UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

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

For the quarterly period ended April 29, 2006

[ ] 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 001-15059

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.)

1617 Sixth 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 ___

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and larger accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer X Accelerated filer ___ Non-accelerated filer ___

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ___ NO X

Common stock outstanding as of May 23, 2006: 265,865 shares of common stock (in thousands).

NORDSTROM, INC. AND SUBSIDIARIES

INDEX -----
~~Page Number~~
~~PART I. FINANCIAL INFORMATION~~
~~Item 1.~~

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

~~Quarter Ended~~

~~April 29, 2006~~ ~~April 30, 2005~~

~~Net sales~~ ~~$1,787,223~~ ~~$1,654,474~~
~~Cost of sales and related buying and occupancy costs~~ ~~(1,123,003)~~ ~~(1,046,165)~~
~~Gross profit~~ ~~664,220~~ ~~608,309~~
~~Selling, general and administrative expenses~~ ~~(494,220)~~ ~~(465,422)~~
~~Operating income~~ ~~170,000~~ ~~142,887~~
~~Interest expense, net~~ ~~(10,751)~~ ~~(12,639)~~
~~Other income including~~

~~finance charges, net 53,838 42,732 ————————————— ————— Earnings before income tax expense 213,087 172,980 Income tax expense (81,856) (68,442) ————————————— ————— Net earnings $ 131,231 $ 104,538 ========= ========== Basic earnings per share $ 0.49 $ 0.38 Diluted earnings per share $ 0.48 $ 0.38 Basic shares 267,490 273,070 Diluted shares 272,831 278,395 Quarter Ended ————————————— ————————— April 29, April 30, (% of Net sales) 2006 2005 ————————————— ————— Net sales 100.0% 100.0% Cost of sales and related buying and occupancy costs (62.8%) (63.2%) ————————————— ————— Gross profit 37.2% 36.8% Selling, general and administrative expenses (27.7%) (28.1%) ————————————— ————— Operating income 9.5% 8.6% Interest expense, net (0.6%) (0.8%) Other income including finance charges, net 3.0% 2.6% ————————————— ————— Earnings before income tax expense 11.9% 10.5% Income tax~~

~~expense (as a % of earnings before income tax expense) (38.4%) (39.6%) ------ ------------- ---- Net earnings 7.3% 6.3% ========== ==========~~

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

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

~~April 29, January 28, April 30, 2006 2006 2005 ------------ ------------ ------------ ASSETS Current Assets: Cash and cash equivalents $ 261,326 $ 462,656 $ 315,695 Short-term investments 30,000 54,000 53,750 Accounts receivable, net 619,095 639,558 629,788 Investment in asset backed securities 565,854 561,136 427,302 Merchandise inventories 1,078,750 955,978 1,016,640 Current deferred tax assets 161,001 145,470 114,127 Prepaid expenses and other 56,982 55,359 53,934 ------~~

~~Total current assets 2,773,008 2,874,157 2,611,236~~

~~Land, buildings and equipment (net of accumulated depreciation of $2,615,512, $2,549,559 and $2,383,289) 1,748,399 1,773,871 1,763,766~~

~~Goodwill 51,714 51,714 51,714~~

~~Acquired tradename 84,000 84,000 84,000~~

~~Other assets 129,518 137,607 108,891~~

~~TOTAL ASSETS $4,786,639 $4,921,349 $4,619,607~~

~~========== ========== ==========~~

~~LIABILITIES AND SHAREHOLDERS' EQUITY~~

~~Current Liabilities:~~

~~Accounts payable $ 638,983 $ 540,019 $ 582,381~~

~~Accrued salaries, wages and related benefits 174,300 285,982 172,167~~

~~Other current liabilities 372,446 409,076 336,246~~

~~Income taxes payable 59,978 81,617 45,181~~

~~Current portion of long-term debt 306,636 306,618~~

~~100,458~~

~~Total current liabilities 1,552,343 1,623,312 1,236,433~~
~~Long-term debt, net 624,949 627,776 928,175~~
~~Deferred property incentives, net 361,446 364,382 357,694~~
~~Other liabilities 219,477 213,198 204,353~~
~~Shareholders' Equity:~~
~~Common stock, no par: 1,000,000 shares authorized; 265,741, 269,549 and 273,265 shares issued and outstanding 733,663 685,934 619,640~~
~~Unearned stock compensation — (327) (593)~~
~~Retained earnings 1,294,351 1,404,366 1,266,337~~
~~Accumulated other comprehensive earnings 410 2,708 7,568~~

~~Total shareholders' equity 2,028,424 2,092,681 1,892,952~~

~~TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY $4,786,639 $4,921,349 $4,619,607~~
~~========== ========== ==========~~

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

NORDSTROM, INC. AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (amounts in thousands except per share amounts) (unaudited) ~~Common Stock Accumulated Other Unearned Retained Comprehensive Shares Amount Compensation Earnings Earnings Total Balance at January 28, 2006 269,549 $685,934 $(327) $1,404,366 $2,708 $2,092,681 Net earnings - - - 131,231 - 131,231 Other comprehensive earnings: Foreign currency translation adjustment 911 911 Fair value adjustment to investment in asset backed securities, net of tax of $1,956 (3,209) (3,209) Comprehensive net earnings 128,933 Cash dividends paid ($0.105 per share) (28,326) (28,326) Issuance of common stock for: Stock option plans 1,369 32,067 32,067 Employee stock purchase plan 237 8,499 8,499 Other 9 (1) 327 326 Stock based compensation 7,164 7,164 Repurchase of common stock (5,423) (212,920) (212,920)~~

~~Balance at April 29, 2006 265,741 $733,663 $1,294,351 $410 $2,028,424~~

~~Common Stock Accumulated Other Unearned Retained Comprehensive Shares Amount Compensation Earnings Earnings Total Balance at January 29, 2005 271,331 $552,655 $(299) $1,227,303 $9,335 $1,788,994 Net earnings 104,538 104,538 Other comprehensive earnings: Foreign currency translation adjustment 147 147 Fair value adjustment to investment in asset backed securities, net of tax of $1,224 (1,914) (1,914) Comprehensive net earnings - - - - - - 102,771 Cash dividends paid ($0.065 per share) - - - (17,758) - (17,758) Issuance of common stock for: Stock option plans 3,065 55,556 - - - 55,556 Employee stock purchase plan 532 8,768 - - - 8,768 Other 111 2,661 (294) - - 2,367 Repurchase of common stock (1,774) - - (47,746) - (47,746) Balance at April 30, 2005 273,265 $619,640 $(593) $1,266,337 $7,568 $1,892,952~~

