

NORDSTROM

Nordstrom Reports First Quarter 2002 Results

May 15, 2002

SEATTLE, May 15, 2002 /PRNewswire-FirstCall via COMTEX/ -- Nordstrom, Inc. (NYSE: JWN) today reported first quarter net earnings of \$30.4 million, or \$0.22 per diluted share, excluding non-recurring items and the impact of adopting a new accounting standard related to goodwill. For the first quarter of 2001, net earnings and earnings per share were \$24.8 million and \$0.18, respectively.

(Photo: <http://www.newscom.com/cgi-bin/prnh/20001011/NORDLOGO>)

First quarter 2002 earnings were reduced \$21.9 million (pre-tax) or \$0.10 per share for a non-cash transition charge related to the adoption of the new accounting standard (SFAS No. 142). First quarter 2002 earnings will be further reduced by a non-recurring charge related to the purchase of Benchmark Capital Partners' and Madrona Investment Group's minority interest in Nordstrom.com. The exact dollar amount of this charge is not yet determinable but will be included in the Company's first quarter form 10Q, which will be filed no later than June 14, 2002.

Net sales for the first quarter of 2002 increased 2.3 percent, to \$1.25 billion, compared to sales of \$1.22 billion in the same period in 2001. Sales in comparable stores decreased 2.1 percent.

"We are encouraged with our continued progress on a number of initiatives, including expense and inventory management," commented President Blake Nordstrom. "However, our number one priority continues to be driving top-line growth. While our comparable-store sales were negative for the quarter, we are beginning to see improving sales trends in certain areas of our business, reflecting a better balance of fashion, brands and prices. We remain focused on addressing opportunities to increase volume."

Nordstrom opened three full-line stores during the first quarter of 2002 -- Durham, N.C.; Los Angeles, Calif.; and Orem, Utah. The company also opened two Nordstrom Rack stores during the quarter, in King of Prussia, Pa. and Fresno, Calif. Throughout the remainder of the year ending January 31, 2003, Nordstrom expects to open five full-line stores, in Dulles, Va.; St. Louis, Mo.; Coral Gables, Fla.; Orlando, Fla.; and Las Vegas, Nev. It also plans to open three additional Nordstrom Racks. For the entire year, gross square footage is expected to increase approximately 8 percent, from 17,048,000 to 18,420,000.

For the second quarter of 2002, the Company anticipates diluted earnings per share in the range of \$0.34 to \$0.38, excluding non-recurring charges related to Nordstrom.com, versus \$0.29 in the prior year, reflecting improving merchandise margins and selling, general and administrative expenses, with flat to slightly negative comparable-store sales. For the fiscal year ending January 31, 2003, the Company is raising its prior earnings per share guidance of \$1.10-\$1.15 to \$1.18-\$1.22, excluding non-recurring and impairment charges.

Nordstrom, Inc. is one of the nation's leading fashion specialty retailers, with 136 US stores located in 26 states. Founded in 1901 as a shoe store in Seattle, Nordstrom today operates 83 full-line stores, 46 Nordstrom Racks, four U.S. Faconnable boutiques, two freestanding shoe stores, and one clearance store. Nordstrom also operates 24 international Faconnable boutiques, primarily in Europe. Additionally, Nordstrom serves customers through its online presence at <http://www.nordstrom.com> and through its direct mail catalogs.

Certain statements in this news release contain "forward-looking" information (as defined in the Private Securities Litigation Reform Act of 1995) that involves risks and uncertainties, including anticipated earnings, store openings and distribution channels, planned capital expenditures, and trends in company operations. Actual future results and trends may differ materially from historical results or current expectations depending upon factors including, but not limited to, the company's ability to predict fashion trends, consumer apparel buying patterns, the company's ability to control costs, weather conditions, hazards of nature such as earthquakes and floods, trends in personal bankruptcies and bad debt write-offs, employee relations, the company's ability to continue its expansion plans, and the impact of economic and competitive market forces, including the impact of the recent terrorist activity on the company, its customers and the industry.

Our SEC reports may contain other information on these and other factors that could affect our financial results and cause actual results to differ materially from any forward-looking information we may provide.

NORDSTROM, INC.

CONSOLIDATED STATEMENTS OF EARNINGS - 1st Quarter

(unaudited; amounts in thousands, except per share data and percentages)

	3 months ended 04/30/02	% of sales (except as indicated)	3 months ended 04/30/01	% of sales (except as indicated)
Net sales(A)	\$ 1,245,761(B)	100.0	\$1,218,040(B)	100.0
Cost of sales and related buying & occupancy	(824,297)	(66.2)	(798,430)	(65.6)
Gross profit	421,464	33.8	419,610	34.4
Selling, general				

and administrative expenses	(384,875)	(30.9)	(396,706)	(32.5)
Operating income	36,589	2.9	22,904	1.9
Interest expense, net	(20,049)	(1.6)	(19,504)	(1.6)
Service charge income and other, net	33,304	2.7	37,155	3.0
Earnings before income taxes and cumulative effect of accounting change	49,844(B)	4.0	40,555(B)	3.3
Income tax expense	(19,400)	(38.9)(C)	(15,800)	(39.0)(C)
Earnings before cumulative effect of accounting change	30,444	2.4	24,755	2.0
Cumulative effect of accounting change (net of \$8,541 tax)	(13,359)	(1.0)	--	--
Net earnings(D)	\$17,085	1.4	\$24,755	2.0

(A) Nordstrom reports quarterly financial results on a calendar basis. The Company reports monthly sales according to the 4-5-4 Retail Calendar. Total sales for first quarter 2002 and 2001 were \$1,280.8 million and \$1,254.5 million, respectively, on a 4-5-4 Retail Calendar basis.

(B) First-quarter 2002 sales and pre-tax operating loss of the company's NORDSTROM.com subsidiary, which includes the Internet and catalog business, were \$63.1 million and \$0.3 million, respectively, compared to \$69.7 and \$4.2 million, respectively, for the same period in 2001.

(C) Percent of earnings before income taxes

(D) 2002 earnings exclude non-recurring charges related to Nordstrom.com.

Basic earnings per share:

Income before cumulative effect of accounting change	\$0.23	\$0.18
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Cumulative effect of accounting change	(0.10)	--
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Net income	\$0.13	\$0.18
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Diluted earnings per share:

Income before cumulative effect of accounting change	\$0.22	\$0.18
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Cumulative effect of accounting change	(0.10)	--
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Net income	\$0.13(A)	\$0.18
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ADDITIONAL DATA

Average number of

shares outstanding		
Basic	134,702	133,856
Diluted	135,705	133,922

2002 sales
 (presented on a 4-5-4 basis)
 (compared to prior-year period)

	Feb	Mar	1st Qtr Apr	1st Qtr. 2002	2001
Total sales	0.6%	1.7%	3.9%	2.1%	8.3%
Same-store sales(B)					
Full-Line stores	(4.3%)	(1.6%)	(2.5%)	(2.6%)	(0.3%)
Rack & other	(2.8%)	2.4%	5.9%	1.9%	(5.4%)
Total	(4.1%)	(1.1%)	(1.6%)	(2.1%)	(0.8%)

(A) Individual components are rounded and are not intended to sum to the total.

(B) Same-store sales percentages shown are based on the 4-5-4 Retail Calendar. Same-store sales for the first quarter 2002 and 2001 were (1.5%) and (3.7%), respectively, on a calendar basis.

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