret Beauty & Accessories	239	17	(15)	241
Bath & Body Works	151	26	(1)	176
Victoria's Secret Beauty & Accessories - Travel Retail	152	17	(13)	156
Bath & Body Works - Travel Retail	8	2	(1)	9
Partner Owned Total	<u>578</u>	<u>71</u>	<u>(30)</u>	<u>619</u>
Total VS & BBW International	<u>627</u>	<u>88</u>	<u>(36)</u>	<u>679</u>
La Senza International	203	4	(13)	194



L BRANDS, INC. INTERNATIONAL STORE COUNT 2018 FORECAST

	2017 Year End	2018 New Stores	2018 Closures	2018 Fcst Year End
<u>Wholly Owned Stores</u>				
Victoria's Secret Full Assortment - U.K.	18	1 to 2	0	19 to 20
PINK - U.K.	5	0 to 1	0	5 to 6
Victoria's Secret Full Assortment - Ireland	1	0	0	1
Victoria's Secret Full Assortment - Greater China	7	10 to 11	0	17 to 18
Victoria's Secret Beauty & Accessories - Greater China	29	11 to 13	6 to 8	32 to 36
Wholly Owned Total	60	22 to 27	6 to 8	74 to 81
<u>Partner Owned Stores</u>				
Victoria's Secret Full Assortment	32	18 to 20	0	50 to 52
PINK	5	5 to 6	0	10 to 11
Victoria's Secret Beauty & Accessories - Local Market	241	6 to 10	15 to 22	225 to 236
Bath & Body Works - Local Market	176	40 to 50	1 to 2	214 to 225
Victoria's Secret Beauty & Accessories - Travel Retail	156	29 to 33	9 to 10	175 to 180
Bath & Body Works - Travel Retail	9	5 to 7	1 to 2	12 to 15
Partner Owned Total	619	103 to 126	26 to 36	686 to 719
Total VS & BBW International	679	125 to 153	32 to 44	760 to 800
La Senza International	194	0	7	187

APPENDIX



L BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOURTEEN WEEKS ENDED FEBRUARY 3, 2018 AND THIRTEEN WEEKS ENDED JANUARY 28, 2017
(Unaudited)
(In thousands except per share amounts)

	2017	2016
Net Sales	\$ 4,823,105	\$ 4,489,483
Costs of Goods Sold, Buying and Occupancy	(2,782,769)	(2,545,460)
Gross Profit	2,040,336	1,944,023
General, Administrative and Store Operating Expenses	(1,053,697)	(956,471)
Operating Income	986,639	987,552
Interest Expense	(106,313)	(98,346)
Other Income (Loss)	(38,146)	3,417
Income Before Income Taxes	842,180	892,623
Provision for Income Taxes	178,108	260,878
Net Income	<u>\$ 664,072</u>	<u>\$ 631,745</u>
Net Income Per Diluted Share	<u>\$ 2.33</u>	<u>\$ 2.18</u>
Weighted Average Shares Outstanding	<u>284,546</u>	<u>290,231</u>



L BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FIFTY-THREE WEEKS ENDED FEBRUARY 3, 2018 AND FIFTY-TWO WEEKS ENDED JANUARY 28, 2017
(Unaudited)
(In thousands except per share amounts)

	2017	2016
Net Sales	\$ 12,632,431	\$ 12,574,022
Costs of Goods Sold, Buying and Occupancy	(7,673,007)	(7,448,854)
Gross Profit	4,959,424	5,125,168
General, Administrative and Store Operating Expenses	(3,231,035)	(3,122,432)
Operating Income	1,728,389	2,002,736
Interest Expense	(405,988)	(393,663)
Other Income (Loss)	(10,029)	86,767
Income Before Income Taxes	1,312,372	1,695,840
Provision for Income Taxes	329,386	537,726
Net Income	<u>\$ 982,986</u>	<u>\$ 1,158,114</u>
Net Income Per Diluted Share	<u>\$ 3.42</u>	<u>\$ 3.98</u>
Weighted Average Shares Outstanding	<u>287,062</u>	<u>291,065</u>