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

NORDSTROM, INC. AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (amounts in thousands) (unaudited) ~~Quarter Ended~~

~~April 29, April 30, 2006 2005~~

~~OPERATING ACTIVITIES:~~

~~Net earnings $131,231 $104,538 Adjustments to reconcile net earnings to net cash provided by operating activities: Depreciation and amortization of buildings and equipment 70,425 69,204 Amortization of deferred property incentives and other, net (8,677) (6,903) Stock-based compensation expense 7,336 1,428 Deferred income taxes, net (7,395) 19,610 Tax benefit from stock-based payments 13,538 16,546 Excess tax benefit from stock-based payments (11,617) — Provision for bad debt expense 2,650 5,118 Change in operating assets and liabilities: Accounts receivable 17,834 10,578 Investment in asset backed securities (7,927) (9,210) Merchandise inventories (109,648) (99,065) Prepaid expenses (1,410) 666 Other assets (572) 409 Accounts payable~~

~~91,905~~
~~97,507~~
~~Accrued salaries, wages and related benefits~~
~~(111,343)~~
~~(118,548)~~
~~Other current liabilities~~
~~(34,126)~~
~~(20,781)~~
~~Income taxes payable~~
~~(21,639)~~
~~(46,971)~~
~~Property incentives~~
~~3,826 9,839~~
~~Other liabilities~~
~~4,360 7,237~~

~~Net cash provided by operating activities~~
~~28,751~~
~~41,202~~

~~INVESTING ACTIVITIES:~~
~~Capital expenditures~~
~~(47,513)~~
~~(53,021)~~
~~Proceeds from sale of assets~~
~~18 —~~
~~Purchases of short-term investments~~
~~(100,000)~~
~~(165,500)~~
~~Sales of short-term investments~~
~~124,000~~
~~153,575~~
~~Other, net~~
~~(1,941)~~
~~(691)~~

~~Net cash used in investing activities~~
~~(25,436)~~
~~(65,637)~~

~~FINANCING ACTIVITIES:~~
~~Principal payments on long-term debt~~
~~(1,124)~~
~~(1,021)~~
~~Decrease in cash book overdrafts~~
~~(1,807)~~

~~(3,756)~~
~~Proceeds from exercise of stock options 18,657 39,139~~
~~Proceeds from employee stock purchase plan 8,370 8,640~~
~~Excess tax benefit from stock-based payments 11,617 —~~
~~Cash dividends paid (28,326) (17,758)~~
~~Repurchase of common stock (212,920) (47,746)~~
~~Other, net 888 2,009~~
~~Net cash used in financing activities (204,645) (20,493)~~
~~Net decrease in cash and cash equivalents (201,330) (44,928)~~
~~Cash and cash equivalents at beginning of period 462,656 360,623~~
~~Cash and cash equivalents at end of period $261,326 $315,695~~

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

Note 1 - Summary of Significant Accounting Policies

Basis of Presentation

The accompanying condensed consolidated financial statements should be read in conjunction with the Notes to Consolidated Financial Statements contained in our 2005 Annual Report on Form 10-K. The same accounting policies are followed for preparing quarterly and annual financial information. All adjustments necessary for the fair presentation of the results of operations, financial position and cash flows have been included and are of a normal, recurring nature.

Our business, like that of other retailers, is subject to seasonal fluctuations. Our Anniversary Sale in July and the holidays in December typically result in higher sales in the second and fourth quarters of our fiscal years. Accordingly, results for any quarter are not necessarily indicative of the results that may be achieved for a full fiscal year.

Accounting Policies

The preparation of our financial statements requires that we make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and disclosure of contingent assets and liabilities. We base our estimates on historical experience and other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from these estimates. With the exception of our adoption of SFAS No. 123(R) "Share-Based Payment" in the beginning of the first quarter of 2006, our accounting policies and methodologies in 2006 are consistent with those discussed in our 2005 Annual Report.

Stock-Based Compensation

Prior to the adoption of SFAS No. 123(R), we applied APB No. 25 "Accounting for Stock Issued to Employees," to measure compensation costs for our stock-based compensation programs. Under APB No. 25, we recorded no compensation expense for stock options granted to employees and directors because the options' strike price was equal to the closing market price of our common stock on the grant date. Also, through 2005 we recorded no compensation expense in connection with our Employee Stock Purchase Plan (ESPP). Through 2005, we presented the effect on net earnings and earnings per share of the fair value provisions of SFAS No. 123, "Accounting for Stock-Based Compensation" in the Notes to Condensed Consolidated Financial Statements.

Effective January 29, 2006, we adopted SFAS No. 123(R), which requires us to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. The costs are recognized over the period during which an employee is required to provide services in exchange for the award.

Note 1 - Summary of Significant Accounting Policies (Cont.)

We recognized stock-based compensation expense on a straight-line basis over the requisite service period. The following table summarizes our stock-based compensation expense:

Quarter
Ended

	April 29, 2006	April 30, 2005
Stock options	$6,640	-
Employee Stock Purchase Plan	488	-
Performance share units	114	$1,043
Other	94	385
Total stock based compensation expense before income tax benefit	7,336	1,428
Income tax benefit	(2,639)	(555)
Total stock based compensation expense, net of tax	$4,697	$873

NORDSTROM, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
Dollar and share amounts in thousands except per share and per option amounts
(unaudited)

Note 1 - Summary of Significant Accounting Policies (Cont.)

