

Lbrands

VICTORIA'S SECRET / PINK
BATH & BODY WORKS

Fourth Quarter Earnings Presentation
February 27, 2019

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 vendor 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 associates 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, third-party 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 2017 Annual Report on Form 10-K.

L BRANDS, INC. AND SUBSIDIARIES
ADJUSTED CONSOLIDATED STATEMENTS OF INCOME
THIRTEEN WEEKS ENDED FEBRUARY 2, 2019 AND FOURTEEN WEEKS ENDED FEBRUARY 3, 2018
(Unaudited)
(In millions except per share amounts)

	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Net Sales	\$ 4,852.3	\$ 4,823.1	\$ 29.2	1%
Comparable Store Sales	-1%	-2%		
Comparable Sales	3%	2%		
Gross Profit	1,967.7	2,040.3	(72.6)	-4%
% of Sales	40.6%	42.3%	(170 bps)	
General, Administrative and Store Operating Expenses	1,069.0	1,053.7	15.3	1%
% of Sales	22.0%	21.8%	20 bps	
Operating Income	<u>898.7</u>	<u>986.6</u>	(87.9)	-9%
% of Sales	18.5%	20.5%	(200 bps)	
Interest Expense and Other	<u>88.4</u>	<u>99.4</u>	(11.0)	-11%
Income Before Income Taxes	810.3	887.2	(76.9)	-9%
Provision for Income Taxes	215.1	286.6	(71.5)	-25%
% of Pre-Tax Income	26.5%	32.3%		
Net Income	<u>\$ 595.2</u>	<u>\$ 600.6</u>	\$ (5.4)	-1%
% of Sales	12.3%	12.5%	(20 bps)	
Net Income Per Diluted Share	<u>\$ 2.14</u>	<u>\$ 2.11</u>	\$ 0.03	1%
Weighted Average Shares Outstanding	<u>277.9</u>	<u>284.5</u>		

L BRANDS, INC. AND SUBSIDIARIES
ADJUSTED CONSOLIDATED STATEMENTS OF INCOME
FIFTY-TWO WEEKS ENDED FEBRUARY 2, 2019 AND FIFTY-THREE WEEKS ENDED FEBRUARY 3, 2018
(Unaudited)
(In millions except per share amounts)

	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Net Sales	\$ 13,236.9	\$ 12,632.4	\$ 604.5	5%
Comparable Store Sales	-1%	-4%		
Comparable Sales	3%	-3%		
Gross Profit	4,993.4	4,959.4	34.0	1%
% of Sales	37.7%	39.3%	(160 bps)	
General, Administrative and Store Operating Expenses	3,556.2	3,231.0	325.2	10%
% of Sales	26.9%	25.6%	130 bps	
Operating Income	<u>1,437.2</u>	<u>1,728.4</u>	(291.2)	-17%
% of Sales	10.9%	13.7%	(280 bps)	
Interest Expense and Other	<u>379.6</u>	<u>371.1</u>	8.5	2%
Income Before Income Taxes	1,057.6	1,357.3	(299.7)	-22%
Provision for Income Taxes	270.9	437.8	(166.9)	-38%
% of Pre-Tax Income	25.6%	32.3%		
Net Income	<u>\$ 786.7</u>	<u>\$ 919.5</u>	\$ (132.8)	-14%
% of Sales	5.9%	7.3%	(140 bps)	
Net Income Per Diluted Share	<u>\$ 2.82</u>	<u>\$ 3.20</u>	\$ (0.38)	-12%
Weighted Average Shares Outstanding	<u>278.8</u>	<u>287.1</u>		

L BRANDS, INC. AND SUBSIDIARIES
ADJUSTED OPERATING INCOME BY SEGMENT
THIRTEEN WEEKS ENDED FEBRUARY 2, 2019 AND FOURTEEN WEEKS ENDED FEBRUARY 3, 2018
(Unaudited)
(In millions)

	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Victoria's Secret	\$ 300.7	\$ 456.5	\$ (155.8)	-34%
% of Sales	11.9%	17.1%	(520 bps)	
Bath & Body Works	607.2	556.8	50.4	9%
% of Sales	31.1%	31.0%	10 bps	
Victoria's Secret and Bath & Body Works International	18.7	4.0	14.7	368%
% of Sales	9.8%	2.3%	750 bps	
Other	(27.9)	(30.7)	2.8	9%
% of Sales	(15.6%)	(16.1%)	50 bps	
Total L Brands	<u>\$ 898.7</u>	<u>\$ 986.6</u>	\$ (87.9)	-9%
% of Sales	18.5%	20.5%	(200 bps)	

L BRANDS, INC. AND SUBSIDIARIES
ADJUSTED OPERATING INCOME BY SEGMENT
FIFTY-TWO WEEKS ENDED FEBRUARY 2, 2019 AND FIFTY-THREE WEEKS ENDED FEBRUARY 3, 2018
(Unaudited)
(In millions)

