Limitedbrands

December 11, 2013

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

Attn: Office of the Secretary

Re: PCAOB Rulemaking Docket Matter No. 034
Proposed Auditing Standards –
The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion
The Auditor's Responsibilities Regarding Other Information in Certain Documents Containing Audited Financial Statements and the Related Auditor's Report

Members of the Board:

We appreciate the opportunity to respond to you regarding the Board's *Proposed Auditing Standards – The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion; and The Auditor's Responsibilities Regarding Other Information in Certain Documents Containing Audited Financial Statements and the Related Auditor's Report* (collectively, the "Proposed Standards"), issued by the Board on August 13, 2013.

By way of background, L Brands, Inc. (formerly Limited Brands, Inc.) (NYSE: LB) is an $11 billion global specialty retailer focused on intimate and other apparel, beauty and personal care products and accessories. We sell our merchandise through company-owned specialty retail stores in the United States, Canada and the United Kingdom and through our websites, catalogue and other channels. Our specialty retail brands include Victoria's Secret, Bath & Body Works, La Senza and Henri Bendel. We have been in business for over 50 years and employ approximately 100,000 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.

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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 material changes to the auditing standards are not warranted. Changing the scope, content and form of the audit report is not an effective way to address concerns about the quality, quantity or nature of disclosures included in financial statements. We do not object to minor improvement in the language in the auditor's report, but we fundamentally believe that it is a company's responsibility to provide relevant information to investors and that it is the investor's responsibility to interpret and evaluate this information. These responsibilities should not be delegated to the auditors.

Additionally, we believe two of the most important areas for improvement with respect to financial information are 1) to improve its timeliness and 2) to reduce information overload. Many of the changes in the Proposed Standards are contrary to these; the proposed 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. Our investors would prefer more timely disclosure as opposed to increased disclosure. Further, the proposed additions to the auditor's report only add to information overload.

Following is a detailed discussion of our specific comments with respect to the Proposed Standards.

<u>Critical Audit Matters</u>
As described in the Proposed Standards, 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 from time to time, the audit report has proved that it plays an important role in the financial markets and it is functioning effectively.

As defined in the Proposed Standards, critical audit matters represent those areas that the auditor deems to be the most challenging and complex. Inherently, these are subjective assessments that should remain in the domain of the auditor's relationship with the company's audit committee. Disclosure of these matters would not serve the best interests of investors or other users of financial statements as they would lack the context required to appropriately evaluate the matters. The investor community is inherently in the best position to understand the risks and rewards of investing in a business. This ownership should not be delegated to an audit firm.

According to the PCAOB release, "communication of critical audit matters in the auditor's report could focus investors' and other financial statement users' attention on challenges associated with the audit that may contribute to the information used in investment decision making." We believe that this premise is flawed as the scope of a financial statement audit is to determine whether the financial statements are free of material misstatement. It is not to provide the investor with investment perspectives for investment decision making. Most audits have subjective and critical auditor judgments. Many audits have areas that are difficult to audit. This does not equate to whether a company is a good investment or a bad investment. Evaluation of whether an investment is appropriate must be completed by the individual investor.

Our management team and our investors count on accurate financial information. The auditing standards are designed and audit firms are trained explicitly to obtain reasonable assurance that our financial statements are free of material misstatement and, therefore, accurate. Adding background information on the audit process does not provide enhanced information about the financial statements or their accuracy. We believe that adding this type of information about the discussions that occur in the audit committee meetings without context would likely lead to increased litigation costs for both audit firms and preparers, further increasing total audit costs.

Auditor's Responsibilities Regarding Other Information

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 agree with the proposed expansion of the auditor's responsibilities to other information outside the financial statements as described in the Proposed Standards.

As we discuss above, auditors are trained in accounting and auditing and their attest scope should focus on financial statements. The expansion of the auditor's responsibility to the other information will increase audit costs and will add incremental time to complete the audit process, both without any incremental benefit. Although the Proposed Standard provides that the auditor's evaluation should be based solely on relevant audit evidence obtained during the audit, we believe this provision is problematic as auditors cannot evaluate all of the information included in "other information" based solely on their audit evidence. Disclosures typically included in "other information" expand well beyond the scope required to complete the audit of the financial statements.

Auditor Tenure Disclosure

As drafted, the Proposed Standards would require disclosure of the year the auditor began serving as the company's auditor. There is no evidence indicating that auditor tenure has any correlation to audit quality. Thus, we do not understand why the auditor's report should disclose this information. The audit report should report meaningful points, not data that is irrelevant to the quality of the audit or the accuracy of the financial statements.

Conclusion

We appreciate the efforts and the outreach of the Board to protect the interests of investors. We do not believe many of the changes in the Proposed Standards are necessary. In our opinion, these changes would not improve the quality of audits or financial statements and disclosures. However, many of the changes proposed would increase audit cost and the time necessary to complete an audit.

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

Sincerely,

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Senior Vice President,
Controller

D. Andy Meeting
Vice President,
Financial Reporting