The following table illustrates the effect on net earnings and earnings per share if we had applied the fair value recognition provisions of SFAS No. 123, "Accounting for Stock-Based Compensation" in the first quarter of 2005:

	Quarter Ended April 30, 2005
Net earnings, as reported	$104,538
Add: stock based compensation expense included in reported net earnings, net of tax	871
Deduct: stock based compensation expense determined under fair value, net of tax	(5,717)
Pro forma net earnings	$99,692

~~Earnings per share: Basic – as reported $0.38 Diluted – as reported $0.38 Basic – pro forma $0.37 Diluted – pro forma $0.36~~

In 2005, we used the Black-Scholes option valuation model to estimate the fair value of the stock options under SFAS No. 123. When we adopted SFAS No. 123(R), we elected to use the Binomial Lattice option valuation model. We believe that this model provides a better estimate of fair value than the Black-Scholes option valuation model, as it can accommodate variability in assumptions for expected volatility, dividends and risk-free interest rates. We used the following weighted average assumptions to estimate the fair value for stock options granted in the quarters listed below:

~~Quarter Ended~~

~~April 29, April 30, 2006 2005~~

~~Risk free interest rate 4.9% – 5.1% 3.9% Expected volatility 37.0% 44.3% Expected dividend yield 1.0% 1.7% Expected life in years 5.4 5.0~~

Note 1 - Summary of Significant Accounting Policies (Cont.)

The weighted average fair value per option at the grant date was $16 and $10 in the first quarter of 2006 and 2005. The following describes the significant assumptions used to estimate the fair value of options granted:

- Risk-free interest rate: For 2006, the rate represents the yield on U.S.

Dollar and share amounts in thousands except per share and per option amounts

Treasury zero-coupon securities that mature over the 10-year life of the stock options. For 2005, the rate was the yield on the U.S. Treasury zero-coupon securities which matured near the end of the expected life of the stock options.

- Expected volatility: For 2006, this was based on a combination of the historical volatility of our common stock and the implied volatility of exchange traded options for our common stock. In 2005, the expected volatility was estimated using the historical volatility of our common stock.

- Expected dividend yield: For 2006, this was our forecasted dividend yield for the next ten years. In 2005, the expected dividend yield was based on our historical dividend yield.

- Expected life in years: The expected life represents the estimated period of time until option exercise. In 2006, based on our historical exercise behavior and taking into consideration the contractual term of the option and our employees' expected exercise and post-vesting employment termination behavior, the expected term of options granted was derived from the output of the Binomial Lattice option valuation model. In 2005, the expected life was determined based on our historical exercise behavior.

Note 2 - Post-retirement Benefits

The expense components of our Supplemental Executive Retirement Plan, which provides retirement benefits to certain officers and select employees, are as follows:

	Quarter Ended	
	April 29, 2006	April 30, 2005
Participant service cost	$ 557	$ 413
Interest cost	1,308	1,018
Amortization of net loss	724	414
Amortization of prior service cost	257	240
Total expense	$2,846	$2,085

Note 3 - Earnings Per Share

~~Quarter Ended ___________ ___________~~

~~April 29, April 30, 2006 2005 ___________ ___________~~

~~Net earnings $131,231 $104,538 =========== ===========~~

~~Basic shares 267,490 273,070~~

~~Dilutive effect of stock options and performance share units 5,341 5,325 ___________ ___________~~

~~Diluted shares 272,831 278,395 =========== ===========~~

~~Basic earnings per share $0.49 $0.38~~

~~Diluted earnings per share $0.48 $0.38~~

~~Antidilutive stock options and other 1,896 –~~

Note 4 - Accounts Receivable

The components of accounts receivable are as follows:

~~April 29, January 28, April 30, 2006 2006 2005 ___________ ___________ ___________~~

~~Trade receivables:~~

~~Unrestricted $ 35,554 $ 32,070 $ 36,936~~

~~Restricted 520,440 552,671 533,977~~

~~Allowance for doubtful accounts (16,056) (17,926) (18,495) ___________ ___________ ___________~~

~~Trade receivables, net 539,938 566,815 552,418~~
~~Other 79,157 72,743 77,370~~
~~----------- ----------- ---------~~
~~Accounts receivable, net $619,095 $639,558 $629,788~~
~~=========== =========== ===========~~

Our restricted trade receivables relate to our Nordstrom private label card, which back the $300,000 Class A notes and the $150,000 variable funding note. The unrestricted trade receivables consist primarily of our Faconnable trade receivables and accrued finance charges not yet allocated to customer accounts.

Other accounts receivable consist primarily of credit card receivables due from third-party financial institutions and vendor rebates, which are believed to be fully realizable as they are collected soon after they are earned.

Note 5 - Investment in Asset Backed Securities

Our investment in asset backed securities and the off-balance sheet financing are described in Note 8 of our 2005 Annual Report on Form 10-K. The following table presents the co-branded Nordstrom VISA credit card balances and the estimated fair value of our investment in asset backed securities:

~~April 29, January 28, April 30, 2006 2006 2005~~
~~---------- ---------- ----------~~
~~Total face value of co-branded Nordstrom VISA credit card principal receivables $749,322 $738,947 $619,556~~
~~=========== ========== ===========~~
~~Securities~~

~~issued by the VISA Trust: Off-balance sheet (sold to third parties): 2002 Class A & B Notes at par value $200,000 $200,000 $200,000~~
~~===========~~
~~==========~~
~~===========~~
~~Amounts recorded on balance sheet: Investment in asset backed securities at fair value $565,854 $561,136 $427,302~~
~~===========~~
~~==========~~
~~===========~~

The following table presents the key assumptions we use to value the investment in asset backed securities:

~~April 29, January 28, April 30, 2006 2006 2005~~
~~__________~~
~~__________~~
~~__________~~
~~________~~
~~Weighted average remaining life (in months) 7.6 7.6 7.7~~
~~Average annual credit losses 5.2% 4.7% 7.1%~~
~~Average gross yield 17.3% 17.1% 15.9%~~
~~Weighted average coupon on issued securities 5.5% 5.2% 4.3%~~
~~Average monthly payment rates 7.6% 8.2% 7.7%~~
~~Discount~~

~~rate on investment in asset backed securities 6.2% to 11.4% 5.9% to 11.1% 5.4% to 6.7%~~

The following table summarizes the income earned by the investment in asset backed securities that is included in other income including finance charges, net on the condensed consolidated statements of earnings:

~~Quarter Ended~~

~~April 29, April 30, 2006 2005~~

~~Interest income $18,926 $10,482~~
~~Gains on sales of receivables and other income 8,395 9,589~~

~~$27,321 $20,071~~

Note 6 - Debt

To manage our interest rate risk, we have an interest rate swap outstanding recorded in other liabilities. Our swap has a $250,000 notional amount, expires in January 2009 and is designated as a fully effective fair value hedge. Under the agreement, we receive a fixed rate of 5.63% and pay a variable rate based on LIBOR plus a margin of 2.3% set at six-month intervals (7.52% at April 29, 2006.) The fair value of our interest rate swap is as follows:

~~April 29, January 28, April 30, 2006 2006 2005~~

~~Interest rate~~

swap fair value
$(12,847)
$(11,050)
$(9,549)

Note 7 - Stock-based Compensation

In 2004, our shareholders approved the 2004 Equity Incentive Plan. We currently grant stock options, performance share units and common shares under this plan.