L BRANDS, INC. AND SUBSIDIARIES
ADJUSTED FINANCIAL INFORMATION
FOURTEEN WEEKS ENDED FEBRUARY 3, 2018 AND THIRTEEN WEEKS ENDED JANUARY 28, 2017
(Unaudited)
(In thousands except per share amounts)

	2017			2016		
	Reported	Adjustments	Adjusted	Reported	Adjustments	Adjusted
Net Sales	\$ 4,823,105	\$ -	\$ 4,823,105	\$ 4,489,483	\$ -	\$ 4,489,483
Costs of Goods Sold, Buying & Occupancy	(2,782,769)	-	(2,782,769)	(2,545,460)	-	(2,545,460)
Gross Profit	2,040,336	-	2,040,336	1,944,023	-	1,944,023
General, Administrative and Store Operating Expenses	(1,053,697)	-	(1,053,697)	(956,471)	-	(956,471)
Operating Income	986,639	-	986,639	987,552	-	987,552
Interest Expense	(106,313)	-	(106,313)	(98,346)	-	(98,346)
Other Income (Loss)	(38,146)	44,985	6,839	3,417	-	3,417
Income Before Income Taxes	842,180	44,985	887,165	892,623	-	892,623
Provision for Income Taxes	178,108	108,446	286,554	260,878	41,750	302,628
Net Income	<u>\$ 664,072</u>	<u>\$ (63,461)</u>	<u>\$ 600,611</u>	<u>\$ 631,745</u>	<u>\$ (41,750)</u>	<u>\$ 589,995</u>
Net Income Per Diluted Share	<u>\$ 2.33</u>		<u>\$ 2.11</u>	<u>\$ 2.18</u>		<u>\$ 2.03</u>
Weighted Average Shares Outstanding	<u>284,546</u>		<u>284,546</u>	<u>290,231</u>		<u>290,231</u>

See Notes to Reconciliation of GAAP Financial Measures to Non-GAAP Financial Measures.



L BRANDS, INC. AND SUBSIDIARIES
ADJUSTED FINANCIAL INFORMATION
FIFTY-THREE WEEKS ENDED FEBRUARY 3, 2018 AND FIFTY-TWO WEEKS ENDED JANUARY 28, 2017
(Unaudited)

(In thousands except per share amounts)

	<u>2017</u>			<u>2016</u>		
	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted</u>	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted</u>
Net Sales	\$ 12,632,431	\$ -	\$ 12,632,431	\$ 12,574,022	\$ -	\$ 12,574,022
Costs of Goods Sold, Buying & Occupancy	(7,673,007)	-	(7,673,007)	(7,448,854)	11,103	(7,437,751)
Gross Profit	4,959,424	-	4,959,424	5,125,168	11,103	5,136,271
General, Administrative and Store Operating Expenses	(3,231,035)	-	(3,231,035)	(3,122,432)	23,442	(3,098,990)
Operating Income	1,728,389	-	1,728,389	2,002,736	34,545	2,037,281
Interest Expense	(405,988)	-	(405,988)	(393,663)	-	(393,663)
Other Income (Loss)	(10,029)	44,985	34,956	86,767	(72,483)	14,284
Income Before Income Taxes	1,312,372	44,985	1,357,357	1,695,840	(37,938)	1,657,902
Provision for Income Taxes	329,386	108,446	437,832	537,726	30,201	567,927
Net Income	<u>\$ 982,986</u>	<u>\$ (63,461)</u>	<u>\$ 919,525</u>	<u>\$ 1,158,114</u>	<u>\$ (68,139)</u>	<u>\$ 1,089,975</u>
Net Income Per Diluted Share	<u>\$ 3.42</u>		<u>\$ 3.20</u>	<u>\$ 3.98</u>		<u>\$ 3.74</u>
Weighted Average Shares Outstanding	<u>287,062</u>		<u>287,062</u>	<u>291,065</u>		<u>291,065</u>

See Notes to Reconciliation of GAAP Financial Measures to Non-GAAP Financial Measures.



