

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

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

For the quarterly period ended October 31, 1995

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 24, 1995: 81,171,860 shares of common stock.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

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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,	
	1995	1994	1995	1994
Net sales	\$ 906,848	\$ 861,968	\$2,871,685	\$2,703,531
Costs and expenses:				
Cost of sales and related buying and occupancy	612,284	569,312	1,945,802	1,803,107
Selling, general and administrative	267,552	246,307	806,813	728,767
Interest, net	10,849	7,705	28,527	22,853
Service charge income and other, net	(32,379)	(24,435)	(92,741)	(71,271)
Total costs and expenses	858,306	798,889	2,688,401	2,483,456
Earnings before income taxes	48,542	63,079	183,284	220,075
Income taxes	19,100	25,000	72,300	87,000
Net earnings	\$ 29,442	\$ 38,079	\$ 110,984	\$ 133,075
Net earnings per average share of common stock	\$.36	\$.46	\$ 1.35	\$ 1.62
Cash dividends paid per share of common stock outstanding	\$.125	\$.10	\$.375	\$.285

These statements should be read in conjunction with the Notes to Consolidated Financial Statements contained herein and in the Nordstrom 1994 Annual Report to Shareholders.

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

	October 31, 1995	January 31, 1995	October 31, 1994
	-----	-----	-----
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 52,324	\$ 32,497	\$ 43,995
Accounts receivable, net	818,314	675,891	580,408
Merchandise inventories	877,772	627,930	849,102
Prepaid income taxes and other	63,644	61,395	52,800
	-----	-----	-----
Total current assets	1,812,054	1,397,713	1,526,305
Property, buildings and equipment, net	1,070,051	984,195	950,489
Other assets	15,838	14,875	14,324
	-----	-----	-----
	\$2,897,943	\$2,396,783	\$2,491,118
	=====	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Notes payable	\$ 258,057	\$ 87,388	\$ 196,393
Accounts payable	429,147	273,084	426,486
Accrued salaries, wages and taxes	174,233	190,501	161,038
Accrued expenses	52,878	40,990	36,583
Accrued income taxes	2,746	22,524	3,135
Current portion of long-term debt	99,997	75,967	36,179
	-----	-----	-----
Total current liabilities	1,017,058	690,454	859,814
Long-term debt	390,122	297,943	297,960
Deferred income taxes and other	103,558	64,586	53,129
Shareholders' equity:			
Common stock, without par value: 250,000,000 shares authorized; 81,319,601, 82,244,098 and 82,188,686 shares issued and outstanding	166,080	163,334	161,413
Retained earnings	1,221,125	1,180,466	1,118,802
	-----	-----	-----
Total shareholders' equity	1,387,205	1,343,800	1,280,215
	-----	-----	-----
	\$2,897,943	\$2,396,783	\$2,491,118
	=====	=====	=====

These statements should be read in conjunction with the Notes to Consolidated Financial Statements contained herein and in the Nordstrom 1994 Annual Report to Shareholders.

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

	Nine Months Ended October 31,	
	----- 1995	1994 -----
OPERATING ACTIVITIES:		
Net earnings	\$110,984	\$133,075
Adjustments to reconcile net earnings to net cash (used in) provided by operating activities:		
Depreciation and amortization	96,468	78,901
Change in:		
Accounts receivable, net	(142,423)	6,033
Merchandise inventories	(249,842)	(263,500)
Prepaid income taxes and other	(2,249)	(1,151)
Accounts payable	156,063	162,431
Accrued salaries, wages and taxes	(16,268)	4,091
Accrued expenses	11,888	589
Income tax liabilities and other	(26,013)	(18,806)
	-----	-----
Net cash (used in) provided by operating activities	(61,392)	101,663
	-----	-----
INVESTING ACTIVITIES:		
Additions to property, buildings and equipment, net	(136,693)	(183,432)
Other	(248)	2,285
	-----	-----
Net cash used in investing activities	(136,941)	(181,147)
	-----	-----
FINANCING ACTIVITIES:		
Increase in notes payable	170,669	156,056
Proceeds from issuance of long-term debt, net	140,861	-
Principal payments on long-term debt	(25,791)	(104,435)
Proceeds from issuance of common stock	2,746	4,039
Cash dividends paid	(30,848)	(23,403)
Purchase and retirement of common stock	(39,477)	-
	-----	-----
Net cash provided by financing activities	218,160	32,257
	-----	-----
Net increase (decrease) in cash and cash equivalents	19,827	(47,227)
Cash and cash equivalents at beginning of period	32,497	91,222
	-----	-----
Cash and cash equivalents at end of period	\$ 52,324	\$ 43,995
	=====	=====