STOCK OPTIONS
- -------------
As of April 29, 2006, we have options outstanding under three stock option plans (collectively, the "Nordstrom, Inc. Plans"). Options vest over periods ranging from four to eight years, and expire ten years after the date of grant. A summary of stock option activity under the Nordstrom, Inc. Plans during the quarter ended April 29, 2006 is presented below:

For the first quarter	2006		2005	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding, beginning of year	14,344	$15	18,320	$13
Granted	1,939	40	2,564	26
Exercised	(1,369)	14	(3,066)	13
Cancelled	(251)	24	(393)	15
Outstanding, end of period	14,663	$19	17,425	$15

Annual stock option awards to employees, which are approved by the Compensation Committee of the Company's Board of Directors in February each year, provide our leaders with the opportunity for financial rewards when the Company's stock price increases. The awards are determined based upon a percentage of the leaders' base salary and the fair value of the stock options, which is estimated using an option pricing model. The fair value per stock option was $16 in 2006 (using a Binomial Lattice option valuation model) and $10 in 2005 (using the Black-Scholes option valuation model.) We awarded stock options to 1,235 employees in the first quarter of 2006 and 1,207 employees in the first quarter of 2005.

Dollar and share amounts in thousands except per share and per option amounts

Note 7 - Stock-based Compensation (Cont.)

The total intrinsic value of options exercised during the quarters ended April 29, 2006 and April 30, 2005 was $33,801 and $38,720. The total fair value of stock options vested during the quarters ended April 29, 2006 and April 30, 2005 was $29,860 and $26,608. As of April 29, 2006, the total unrecognized stock-based compensation expense related to nonvested stock options was $60,073, which is expected to be recognized over a weighted average period of approximately 33 months. The aggregate intrinsic value of options outstanding as of April 29, 2006 was $290,198.

The following table summarizes information about stock options outstanding for the Nordstrom, Inc. Plans as of April 29, 2006:

	~~Options Outstanding~~			~~Options Exercisable~~	
~~Range of Exercise Prices~~	~~Shares~~	~~Weighted Average Remaining Contractual Life (Years)~~	~~Weighted Average Exercise Price~~	~~Shares~~	~~Weighted Average Exercise Price~~
~~$8.03 $8.99~~	~~3,525~~	~~6~~	~~$9~~	~~2,473~~	~~$9~~
~~$9.00 $12.99~~	~~3,355~~	~~5~~	~~12~~	~~3,307~~	~~12~~
~~$13.00 $19.99~~	~~3,673~~	~~6~~	~~18~~	~~2,148~~	~~18~~
~~$20.00 $40.27~~	~~4,110~~	~~9~~	~~33~~	~~509~~	~~26~~
	~~14,663~~	~~7~~	~~$19~~	~~8,437~~	~~$13~~

PERFORMANCE SHARE UNITS
- -----------------------

We grant performance share units to align the performance of our senior management with our shareholder returns. These units vest at the end of a three year period. Employees do not pay any monetary consideration and may elect to exchange each unit earned for one share of stock or the cash equivalent. As a result, these units are classified as a liability award. The number of units earned is determined by the performance of our stock price and dividend payments relative to a pre-defined group of retail peers over the three-year period and can be adjusted from 0% to 125% of the number of units granted. As of April 29, 2006, the unvested performance share units granted in 2004 and 2005 have been adjusted to 125% of the units granted, while the units granted in 2006 are adjusted to 0%. At the beginning of the quarter ended April 29, 2006, 413 units were unvested. During the first quarter of 2006, 63 units were granted and 217 units vested, resulting in an ending balance of 259 units as of April 29, 2006.

Dollar and share amounts in thousands except per share and per option amounts

We record compensation expense over the performance period at the fair value of the stock at the end of each reporting period based on the vesting percentages on those dates. Total stock-based compensation expense related to performance share units for the quarters ended April 29, 2006 and April 30, 2005 was $114 and $1,043. At the end of April 29, 2006 and April 30, 2005, our liabilities included $5,732 and $6,298 for the unvested units. As of April 29, 2006, the total unrecognized stock-based compensation expense related to nonvested performance share units was $3,612, which is expected to be recognized over a weighted average period of 16 months.

Note 7 - Stock-based Compensation (Cont.)

The following table summarizes the information for performance share units that vested during the period:

	~~Quarter Ended~~	
	~~April 29, 2006~~	~~April 30, 2005~~
~~Number of performance share units vested~~	~~217~~	~~337~~
~~Total fair value of performance share units vested~~	~~$11,310~~	~~$10,159~~
~~Total amount of performance share units settled for cash~~	~~$5,982~~	~~$1,836~~

NONEMPLOYEE DIRECTOR STOCK INCENTIVE PLAN
- --
The Nonemployee Director Stock Incentive Plan authorizes the grant of stock awards to nonemployee directors. These awards may be deferred or issued in the form of restricted or unrestricted stock, nonqualified stock options or stock appreciation rights. No significant awards were granted in the first quarter of 2006 under this plan.

EMPLOYEE STOCK PURCHASE PLAN
- ----------------------------
We offer an Employee Stock Purchase Plan as a benefit to our employees. Employees may make payroll deductions of up to ten percent of their base and

bonus compensation. At the end of each six-month offering period, participants may purchase shares of our common stock at 90% of the fair market value on the last day of each offer period. Beginning in 2006, we recognize stock-based compensation expense related to the ESPP, as our purchase discount exceeded the amount allowed under SFAS No. 123(R) for non-compensatory treatment. We record compensation expense over the purchase period at the fair value of the ESPP at the end of each reporting period.

We issued 237 shares under this plan in the first quarter of 2006. As of April 29, 2006 and April 30, 2005, we had current liabilities of $1,587 and $1,352 for the purchase of shares in the future.

