

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended July 31, 1994

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File Number 0-6074

Nordstrom, Inc.

(Exact name of Registrant as specified in its charter)

Washington

91-0515058

(State or other jurisdiction of
incorporation or organization)

(IRS Employer
Identification No.)

1501 Fifth Avenue, Seattle, Washington 98101

(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code: 206-628-2111

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X NO

Common stock outstanding as of August 19, 1994: 82,148,621 shares of common stock.

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NORDSTROM, INC. AND SUBSIDIARIES

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July 31, 1994 and 1993

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NORDSTROM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(dollars in thousands except per share amounts)
(unaudited)

	Three Months Ended July 31,		Six Months Ended July 31,	
	1994	1993	1994	1993
Net sales	\$1,079,501	\$1,017,582	\$1,841,563	\$1,713,141
Costs and expenses:				
Cost of sales and related buying and occupancy	723,660	711,017	1,233,795	1,193,605
Selling, general and administrative	267,596	248,331	482,460	456,530
Interest, net	7,206	9,816	15,148	19,686
Service charge income and other, net	(23,184)	(21,733)	(46,836)	(45,226)
Total costs and expenses	975,278	947,431	1,684,567	1,624,595
Earnings before income taxes	104,223	70,151	156,996	88,546
Income taxes	41,200	27,500	62,000	34,600
Net earnings	\$ 63,023	\$ 42,651	\$ 94,996	\$ 53,946
Net earnings per average share of common stock	\$.77	\$.52	\$ 1.16	\$.66

Cash dividends paid per share of common stock outstanding	\$.10	\$.085	\$.185	\$.17
	=====	=====	=====	=====

These statements should be read in conjunction with the Notes to Consolidated Financial Statements contained herein and in the Nordstrom 1993 Annual Report to Shareholders.

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NORDSTROM, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(dollars in thousands)
(unaudited)

	July 31, 1994	January 31, 1994	July 31, 1993
	-----	-----	-----
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 50,690	\$ 91,222	\$ 98,861
Accounts receivable, net	630,085	586,441	613,907
Merchandise inventories	639,227	585,602	612,007
Prepaid income taxes and other	51,529	51,649	48,995
	-----	-----	-----
Total current assets	1,371,531	1,314,914	1,373,770
Property, buildings and equipment, net	917,066	845,596	819,712
Other assets	23,653	16,971	12,402
	-----	-----	-----
	\$2,312,250	\$2,177,481	\$2,205,884
	=====	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Notes payable	\$ 115,738	\$ 40,337	\$ 87,971
Accounts payable	339,660	264,055	320,919
Accrued salaries, wages and taxes	156,600	156,947	148,041
Accrued expenses	33,230	35,994	32,304
Accrued income taxes	22,710	27,988	21,146
Current portion of long-term debt	36,179	102,164	107,076
	-----	-----	-----
Total current liabilities	704,117	627,485	717,457
Long-term debt	310,688	336,410	346,911
Deferred income taxes and other	48,676	47,082	49,184
Shareholders' equity:			
Common stock, without par value: 250,000,000 shares authorized; 82,134,350, 82,059,128 and 81,988,465 shares issued and outstanding	159,831	157,374	155,731
Retained earnings	1,088,938	1,009,130	936,601
	-----	-----	-----
Total shareholders' equity	1,248,769	1,166,504	1,092,332
	-----	-----	-----
	\$2,312,250	\$2,177,481	\$2,205,884
	=====	=====	=====

These statements should be read in conjunction with the Notes to Consolidated Financial Statements contained herein and in the Nordstrom 1993 Annual Report to Shareholders.

NORDSTROM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands)
(unaudited)

	Six Months Ended July 31,	
	1994	1993
OPERATING ACTIVITIES:		
Net earnings	\$ 94,996	\$ 53,946
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	50,499	49,383
Change in:		
Accounts receivable, net	(43,644)	(10,709)
Merchandise inventories	(53,625)	(75,268)
Prepaid income taxes and other	120	1,776
Accounts payable	75,605	100,743
Accrued salaries, wages and taxes	(347)	(9,987)
Accrued expenses	(2,764)	1,163
Income tax liabilities and other	(3,684)	(1,200)
Net cash provided by operating activities	117,156	109,847
INVESTING ACTIVITIES:		
Additions to property, buildings and equipment, net	(121,709)	(44,693)
Other	(6,942)	(3,478)
Net cash used in investing activities	(128,651)	(48,171)
FINANCING ACTIVITIES:		
Increase in notes payable	75,401	49,652
Proceeds from issuance of common stock	2,457	291
Principal payments on long-term debt	(91,707)	(27,958)
Cash dividends paid	(15,188)	(13,936)
Net cash (used in) provided by financing activities	(29,037)	8,049
Net (decrease) increase in cash and cash equivalents	(40,532)	69,725
Cash and cash equivalents at beginning of period	91,222	29,136
Cash and cash equivalents at end of period	\$ 50,690	\$ 98,861

These statements should be read in conjunction with the Notes to Consolidated Financial Statements contained herein and in the Nordstrom 1993 Annual Report to Shareholders.

