

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 October 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 November 18, 1994: 82,192,486 shares of common stock.

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NORDSTROM, INC. AND SUBSIDIARIES

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

	Three Months Ended October 31,		Nine Months Ended October 31,	
	1994	1993	1994	1993
Net sales	\$ 861,968	\$ 769,373	\$2,703,531	\$2,482,514
Costs and expenses:				
Cost of sales and related				
buying and occupancy	569,312	524,316	1,803,107	1,717,921
Selling, general and administrative	246,307	216,330	728,767	672,860
Interest, net	7,705	9,329	22,853	29,015
Service charge income and other, net	(24,435)	(22,658)	(71,271)	(67,884)

Total costs and expenses	798,889	727,317	2,483,456	2,351,912
Earnings before income taxes	63,079	42,056	220,075	130,602
Income taxes	25,000	16,600	87,000	51,200
Net earnings	\$ 38,079	\$ 25,456	\$ 133,075	\$ 79,402
Net earnings per average share of common stock	\$.46	\$.31	\$ 1.62	\$.97
Cash dividends paid per share of common stock outstanding	\$.10	\$.085	\$.285	\$.255

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)

	October 31, 1994	January 31, 1994	October 31, 1993
	-----	-----	-----
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 43,995	\$ 91,222	\$ 66,939
Accounts receivable, net	580,408	586,441	533,438
Merchandise inventories	849,102	585,602	760,957
Prepaid income taxes and other	52,800	51,649	50,403
	-----	-----	-----
Total current assets	1,526,305	1,314,914	1,411,737
Property, buildings and equipment, net	950,489	845,596	821,627
Other assets	14,324	16,971	14,541
	-----	-----	-----
	\$2,491,118	\$2,177,481	\$2,247,905
	=====	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Notes payable	\$ 196,393	\$ 40,337	\$ 79,177
Accounts payable	426,486	264,055	360,075
Accrued salaries, wages and taxes	161,038	156,947	146,952
Accrued expenses	36,583	35,994	40,146
Accrued income taxes	3,135	27,988	7,919
Current portion of			

long-term debt	36,179	102,164	107,076
	-----	-----	-----
Total current liabilities	859,814	627,485	741,345
Long-term debt	297,960	336,410	346,705
Deferred income taxes and other	53,129	47,082	48,548
Shareholders' equity:			
Common stock, without par value:			
250,000,000 shares authorized;			
82,188,686, 82,059,128 and			
82,016,788 shares issued			
and outstanding	161,413	157,374	156,221
Retained earnings	1,118,802	1,009,130	955,086
	-----	-----	-----
Total shareholders' equity	1,280,215	1,166,504	1,111,307
	-----	-----	-----
	\$2,491,118	\$2,177,481	\$2,247,905
	=====	=====	=====

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 STATEMENTS OF CASH FLOWS
(dollars in thousands)
(unaudited)

	Nine Months Ended October 31,	
	1994	1993
	-----	-----
OPERATING ACTIVITIES:		
Net earnings	\$133,075	\$ 79,402
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	78,901	75,246
Change in:		
Accounts receivable, net	6,033	69,760
Merchandise inventories	(263,500)	(224,218)
Prepaid income taxes and other	(1,151)	368
Accounts payable	162,431	139,899
Accrued salaries, wages and taxes	4,091	(11,076)
Accrued expenses	589	9,005
Income tax liabilities and other	(18,806)	(15,063)
	-----	-----
Net cash provided by operating activities	101,663	123,323
	-----	-----
INVESTING ACTIVITIES:		
Additions to property, buildings and equipment, net	(183,432)	(72,341)
Other	2,285	(5,747)
	-----	-----
Net cash used in investing activities	(181,147)	(78,088)
	-----	-----
FINANCING ACTIVITIES:		
Increase in notes payable	156,056	40,858
Proceeds from issuance of common stock	4,039	782
Principal payments on long-term debt	(104,435)	(28,164)
Cash dividends paid	(23,403)	(20,908)
	-----	-----
Net cash provided by (used in)		

financing activities	32,257	(7,432)
	-----	-----
Net (decrease) increase in cash and cash equivalents	(47,227)	37,803
Cash and cash equivalents at beginning of period	91,222	29,136
	-----	-----
Cash and cash equivalents at end of period	\$ 43,995	\$ 66,939
	=====	=====

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
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(dollars in thousands)
(unaudited)

Note 1:

The consolidated balance sheets of Nordstrom, Inc. and subsidiaries as of October 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 October 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 October 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 summarized unaudited combined results of operations of Nordstrom Credit, Inc. and Nordstrom National Credit Bank are as follows:

	Three Months		Nine Months	
	Ended October 31,		Ended October 31,	
	1994	1993	1994	1993
	-----	-----	-----	-----
Service charge and merchant fee income	\$26,745	\$23,936	\$75,898	\$71,537
Earnings before income taxes	9,085	8,669	27,472	24,845
Net earnings	5,755	5,546	17,502	15,900

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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 third quarter of 1994, sales increased 12.0% when compared with the same quarter of 1993. For the nine-month period, sales increased 8.9% compared to the same period in 1993. Sales for comparable stores increased 6.7% during the quarter and 5.6% for the nine-month period, with the remainder of the increase coming from new units. The increase in comparable stores sales for the third quarter was partially due to a shift in the Company's Anniversary Sale, which resulted in an additional one-week period of the sale occurring in the third quarter of 1994, compared to 1993. Without the effect of the shift, management estimates the Company's comparable stores sales increase for the third quarter would have been approximately 2% lower. The Company has experienced a gradual decline in comparable store sales increases in 1994.

Cost of sales and related buying and occupancy costs decreased as a percentage of sales for the quarter and the nine-month period due to improved merchandise margins, most notably for women's apparel, and a decrease in occupancy costs. For the quarter, the decrease was partially offset by an increase in buying expense. The improving trend in merchandise margins for women's apparel began in the fourth quarter of 1993. As a result, management does not anticipate as significant an improvement in merchandise margins in the fourth quarter of 1994, as compared to the same quarter of 1993.

Selling, general and administrative expenses increased as a percentage of sales during the third quarter of 1994, as compared to the same quarter of 1993, due primarily to increased sales promotion and selling costs. For the nine-month period, selling, general and administrative expenses decreased as a percentage of sales when compared to the same period in the prior year, due primarily to decreased employee benefits and bad debts.

Financial Condition:

The Company's financial condition remains strong. With increased spending on expansion and the start of the Company's VISA credit card program in May, the Company has required some external financing.

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

Financial Condition (continued):

During the quarter, Nordstrom Credit, Inc. filed a shelf registration statement on Form S-3 for \$250 million in debt, and subsequent to quarter-end issued \$50 million in medium-term notes under the shelf registration.

The Company opened two new full-line stores during the third quarter in Santa Anita Mall in Arcadia, California and Old Orchard Mall in Skokie, Illinois. In addition, the Company also opened an expanded store in Washington Square in Portland, Oregon and an expanded store in Bellevue

Square in Bellevue, Washington during the quarter. This completes the store opening schedule for the year. Construction is progressing as planned on new stores scheduled to open 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.

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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: December 2, 1994

NORDSTROM INC. AND SUBSIDIARIES

Exhibit Index

Exhibit -----	Method of Filing -----
27.1 Financial Data Schedule	Filed herewith electronically

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