Note 8 - Segment Reporting

The following tables set forth the information for our reportable segments and a reconciliation to the consolidated totals:

~~Quarter ended April 29, 2006~~ ~~Retail Stores~~ ~~Credit~~ ~~Direct~~ ~~Other~~ ~~Eliminations~~ ~~Total~~

~~Net sales~~ ~~$1,654,424~~ ~~$109,602~~ ~~$23,197~~ ~~$1,787,223~~

~~Intersegment revenues~~ ~~$8,333~~ ~~$(8,333)~~

~~Interest expense, net~~ ~~(6,582)~~ ~~(4,169)~~ ~~(10,751)~~

~~Other~~
~~income~~
~~including~~
~~finance~~
~~charges,~~
~~net (1,793)~~
~~57,557~~
~~(149)~~
~~(1,777) -~~
~~53,838~~
~~Earnings~~
~~before tax~~
~~expense~~
~~237,057~~
~~17,687~~
~~25,221~~
~~(66,878) -~~
~~213,087~~
~~Total~~
~~assets~~
~~2,378,500~~
~~1,140,221~~
~~90,574~~
~~1,177,344 -~~
~~4,786,639~~
~~Quarter~~
~~ended~~
~~Retail~~
~~April 30,~~
~~2005 Stores~~
~~Credit~~
~~Direct~~
~~Other~~
~~Eliminations~~
~~Total~~
~~Net~~
~~sales~~
~~$1,526,586~~
~~- $104,412~~
~~$23,476 -~~
~~$1,654,474~~
~~Intersegment~~
~~revenues -~~
~~$7,894~~
~~$(7,894) -~~
~~Interest~~
~~expense,~~
~~net -~~
~~(6,237) -~~
~~(6,402) -~~
~~(12,639)~~
~~Other~~
~~income~~
~~including~~
~~finance~~
~~charges,~~
~~net (1,841)~~
~~50,029 (19)~~
~~(5,437) -~~
~~42,732~~
~~Earnings~~
~~before tax~~
~~Expense~~
~~207,767~~
~~11,593~~
~~17,797~~
~~(64,177) -~~
~~172,980~~
~~Total~~
~~assets~~
~~2,413,636~~
~~1,021,194~~
~~110,760~~

~~1,074,017~~
~~4,619,607~~

As of April 29, 2006, January 28, 2006, and April 30, 2005, Retail Stores assets included $8,462 of goodwill, Direct assets included $15,716 of goodwill and Other assets included $27,536 of goodwill and $84,000 of tradename.

The segment information for 2005 has been adjusted from our previous disclosures as we now reflect Faconnable, Nordstrom Product Group and the distribution network in "Other"; also, beginning in September 2005, we changed our internal method for recognizing returns of Direct sales at Retail Stores. Previously, these returns were recognized in the Direct segment and now they are recognized in the Retail Store segment.

Note 9 - Supplementary Cash Flow Information

~~Quarter~~
~~Ended~~
~~April 29,~~
~~April 30,~~
~~2006 2005~~
~~Cash~~
~~paid~~
~~during the~~
~~quarter~~
~~for:~~
~~Interest~~
~~(net of~~
~~capitalized~~
~~interest)~~
~~$ 15,527 $~~
~~15,519~~
~~Income~~
~~taxes~~
~~95,141~~
~~80,498~~

Note 10 - Litigation

We are involved in routine claims, proceedings, and litigation arising from the normal course of our business. We do not believe any such claim, proceeding or litigation, either alone or in aggregate, will have a material impact on our results of operations, financial position, or liquidity.

Note 11 - Subsequent Event

In May 2006, our Board of Directors authorized a $1,000,000 share repurchase program. The shares are expected to be acquired through open market transactions during the next 18 to 36 months. The actual number and timing of share repurchases will be subject to market conditions and applicable SEC rules. The prior $500,000 repurchase program, which was started in February 2005, was completed during the first quarter of 2006.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Dollar amounts in millions except per share amounts)

The following discussion should be read in conjunction with the Management's Discussion and Analysis section of our 2005 Annual Report.

RESULTS OF OPERATIONS
- ---------------------

~~Overview~~
~~First~~
~~Quarter~~
~~2006 2005~~

~~Net earnings~~	~~$131.2~~	~~$104.5~~
~~Net earnings as a percentage of net sales~~	~~7.3%~~	~~6.3%~~
~~Diluted earnings per share~~	~~$0.48~~	~~$0.38~~

Continued sales growth, stable gross margin and selling cost rates, and leverage of fixed costs delivered net earnings growth of 25.5% in the first quarter of 2006 compared to the same period in 2005. Key highlights include:

- - Same-store sales increased 5.4 percent for the quarter. Sales momentum continued across all of our retail sales channels. Merchandise divisions with sales performance above the Company's average were accessories, cosmetics and men's apparel.

- - Gross profit as a percentage of net sales (gross profit rate), increased 40 basis points. Better than plan sales resulted in incremental leverage on buying and occupancy expenses, while overall merchandise margin remained flat versus last year.

- - For the quarter, variable expenses moved in-line with our sales growth, while we leveraged our fixed costs, delivering a 48 basis point reduction in selling, general and administrative expenses as a percentage of net sales (SG&A rate). This is the third consecutive year that our SG&A rate decreased in the first quarter.

- - We adopted SFAS No. 123(R) "Share-Based Payment," and as a result we recorded compensation expense of $2.7 in buying and occupancy costs, and $4.4 in selling, general and administrative expenses.

~~Net Sales - First Quarter~~	~~2006~~	~~2005~~
~~Net sales~~	~~$1,787.2~~	~~$1,654.5~~
~~Net sales increase~~	~~8.0%~~	~~7.7%~~
~~Same-store sale increase~~	~~5.4%~~	~~6.2%~~

Total net sales increased 8.0% for the quarter over the same period in the prior year, primarily due to same-store sales increases. Same-store sales increased 5.4% for the quarter over the same period in the prior year. For the quarter, sales momentum continued across all of our retail sales channels.

In our Full-Line stores, our accessories, cosmetics and men's apparel merchandise categories experienced the largest same-store sales increases. Our women's apparel merchandise category had same-store sales decreases.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONT.) (Dollar amounts in millions except per share amounts)

In addition, total net sales benefited from the four Full-Line stores opened since the first quarter of 2005. These four stores increased our retail square footage by 3% compared to last year.