L BRANDS, INC. AND SUBSIDIARIES
NOTES TO RECONCILIATION OF GAAP FINANCIAL MEASURES
TO NON-GAAP FINANCIAL MEASURES
(Unaudited)

The "Adjusted Financial Information" provided in the attached reflects the following non-GAAP financial measures:

Fiscal 2017

In the fourth quarter of 2017, adjusted results exclude the following:

- A \$45.0 million pre-tax loss (\$28.8 million net of tax of \$16.2 million), included in other income (loss), associated with the early extinguishment of our June 2019 notes.
- A \$92.2 million tax benefit related to changes in U.S. tax legislation.

In the first, second and third quarters of 2017, there were no adjustments to results.

Fiscal 2016

In the fourth quarter of 2016, adjusted results exclude the following:

- A \$41.7 million tax benefit related to the favorable resolution of a discrete income tax matter.

In the third quarter of 2016, there were no adjustments to results.

In the second quarter of 2016, adjusted results exclude the following:

- A \$108.3 million pre-tax gain (\$70.2 million net of tax of \$38.1 million), included in other income (loss), related to a \$124.4 million cash distribution from Easton Town Center.
- A \$35.8 million pre-tax loss (\$22.4 million net of tax of \$13.4 million), included in other income (loss), associated with the early extinguishment of our July 2017 notes.

In the first quarter of 2016, adjusted results exclude the following:

- Pre-tax charges of \$34.5 million (\$21.4 million net of tax of \$13.1 million) related to actions at Victoria's Secret, including severance charges, fabric cancellations and the write-off of catalogue paper.

The Adjusted Financial Information should not be construed as an alternative to the reported results determined in accordance with generally accepted accounting principles. Further, the Company's definition of adjusted income information may differ from similarly titled measures used by other companies. Management believes that the presentation of adjusted financial information provides additional information to investors to facilitate the comparison of past and present operations. While it is not possible to predict future results, management believes the adjusted information is useful for the assessment of the ongoing operations of the Company because the adjusted items are not indicative of our ongoing operations due to their size and nature. Additionally, management uses adjusted financial information as key performance measures of results of operations for the purpose of evaluating performance internally. The Adjusted Financial Information should be read in conjunction with the Company's historical financial statements and notes thereto contained in the Company's quarterly reports on Form 10-Q and annual report on Form 10-K.



L BRANDS, INC. AND SUBSIDIARIES
STORES AND SELLING SQUARE FOOTAGE
At February 3, 2018 and January 28, 2017

	February 3, 2018		January 28, 2017	
	Stores	Selling Sq. Ft. (000's)	Stores	Selling Sq. Ft. (000's)
Victoria's Secret U.S.	984	6,719	998	6,719
PINK U.S.	140	491	133	461
Victoria's Secret Canada	39	378	37	361
PINK Canada	7	28	9	35
Bath & Body Works U.S.	1,592	4,032	1,591	3,912
Bath & Body Works Canada	102	255	102	254
Victoria's Secret U.K.	19	193	15	158
PINK U.K.	5	17	3	11
Victoria's Secret Beauty and Accessories	29	29	31	32
Victoria's Secret China	7	89	-	-
Henri Bendel	27	78	29	81
La Senza Canada	119	335	122	361
La Senza U.S.	5	13	4	10
Total L Brands	3,075	12,656	3,074	12,395



L BRANDS, INC. AND SUBSIDIARIES

2017 Selected Data

(Unaudited)

(In thousands)

	<u>2017</u>	<u>2016</u>
Capital Expenditures		
First Quarter	\$ 164,564	\$ 187,214
Second Quarter	206,958	310,010
Spring Season	<u>371,522</u>	<u>497,224</u>
Third Quarter	227,800	327,930
Fourth Quarter	<u>107,353</u>	<u>165,335</u>
Year	\$ 706,675	\$ 990,489
Depreciation & Amortization		
First Quarter	\$ 129,655	\$ 109,663
Second Quarter	128,566	112,853
Spring Season	<u>258,221</u>	<u>222,516</u>
Third Quarter	132,497	121,096
Fourth Quarter	<u>133,963</u>	<u>127,918</u>
Year	\$ 524,681	\$ 471,530



