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 July 31, 1998

[ ] 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.)

1617 Sixth Avenue, Suite 500, 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 26, 1998: 145,958,930 shares of common stock.

NORDSTROM, INC. AND SUBSIDIARIES

INDEX

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,	
	1998	1997	1998	1997
Net sales	$1,447,284	$1,353,345	$2,487,499	$2,307,092
Costs and expenses:				
Cost of sales and related buying and occupancy	971,243	924,354	1,669,543	1,570,865
Selling, general and administrative	379,510	350,363	688,773	624,650
Interest, net	11,054	8,403	21,286	15,913
Service charge income and other, net	(27,585)	(26,461)	(58,002)	(54,371)
Total costs and expenses	1,334,222	1,256,659	2,321,600	2,157,057
Earnings before income taxes	113,062	96,686	165,899	150,035
Income taxes	43,900	38,100	64,400	59,100
Net earnings	$ 69,162	$ 58,586	$ 101,499	$ 90,935
Basic earnings per share	$ .47	$ .38	$ .68	$ .58
Diluted earnings per share	$ .47	$ .38	$ .68	$ .58
Cash dividends paid per share of common stock outstanding	$ .07	$ .0625	$ .14	$ .125

These statements should be read in conjunction with the Notes to Consolidated Financial Statements contained herein and in the Nordstrom 1997 Annual Report to Shareholders.

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

	July 31, 1998	January 31, 1998	July 31, 1997
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 46,632	$ 24,794	$ 39,837
Accounts receivable, net	650,956	664,448	718,573
Merchandise inventories	858,980	826,045	845,577
Prepaid income taxes and other	84,965	79,710	69,800
Total current assets	1,641,533	1,594,997	1,673,787
Property, buildings and equipment, net	1,269,483	1,252,513	1,212,967
Other assets	28,980	17,653	17,924
TOTAL ASSETS	$2,939,996	$2,865,163	$2,904,678
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Notes payable	$ 123,377	$ 263,767	$ 136,260
Accounts payable	395,690	321,311	461,422
Accrued salaries, wages and taxes	210,130	205,273	199,611
Accrued expenses	47,329	37,884	39,399
Accrued income taxes	30,909	13,242	17,784
Current portion of long-term debt	1,169	101,129	151,342
Total current liabilities	808,604	942,606	1,005,818
Long-term debt	618,965	319,736	320,913
Deferred lease credits and other liabilities	131,587	127,763	125,829
Shareholders' Equity:			
Common stock, no par: 250,000,000 shares authorized; 147,303,964, 152,518,104 and 154,338,054 shares issued and outstanding	209,765	201,050	193,662
Retained earnings	1,171,075	1,274,008	1,258,456
Total shareholders' equity	1,380,840	1,475,058	1,452,118
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$2,939,996	$2,865,163	$2,904,678

These statements should be read in conjunction with the Notes to Consolidated Financial Statements contained herein and in the Nordstrom 1997 Annual Report to Shareholders.

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

	Six Months Ended July 31, 1998	Six Months Ended July 31, 1997
OPERATING ACTIVITIES:		
Net earnings	$101,499	$ 90,935
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	84,022	74,218
Change in:		
Accounts receivable, net	13,492	(3,984)
Merchandise inventories	(32,935)	(125,658)
Prepaid income taxes and other	(5,255)	(193)
Accounts payable	74,379	150,992
Accrued salaries, wages and taxes	4,857	9,914
Accrued expenses	9,445	(1,744)
Income tax liabilities	16,977	45
Deferred lease credits and other liabilities	4,514	(75)
Net cash provided by operating activities	270,995	194,450
INVESTING ACTIVITIES:		
Additions to property, buildings and equipment, net	(100,644)	(134,367)
Other	(8,895)	(42)
Net cash used in investing activities	(109,539)	(134,409)
FINANCING ACTIVITIES:		
Decrease in notes payable	(140,390)	(27,510)
Proceeds from issuance of common stock	8,714	10,264
Proceeds from issuance of long-term debt, net	297,146	91,758
Principal payments on long-term debt	(100,657)	(727)
Cash dividends paid	(21,045)	(19,531)
Purchase and retirement of common stock	(183,386)	(102,742)
Net cash used in financing activities	(139,618)	(48,488)
Net increase in cash and cash equivalents	21,838	11,553
Cash and cash equivalents at beginning of period	24,794	28,284
Cash and cash equivalents at end of period	$ 46,632	$ 39,837

These statements should be read in conjunction with the Notes to Consolidated Financial Statements contained herein and in the Nordstrom 1997 Annual Report to Shareholders.