~~Gross Profit~~

~~First Quarter~~	~~2006~~	~~2005~~
~~Gross profit~~	~~$664.2~~	~~$608.3~~
~~Gross profit rate~~	~~37.2%~~	~~36.8%~~
~~Average inventory per square foot~~	~~$52.45~~	~~$53.43~~
~~Inventory turnover~~	~~4.77~~	~~4.48~~

Compared to the same period last year, our gross profit rate improved 40 basis points for the quarter ended April 29, 2006. This performance was due to leverage on buying and occupancy expenses from better than planned sales. Our merchandise margin was flat compared to the prior year. Our buying expense this quarter included $2.7 of costs for stock options awarded primarily to our merchants; these costs had a 15 basis point impact on our gross profit rate. Our inventory levels increased in-line with our sales performance. Our rolling four quarter average inventory turnover rate improved to 4.77 at April 2006 from 4.48 at April 2005, indicating that our merchandising processes have continued to improve.

~~Selling, General and Administrative Expenses~~

~~First Quarter~~	~~2006~~	~~2005~~
~~Selling, general and administrative expenses~~	~~$494.2~~	~~$465.4~~
~~SG&A rate~~	~~27.7%~~	~~28.1%~~

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONT.) (Dollar amounts in millions except per share amounts)

Compared to the same period last year, our SG&A rate improved 48 basis points for the quarter ended April 29, 2006. The quarter to date performance resulted primarily from leverage on better than plan sales. We continued to control and leverage our general and administrative expenses, especially non-selling labor. Our selling, general and administrative expense this quarter included $4.4 of costs for stock options awarded to our store operations, business unit and corporate service center leaders; these costs had a 25 basis point impact on our SG&A rate.

Interest Expense, net
- ---------------------

Interest expense, net decreased by $1.9 to $10.8 for the quarter ended April 29, 2006 compared to the same period in 2005. The decrease is primarily due to increased interest income from higher cash balances.

~~Other Income Including Finance Charges, net~~		
	~~First Quarter~~	
	~~2006~~	~~2005~~
~~Other income including finance charges, net~~	~~$53.8~~	~~$42.7~~
~~Other income including finance charges, net as a Percentage of net sales~~	~~3.0%~~	~~2.6%~~

Other income including finance charges, net increased by $11.1 to $53.8 for the quarter ended April 29, 2005. The increase is primarily due to growth in our co-branded Nordstrom VISA credit card program.

Seasonality
- ------------

Our business, like that of other retailers, is subject to seasonal fluctuations. Our Anniversary Sale in July and the holidays in December typically result in higher sales in the second and fourth quarters of our fiscal years. Accordingly, results for any quarter are not necessarily indicative of the results that may be achieved for a full fiscal year.

Return on Invested Capital (ROIC) (Non-GAAP financial measure)
- ---
In the past two years, we have incorporated Return on Invested Capital (ROIC) into our key financial metrics, and since 2005 used it as an executive bonus measure. Overall performance as measured by ROIC correlates directly to shareholders' return over the long-term. For the last 12 months ended April 29, 2006, we improved our ROIC to 17.5% compared to 13.7% for the 12 months ended April 30, 2005. Our ROIC improved primarily from increased earnings before interest and taxes. See our GAAP ROIC reconciliation on page 20. The closest GAAP measure is return on assets, which improved to 11.9% from 9.2% for the last 12 months ended April 29, 2006 compared to the 12 months ended April 30, 2005.

We define ROIC as follows:

$$\text{ROIC} = \frac{\text{Net Operating Profit after Taxes (NOPAT)}}{\text{Average Invested Capital}}$$

~~Numerator = NOPAT Denominator =~~
~~Average Invested Capital Net earnings~~
~~Average total assets + Income tax~~
~~expense - Average non interest~~
~~bearing current + Interest expense,~~
~~net liabilities~~
~~Average deferred~~
~~property = EBIT incentives + Average~~
~~estimated asset base of + Rent~~
~~expense capitalized operating leases~~
~~Estimated depreciation on~~

~~capitalized operating leases =~~
~~Average invested capital~~

~~=====================================~~
~~= Net operating profit - Estimated~~
~~income tax expense~~
~~= NOPAT~~
~~============================~~

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONT.) (Dollar amounts in millions except per share amounts)

A reconciliation of our return on assets to ROIC is as follows:

~~12 months~~
~~ended~~

~~April 29,~~
~~April 30,~~
~~2006 2005~~

~~Net~~
~~earnings~~
~~$578.0 $429.3~~
~~Add: income~~
~~tax expense~~
~~347.3 278.4~~
~~Add: interest~~
~~expense, net~~
~~43.4 53.4~~

~~Earnings~~
~~before~~
~~interest and~~
~~taxes 968.7~~
~~761.1 Add:~~
~~rent expense~~
~~44.3 52.6~~

~~Less: estimated depreciation on capitalized operating leases(1) (23.6) (28.1)~~
~~------------- ----- Net operating profit 989.4 785.6~~
~~Estimated income tax expense (371.7) (307.5) ------~~
~~-------------~~
~~Net operating profit after tax $617.7 $478.1~~
~~======== ========~~
~~Average total assets(2) $4,841.2 $4,687.3~~
~~Less: average non interest-bearing current liabilities(3) (1,331.6) (1,259.4)~~
~~Less: average deferred property incentives(2) (363.9) (384.5)~~
~~Add: average estimated asset base of capitalized operating leases(4) 379.0 442.1 -~~
~~------------- --- Average invested capital $3,524.7 $3,485.5~~
~~======== ========~~
~~Return on Assets 11.9% 9.2%~~
~~ROIC 17.5% 13.7%~~

(1) Depreciation based upon estimated asset base of capitalized operating leases as described in Note 4 below.
(2) Based upon the trailing 12-month average.
(3) Based upon the trailing 12-month average for accounts payable, accrued salaries, wages and related benefits, other current liabilities and income taxes payable.
(4) Based upon the trailing 12-month average of the monthly asset base which is calculated as the trailing 12 months rent expense multiplied by 8.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONT.) (Dollar amounts in millions except per share amounts)

LIQUIDITY AND CAPITAL RESOURCES

We started 2006 with a cash balance above our operating needs due to the increase in our net earnings in 2005, and in the first quarter we used this extra cash to repurchase $212.9 of our outstanding common stock. In the first quarter of 2005, we repurchased $47.7 of our outstanding common stock. The significant increase in our common stock repurchase caused our cash balance to decrease in the first quarter of 2006 by $201.3; over the same period in the prior year, our cash balance decreased $44.9.