	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Victoria's Secret % of Sales	\$ 512.4 6.9%	\$ 932.3 12.6%	\$ (419.9) (570 bps)	-45%
Bath & Body Works % of Sales	1,077.5 23.3%	952.5 23.0%	125.0 30 bps	13%
Victoria's Secret and Bath & Body Works International % of Sales	(6.6) (1.1%)	5.0 1.0%	(11.6) (210 bps)	-232%
Other % of Sales	(146.1) (23.3%)	(161.4) (27.1%)	15.3 380 bps	9%
Total L Brands % of Sales	<u>\$ 1,437.2</u> 10.9%	<u>\$ 1,728.4</u> 13.7%	\$ (291.2) (280 bps)	-17%

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

	February 2, 2019	February 3, 2018
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 1,413,474	\$ 1,514,911
Accounts Receivable, Net	366,677	310,057
Inventories	1,247,910	1,239,737
Other	231,954	228,049
Total Current Assets	3,260,015	3,292,754
Property and Equipment, Net	2,818,354	2,893,482
Goodwill	1,348,287	1,348,287
Trade Names	411,000	411,000
Deferred Income Taxes	62,422	13,592
Other Assets	190,156	189,432
TOTAL ASSETS	\$ 8,090,234	\$ 8,148,547
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts Payable	\$ 710,456	\$ 716,904
Accrued Expenses and Other	1,082,383	1,029,419
Current Debt	72,326	86,672
Income Taxes	121,232	197,512
Total Current Liabilities	1,986,397	2,030,507
Deferred Income Taxes	225,878	237,656
Long-Term Debt	5,739,409	5,706,971
Other Long-Term Liabilities	1,004,140	924,422
Shareholders' Equity (Deficit)	(865,590)	(751,009)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)	\$ 8,090,234	\$ 8,148,547

L BRANDS 4TH QUARTER

4th Quarter 2018 versus 2017

(\$ amounts in millions)
(Unaudited)

	<u>Victoria's Secret</u>	<u>Bath & Body Works</u>	<u>Total L Brands</u>
Comparable store sales	(7%)	8%	(1%)
Comparable sales	(3%)	12%	3%
Sales change	(5%)	9%	1%
Sales	\$2,532	\$1,951	\$4,852
Gross profit (% of sales)	Down Significantly	Up Slightly	40.6%
Adjusted Operating income (% of sales)	11.9%	31.1%	18.5%
Adjusted Operating income	\$301	\$607	\$899
Adjusted Net income			\$595
Average shares outstanding			278
Adjusted Earnings per share			\$2.14

L BRANDS YEAR TO DATE

Year to Date 2018 versus 2017

(\$ amounts in millions)

(Unaudited)

	<u>Victoria's Secret</u>	<u>Bath & Body Works</u>	<u>Total L Brands</u>
Comparable store sales	(6%)	8%	(1%)
Comparable sales	(2%)	11%	3%
Sales change	0%	12%	5%
Sales	\$7,375	\$4,631	\$13,237
Adjusted Gross profit (% of sales)	Down Significantly	Up	37.7%
Adjusted Operating income (% of sales)	6.9%	23.3%	10.9%
Adjusted Operating income	\$512	\$1,077	\$1,437
Adjusted Net income			\$787
Average shares outstanding			279
Adjusted Earnings per share			\$2.82

L Brands, Inc.
2019 Outlook as of February 27, 2019

	<u>First Quarter</u>	<u>Full Year 2019</u>
Comps	Down low-single digits	Up low-single digits
Gross Margin Rate	Down from 35.9% LY	Down from 37.7% LY
SG&A Expense Rate	Up from 30.0% LY	Up from 26.9% LY
Net Non-Operating Expense	About \$95 million	About \$375 million
Tax Rate (before discrete items)	About 100%	About 30.0%
Weighted Average Shares Outstanding	Approximately 279 million	Approximately 279 million
Earnings Per Share	About breakeven	\$2.20 to \$2.60
Capital Expenditures	N/A	About \$575 - \$600 million
Depreciation and Amortization	N/A	Approximately \$540 million
Free Cash Flow¹	N/A	About \$700 million

¹Defined as operating cash flow less capital expenditures.

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

	Beginning of Year	New Stores	Closures	Sold	Total Reconstructions and Change in SSF	End of Year	Increase / (Decrease)	
Victoria's Secret								
Store Count	984	2	(29)	-	29	957	(27)	(3%)
Selling Sq Ft 000's	6,719	17	(155)	-	32	6,613	(106)	(2%)
PINK								
Store Count	140	1	-	-	7	141	1	1%
Selling Sq Ft 000's	491	4	-	-	11	506	15	3%
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	3	(30)	-	36	1,143	(27)	(2%)
Selling Sq Ft 000's	7,616	21	(160)	-	43	7,521	(96)	(1%)
Bath & Body Works ¹								
Store Count	1,592	54	(27)	-	138	1,619	27	2%
Selling Sq Ft 000's	4,032	148	(53)	-	59	4,185	154	4%
Bath & Body Works - Canada								
Store Count	102	1	(1)	-	3	102	-	-
Selling Sq Ft 000's	255	3	(2)	-	2	258	3	1%
Subtotal BBW								
Store Count	1,694	55	(28)	-	141	1,721	27	2%
Selling Sq Ft 000's	4,286	151	(55)	-	61	4,443	157	4%
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	-	-	-	-	5	-	-
Selling Sq Ft 000's	17	-	-	-	-	17	-	-
Victoria's Secret - Greater China								
Store Count	7	8	-	-	-	15	8	114%
Selling Sq Ft 000's	89	76	-	-	-	165	76	86%
VSBA - Greater China								
Store Count	29	13	(4)	-	-	38	9	31%
Selling Sq Ft 000's	29	11	(4)	-	-	36	7	24%
Subtotal VS & BBW International								
Store Count	60	23	(4)	-	-	79	19	32%
Selling Sq Ft 000's	328	108	(4)	-	-	432	104	32%
La Senza								
Store Count	5	7	-	(12)	-	-	(5)	(100%)
Selling Sq Ft 000's	13	16	-	(29)	-	-	(13)	(100%)
La Senza - Canada								
Store Count	119	-	(1)	(118)	1	-	(119)	(100%)
Selling Sq Ft 000's	335	-	(5)	(329)	(1)	-	(335)	(100%)
Subtotal La Senza								
Store Count	124	7	(1)	(130)	1	-	(124)	(100%)
Selling Sq Ft 000's	347	16	(5)	(358)	(1)	-	(347)	(100%)
Henri Bendel								
Store Count	27	-	(27)	-	-	-	(27)	(100%)
Selling Sq Ft 000's	78	-	(78)	-	-	-	(78)	(100%)
Total								
Store Count	3,075	88	(90)	(130)	178	2,943	(132)	(4%)
Selling Sq Ft 000's	12,656	296	(301)	(358)	103	12,396	(260)	(2%)

