

Exhibit 12 Discounted Cash Flow Analysis

Assumptions	Furniture Group	Footwear Group	Apparel Group	Retail Group	Total
Sales growth ^a	7.7%	6.3%	7.1%	7.6%	7.2%
Operating margin range ^b	13.1%-14.1%	9.1%-10.4%	6.4%-7.0%	6.5%-7.5%	9.2%-10.1%
Capital expenditures ^c	1x	1x	1x	1x	1x
Increase in working investment ^d	12.5%	12.5%	12.5%	7.5%	11.6%
Tax rate					41.0%

	Multiple of Cash Flow in Year 10		
	14.0x	15.0x	16.0x
Terminal value (\$ millions)	4,746.0	5,085.0	5,424.0
Implied stock price			
Discount rate			
10.0%	\$80.00	\$84.00	\$88.00
11.0%	74.00	77.00	81.00
12.0%	68.00	72.00	75.00
13.0%	63.00	66.00	69.00

Source: Adapted with minor modifications in terminology from Wasserstein, Perella & Co., Inc. presentation to the Interco Board of Directors, August 8, 1988. Civil Action No. 1011, filed in the Court of Chancery of the State of Delaware in and for New Castle County, Exhibit 23.

^aTen-year annual compound growth rate

^bProjected operating margin in 1989 and in 1998

^cAs a multiple of depreciation

^dAs a percent of the change in sales in 1994 forward