L BRANDS, INC.
QUARTERLY FINANCIAL INFORMATION
(UNAUDITED)

The following table provides our quarterly financial information as determined in accordance with generally accepted accounting principles and also on an "Adjusted" basis. The "Adjusted" financial information should not be construed as an alternative to the reported results determined in accordance with generally accepted accounting principles. Further, our definition of "Adjusted" may differ from similarly titled measures used by other companies. We believe the "Adjusted" financial information is useful for assessing our ongoing operations. The "Adjusted" financial information should be used in conjunction with the reported financial information included herein and also our historical financial statements and notes thereto contained in our quarterly reports on Form 10-Q and annual report on Form 10-K. For detailed information related to the adjustments included in our "Adjusted" financial information, please refer to our quarterly earnings press releases available on our website www.LB.com.



PERIOD	2015	2016	2017
1. Net Sales - Consolidated			
1st Qtr	2,511,939	2,613,815	2,436,523
2nd Qtr	2,765,237	2,889,744	2,755,020
3rd Qtr	2,481,575	2,580,979	2,617,784
4th Qtr	4,395,039	4,489,483	4,823,105
6 Mos	5,277,176	5,503,560	5,191,543
9 Mos	7,758,750	8,084,539	7,809,327
Year	12,153,789	12,574,022	12,632,431
2. Net Sales - Victoria's Secret			
1st Qtr	1,683,890	1,740,865	1,533,049
2nd Qtr	1,806,411	1,867,379	1,646,288
3rd Qtr	1,567,471	1,584,063	1,538,940
4th Qtr	2,614,331	2,588,782	2,668,879
6 Mos	3,490,301	3,608,244	3,179,337
9 Mos	5,057,771	5,192,307	4,718,277
Year	7,672,102	7,781,089	7,387,156
3. Net Sales - Bath & Body Works			
1st Qtr	613,327	660,242	678,044
2nd Qtr	748,165	801,383	860,337
3rd Qtr	705,496	770,174	815,791
4th Qtr	1,519,573	1,619,907	1,793,716
6 Mos	1,361,492	1,461,625	1,538,381
9 Mos	2,066,988	2,231,800	2,354,173
Year	3,586,561	3,851,706	4,147,888



PERIOD	2015	2016	2017
4. Net Sales - Victoria's Secret and Bath & Body Works International			
1st Qtr	91,462	95,208	103,307
2nd Qtr	88,695	99,709	113,940
3rd Qtr	92,810	103,761	114,900
4th Qtr	112,272	124,055	170,285
6 Mos	180,158	194,917	217,247
9 Mos	272,968	298,678	332,147
Year	385,240	422,732	502,432
5. Net Sales - Other			
1st Qtr	123,260	117,500	122,122
2nd Qtr	121,966	121,273	134,454
3rd Qtr	115,798	122,981	148,153
4th Qtr	148,862	156,739	190,225
6 Mos	245,225	238,773	256,577
9 Mos	361,023	361,755	404,730
Year	509,886	518,494	594,955
6. Comparable Store Sales - Consolidated			
1st Qtr	5%	2%	-9%
2nd Qtr	4%	1%	-6%
3rd Qtr	7%	0%	-3%
4th Qtr	6%	0%	-2%
6 Mos	4%	2%	-7%
9 Mos	5%	1%	-6%
Year	5%	1%	-4%