1 - Includes White Barn Candle

**L BRANDS
COMPANY - OWNED STORE COUNT AND SELLING SQ FT
2019 Forecast**

	Beginning of Year	New Stores	Closures	Total Reconstructions and Change in SSF	End of Year	Increase / (Decrease)	
Victoria's Secret							
Store Count	957	2	(50)	8	909	(48)	(5%)
Selling Sq Ft 000's	6,613	13	(238)	(1)	6,387	(227)	(3%)
PINK							
Store Count	141	3	-	2	144	3	2%
Selling Sq Ft 000's	506	11	-	4	521	15	3%
Victoria's Secret - Canada							
Store Count	39	-	(3)	-	36	(3)	(8%)
Selling Sq Ft 000's	379	-	(29)	-	350	(29)	(8%)
PINK - Canada							
Store Count	6	-	-	-	6	-	-
Selling Sq Ft 000's	23	-	-	-	23	-	-
Subtotal VS							
Store Count	1,143	5	(53)	10	1,095	(48)	(4%)
Selling Sq Ft 000's	7,521	24	(267)	3	7,280	(240)	(3%)
Bath & Body Works ¹							
Store Count	1,619	50	(25)	167	1,644	25	2%
Selling Sq Ft 000's	4,185	132	(59)	55	4,313	127	3%
Bath & Body Works - Canada							
Store Count	102	1	-	6	103	1	1%
Selling Sq Ft 000's	258	2	-	4	264	6	2%
Subtotal BBW							
Store Count	1,721	51	(25)	173	1,747	26	2%
Selling Sq Ft 000's	4,443	134	(59)	58	4,576	133	3%
Victoria's Secret - UK / Ireland							
Store Count	21	-	-	-	21	-	-
Selling Sq Ft 000's	214	-	-	-	214	-	-
PINK - UK							
Store Count	5	-	-	-	5	-	-
Selling Sq Ft 000's	17	-	-	-	17	-	-
Victoria's Secret - Greater China							
Store Count	15	5	-	-	20	5	33%
Selling Sq Ft 000's	165	24	-	-	189	24	15%
VSBA - Greater China							
Store Count	38	15	(6)	2	47	9	24%
Selling Sq Ft 000's	36	11	(6)	(0)	41	5	14%
Subtotal VS & BBW International							
Store Count	79	20	(6)	2	93	14	18%
Selling Sq Ft 000's	432	35	(6)	(0)	461	29	7%
Total							
Store Count	2,943	76	(84)	185	2,935	(8)	(0%)
Selling Sq Ft 000's	12,396	193	(332)	61	12,318	(78)	(1%)

¹ - Includes White Barn Candle

**L BRANDS, INC.
INTERNATIONAL STORE COUNT
2018 ACTUAL**

	<u>2017 Year End</u>	<u>2018 New Stores</u>	<u>2018 Closures</u>	<u>2018 Sold</u>	<u>2018 Year End</u>
<u>Wholly Owned Stores</u>					
Victoria's Secret Full Assortment - U.K.	18	2	0	0	20
PINK - U.K.	5	0	0	0	5
Victoria's Secret Full Assortment - Ireland	1	0	0	0	1
Victoria's Secret Full Assortment - Greater China	7	8	0	0	15
Victoria's Secret Beauty & Accessories - Greater China	29	13	4	0	38
Wholly Owned Total	<u>60</u>	<u>23</u>	<u>4</u>	<u>0</u>	<u>79</u>
<u>Partner Owned Stores</u>					
Victoria's Secret Full Assortment	32	15	0	0	47
PINK	5	4	0	0	9
Victoria's Secret Beauty & Accessories - Local Market	241	6	28	0	219
Bath & Body Works - Local Market	176	51	4	0	223
Victoria's Secret Beauty & Accessories - Travel Retail	156	26	18	0	164
Bath & Body Works - Travel Retail	9	5	2	0	12
Partner Owned Total	<u>619</u>	<u>107</u>	<u>52</u>	<u>0</u>	<u>674</u>
Total VS & BBW International	<u>679</u>	<u>130</u>	<u>56</u>	<u>0</u>	<u>753</u>
La Senza International	194	2	17	179	0