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

Note 1 - Basis of Presentation

The consolidated balance sheets of Nordstrom, Inc. and subsidiaries (the "Company") as of July 31, 1998 and 1997, 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, 1999.

It is not considered necessary to include detailed footnote information as of July 31, 1998 and 1997. The financial information should be read in conjunction with the Notes to Consolidated Financial Statements contained in the Nordstrom 1997 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, 1998 and 1997, 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.

Certain reclassifications of prior year balances have been made for consistent presentation with the current year.

Note 2 - Earnings Per Share

The following table sets forth the weighted-average number of shares used in the computation of earnings per share:

	Three Months Ended July 31,		Six Months Ended July 31,	
	1998	1997	1998	1997
Basic shares	148,507,621	154,072,394	149,349,949	155,590,128
Dilutive effect of stock options	774,821	359,929	647,005	198,140
Diluted shares	149,282,442	154,432,323	149,996,954	155,788,268
Antidilutive options	0	298,540	403,376	1,300,580

Antidilutive options consist of stock options outstanding at July 31, 1998 and 1997, that had an exercise price greater than the average market price during the period. Such options are therefore excluded from the computation of diluted shares.

(dollars in thousands)

Note 3 - New Accounting Rules

In March 1998, the Accounting Standards Executive Committee of the AICPA issued Statement of Position 98-1 ("SOP 98-1"), "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use", which requires that certain software costs be capitalized and amortized over the period of use. The Company adopted SOP 98-1 during the first quarter of 1998. As a result, earnings after taxes for the quarter and six-month period increased by $3.0 million ($.02 per share) and $4.7 million ($.03 per share), respectively.

As of February 1, 1998, the Company has adopted Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income," which establishes standards for the reporting and display of comprehensive income and its components. Adoption of this standard had no material effect on the Company's consolidated financial position, results of operations or cash flows.

The Financial Accounting Standards Board ("FASB") has issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," which establishes reporting and disclosure standards for an enterprise's operating segments and SFAS No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits," which revises employers' disclosures about pension and other postretirement benefit plans. Both statements are effective for the Company's fiscal year ending January 31, 1999. Adoption of these standards will not impact the Company's consolidated financial position, results of operations or cash flows, and any effect will be limited to the form and content of its disclosures.

In June 1998, the FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 requires an entity to recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. The Company plans to adopt SFAS No. 133 on February 1, 2000, as required. Adoption of this standard is not expected to have a material impact on the Company's consolidated financial statements.

Note 4 - Credit Card and Financing Subsidiaries

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,	
	1998	1997	1998	1997
Total revenue	$31,042	$30,615	$63,504	$62,421
Earnings before income taxes	11,923	8,030	25,721	19,673
Net earnings	7,560	5,030	16,342	12,403

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

Note 5 - Shareholders' Equity

The following table sets forth the number of shares of common stock issued and repurchased during the quarter and the six-month period:

	Three Months Ended July 31,		Six Months Ended July 31,	
	1998	1997	1998	1997
Issued	132,484	447,516	358,460	518,100
Purchased and Retired	(1,550,000)	(401,336)	(5,572,600)	(5,450,000)

On May 19, 1998, the Company's Board of Directors approved a two-for-one stock split effective June 30, 1998 to shareholders of record on June 8, 1998. All share and per share amounts have been adjusted to give retroactive effect to the stock split.

Item 2. 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 1997 Annual Report to Shareholders.

Results of Operations:

During the second quarter of 1998, sales increased 6.9% when compared with the same quarter in 1997. For the six-month period, sales increased 7.8% compared to the same period in 1997. New unit sales accounted for all of the sales increase for both the quarter and six-month period, as comparable store sales declined by .2% for the quarter and .1% for the six-month period. The comparable store sales results for the quarter reflect the impact of the Company's strong Anniversary Sale in the prior year compared to the current year. The Company remains cautious with respect to sales projections 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 1997, due primarily to higher merchandise margins resulting from favorable pricing strategies and a mixture of higher margin merchandise. Buying costs decreased as a percentage of sales for the quarter and six-month period due to efficiencies gained through restructuring of certain buying responsibilities. Occupancy costs increased as a percentage of sales for the quarter due to depreciation related to new stores and remodeling projects.

Item 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONT.)

Selling, general and administrative expenses increased as a percentage of sales during the quarter and for the six-month period as compared to the corresponding periods in 1997 due to several factors. Expenses increased due to higher sales promotion costs for the Company's direct sales catalog division and spending on system development projects and computer equipment. Additionally, the Company incurred higher expenses to support the implementation of the Company's value based management program. These increases were partially offset by decreased credit expenses and employee benefit costs.