PERIOD	2015	2016	2017
7. Comparable Sales - Consolidated			
1st Qtr	N/A	3%	-9%
2nd Qtr	N/A	3%	-8%
3rd Qtr	N/A	2%	-1%
4th Qtr	N/A	0%	2%
6 Mos	N/A	3%	-9%
9 Mos	N/A	3%	-6%
Year	N/A	2%	-3%
8. Comparable Store Sales - Victoria's Secret			
1st Qtr	5%	1%	-12%
2nd Qtr	3%	1%	-11%
3rd Qtr	7%	-2%	-5%
4th Qtr	5%	-2%	-6%
6 Mos	4%	1%	-11%
9 Mos	5%	0%	-9%
Year	5%	-1%	-8%
9. Comparable Sales - Victoria's Secret			
1st Qtr	N/A	2%	-14%
2nd Qtr	N/A	2%	-14%
3rd Qtr	N/A	-1%	-4%
4th Qtr	N/A	-3%	-1%
6 Mos	N/A	2%	-14%
9 Mos	N/A	1%	-11%
Year	N/A	0%	-8%



PERIOD	2015	2016	2017
10. Comparable Store Sales - Bath & Body Works			
1st Qtr	4%	4%	-1%
2nd Qtr	5%	3%	4%
3rd Qtr	6%	5%	1%
4th Qtr	6%	2%	4%
6 Mos	5%	4%	2%
9 Mos	5%	4%	1%
Year	5%	3%	2%
11. Comparable Sales - Bath & Body Works			
1st Qtr	N/A	6%	2%
2nd Qtr	N/A	5%	6%
3rd Qtr	N/A	7%	4%
4th Qtr	N/A	5%	6%
6 Mos	N/A	6%	4%
9 Mos	N/A	6%	4%
Year	N/A	6%	5%
12. Costs of Goods Sold, Buying and Occupancy Costs			
1st Qtr	1,455,980	1,570,861	1,533,673
1st Qtr - Adjusted	N/A	1,559,758	N/A
2nd Qtr	1,651,391	1,776,840	1,727,129
3rd Qtr	1,450,301	1,555,693	1,629,437
4th Qtr	2,392,626	2,545,460	2,782,769
6 Mos	3,107,372	3,347,701	3,260,802
6 Mos - Adjusted	N/A	3,336,598	N/A
9 Mos	4,557,673	4,903,394	4,890,239
9 Mos - Adjusted	N/A	4,892,291	N/A
Year	6,950,299	7,448,854	7,673,007
Year - Adjusted	N/A	7,437,751	N/A



PERIOD	2015	2016	2017
13. Gross Profit			
1st Qtr	1,055,959	1,042,954	902,850
1st Qtr - Adjusted	N/A	1,054,056	N/A
2nd Qtr	1,113,846	1,112,904	1,027,891
3rd Qtr	1,031,274	1,025,286	988,347
4th Qtr	2,002,413	1,944,023	2,040,336
6 Mos	2,169,804	2,155,859	1,930,741
6 Mos - Adjusted	N/A	2,166,962	N/A
9 Mos	3,201,077	3,181,145	2,919,088
9 Mos - Adjusted	N/A	3,192,248	N/A
Year	5,203,490	5,125,168	4,959,424
Year - Adjusted	N/A	5,136,271	N/A
14. General Administrative & Store Operating Expenses			
1st Qtr	684,116	719,566	693,658
1st Qtr - Adjusted	N/A	696,124	N/A
2nd Qtr	710,920	704,688	726,996
3rd Qtr	692,510	741,706	756,684
4th Qtr	924,435	956,471	1,053,697
6 Mos	1,395,036	1,424,255	1,420,655
6 Mos - Adjusted	N/A	1,400,813	N/A
9 Mos	2,087,546	2,165,961	2,177,339
9 Mos - Adjusted	N/A	2,142,519	N/A
Year	3,011,981	3,122,432	3,231,035
Year - Adjusted	N/A	3,098,990	N/A