NORDSTROM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(dollars in thousands)
(unaudited)

Note 1:

The consolidated balance sheets of Nordstrom, Inc. and subsidiaries as of July 31, 1994 and 1993, and the related consolidated statements of earnings and cash flows for the periods then ended, have been prepared from the accounts without audit.

The consolidated financial information is applicable to interim periods and is not necessarily indicative of the results to be expected for the

year ending January 31, 1995.

It is not considered necessary to include detailed footnote information as of July 31, 1994 and 1993. The financial information should be read in conjunction with the Notes to Consolidated Financial Statements contained in the Nordstrom 1993 Annual Report to Shareholders.

In the opinion of management, the consolidated financial information includes all adjustments (consisting only of normal, recurring adjustments) necessary to present fairly the financial position of Nordstrom, Inc. and subsidiaries as of July 31, 1994 and 1993, and the results of their operations and cash flows for the periods then ended, in accordance with generally accepted accounting principles applied on a consistent basis.

Note 2: The components of net interest are as follows:

	Three Months Ended July 31,		Six Months Ended July 31,	
	1994	1993	1994	1993
	-----	-----	-----	-----
Interest expense	\$9,649	\$10,378	\$19,296	\$20,727
Interest income	(600)	(374)	(1,319)	(680)
Capitalized interest	(1,843)	(188)	(2,829)	(361)
	-----	-----	-----	-----
Interest, net	\$7,206	\$ 9,816	\$15,148	\$19,686
	=====	=====	=====	=====

Note 3: The summarized unaudited combined results of operations of Nordstrom Credit, Inc. and Nordstrom National Credit Bank are as follows:

	Three Months Ended July 31,		Six Months Ended July 31,	
	1994	1993	1994	1993
	-----	-----	-----	-----
Service charge and merchant fee income	\$24,411	\$23,589	\$49,153	\$47,601
Earnings before income taxes	8,102	7,537	18,387	16,176
Net earnings	5,162	4,790	11,747	10,354

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NORDSTROM, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the Management Discussion and Analysis section of the Nordstrom 1993 Annual Report to Shareholders.

Results of Operations:

During the second quarter of 1994, sales increased 6.1% when compared with the same quarter of 1993. For the six-month period, sales increased 7.5% compared to the same period in 1993. Sales for comparable stores increased 4.0% during the quarter and 5.2% for the six-month period, with the remainder of the increase coming from new units. The Company has continued to experience improving sales trends in all areas of its operations; however, the Company remains cautious with respect to sales predictions for the remainder of the year.

Cost of sales and related buying and occupancy costs decreased as a percentage of sales for the quarter and the six-month period as compared to the corresponding periods in 1993, due primarily to improvement in merchandise margins, most notably for women's apparel. Buying and occupancy costs also decreased as a percentage of sales for the quarter and six-month period.

Selling, general and administrative expenses increased as a percentage of sales during the second quarter as compared to the same period in 1993, due primarily to increased sales promotion and selling costs. For the six-month period, selling, general and administrative expenses decreased when compared to the same period in 1993. Most expense categories have shown improvement for the first six months. Specific areas which decreased significantly included employee benefits and bad debts.

For the quarter and six-month period, interest expense decreased as a percentage of sales when compared to the corresponding periods in 1993, due to lower levels of debt. The decrease was partially offset by an increase in short-term interest rates.

Income taxes as a percentage of earnings before income taxes increased when compared to 1993 for both the quarter and six-month period due to the effects of the Omnibus Budget Reconciliation Tax Act, which was signed into law on August 10, 1993.

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NORDSTROM, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Financial Condition:

The Company's financial condition remains strong and the Company has continued to fund most of its operations internally. However, with its increased spending on expansion and the start of the Company's VISA credit card in May, the Company expects to require additional external capital later this year.

As a result of the increase in investment in new store construction, the Company's working capital at July 31, 1994 decreased compared to January 31, 1994.

In August, the Company opened a full-line store in Santa Anita Mall in Arcadia, California, and an expanded store in Washington Square Mall in Portland, Oregon. Construction is progressing as planned on new stores scheduled to open later this year and in 1995.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The Company is not involved in any pending legal proceedings, other than routine litigation in the ordinary course of business.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

(27.1) Financial Data Schedule is filed herewith electronically.

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the quarter for which this report is filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NORDSTROM, INC.
(Registrant)

/s/ John A. Goesling

John A. Goesling, Executive Vice President
and Treasurer
(Principal Financial and Accounting Officer)

Date: September 2, 1994

Exhibit

Method of Filing

- - - - -

- - - - -

27.1 Financial Data Schedule

Filed herewith electronically

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