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 October 31, 2000

[ ] 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 _____

Common stock outstanding as of December 1, 2000: 133,953,503 shares of common stock.

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,	
	2000	1999	2000	1999
Net sales	$1,254,296	$1,110,114	$3,850,090	$3,592,614
Cost of sales and related buying and occupancy	(823,868)	(717,844)	(2,523,836)	(2,349,388)
Gross profit	430,428	392,270	1,326,254	1,243,226
Selling, general and administrative expenses	(436,296)	(351,564)	(1,229,995)	(1,063,427)
Operating (loss)/income	(5,868)	40,706	96,259	179,799
Interest expense, net	(15,995)	(13,091)	(43,587)	(37,583)
Write-down of investment	(20,655)	-	(31,195)	-
Service charge income and other, net	36,998	27,418	101,193	80,694
(Loss)/earnings before income taxes	(5,520)	55,033	122,670	222,910
Income tax benefit/(expense)	2,200	(21,400)	(47,800)	(86,900)
Net (loss)/earnings	$ (3,320)	$ 33,633	$ 74,870	$ 136,010
Basic (loss) earnings per share	$ (.03)	$ .25	$ .58	$ .98
Diluted (loss) earnings per share	$ (.03)	$ .25	$ .58	$ .97
Cash dividends paid per share of common stock outstanding	$ .09	$ .08	$ .26	$ .24

These statements should be read in conjunction with the Notes to Consolidated Financial Statements contained herein.

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

	October 31, 2000	January 31, 2000	October 31, 1999
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 15,750	$ 27,042	$ 21,193
Short-term investment	1,662	25,527	18,762
Accounts receivable, net	638,936	616,989	551,574
Merchandise inventories	1,186,391	797,845	1,041,873
Prepaid income taxes and other	115,254	97,245	90,881
Total current assets	1,957,993	1,564,648	1,724,283
Land, buildings and equipment, net	1,597,302	1,429,492	1,454,187
Available-for-sale investment	-	35,251	28,143
Intangible assets, net	158,042	-	-
Other assets	53,249	32,690	39,521
TOTAL ASSETS	$3,766,586	$3,062,081	$3,246,134
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Notes payable	$ 110,612	$ 70,934	$ 137,957
Accounts payable	624,011	390,688	496,580
Accrued salaries, wages and related benefits	195,209	211,308	183,390
Income taxes and other accruals	154,044	135,388	116,277
Current portion of long-term debt	11,591	58,191	58,146
Total current liabilities	1,095,467	866,509	992,350
Long-term debt	1,070,020	746,791	747,076
Deferred lease credits	328,934	194,995	240,223
Other liabilities	56,388	68,172	65,506
Shareholders' Equity:			
Common stock, no par: 250,000,000 shares authorized; 133,999,405, 132,279,988 and 135,185,569 shares issued and outstanding	330,990	247,559	246,698
Unearned stock compensation	(3,937)	(8,593)	(8,681)
Retained earnings	888,724	929,616	948,293
Accumulated other comprehensive income	-	17,032	14,669
Total shareholders' equity	1,215,777	1,185,614	1,200,979
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$3,766,586	$3,062,081	$3,246,134

These statements should be read in conjunction with the Notes to Consolidated Financial Statements contained herein.

NORDSTROM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(dollars in thousands)
(unaudited)