**L BRANDS, INC.
INTERNATIONAL STORE COUNT
2019 FORECAST**

	<u>2018 Year End</u>	<u>2019 New Stores</u>	<u>2019 Closures</u>	<u>2019 Fcst Year End</u>
<u>Wholly Owned Stores</u>				
Victoria's Secret Full Assortment - U.K.	20	0	0	20
PINK - U.K.	5	0	0	5
Victoria's Secret Full Assortment - Ireland	1	0	0	1
Victoria's Secret Full Assortment - Greater China	15	3 to 5	0	18 to 20
Victoria's Secret Beauty & Accessories - Greater China	38	12 to 15	5 to 6	44 to 48
Wholly Owned Total	79	15 to 20	5 to 6	88 to 94
<u>Partner Owned Stores</u>				
Victoria's Secret Full Assortment	47	18 to 20	0	65 to 67
PINK	9	1 to 2	0	10 to 11
Victoria's Secret Beauty & Accessories - Local Market	219	5 to 7	18 to 20	204 to 208
Bath & Body Works - Local Market	223	44 to 48	4 to 5	262 to 267
Victoria's Secret Beauty & Accessories - Travel Retail	164	15 to 18	18 to 20	159 to 164
Bath & Body Works - Travel Retail	12	4 to 5	0 to 1	15 to 17
Partner Owned Total	674	87 to 100	40 to 46	715 to 734
Total VS & BBW International	753	102 to 120	45 to 52	803 to 828

APPENDIX

L BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
THIRTEEN WEEKS ENDED FEBRUARY 2, 2019 AND FOURTEEN WEEKS ENDED FEBRUARY 3, 2018
(Unaudited)
(In thousands except per share amounts)

	2018	2017
Net Sales	\$ 4,852,309	\$ 4,823,105
Costs of Goods Sold, Buying and Occupancy	<u>(2,884,629)</u>	<u>(2,782,769)</u>
Gross Profit	1,967,680	2,040,336
General, Administrative and Store Operating Expenses	(1,068,990)	(1,053,697)
Loss on Divestiture of La Senza	<u>(99,242)</u>	<u>-</u>
Operating Income	799,448	986,639
Interest Expense	(92,812)	(106,313)
Other Income (Loss)	<u>4,390</u>	<u>(38,146)</u>
Income Before Income Taxes	711,026	842,180
Provision for Income Taxes	<u>170,944</u>	<u>178,108</u>
Net Income	<u>\$ 540,082</u>	<u>\$ 664,072</u>
Net Income Per Diluted Share	<u>\$ 1.94</u>	<u>\$ 2.33</u>
Weighted Average Shares Outstanding	<u>277,935</u>	<u>284,546</u>

L BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FIFTY-TWO WEEKS ENDED FEBRUARY 2, 2019 AND FIFTY-THREE WEEKS ENDED FEBRUARY 3, 2018
(Unaudited)
(In thousands except per share amounts)

	2018	2017
Net Sales	\$ 13,236,878	\$ 12,632,431
Costs of Goods Sold, Buying and Occupancy	(8,338,071)	(7,673,007)
Gross Profit	4,898,807	4,959,424
General, Administrative and Store Operating Expenses	(3,562,778)	(3,231,035)
Loss on Divestiture of La Senza	(99,242)	-
Operating Income	1,236,787	1,728,389
Interest Expense	(384,728)	(405,988)
Other Income (Loss)	5,124	(10,029)
Income Before Income Taxes	857,183	1,312,372
Provision for Income Taxes	213,300	329,386
Net Income	<u>\$ 643,883</u>	<u>\$ 982,986</u>
Net Income Per Diluted Share	<u>\$ 2.31</u>	<u>\$ 3.42</u>
Weighted Average Shares Outstanding	<u>278,840</u>	<u>287,062</u>

L BRANDS, INC. AND SUBSIDIARIES
ADJUSTED FINANCIAL INFORMATION
THIRTEEN WEEKS ENDED FEBRUARY 2, 2019 AND FOURTEEN WEEKS ENDED FEBRUARY 3, 2018
(Unaudited)
(In thousands except per share amounts)

	2018			2017		
	Reported	Adjustments	Adjusted	Reported	Adjustments	Adjusted
Net Sales	\$ 4,852,309	\$ -	\$ 4,852,309	\$ 4,823,105	\$ -	\$ 4,823,105
Costs of Goods Sold, Buying & Occupancy	(2,884,629)	-	(2,884,629)	(2,782,769)	-	(2,782,769)
Gross Profit	1,967,680	-	1,967,680	2,040,336	-	2,040,336
General, Administrative and Store Operating Expenses	(1,068,990)	-	(1,068,990)	(1,053,697)	-	(1,053,697)
Loss on Divestiture of La Senza	(99,242)	99,242	-	-	-	-
Operating Income	799,448	99,242	898,690	986,639	-	986,639
Interest Expense	(92,812)	-	(92,812)	(106,313)	-	(106,313)
Other Income (Loss)	4,390	-	4,390	(38,146)	44,985	6,839
Income Before Income Taxes	711,026	99,242	810,268	842,180	44,985	887,165
Provision for Income Taxes	170,944	44,117	215,061	178,108	108,446	286,554
Net Income	<u>\$ 540,082</u>	<u>\$ 55,125</u>	<u>\$ 595,207</u>	<u>\$ 664,072</u>	<u>\$ (63,461)</u>	<u>\$ 600,611</u>
Net Income Per Diluted Share	<u>\$ 1.94</u>		<u>\$ 2.14</u>	<u>\$ 2.33</u>		<u>\$ 2.11</u>
Weighted Average Shares Outstanding	<u>277,935</u>		<u>277,935</u>	<u>284,546</u>		<u>284,546</u>