PERIOD	2015	2016	2017
15. Operating Income (Loss) - Consolidated			
1st Qtr	371,843	323,388	209,192
1st Qtr - Adjusted	N/A	357,933	N/A
2nd Qtr	402,926	408,216	300,895
3rd Qtr	338,764	283,580	231,663
4th Qtr	1,077,978	987,552	986,639
6 Mos	774,768	731,604	510,086
6 Mos - Adjusted	N/A	766,149	N/A
9 Mos	1,113,531	1,015,184	741,749
9 Mos - Adjusted	N/A	1,049,729	N/A
Year	2,191,509	2,002,736	1,728,389
Year - Adjusted	N/A	2,037,281	N/A
16. Operating Income (Loss) - Victoria's Secret			
1st Qtr	288,643	234,562	158,735
1st Qtr - Adjusted	N/A	268,259	N/A
2nd Qtr	297,650	280,645	183,051
3rd Qtr	210,899	163,884	134,093
4th Qtr	593,602	493,693	456,468
6 Mos	586,293	515,207	341,786
6 Mos - Adjusted	N/A	548,904	N/A
9 Mos	797,191	679,090	475,879
9 Mos - Adjusted	N/A	712,787	N/A
Year	1,390,793	1,172,783	932,347
Year - Adjusted	N/A	1,206,480	N/A



PERIOD	2015	2016	2017
17. Operating Income (Loss) - Bath & Body Works			
1st Qtr	97,167	111,684	101,829
2nd Qtr	137,522	148,333	156,354
3rd Qtr	136,454	145,404	137,520
4th Qtr	487,176	501,797	556,813
6 Mos	234,690	260,017	258,182
9 Mos	371,144	405,421	395,702
Year	858,320	907,218	952,515
18. Operating Income (Loss) - Victoria's Secret and Bath & Body Works International			
1st Qtr	21,487	13,065	(566)
2nd Qtr	20,184	7,609	1,657
3rd Qtr	18,175	8,884	(70)
4th Qtr	28,084	10,338	3,976
6 Mos	41,672	20,674	1,091
9 Mos	59,846	29,557	1,021
Year	87,930	39,895	4,997
19. Operating Income (Loss) - Other			
1st Qtr	(35,456)	(35,923)	(50,806)
1st Qtr - Adjusted	N/A	(35,076)	N/A
2nd Qtr	(52,430)	(28,371)	(40,168)
3rd Qtr	(26,764)	(34,591)	(39,880)
4th Qtr	(30,884)	(18,276)	(30,618)
6 Mos	(87,886)	(64,293)	(90,973)
6 Mos - Adjusted	N/A	(63,446)	N/A
9 Mos	(114,650)	(98,886)	(130,853)
9 Mos - Adjusted	N/A	(98,039)	N/A
Year	(145,534)	(117,162)	(161,470)
Year - Adjusted	N/A	(116,315)	N/A



PERIOD	2015	2016	2017
20. Interest Expense			
1st Qtr	79,948	97,328	100,608
2nd Qtr	77,777	101,172	100,428
3rd Qtr	78,862	96,817	98,640
4th Qtr	97,151	98,346	106,313
6 Mos	157,725	198,501	201,035
9 Mos	236,587	295,317	299,675
Year	333,739	393,663	405,988
21. Other Income (Loss)			
1st Qtr	77,694	6,918	9,863
1st Qtr - Adjusted	(363)	N/A	N/A
2nd Qtr	(1,921)	73,014	16,617
2nd Qtr - Adjusted	N/A	531	N/A
3rd Qtr	(440)	3,417	1,639
4th Qtr	1,274	3,417	(38,146)
4th Qtr - Adjusted	N/A	N/A	6,839
6 Mos	75,774	79,934	26,479
6 Mos - Adjusted	(2,283)	7,451	N/A
9 Mos	75,334	83,350	28,118
9 Mos - Adjusted	(2,723)	10,867	N/A
Year	76,609	86,767	(10,029)
Year - Adjusted	(1,448)	14,284	34,956