Operating Activities

Net cash flow from operating activities decreased by $12.5 to $28.8 in 2006 primarily due to the change in the classification of the reduction in our tax obligation for stock-based payment arrangements from operating activities to financing activities as a result of the adoption of SFAS No. 123(R), "Share-Based Payment."

Investing Activities

We have had two principal types of investing activities in the past two years: capital expenditures and short-term investments. Our capital expenditures have decreased slightly in 2006 as a result of the timing of our new store openings and remodels.

In March 2006, we opened one Full-Line store in Palm Beach Gardens, Florida. We are scheduled to relocate our Topanga Full-Line store in Canoga Park, California and open one Nordstrom Rack store in San Marcos, California in the fall of 2006, increasing our estimated gross square footage 1.0% from 20,070,000 at the beginning of 2006 to 20,298,000 by the end of 2006.

We evaluate a number of short-term investment options, with a variety of yields and liquidity restrictions. Consistent with our investment policy, we invest our excess cash in high quality short-term investments. Some of these investments are classified as cash equivalents while others are classified as short-term investments; changes in the investment mix, while not significant to our overall short-term investing activities, can impact our net cash flows from investing activities.

Financing Activities

Net cash used in financing activities increased to $204.6 in 2006 from $20.5 in 2005, primarily due to increased repurchases of our outstanding common stock.

In February 2005, our Board of Directors authorized $500.0 of share repurchases. In the first quarter of 2006, we repurchased 5.3 million shares for $212.9 at an average price of $40.11 per share. This repurchase utilized the remaining share authorization.

We entered into an accelerated share repurchase agreement with Goldman, Sachs & Co. in September 2005 to repurchase shares of our common stock for an aggregate purchase price of $100.0. In the first quarter of 2006, the accelerated share repurchase agreement was completed; in total, we purchased 2.7 million shares of our common stock at $37.12 per share under this agreement.

Liquidity

We maintain a level of liquidity to allow us to cover our seasonal cash needs and to minimize our need for short-term borrowings. We believe that our operating cash flows, existing cash and available credit facilities are sufficient to finance our cash requirements for the next 12 months. In October 2006, we will repay our $300.0 of 4.82% Private Label Securitization debt. In the second quarter of 2006, we will begin to fund this debt repayment via a sinking fund. We expect to utilize our existing borrowing capacity and additional borrowing capacity to finance this debt repayment. In April 2007, the off-balance sheet 2002 Class A & B Notes of $200.0 will be due; these Notes are secured by the co-branded Nordstrom VISA credit card balances. We are evaluating alternatives to combine these charge card securitizations in the first half of 2007.

In May 2006, our Board of Directors authorized a $1,000.0 share repurchase program. The shares are expected to be acquired through open market transactions during the next 18 to 36 months.

Over the long term, we manage our cash and capital structure to maximize shareholder return, strengthen our financial position and maintain flexibility for future strategic initiatives. We continuously assess our debt and leverage levels, capital expenditure requirements, principal debt payments, dividend payouts, potential share repurchases, and future investments or acquisitions. We believe our operating cash flows, existing cash and available credit facilities, as well as any potential future borrowing facilities will be sufficient to fund scheduled future payments and potential long-term initiatives.

CRITICAL ACCOUNTING POLICIES

The preparation of our financial statements requires that we make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and disclosure of contingent assets and liabilities. We base our estimates on historical experience and other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from these estimates. Our critical accounting policies and methodologies in 2006 are consistent with those discussed in our 2005 Annual Report on Form 10-K.

FORWARD-LOOKING INFORMATION CAUTIONARY STATEMENT

Certain statements in the preceding disclosures contain "forward-looking" statements (as defined in the Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties, including anticipated financial results, use of cash and liquidity, store openings and trends in our operations. Actual future results and trends may differ materially from historical results or current expectations depending upon various factors including, but not limited to:

- the impact of economic and competitive market forces,
- the impact of terrorist activity or war on our customers and the retail industry,
- our ability to predict fashion trends,
- consumer apparel buying patterns,
- trends in personal bankruptcies and bad debt write-offs,
- changes in interest rates,
- employee relations,
- our ability to continue and control our expansion, remodel and investment plans,
- changes in government or regulatory requirements,
- our ability to control costs,
- weather conditions, and
- hazards of nature.

These and other factors could affect our financial results and trends and cause actual results and trends to differ materially from those contained in any forward-looking statements we may make. As a result, while we believe there is a reasonable basis for the forward-looking statements, you should not place undue reliance on those statements. We undertake no obligation to update or revise any forward-looking statements to reflect subsequent events, new information or future circumstances. This discussion and analysis should be read in conjunction with the Condensed Consolidated Financial Statements.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We discussed our interest rate risk and our foreign currency exchange risk in Item 7A of our 2005 Annual Report on Form 10-K. There has been no material change to these risks since that time.

Item 4. CONTROLS AND PROCEDURES

As of the end of the period covered by this Quarterly Report on Form 10-Q, we performed an evaluation under the supervision and with the participation of management, including our President and Chief Financial Officer, of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Securities and Exchange Act of 1934 (the "Exchange Act")). Based upon that evaluation, our President and Chief Financial Officer concluded that, as of the end of the period covered by this Quarterly Report, our disclosure controls and procedures are effective in the timely recording, processing, summarizing and reporting of material financial and non-financial information.

There has been no change in our internal control over financial reporting (as defined in Rules 13a-15(f) or 15d-15(f) of the Exchange Act) during our most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Cosmetics

We were originally named as a defendant along with other department store and specialty retailers in nine separate but virtually identical class action lawsuits filed in various Superior Courts of the State of California in May, June and July 1998 that were consolidated in Marin County Superior Court. In May 2000, plaintiffs filed an amended complaint naming a number of manufacturers of cosmetics and fragrances and two other retailers as additional defendants. Plaintiffs' amended complaint alleged that the retail price of the "prestige" or "Department Store" cosmetics and fragrances sold in department and specialty stores was collusively controlled by the retailer and manufacturer defendants in violation of the Cartwright Act and the California Unfair Competition Act.

Plaintiffs sought treble damages and restitution in an unspecified amount, attorneys' fees and prejudgment interest, on behalf of a class of all California residents who purchased cosmetics and fragrances for personal use from any of the defendants during the four years prior to the filing of the original complaints.