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

L BRANDS, INC. AND SUBSIDIARIES
ADJUSTED FINANCIAL INFORMATION
FIFTY-TWO WEEKS ENDED FEBRUARY 2, 2019 AND FIFTY-THREE WEEKS ENDED FEBRUARY 3, 2018
(Unaudited)
(In thousands except per share amounts)

	<u>2018</u>			<u>2017</u>		
	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted</u>	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted</u>
Net Sales	\$ 13,236,878	\$ -	\$ 13,236,878	\$ 12,632,431	\$ -	\$ 12,632,431
Costs of Goods Sold, Buying & Occupancy	(8,338,071)	94,640	(8,243,431)	(7,673,007)	-	(7,673,007)
Gross Profit	4,898,807	94,640	4,993,447	4,959,424	-	4,959,424
General, Administrative and Store Operating Expenses	(3,562,778)	6,548	(3,556,230)	(3,231,035)	-	(3,231,035)
Loss on Divestiture of La Senza	(99,242)	99,242	-	-	-	-
Operating Income	1,236,787	200,430	1,437,217	1,728,389	-	1,728,389
Interest Expense	(384,728)	-	(384,728)	(405,988)	-	(405,988)
Other Income (Loss)	5,124	-	5,124	(10,029)	44,985	34,956
Income Before Income Taxes	857,183	200,430	1,057,613	1,312,372	44,985	1,357,357
Provision for Income Taxes	213,300	57,580	270,880	329,386	108,446	437,832
Net Income	<u>\$ 643,883</u>	<u>\$ 142,850</u>	<u>\$ 786,733</u>	<u>\$ 982,986</u>	<u>\$ (63,461)</u>	<u>\$ 919,525</u>
Net Income Per Diluted Share	<u>\$ 2.31</u>		<u>\$ 2.82</u>	<u>\$ 3.42</u>		<u>\$ 3.20</u>
Weighted Average Shares Outstanding	<u>278,840</u>		<u>278,840</u>	<u>287,062</u>		<u>287,062</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 2018

In the fourth quarter of 2018, adjusted results exclude the following:

- A \$99.2 million (\$55.1 million net of tax of \$44.1 million) loss on the sale of La Senza to an affiliate of Regent LP.

In the third quarter of 2018, adjusted results exclude the following:

- An \$80.9 million charge (\$72.7 million net of tax of \$8.2 million), included in buying and occupancy expenses, related to the impairment of certain Victoria's Secret store assets.
- \$20.3 million (\$15.0 million net of tax of \$5.3 million) of Henri Bendel closure costs, included in buying and occupancy expenses (\$13.8 million) and general, administrative and store operating expenses (\$6.5 million).

In the first and second quarter of 2018, there were no adjustments to results.

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.

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 2, 2019 and February 3, 2018**

	February 2, 2019		February 3, 2018	
	Stores	Selling Sq. Ft. (000's)	Stores	Selling Sq. Ft. (000's)
Victoria's Secret U.S.	957	6,613	984	6,719
PINK U.S.	141	506	140	491
Victoria's Secret Canada	39	379	39	378
PINK Canada	6	23	7	28
Bath & Body Works U.S.	1,619	4,185	1,592	4,032
Bath & Body Works Canada	102	258	102	255
Victoria's Secret U.K. / Ireland	21	214	19	193
PINK U.K.	5	17	5	17
Victoria's Secret Beauty and Accessories	38	36	29	29
Victoria's Secret China	15	165	7	89
Henri Bendel	-	-	27	78
La Senza Canada	-	-	119	335
La Senza U.S.	-	-	5	13
Total L Brands	2,943	12,396	3,075	12,656

L BRANDS, INC. AND SUBSIDIARIES

2018 Selected Data

(Unaudited)

(In thousands)

	<u>2018</u>	<u>2017</u>
Capital Expenditures		
First Quarter	\$ 159,678	\$ 164,564
Second Quarter	185,600	206,958
Spring Season	<u>345,278</u>	<u>371,522</u>
Third Quarter	215,286	227,800
Fourth Quarter	<u>68,311</u>	<u>107,353</u>
Year	\$ 628,875	\$ 706,675
 Depreciation & Amortization		
First Quarter	\$ 136,874	\$ 129,655
Second Quarter	137,034	128,566
Spring Season	<u>273,908</u>	<u>258,221</u>
Third Quarter	137,787	132,497
Fourth Quarter	<u>135,358</u>	<u>133,963</u>
Year	\$ 547,053	\$ 524,681