PERIOD	2015	2016	2017
22. Income (Loss) Before Income Taxes			
1st Qtr	369,589	232,978	118,447
1st Qtr - Adjusted	291,532	267,523	N/A
2nd Qtr	323,228	380,058	217,084
2nd Qtr - Adjusted	N/A	307,575	N/A
3rd Qtr	259,462	190,180	134,662
4th Qtr	982,101	892,623	842,180
4th Qtr - Adjusted	N/A	N/A	887,165
6 Mos	692,817	613,037	335,530
6 Mos - Adjusted	614,760	575,099	N/A
9 Mos	952,278	803,217	470,192
9 Mos - Adjusted	874,221	765,279	N/A
Year	1,934,379	1,695,840	1,312,372
Year - Adjusted	1,856,322	1,657,902	1,357,357
23. Provision (Benefit) for Income Taxes			
1st Qtr	119,123	80,672	24,393
1st Qtr - Adjusted	110,043	93,847	N/A
2nd Qtr	120,751	127,636	78,210
2nd Qtr - Adjusted	N/A	102,912	N/A
3rd Qtr	95,431	68,540	48,677
4th Qtr	346,084	260,878	178,108
4th Qtr - Adjusted	N/A	302,628	286,554
6 Mos	239,874	208,309	102,602
6 Mos - Adjusted	230,795	196,760	N/A
9 Mos	335,304	276,849	151,279
9 Mos - Adjusted	326,225	265,300	N/A
Year	681,387	537,726	329,386
Year - Adjusted	672,308	567,927	437,832



PERIOD	2015	2016	2017
24. Net Income (Loss)			
1st Qtr	250,466	152,306	94,054
1st Qtr - Adjusted	181,489	173,676	N/A
2nd Qtr	202,477	252,422	138,874
2nd Qtr - Adjusted	N/A	204,663	N/A
3rd Qtr	164,031	121,640	85,985
4th Qtr	636,017	631,745	664,072
4th Qtr - Adjusted	N/A	589,995	600,611
6 Mos	452,943	404,728	232,928
6 Mos - Adjusted	383,965	378,339	N/A
9 Mos	616,974	526,368	318,913
9 Mos - Adjusted	547,996	499,979	N/A
Year	1,252,992	1,158,114	982,986
Year - Adjusted	1,184,014	1,089,975	919,525
25. Net Income (Loss) Per Dilutive Share			
1st Qtr	\$0.84	\$0.52	\$0.33
1st Qtr - Adjusted	\$0.61	\$0.59	N/A
2nd Qtr	\$0.68	\$0.87	\$0.48
2nd Qtr - Adjusted	N/A	\$0.70	N/A
3rd Qtr	\$0.55	\$0.42	\$0.30
4th Qtr	\$2.15	\$2.18	\$2.33
4th Qtr - Adjusted	N/A	\$2.03	\$2.11
6 Mos	\$1.52	\$1.39	\$0.81
6 Mos - Adjusted	\$1.29	\$1.30	N/A
9 Mos	\$2.08	\$1.81	\$1.11
9 Mos - Adjusted	\$1.84	\$1.72	N/A
Year	\$4.22	\$3.98	\$3.42
Year - Adjusted	\$3.99	\$3.74	\$3.20



PERIOD	2015	2016	2017
26. Weighted Average Diluted Shares Outstanding			
1st Qtr	299,143	292,778	289,327
2nd Qtr	296,913	290,986	288,936
3rd Qtr	295,923	290,265	285,437
4th Qtr	295,174	290,231	284,546
6 Mos	298,028	291,882	289,132
9 Mos	297,326	291,343	287,900
Year	296,788	291,065	287,062
27. Dividends per Share			
1st Qtr	0.50	0.60	0.60
1st Qtr - Special dividend	2.00	2.00	N/A
2nd Qtr	0.50	0.60	0.60
3rd Qtr	0.50	0.60	0.60
4th Qtr	0.50	0.60	0.60
6 Mos - including special dividend	3.00	3.20	1.20
6 Mos - excluding special dividend	1.00	1.20	1.20
9 Mos - including special dividend	3.50	3.80	1.80
9 Mos - excluding special dividend	1.50	1.80	1.80
Year - including special dividend	4.00	4.40	2.40
Year - excluding special dividend	2.00	2.40	2.40