These statements should be read in conjunction with the Notes to Consolidated Financial Statements contained herein and in the Nordstrom 1994 Annual Report to Shareholders.

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

Note 1:

The consolidated balance sheets of Nordstrom, Inc. and subsidiaries (the "Company") as of October 31, 1995 and 1994, 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, 1996.

It is not considered necessary to include detailed footnote information as of October 31, 1995 and 1994. The financial information should be read in conjunction with the Notes to Consolidated Financial Statements contained in the Nordstrom 1994 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, 1995 and 1994, 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 Ended October 31,		Nine Months Ended October 31,	
	1995	1994	1995	1994
	-----	-----	-----	-----
Total revenue	\$36,338	\$26,745	\$98,176	\$75,898
Earnings before income taxes	12,589	9,085	27,064	27,472
Net earnings	8,004	5,755	17,264	17,502

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

The following discussion should be read in conjunction with the Management Discussion and Analysis section of the Nordstrom 1994 Annual Report to Shareholders.

Results of Operations:

During the third quarter of 1995, sales increased 5.2% when compared with the same quarter in 1994. For the nine-month period, sales increased 6.2% compared to the same period in 1994. These sales increases were attributable entirely to new units as comparable store sales decreased by 2.0% for the quarter and .6% for the nine-month period. The disappointing comparable store sales results reflect a continuing sluggish retail climate for apparel sales. The Company remains cautious with respect to sales projections for the remainder of the year.

Cost of sales and related buying and occupancy costs increased as a percentage of sales for the quarter and the nine-month period as compared to the corresponding periods in 1994 due primarily to higher occupancy costs resulting from new stores and remodeling projects. Buying costs also increased during the quarter and the nine-month period because of spending on development and implementation of an inventory management system, and on development of the Company's own merchandise brands.

Selling, general and administrative expenses increased as a percentage of sales during the quarter and the nine-month period as compared to the corresponding periods in 1994. Factors that contributed to the increase included higher selling costs, higher sales promotion costs for the Company's direct sales division, increased bad debt and promotional expenses related to the Company's VISA card program, and spending on the development of a new payroll system. These costs were partially offset by lower employee benefit costs.

Service charge income and other, net increased as a percentage of sales for the third quarter and for the nine-month period, as compared to the same periods in 1994, primarily due to net revenues resulting from the Company's VISA card program which commenced in May, 1994. For the nine-month period, one-time gains on the sale of a closed distribution facility and a full-line store, totaling \$6.3 million (\$.05 per share after income taxes) also contributed to the increase.

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

Financial Condition:

The Company's working capital at October 31, 1995 increased when compared to October 31, 1994 and January 31, 1995 due primarily to increased investment in accounts receivable and merchandise inventories. During the nine-months ended October 31, 1995, the Company issued \$141 million in medium term notes to fund its expansion and general working capital needs.

During the third quarter the Company opened two new full-line stores in The Mall at Short Hills in Millburn, New Jersey and Circle Centre Mall in Indianapolis, Indiana and a rack store in the Supermall of the Great Northwest in Auburn, Washington. This completes the store opening schedule for the year. Construction is progressing as planned on new stores scheduled to open in 1996.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The Company is not involved in any material 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 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.

Exhibit Index

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

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1,000

9-MOS
JAN-31-1996
OCT-31-1995
52,324
0
818,314
0
877,772
1,812,054
1,070,051
0
2,897,943
1,017,058
390,122
166,080
0
0
1,221,125
2,897,943
2,871,685
2,871,685
1,945,802
2,688,401
0
0
28,527
183,284
72,300
0
0
0
110,984
1.35
1.35