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	2016	2017	2018
1. Net Sales - Consolidated			
1st Qtr	2,613,815	2,436,523	2,625,846
2nd Qtr	2,889,744	2,755,020	2,983,849
3rd Qtr	2,580,979	2,617,784	2,774,874
4th Qtr	4,489,483	4,823,105	4,852,309
6 Mos	5,503,560	5,191,543	5,609,695
9 Mos	8,084,539	7,809,327	8,384,569
Year	12,574,022	12,632,431	13,236,878
2. Net Sales - Victoria's Secret			
1st Qtr	1,740,865	1,533,049	1,589,427
2nd Qtr	1,867,379	1,646,288	1,724,803
3rd Qtr	1,584,063	1,538,940	1,528,799
4th Qtr	2,588,782	2,668,879	2,531,836
6 Mos	3,608,244	3,179,337	3,314,229
9 Mos	5,192,307	4,718,277	4,843,028
Year	7,781,089	7,387,156	7,374,864
3. Net Sales - Bath & Body Works			
1st Qtr	660,242	678,044	760,434
2nd Qtr	801,383	860,337	963,586
3rd Qtr	770,174	815,791	956,202
4th Qtr	1,619,907	1,793,716	1,950,798
6 Mos	1,461,625	1,538,381	1,724,019
9 Mos	2,231,800	2,354,173	2,680,221
Year	3,851,706	4,147,888	4,631,020

PERIOD	2016	2017	2018
4. Net Sales - Victoria's Secret and Bath & Body Works International			
1st Qtr	95,208	103,307	135,117
2nd Qtr	99,709	113,940	145,489
3rd Qtr	103,761	114,900	134,004
4th Qtr	124,055	170,285	190,673
6 Mos	194,917	217,247	280,607
9 Mos	298,678	332,147	414,611
Year	422,732	502,432	605,284
5. Net Sales - Other			
1st Qtr	117,500	122,122	140,868
2nd Qtr	121,273	134,454	149,972
3rd Qtr	122,981	148,153	155,868
4th Qtr	156,739	190,225	179,003
6 Mos	238,773	256,577	290,840
9 Mos	361,755	404,730	446,708
Year	518,494	594,955	625,710
6. Comparable Store Sales - Consolidated			
1st Qtr	2%	-9%	-2%
2nd Qtr	1%	-6%	-1%
3rd Qtr	0%	-3%	0%
4th Qtr	0%	-2%	-1%
6 Mos	2%	-7%	-2%
9 Mos	1%	-6%	-1%
Year	1%	-4%	-1%

PERIOD	2016	2017	2018
7. Comparable Sales - Consolidated			
1st Qtr	3%	-9%	3%
2nd Qtr	3%	-8%	3%
3rd Qtr	2%	-1%	4%
4th Qtr	0%	2%	3%
6 Mos	3%	-9%	3%
9 Mos	3%	-6%	3%
Year	2%	-3%	3%
8. Comparable Store Sales - Victoria's Secret			
1st Qtr	1%	-12%	-5%
2nd Qtr	1%	-11%	-5%
3rd Qtr	-2%	-5%	-6%
4th Qtr	-2%	-6%	-7%
6 Mos	1%	-11%	-5%
9 Mos	0%	-9%	-5%
Year	-1%	-8%	-6%
9. Comparable Sales - Victoria's Secret			
1st Qtr	2%	-14%	1%
2nd Qtr	2%	-14%	-1%
3rd Qtr	-1%	-4%	-2%
4th Qtr	-3%	-1%	-3%
6 Mos	2%	-14%	0%
9 Mos	1%	-11%	-1%
Year	0%	-8%	-2%

PERIOD	2016	2017	2018
10. Comparable Store Sales - Bath & Body Works			
1st Qtr	4%	-1%	5%
2nd Qtr	3%	4%	7%
3rd Qtr	5%	1%	10%
4th Qtr	2%	4%	8%
6 Mos	4%	2%	6%
9 Mos	4%	1%	8%
Year	3%	2%	8%
11. Comparable Sales - Bath & Body Works			
1st Qtr	6%	2%	8%
2nd Qtr	5%	6%	10%
3rd Qtr	7%	4%	13%
4th Qtr	5%	6%	12%
6 Mos	6%	4%	9%
9 Mos	6%	4%	10%
Year	6%	5%	11%
12. Costs of Goods Sold, Buying and Occupancy Costs			
1st Qtr	1,570,861	1,533,673	1,682,016
1st Qtr - Adjusted	1,559,758	N/A	N/A
2nd Qtr	1,776,840	1,727,129	1,924,804
3rd Qtr	1,555,693	1,629,437	1,846,622
3rd Qtr - Adjusted	N/A	N/A	1,751,982
4th Qtr	2,545,460	2,782,769	2,884,629
6 Mos	3,347,701	3,260,802	3,606,820
6 Mos - Adjusted	3,336,598	N/A	N/A
9 Mos	4,903,394	4,890,239	5,453,442
9 Mos - Adjusted	4,892,291	N/A	5,358,802
Year	7,448,854	7,673,007	8,338,071
Year - Adjusted	7,437,751	N/A	8,243,431

