

NORDSTROM

Nordstrom Reports Third Quarter Earnings Per Share of 39 Cents

November 17, 2005

SEATTLE, Nov 17, 2005 /PRNewswire-FirstCall via COMTEX News Network/ -- Nordstrom, Inc. (NYSE: JWN) today reported net earnings of \$107.5 million, or \$0.39 per diluted share, for the third quarter ended October 29, 2005. For the same period last year, net earnings and earnings per diluted share were \$77.8 million and \$0.27, respectively.

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

Total sales for the third quarter of 2005 increased 8.0 percent, to \$1.7 billion, compared to sales of \$1.5 billion in the same period last year. Third quarter same-store sales increased 5.9 percent.

THIRD QUARTER HIGHLIGHTS

Net earnings increased 38 percent in the third quarter compared to the same quarter last year, reflecting strong sales momentum and ongoing operating improvements. The company remains committed to providing a differentiated shopping experience and delivering superior long-term financial performance.

* Same-store sales increased 5.9 percent for the quarter, higher than the company's 3 to 5 percent same-store sales guidance. * Gross profit, as a percent of sales, increased 34 basis points, primarily as a result of sales leverage on buying and occupancy expenses.

* Disciplined expense management, combined with higher than plan sales, resulted in a 130 basis point reduction in selling, general and administrative expenses on a percent to sales basis.

* Income tax expense was reduced \$6.3 million, or \$0.02 per diluted share, due to the final determination of the company's fiscal 2004 tax expense and the completion of tax return audits for earlier years.

YEAR-TO-DATE RESULTS

Year-to-date net earnings increased 42 percent to \$360.9 million for the period ended October 29, 2005, compared to net earnings of \$253.5 million for the same period last year. Earnings per share for the same periods were \$1.30 and \$0.89, respectively.

Year-to-date total sales increased 7.9 percent to \$5.4 billion compared to prior year sales of \$5.0 billion. Same-store sales increased 6.1 percent.

EXPANSION UPDATE

During the third quarter Nordstrom opened two full-line stores: one in San Antonio, Texas at The Shops at La Cantera, and the other in Irvine, Calif. at The Irvine Spectrum. The final new store planned for this year was opened November 11th in Dallas, Texas at the NorthPark Center. Gross square footage for the year has increased approximately 3.4 percent, from 19,397,000 to 20,058,000.

QUARTERLY DIVIDEND

The company's Board of Directors has approved a quarterly dividend of \$0.085 per share, payable on December 15, 2005, to shareholders of record on November 30, 2005.

SHARE REPURCHASE

Nordstrom repurchased approximately 4,703,000 shares of common stock during the third quarter for a total of \$172.4 million. The resulting reduction in weighted average shares outstanding increased diluted earnings per share approximately \$0.01 for the quarter.

2005 OUTLOOK

For the fiscal year ending January 28, 2006, the company is raising its prior earnings per share outlook of \$1.80-\$1.90 to \$1.90-\$1.95. This would represent a 38 to 41 percent increase over the prior year. For the fourth quarter, the company expects low single digit same-store sales growth and earnings per share in the range of \$0.60 to \$0.65.

CONFERENCE CALL INFORMATION:

Company management will be hosting a conference call and webcast to discuss third quarter results at 4:15p.m.(ET) today. Access to the conference call is open to the press and general public in a listen only mode. To participate, please dial, 212-547-0138 ten minutes prior to the call (passcode: NORD). A telephone replay will be available for 48 hours beginning approximately one hour after the conclusion of the call by dialing 888-562-4353. Interested parties may also access the call over the Internet by visiting the Investor Relations section of the company's corporate website at <http://about.nordstrom.com/aboutus/investor/webcasts.asp> . An archived version of the webcast will be available at this location for 30 days.

