

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

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

For the quarterly period ended July 31, 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 August 18, 1995: 82,142,147 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 July 31,		Six Months Ended July 31,	
	1995	1994	1995	1994
Net sales	\$1,149,239	\$1,079,501	\$1,964,838	\$1,841,563
Costs and expenses:				
Cost of sales and related buying and occupancy	779,784	723,660	1,333,518	1,233,795
Selling, general and administrative	299,838	267,596	539,261	482,460
Interest, net	9,639	7,206	17,679	15,148
Service charge income and other, net	(29,087)	(23,184)	(60,362)	(46,836)
Total costs and expenses	1,060,174	975,278	1,830,096	1,684,567
Earnings before income taxes	89,065	104,223	134,742	156,996
Income taxes	35,200	41,200	53,200	62,000
Net earnings	\$ 53,865	\$ 63,023	\$ 81,542	\$ 94,996
Net earnings per average share of common stock	\$.65	\$.77	\$.99	\$ 1.16
Cash dividends paid per share of common stock outstanding	\$.125	\$.10	\$.25	\$.185

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)

	July 31, 1995	January 31, 1995	July 31, 1994
	-----	-----	-----
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 35,564	\$ 32,497	\$ 50,690
Accounts receivable, net	837,833	675,891	630,085
Merchandise inventories	696,224	627,930	639,227
Prepaid income taxes and other	59,721	61,395	51,529
	-----	-----	-----
Total current assets	1,629,342	1,397,713	1,371,531
Property, buildings and equipment, net	1,040,483	984,195	917,066
Other assets	15,929	14,875	23,653
	-----	-----	-----
	\$2,685,754	\$2,396,783	\$2,312,250
	=====	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Notes payable	\$ 97,207	\$ 87,388	\$ 115,738
Accounts payable	369,634	273,084	339,660
Accrued salaries, wages and taxes	170,493	190,501	156,600
Accrued expenses	48,423	40,990	33,230
Accrued income taxes	19,669	22,524	22,710
Current portion of long-term debt	50,997	75,967	36,179
	-----	-----	-----
Total current liabilities	756,423	690,454	704,117
Long-term debt	439,297	297,943	310,688
Deferred income taxes and other	88,438	64,586	48,676
Shareholders' equity:			
Common stock, without par value: 250,000,000 shares authorized; 82,174,647, 82,244,098 and 82,134,350 shares issued and outstanding	165,158	163,334	159,831
Retained earnings	1,236,438	1,180,466	1,088,938
	-----	-----	-----
Total shareholders' equity	1,401,596	1,343,800	1,248,769
	-----	-----	-----
	\$2,685,754	\$2,396,783	\$2,312,250
	=====	=====	=====

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)

	Six Months Ended July 31,	
	----- 1995	1994 -----
OPERATING ACTIVITIES:		
Net earnings	\$ 81,542	\$ 94,996
Adjustments to reconcile net earnings to net cash (used in) provided by operating activities:		
Depreciation and amortization	61,311	50,499
Change in:		
Accounts receivable, net	(161,942)	(43,644)
Merchandise inventories	(68,294)	(53,625)
Prepaid income taxes and other	1,674	120
Accounts payable	96,550	75,605
Accrued salaries, wages and taxes	(20,008)	(347)
Accrued expenses	7,433	(2,764)
Income tax liabilities and other	(4,320)	(3,684)
	-----	-----
Net cash (used in) provided by operating activities	(6,054)	117,156
	-----	-----
INVESTING ACTIVITIES:		
Additions to property, buildings and equipment, net	(92,014)	(121,709)
Other	(240)	(6,942)
	-----	-----
Net cash used in investing activities	(92,254)	(128,651)
	-----	-----
FINANCING ACTIVITIES:		
Increase in notes payable	9,819	75,401
Proceeds from issuance of long-term debt, net	140,919	-
Principal payments on long-term debt	(25,616)	(91,707)
Proceeds from issuance of common stock	1,823	2,457
Cash dividends paid	(20,566)	(15,188)
Repurchase of common stock	(5,004)	-
	-----	-----
Net cash provided by (used in) financing activities	101,375	(29,037)
	-----	-----
Net increase in cash and cash equivalents	3,067	(40,532)
Cash and cash equivalents at beginning of period	32,497	91,222
	-----	-----
Cash and cash equivalents at end of period	\$ 35,564	\$ 50,690
	=====	=====

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 July 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 July 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 July 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		Six Months	
	Ended July 31,		Ended July 31,	
	1995	1994	1995	1994
	-----	-----	-----	-----
Total revenue	\$32,315	\$24,411	\$61,838	\$49,153
Earnings before income taxes	5,749	8,102	14,475	18,387
Net earnings	3,674	5,162	9,260	11,747

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 second quarter of 1995, sales increased 6.5% when compared with the same quarter in 1994. For the six-month period, sales increased 6.7% compared to the same period in 1994. New unit sales accounted for substantially all of the sales increase for both the quarter and six-month period, as comparable store sales increased by .4% for the quarter and .1% for the six month period. The comparable store sales results reflect disappointing sales from the Company's anniversary sale in July, as well as a continuing sluggish retail climate. 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 six-month period as compared to the corresponding periods in 1994. Buying costs increased because of spending on development and implementation of an inventory management system, and on development of the Company's own merchandise brands. Occupancy costs also increased during the quarter and the six-month period due to new stores and remodeling projects.

Selling, general and administrative expenses increased as a percentage of sales during the second quarter and for the six-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 promotional and bad debt 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 second quarter and for the six-month period, as compared to the same periods in 1994. For the six-month period, the increase was due primarily to 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). For both the quarter and the six-month period, net revenues resulting from the Company's VISA card program 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 July 31, 1995 increased when compared to July 31, 1994 and January 31, 1995 due primarily to increased investment in accounts receivable and merchandise inventories. During the six months ended July 31, 1995, the Company issued \$141 million in medium term notes to fund its expansion and general working capital needs.

In August 1995, the Company opened a full-line store in Millburn, New Jersey and a rack store in Auburn, Washington. Construction is progressing as planned on new stores scheduled to open later this year and 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

The Company filed a Form 8-K, dated June 19, 1995, reporting changes in its top level of management.

SIGNATURES

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

NORDSTROM, INC.
(Registrant)

/s/ John A. Goesling

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

Date: September 5, 1995

Exhibit Index

Exhibit

Method of Filing

27.1 Financial Data Schedule

Filed herewith electronically

6-MOS

JAN-31-1996

JUL-31-1995

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