PERIOD	2016	2017	2018
13. Gross Profit			
1st Qtr	1,042,954	902,850	943,830
1st Qtr - Adjusted	1,054,056	N/A	N/A
2nd Qtr	1,112,904	1,027,891	1,059,045
3rd Qtr	1,025,286	988,347	928,252
3rd Qtr - Adjusted	N/A	N/A	1,022,892
4th Qtr	1,944,023	2,040,336	1,967,680
6 Mos	2,155,859	1,930,741	2,002,875
6 Mos - Adjusted	2,166,962	N/A	N/A
9 Mos	3,181,145	2,919,088	2,931,127
9 Mos - Adjusted	3,192,248	N/A	3,025,767
Year	5,125,168	4,959,424	4,898,807
Year - Adjusted	5,136,271	N/A	4,993,447
14. General Administrative & Store Operating Expenses			
1st Qtr	719,566	693,658	789,023
1st Qtr - Adjusted	696,124	N/A	N/A
2nd Qtr	704,688	726,996	830,908
3rd Qtr	741,706	756,684	873,857
3rd Qtr - Adjusted	N/A	N/A	867,309
4th Qtr	956,471	1,053,697	1,068,990
6 Mos	1,424,255	1,420,655	1,619,931
6 Mos - Adjusted	1,400,813	N/A	N/A
9 Mos	2,165,961	2,177,339	2,493,787
9 Mos - Adjusted	2,142,519	N/A	2,487,239
Year	3,122,432	3,231,035	3,562,778
Year - Adjusted	3,098,990	N/A	3,556,230

PERIOD	2016	2017	2018
15. Operating Income (Loss) - Consolidated			
1st Qtr	323,388	209,192	154,807
1st Qtr - Adjusted	357,933	N/A	N/A
2nd Qtr	408,216	300,895	228,137
3rd Qtr	283,580	231,663	54,395
3rd Qtr - Adjusted	N/A	N/A	155,583
4th Qtr	987,552	986,639	799,448
4th Qtr - Adjusted	N/A	N/A	898,690
6 Mos	731,604	510,086	382,944
6 Mos - Adjusted	766,149	N/A	N/A
9 Mos	1,015,184	741,749	437,340
9 Mos - Adjusted	1,049,729	N/A	538,528
Year	2,002,736	1,728,389	1,236,787
Year - Adjusted	2,037,281	N/A	1,437,217
16. Operating Income (Loss) - Victoria's Secret			
1st Qtr	234,562	158,735	83,170
1st Qtr - Adjusted	268,259	N/A	N/A
2nd Qtr	280,645	183,051	114,250
3rd Qtr	163,884	134,093	(35,872)
3rd Qtr - Adjusted	N/A	N/A	14,248
4th Qtr	493,693	456,468	300,739
6 Mos	515,207	341,786	197,420
6 Mos - Adjusted	548,904	N/A	N/A
9 Mos	679,090	475,879	161,549
9 Mos - Adjusted	712,787	N/A	211,669
Year	1,172,783	932,347	462,288
Year - Adjusted	1,206,480	N/A	512,408

PERIOD	2016	2017	2018
17. Operating Income (Loss) - Bath & Body Works			
1st Qtr	111,684	101,829	123,660
2nd Qtr	148,333	156,354	168,766
3rd Qtr	145,404	137,520	177,845
4th Qtr	501,797	556,813	607,183
6 Mos	260,017	258,182	292,426
9 Mos	405,421	395,702	470,271
Year	907,218	952,515	1,077,454
18. Operating Income (Loss) - Victoria's Secret and Bath & Body Works International			
1st Qtr	13,065	(566)	(4,803)
2nd Qtr	7,609	1,657	(9,392)
3rd Qtr	8,884	(70)	(41,806)
3rd Qtr - Adjusted	N/A	N/A	(11,048)
4th Qtr	10,338	3,976	18,666
6 Mos	20,674	1,091	(14,195)
9 Mos	29,557	1,021	(56,001)
9 Mos - Adjusted	N/A	N/A	(25,243)
Year	39,895	4,997	(37,335)
Year - Adjusted	N/A	N/A	(6,577)

PERIOD	2016	2017	2018
19. Operating Income (Loss) - Other			
1st Qtr	(35,923)	(50,806)	(47,220)
1st Qtr - Adjusted	(35,076)	N/A	N/A
2nd Qtr	(28,371)	(40,168)	(45,488)
3rd Qtr	(34,591)	(39,880)	(45,772)
3rd Qtr - Adjusted	N/A	N/A	(25,462)
4th Qtr	(18,276)	(30,618)	(127,141)
4th Qtr - Adjusted	N/A	N/A	(27,899)
6 Mos	(64,293)	(90,973)	(92,708)
6 Mos - Adjusted	(63,446)	N/A	N/A
9 Mos	(98,886)	(130,853)	(138,479)
9 Mos - Adjusted	(98,039)	N/A	(118,169)
Year	(117,162)	(161,470)	(265,620)
Year - Adjusted	(116,315)	N/A	(146,068)
20. Interest Expense			
1st Qtr	97,328	100,608	97,899
2nd Qtr	101,172	100,428	98,332
3rd Qtr	96,817	98,640	95,685
4th Qtr	98,346	106,313	92,812
6 Mos	198,501	201,035	196,231
9 Mos	295,317	299,675	291,916
Year	393,663	405,988	384,728