Nordstrom, Inc. is one of the nation's leading fashion specialty retailers, with 155 US stores located in 27 states. Founded in 1901 as a shoe store in Seattle, today Nordstrom operates 98 full-line stores, 49 Nordstrom Racks, five Faconnable boutiques, one free-standing shoe store, and two clearance stores. Nordstrom also operates 32 international Faconnable boutiques in Europe. Additionally, Nordstrom serves customers through its online presence at <http://www.nordstrom.com> and through its catalogs. Nordstrom, Inc. is publicly traded on the NYSE under the symbol JWN.

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 results, store openings 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 impact of economic and competitive market forces, including the impact of terrorist activity or the impact of a war on the company, its customers and the retail industry, the company's ability to predict fashion trends, consumer apparel buying patterns, trends in personal bankruptcies and bad debt write-offs, changes in interest rates, employee relations, the company's ability to continue its expansion plans, changes in government or regulatory requirements, the company's ability to control costs, weather conditions and hazards of nature. 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. The company undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events, new information or future circumstances.

NORDSTROM, INC.

CONSOLIDATED STATEMENTS OF EARNINGS - 3rd Quarter
(unaudited; amounts in thousands, except per share data and percentages)

	Quarter ended 10/29/05	% of sales(1) (except as indicated)	Quarter ended 10/30/04	% of sales(1) (except as indicated)
Net sales	\$1,666,130	100.0%	\$1,542,075	100.0%
Cost of sales and related buying & occupancy costs	(1,058,452)	(63.5%)	(984,908)	(63.9%)
Gross profit	607,678	36.5%	557,167	36.1%
Selling, general and administrative expenses	(481,768)	(28.9%)	(465,769)	(30.2%)
Operating income	125,910	7.6%	91,398	5.9%
Interest expense, net	(10,248)	(0.6%)	(13,485)	(0.9%)
Other income including finance charges, net	47,350	2.8%	45,000	2.9%
Earnings before income taxes	163,012	9.8%	122,913	8.0%
Income tax expense	(55,559)	(34.1%)(2)	(45,085)	(36.7%)(2)
Net earnings	\$107,453	6.4%	\$77,828	5.0%
Earnings per share				
Basic	\$0.40		\$0.28	
Diluted	\$0.39		\$0.27	
ADDITIONAL DATA				
Weighted average shares outstanding				
Basic	271,599		281,395	
Diluted	277,293		286,298	

(1) Subtotals and totals may not foot due to rounding.

(2) Percent of earnings before income taxes.

NORDSTROM, INC.

CONSOLIDATED STATEMENTS OF EARNINGS - Year-to-Date
(unaudited; amounts in thousands, except per share data and percentages)

	Year-to-Date ended 10/29/05	% of sales(1) (except as indicated)	Year-to-Date ended 10/30/04	% of sales(1) (except as indicated)
Net sales	\$5,427,042	100.0%	\$5,031,045	100.0%
Cost of sales and related buying & occupancy costs	(3,452,132)	(63.6%)	(3,228,732)	(64.2%)
Gross profit	1,974,910	36.4%	1,802,313	35.8%
Selling, general and administrative expenses	(1,498,386)	(27.6%)	(1,454,736)	(28.9%)
Operating income	476,524	8.8%	347,577	6.9%
Interest expense, net	(33,791)	(0.6%)	(64,260)	(1.3%)
Other income including finance				

charges, net	135,052	2.5%	127,489	2.5%
Earnings before				
income taxes	577,785	10.6%	410,806	8.2%
Income tax expense	(216,876)	(37.5%)(2)	(157,336)	(38.3%)(2)
Net earnings	\$360,909	6.7%	\$253,470	5.0%
Earnings per share				
Basic	\$1.32		\$0.90	
Diluted	\$1.30		\$0.89	

ADDITIONAL DATA

Weighted average shares outstanding

Basic	272,683	280,361
Diluted	278,399	285,736

(1) Subtotals and totals may not foot due to rounding.

(2) Percent of earnings before income taxes.

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