While we believe that the plaintiffs' claims are without merit, we entered into a settlement agreement with the plaintiffs and the other defendants on July 13, 2003 in order to avoid the cost and distraction of protracted litigation. In furtherance of the settlement agreement, the case was re-filed in the United States District Court for the Northern District of California on behalf of a class of all persons who currently reside in the United States and who purchased "Department Store" cosmetics and fragrances from the defendants during the period May 29, 1994 through July 16, 2003. The Court gave preliminary approval to the settlement, and a summary notice of class certification and the terms of the settlement were disseminated to class members. On March 30, 2005, the Court entered a final judgment approving the settlement and dismissing the plaintiffs' claims and the claims of all class members with prejudice, in their entirety. On April 29, 2005, two class members who had objected to the settlement filed notices of appeal from the Court's final judgment to the United States Court of Appeals for the Ninth Circuit. One of the objectors has since dropped her appeal, but the other filed her appeal brief on March 20, 2006. Plaintiffs' and defendants' briefs were filed on May 25, 2006. It is uncertain when the appeals will be resolved, but the appeal process could take as much as another year or more. If the Court's final judgment approving the settlement is affirmed on appeal, or the appeals are dismissed, the defendants will provide class members with certain free products with an estimated retail value of $175 million and pay the plaintiffs' attorneys' fees, awarded by the Court, of $24 million. Our share of the cost of the settlement will not have a material adverse effect on our financial condition, results of operations or cash flows.

Other
- -----
We are involved in routine claims, proceedings, and litigation arising from the normal course of our business. We do not believe any such claim, proceeding or litigation, either alone or in aggregate will have a material impact on our results of operations, financial position, or liquidity.

Item 1A. Risk Factors
- ---------------------
In addition to the other information set forth in this quarterly report on Form 10-Q, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended January 28, 2006. There have been no material changes in our risk factors from those disclosed in our Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds
- ---
(c)
Repurchases

- (dollars
in
millions,
except per
share
amounts)
~~Total~~
~~Total~~
~~Number~~
~~Maximum~~
~~Number (or~~

~~Number of Average of Shares (or Units) Approximate Dollar Value) Shares Price Paid Purchased as Part of of Shares (or Units) that (or Units) Per Share Publicly Announced May Yet Be Purchased Under Purchased (or Units) Plans or Programs the Plans or Programs (2)~~

~~Feb. 2006 25,601 (1) $37.99 25,000 $212.0 (1/29/06 to 2/25/06)~~

~~Mar. 2006 5,282,904 $40.12 5,282,904 $ 0.0 (2/26/06 to 4/1/06)~~

~~Apr. 2006 $ 0.0 (4/2/06 to 4/29/06)~~

~~Total 5,308,505 $40.11 5,307,904~~

$ 0.0

(1) Included in this balance are 601 shares that were not redeemed as part of a publicly announced repurchase plan or program. These shares were tendered by an employee to Nordstrom for tax withholding purposes.

(2) In February 2005, the Board of Directors authorized $500.0 of share repurchases. In the first quarter of 2006, we repurchased 5.3 million shares for $212.9 at an average price of $40.11 per share. This repurchase utilized the remaining share authorization.

We entered into an accelerated share repurchase agreement with Goldman, Sachs & Co. in September 2005 to repurchase shares of our common stock for an aggregate purchase price of $100.0. In the first quarter of 2006, the accelerated share repurchase agreement was completed; in total, we purchased 2.7 million shares of our common stock at $37.12 per share under this agreement.

Item 6. Exhibits
- -----------------
Exhibits are incorporated herein by reference or are filed with this report as set forth in the Index to Exhibits on page 27 hereof.

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/ Michael G. Koppel

Michael G. Koppel
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: June 6, 2006

NORDSTROM INC. AND SUBSIDIARIES
Exhibit Index

~~Exhibit Method of Filing --------------------------- 3.2 Bylaws, as amended and restated on Incorporated by reference from the May 23, 2006 Registrant's Form 8-K filed on May 30, 2006, Exhibit 3.1 10.1 Summary of named executive officer Incorporated by reference from the compensation Registrant's Form 8-K filed on February 28, 2006 10.2 Form of 2006 Performance Share Unit Incorporated by reference from the Notice and Performance Share Unit Registrant's Form 8-K filed on Award~~

~~Agreement February 28, 2006, Exhibit 10.1 10.3 Summary of named executive officer Incorporated by reference from the bonus arrangements Registrant's Form 8-K filed on May 2, 2006 10.4 Nordstrom, Inc. Employee Stock Incorporated by reference from the Purchase Plan (2006 Restatement) Registrant's definitive proxy statement on Schedule 14A filed with the Commission on April 13, 2006 31.1 Certification of President Filed herewith electronically required by Section 302(a) of the Sarbanes-Oxley Act of 2002 31.2 Certification of Chief Financial Filed herewith electronically Officer required by Section 302(a) of the Sarbanes-Oxley Act of 2002 32.1 Certification of President and Furnished herewith electronically Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002~~

Exhibit 31.1

Certification required by Section 302(a) of the Sarbanes-Oxley Act of 2002

I, Blake W. Nordstrom, certify that:

1. I have reviewed this report on Form 10-Q of Nordstrom, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 6, 2006

/s/ Blake W. Nordstrom

Blake W. Nordstrom
President of Nordstrom, Inc.

Exhibit 31.2

Certification required by Section 302(a) of the Sarbanes-Oxley Act of 2002

I, Michael G. Koppel, certify that:

1. I have reviewed this report on Form 10-Q of Nordstrom, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 6, 2006

/s/ Michael G. Koppel

Michael G. Koppel
Executive Vice President and Chief
Financial Officer of Nordstrom, Inc.

Exhibit 32.1

NORDSTROM, INC.

1617 SIXTH AVENUE

SEATTLE, WASHINGTON 98101

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Nordstrom, Inc (the "Company") on Form 10-Q for the period ended April 29, 2006, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Blake W. Nordstrom, President (Principal Executive Officer), and Michael G. Koppel, Executive Vice President and Chief Financial Officer (Principal Financial Officer), of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

June 6, 2006

/s/ Blake W. Nordstrom

Blake W. Nordstrom
President

/s/ Michael G. Koppel

Michael G. Koppel
Executive Vice President and
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Nordstrom, Inc. and will be retained by Nordstrom, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.