PERIOD	2016	2017	2018
21. Other Income (Loss)			
1st Qtr	6,918	9,863	1,401
2nd Qtr	73,014	16,617	(830)
2nd Qtr - Adjusted	531	N/A	N/A
3rd Qtr	3,417	1,639	164
4th Qtr	3,417	(38,146)	4,390
4th Qtr - Adjusted	N/A	6,839	N/A
6 Mos	79,934	26,479	570
6 Mos - Adjusted	7,451	N/A	N/A
9 Mos	83,350	28,118	733
9 Mos - Adjusted	10,867	N/A	N/A
Year	86,767	(10,029)	5,124
Year - Adjusted	14,284	34,956	N/A
22. Income (Loss) Before Income Taxes			
1st Qtr	232,978	118,447	58,309
1st Qtr - Adjusted	267,523	N/A	N/A
2nd Qtr	380,058	217,084	128,975
2nd Qtr - Adjusted	307,575	N/A	N/A
3rd Qtr	190,180	134,662	(41,126)
3rd Qtr - Adjusted	N/A	N/A	60,062
4th Qtr	892,623	842,180	711,026
4th Qtr - Adjusted	N/A	887,165	810,268
6 Mos	613,037	335,530	187,283
6 Mos - Adjusted	575,099	N/A	N/A
9 Mos	803,217	470,192	146,157
9 Mos - Adjusted	765,279	N/A	247,345
Year	1,695,840	1,312,372	857,183
Year - Adjusted	1,657,902	1,357,357	1,057,613

PERIOD	2016	2017	2018
23. Provision (Benefit) for Income Taxes			
1st Qtr	80,672	24,393	10,792
1st Qtr - Adjusted	93,847	N/A	N/A
2nd Qtr	127,636	78,210	29,941
2nd Qtr - Adjusted	102,912	N/A	N/A
3rd Qtr	68,540	48,677	1,624
3rd Qtr - Adjusted	N/A	N/A	15,087
4th Qtr	260,878	178,108	170,944
4th Qtr - Adjusted	302,628	286,554	215,061
6 Mos	208,309	102,602	40,732
6 Mos - Adjusted	196,760	N/A	N/A
9 Mos	276,849	151,279	42,356
9 Mos - Adjusted	265,300	N/A	55,819
Year	537,726	329,386	213,300
Year - Adjusted	567,927	437,832	270,880
24. Net Income (Loss)			
1st Qtr	152,306	94,054	47,517
1st Qtr - Adjusted	173,676	N/A	N/A
2nd Qtr	252,422	138,874	99,034
2nd Qtr - Adjusted	204,663	N/A	N/A
3rd Qtr	121,640	85,985	(42,750)
3rd Qtr - Adjusted	N/A	N/A	44,975
4th Qtr	631,745	664,072	540,082
4th Qtr - Adjusted	589,995	600,611	595,207
6 Mos	404,728	232,928	146,551
6 Mos - Adjusted	378,339	N/A	N/A
9 Mos	526,368	318,913	103,801
9 Mos - Adjusted	499,979	N/A	191,526
Year	1,158,114	982,986	643,883
Year - Adjusted	1,089,975	919,525	786,733

PERIOD	2016	2017	2018
25. Net Income (Loss) Per Dilutive Share			
1st Qtr	\$0.52	\$0.33	\$0.17
1st Qtr - Adjusted	\$0.59	N/A	N/A
2nd Qtr	\$0.87	\$0.48	\$0.36
2nd Qtr - Adjusted	\$0.70	N/A	N/A
3rd Qtr	\$0.42	\$0.30	(\$0.16)
3rd Qtr - Adjusted	N/A	N/A	\$0.16
4th Qtr	\$2.18	\$2.33	\$1.94
4th Qtr - Adjusted	\$2.03	\$2.11	\$2.14
6 Mos	\$1.39	\$0.81	\$0.52
6 Mos - Adjusted	\$1.30	N/A	N/A
9 Mos	\$1.81	\$1.11	\$0.37
9 Mos - Adjusted	\$1.72	N/A	\$0.69
Year	\$3.98	\$3.42	\$2.31
Year - Adjusted	\$3.74	\$3.20	\$2.82
26. Weighted Average Diluted Shares Outstanding			
1st Qtr	292,778	289,327	281,587
2nd Qtr	290,986	288,936	278,723
3rd Qtr	290,265	285,437	277,116
3rd Qtr - Basic	N/A	N/A	275,103
4th Qtr	290,231	284,546	277,935
6 Mos	291,882	289,132	280,155
9 Mos	291,343	287,900	279,142
Year	291,065	287,062	278,840

PERIOD	2016	2017	2018
27. Dividends per Share			
1st Qtr	0.60	0.60	0.60
1st Qtr - Special dividend	2.00	N/A	N/A
2nd Qtr	0.60	0.60	0.60
3rd Qtr	0.60	0.60	0.60
4th Qtr	0.60	0.60	0.60
6 Mos - including special dividend	3.20	1.20	1.20
6 Mos - excluding special dividend	1.20	1.20	1.20
9 Mos - including special dividend	3.80	1.80	1.80
9 Mos - excluding special dividend	1.80	1.80	1.80
Year - including special dividend	4.40	2.40	2.40
Year - excluding special dividend	2.40	2.40	2.40