Interest expense increased as a percentage of sales for the quarter and the six-month period as compared to the corresponding periods in 1997 due primarily to higher levels of long-term debt outstanding. The Company expects that interest expense will continue to increase as a result of its share repurchase activity.

Financial Condition:

The Company's working capital at July 31, 1998 increased when compared to July 31, 1997 due primarily to a decrease in the current portion of long-term debt and accounts payable.

During the first quarter of 1998, the Company issued $300 million of 6.95% Senior Debentures due 2028. Proceeds from the issue were used to repay short-term debt and repurchase the Company's common stock.

In February 1998, the Company completed its repurchase of $100 million of its outstanding common stock as approved by the Board of Directors at its February 1997 meeting. During the six-month period ended July 31, 1998, the Company purchased $166.1 million of a $400 million stock repurchase program authorized in February 1998.

On August 14, 1998, the Company opened a Rack at Westgate Mall in San Jose, California. On August 21, 1998, the Company opened its new full-line flagship store in downtown Seattle, Washington, which replaced an existing store, and completed a store expansion in San Diego, California. Construction is progressing as planned on new stores scheduled to open later this year and in 1999.

The Company recognizes that its operations may be negatively affected by Year 2000 software issues, either from its own computer systems or its interactions with outside vendors. The Company is addressing the Year 2000 impact by establishing processes for evaluating and managing the risks associated with this issue. The Company is currently replacing or upgrading its computer systems to make them Year 2000 compliant, and expects to have remediation completed by the end of 1998 for all significant computer systems, with testing to occur in early 1999. Microchips embedded in systems such as elevators are also being replaced or upgraded.

Item 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONT.)

The total cost of this effort is estimated to be $19 million, of which approximately $11 million has been incurred through July 31, 1998. While the Company believes all necessary work will be completed in a timely fashion, there can be no guarantee that all systems will be compliant by the year 2000 within the estimated cost or that the systems of other companies and government agencies on which the Company relies will be converted timely. The Company is communicating with outside vendors to determine their state of readiness with regard to the Year 2000 issue and, based on the assessments to date, the Company has no indication that any third party could cause a material impact to the Company. However, the risk remains that outside vendors or other third parties may not have accurately assessed their state of readiness, and therefore may have a material adverse effect on the Company's results of operations. The Company has a contingency plan in place which will allow primary operations of the Company to continue if significant systems are not Year 2000 compliant by December 31, 1999.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings
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Fatemah Azizian v. Macy's California, Inc.; Federated Department Stores; Bullocks, Inc.; Nordstrom, Inc.; May Department Stores Co.; Nieman-Marcus, Inc.; Saks & Co.; Gottschalks, Inc.; Bloomingdales, Inc.; and Does 1 through 200, inclusive Superior Court of the State of California, County of Marin, Case No. 174049 (filed May 29, 1998); Regina Callan v. Macy's California, Inc.; Federated Department Stores Co.; Nieman-Marcus, Inc.; Saks & Co.; Gottschalks, Inc.; Bloomingdales, Inc.; and Does 1 through 200, inclusive Superior Court of the State of California, City and County of San Francisco, Case No. 995468 (filed June 1, 1998); Lee R. Bright v. Macy's California, Inc.; Federated Department Stores; Bullocks, Inc.; Nordstrom, Inc.; May Department Stores Co.; Nieman-Marcus, Inc.; Saks & Co.; Gottschalks, Inc.; Bloomingdales, Inc.; and Does 1 through 200, inclusive Superior Court of the State of California, City and County of San Francisco, Case No. 995556 (filed June 4, 1998); Sandra Radliff v. Macy's California, Inc.; Federated Department Stores; Bullocks, Inc.; Nordstrom, Inc.; May Department Stores Co.; Nieman-Marcus, Inc.; Saks & Co.; Gottschalks, Inc.; Bloomingdales, Inc.; and Does 1 through 200, inclusive Superior Court of the State of California, County of Alameda, Case No. 798925-2 (filed June 2, 1998); Elizabeth Fey v. Macy's California, Inc.; Federated Department Stores; Bullocks, Inc.; Nordstrom, Inc.; May Department Stores Co.; Nieman-Marcus, Inc.; Saks & Co.; Gottschalks, Inc.; Bloomingdales, Inc.; and Does 1 through 200, inclusive Superior Court of the State of California, County of San Mateo, Case No. 405060 (filed June 2, 1998); Judith Pogran v. Macy's California, Inc.; Federated Department Stores; Bullocks, Inc.; Nordstrom, Inc.; May Department Stores Co.; Nieman-Marcus, Inc.; Saks & Co.; Gottschalks, Inc.; Bloomingdales, Inc.; and Does 1 through 200, inclusive Superior Court of the State of California, County of Alameda, Case No. 798936-8 (filed June 2, 1998); Soroya Farrah v. Macy's California, Inc.; Federated Department Stores; Bullocks, Inc.; Nordstrom, Inc.; May Department Stores Co.; Nieman-Marcus, Inc.; Saks & Co.; Gottschalks, Inc.; Bloomingdales, Inc.; and Does 1 through 200, inclusive Superior Court of the State of California, City and County of San Francisco, Case No. 995512 (filed June 2, 1998); Diane Johnson v. Macy's California, Item 1. Legal Proceedings (CONT.)

