Limitedbrands

September 29, 2011

Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, D.C. 20006-2803

Attn: Office of the Secretary

Re: Rulemaking Docket Matter No. 34
Concept Release on Possible Revisions to PCAOB
Standards Related to Reports on Audited Financial Statements

Members of the Board:

We appreciate the opportunity to respond to you regarding the Board's *Concept Release on Possible Revisions to PCAOB Standards Related to Reports on Audited Financial Statements* ("Concept Release"), issued by the Board on June 21, 2011.

By way of background, Limited Brands, Inc. (NYSE: LTD) is a $10B global specialty retailer focused on intimate and other apparel, personal care and beauty and accessories. Our specialty retail brands include Victoria's Secret and Bath & Body Works. We have been in business for nearly 50 years and employ over 90,000 associates.

Our management team and our stakeholders value accurate and informative financial statements and financial information. As a result, we understand and value a quality audit. We appreciate and support the PCAOB's objective to protect the interests of investors and further the public interest in the preparation of informative, accurate and independent audit reports.

Based on our values and our experience, we commend the Board for examining how to improve audit firms and auditing standards. However, we believe that wholesale changes to auditing standards are not warranted. Changing the content and form of the audit report is not an effective way to address concerns about the quality or quantity of disclosures. In addition, increasing audit scope outside the financial statements is beyond the training and expertise of audit firms and, as a result, would not add incremental value to investors.

We believe one of the most important areas for improvement with respect to financial information is to improve its timeliness. Many of the changes in the Concept Release would work contrary to this; the possible changes would increase the length of time necessary to complete an audit and, as a consequence, increase the length of time required to make audited financial information available to the public. Delaying the availability of information is contrary to the needs of investors and the financial markets. Following is a detailed discussion of our most significant concerns.

Content and Form of Auditor's Report
As described in the Concept Release, a standardized form of the auditor's report has been utilized since the 1940's. Although changes to the audit report have been debated or proposed since that point in time, the audit report has proved that it plays an important role in the financial markets and it is functioning effectively. If investors have a lack of understanding of what an audit means or how an audit works, those investors may have a gap in their financial expertise. This gap should be addressed by the investor, not the audit or the audit firm. If the investor believes that the financial statements have insufficient information with respect to risks, uncertainties or other matters or that certain disclosures require more prominence/emphasis, that is a discussion point for preparers, the accounting rule-making authorities, or the Securities and Exchange Commission. In addition, in the event that the financial statements would benefit from incremental disclosures, we believe that information is best provided by the preparer.

Secondly, we do not believe that a wholesale revision to the auditing standards is appropriate at this time. As an issuer, we are facing material changes to our financial reporting including rule changes around convergence and/or full transition to International Financial Reporting Standards. A significant revision to audit scope would place strain on our financial reporting resources. These resources are already constrained due to material changes in areas such as lease accounting and revenue recognition. Also, our audit firm will need to audit these material accounting changes. We do not believe that the audit firms can audit material accounting changes and concurrently absorb a material auditing standard change while still maintaining audit quality and timeliness. We would not object to minor improvement in the language in the Auditor's Report, but we believe this is not the right time to make wholesale changes to the auditing standards.

Thirdly, our financial leaders interact with investors and stakeholders frequently. We rarely receive requests for more information in our public financial statement filings. In our experience, unfortunately much of the published information is read by very few people. If we did receive a request for more information, we would seriously consider the request and incorporate it in future disclosures, if appropriate. Thus, the potential changes would only add incremental audit cost and not incremental value to our stakeholders.

Auditor's Discussion and Analysis ("AD&A")
As we state in our opening remarks, we value the service that our audit firm provides. Our management team and our investors count on accurate financial information to inform decisions. In order to provide an effective audit, auditors are well trained on accounting standards, auditing and audit risks. They are not trained on how to run our business. Although they have a thorough knowledge of audit risk associated with our financial statements, they do not have the deep comprehensive business knowledge that management possesses.

Audit firms are trained explicitly to obtain reasonable assurance that our financial statements are free of material misstatement. The auditors are not in a position to have a better point of view than management on judgments, estimates, accounting policies/practices, etc. The investor community must take ownership of understanding the risks and rewards of investing in a business. This ownership can not be delegated to an audit firm.

Some of the possible changes in the Concept Release, including potential disclosure of accounting "close calls," are problematic. In order to understand "close calls" and other similar areas, one needs context and thorough discussion. In many cases, the context is confidential. We believe that this is the role of the Audit Committee. In fact, if the financial statements are "free of material misstatement," close calls or debated items are not meaningful. An audit report that tries to summarize these types of items without adequate context would likely lead to increased litigation costs for both audit firms and preparers, further increasing total audit costs. In order to mitigate this risk, AD&A language would necessarily become boilerplate. As a result, the increased cost would not result in incremental value as the AD&A would not bring more valuable information or experienced perspective than management already provides.

Finally, the addition of an AD&A to the audit scope would add incremental time to complete the audit process. Completing the audit within today's reporting deadlines can already be a challenge. As we mention above, slowing the reporting process down is detracting value, not adding it.

Auditor Assurance on Other Information Outside the Financial Statements
Auditors are currently required to review information in documents containing the audited financial statements to consider whether such information, or the way that it is presented, is materially consistent with the financial statements or whether it constitutes a material misstatement of fact. We believe this scope is appropriate and well defined. We do not believe that the Board should consider additional auditor assurance on other information outside the financial statements as an alternative for enhancing the auditor's reporting model. As we discuss above, auditors are trained in accounting and auditing and their attest scope should focus on financial statements.

Conclusion

We appreciate the efforts and the outreach of the Board to protect the interests of investors. However, we do not believe that material changes as discussed in the Concept Release are necessary. In our opinion, the vast majority of changes discussed in the Concept Release would increase audit cost and the time necessary to complete an audit. However, these same changes would not improve the quality of audits or financial statements and disclosures.

We thank you for the opportunity to respond to the Concept Release and to provide our comments on these important topics.

Sincerely,

Stuart B. Burgdoerfer
Executive Vice President,
Chief Financial Officer

Wendy C. Arlin
Senior Vice President,
Corporate Controller