Inc.; Federated Department Stores; Bullocks, Inc.; Nordstrom, Inc.; May Department Stores Co.; Nieman-Marcus, Inc.; Saks & Co.; Gottschalks, Inc.; Bloomingdales, Inc.; and Does 1 through 200, inclusive Superior Court of the State of California, County of Alameda, Case No. 799525-9 (filed June 1, 1998); and Kazuko Y. Morgan v. Macy's California, Inc.; Federated Department Stores; Bullocks, Inc.; Nordstrom, Inc.; May Department Stores Co.; Nieman-Marcus, Inc.; Saks & Co.; Gottschalks, Inc.; Bloomingdales, Inc.; and Does 1 through 200, inclusive Superior Court of the State of California, County of Alameda, Case No. C 800174-2 (filed July 2, 1998).

The nine actions listed are substantially identical lawsuits seeking class certification that were filed on behalf of customers of cosmetics for personal use and not for resale who are resident in the State of California, alleging that the Company and other department stores collusively controlled the sales price of cosmetics by charging identical prices, agreeing not to discount cosmetics and petitioning cosmetic manufacturers to stop selling to stores that discount cosmetics. In these actions, plaintiffs seek damages (trebled) according to proof at trial, attorneys' fees and pre-judgment interest on their price-fixing claims and restitution on their unfair competition claims.

Defendants Federated (and affiliates), Nordstrom, May, Nieman-Marcus, Saks and Gottschalks entered into a Joint Defense Agreement in August, 1998 which provides for the sharing of defense materials. A Joint Petition for Coordination was filed by all parties on or about August 13, 1998. Pending resolution of the Petition, no further action has been taken.

Item 4. Submission of Matters to a Vote of Security Holders

The Company held its Annual Shareholders Meeting on May 19, 1998 at which time the shareholders voted on the following proposals. Share amounts have not been adjusted to give effect for a subsequent two-for-one stock split.

(1) Election of eleven directors for a one-year term.

Name of Candidate	For	Withheld
D. Wayne Gittinger	64,577,229	900,462
Enrique Hernandez, Jr.	65,188,643	289,048
Ann D. McLaughlin	65,127,690	350,001
John A. McMillan	65,197,016	280,675
Bruce A. Nordstrom	65,203,026	274,665
John N. Nordstrom	65,203,416	274,275
Alfred E. Osborne, Jr.	65,202,088	275,603
William D. Ruckelshaus	65,187,999	289,692
Elizabeth C. Vaughan	65,122,453	355,238
Bruce G. Willison	65,203,446	274,245
John J. Whitacre	65,200,852	276,839

There were no abstentions and no broker non-votes.

Item 4. Submission of Matters to a Vote of Security Holders (CONT.)

(2) Approval of amendments to the 1997 Nordstrom Stock Option Plan.

The vote was 61,964,219 for, 3,241,436 against and 272,036 abstentions. There were no broker non-votes.

(3) Ratification of the appointment of Deloitte & Touche LLP as independent auditors for fiscal year 1998.

The vote was 65,082,801 for, 227,624 against and 167,266 abstentions. There were no broker non-votes.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

(27.1) Financial Data Schedule is filed herein as an Exhibit.

(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
Vice President and Treasurer
(Principal Financial and Accounting Officer)

Date: September 9, 1998

NORDSTROM, INC. AND SUBSIDIARIES

Exhibit Index

Exhibit	Method of Filing
27.1 Financial Data Schedule	Filed herewith electronically

5
1000

6-MOS
JAN-31-1999
JUL-31-1998
46,632
0
680,701
29,745
858,980
1,641,533
1,269,483
0
2,939,996
808,604
618,965
0
0
209,765
1,171,075
2,939,996
2,487,499
2,487,499
1,669,543
2,300,314
0
0
21,286
165,899
64,400
101,499
0
0
0
101,499
0.68
0.68

On May 19, 1998, the Company's Board of Directors approved a two for one stock split effective June 30, 1998 to shareholders of record on June 8, 1998. Prior Financial Data Schedules have not been restated for the stock split.