	Common Stock Shares	Common Stock Amount	Unearned Compensation	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balance at February 1, 2000	132,279,988	$247,559	$(8,593)	$929,616	$17,032	$1,185,614
Net earnings	-	-	-	74,870	-	74,870
Other comprehensive earnings:						
Unrealized loss on investment during period, net of tax					(23,461)	(23,461)
Reclassification of realized loss, net of tax	-	-	-	-	6,429	6,429
Comprehensive net earnings						57,838
Cash dividends ($.26 per share)	-	-	-	(33,877)		(33,877)
Issuance of common stock for:						
Stock option plans	173,558	3,904	-	-	-	3,904
Employee stock purchase plan	165,842	2,194	-	-	-	2,194
Business acquisition	5,074,000	77,696	-	-	-	77,696
Stock-based compensation	(14,075)	(363)	4,656	-	-	4,293
Purchase and retirement of common stock	(3,679,908)	-	-	(81,885)	-	(81,885)
Balance at October 31, 2000	133,999,405	$330,990	$(3,937)	$888,724	$ -	$1,215,777
Balance at February 1, 1999	142,114,167	$230,761	$(4,703)	$1,074,487	-	$1,300,545
Net earnings	-	-	-	136,010	-	136,010
Unrealized gain on investment, net of tax	-	-	-	-	$14,669	14,669
Comprehensive net earnings						150,679
Cash dividends ($.24 per share)	-	-	-	(33,686)	-	(33,686)
Issuance of common stock	344,802	9,343	-	-	-	9,343
Stock-based compensation	-	6,594	(3,978)	-	-	2,616
Purchase and retirement of common stock	(7,273,400)	-	-	(228,518)	-	(228,518)
Balance at October 31, 1999	135,185,569	$246,698	$(8,681)	$ 948,293	$14,669	$1,200,979

These statements should be read in conjunction with the Notes to Consolidated Financial Statements contained herein.

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

	Nine Months Ended October 31, 2000	Nine Months Ended October 31, 1999
OPERATING ACTIVITIES:		
Net earnings	$ 74,870	$136,010
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	149,195	143,179
Amortization of deferred lease credits and other, net	(8,800)	(4,943)
Stock-based compensation expense	4,293	2,616
Write-down of investment	31,195	-
Changes in assets and liabilities, net of effects of acquisition:		
Accounts receivable, net	(12,367)	35,561
Merchandise inventories	(377,042)	(291,604)
Prepaid income taxes and other	(14,460)	(1,027)
Accounts payable	212,984	156,945
Accrued salaries, wages and related benefits	(16,099)	(12,976)
Income taxes and other accruals	5,090	(5,380)
Other liabilities	(10,255)	4,933
Net cash provided by operating activities	38,604	163,314
INVESTING ACTIVITIES:		
Capital expenditures	(283,644)	(219,360)
Additions to deferred lease credits	142,370	98,599
Payment for acquisition, net of cash acquired	(83,377)	-
Other, net	(5,614)	(6,025)
Net cash used for investing activities	(230,265)	(126,786)
FINANCING ACTIVITIES:		
Increase in notes payable	39,678	59,174
Proceeds from long-term borrowings	308,266	-
Principal payments on long-term debt	(57,911)	(63,079)
Proceeds from issuance of common stock	6,098	9,343
Cash dividends paid	(33,877)	(33,686)
Purchase and retirement of common stock	(81,885)	(228,518)
Net cash provided by (used for) financing activities	180,369	(256,766)
Net decrease in cash and cash equivalents	(11,292)	(220,238)
Cash and cash equivalents at beginning of period	27,042	241,431
Cash and cash equivalents at end of period	$ 15,750	$ 21,193
Noncash financing activities:		
Assets acquired by incurring long-term debt	$ 24,402	$ -

These statements should be read in conjunction with the Notes to Consolidated Financial Statements contained herein.

Note 1 - Summary of Significant Accounting Policies

Basis of Presentation

The consolidated balance sheets of Nordstrom, Inc. and subsidiaries (the "Company") as of October 31, 2000 and 1999, and the related consolidated statements of earnings, cash flows and shareholders' equity for the periods then ended, have been prepared from the accounts without audit.

The consolidated financial information applicable to interim periods is not necessarily indicative of the results for the fiscal year.

The financial information should be read in conjunction with the Notes to Consolidated Financial Statements contained in the Nordstrom, Inc. Annual Report on Form 10-K for the fiscal year ended January 31, 2000.

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, 2000 and 1999, and the results of their operations and cash flows for the periods then ended, in accordance with accounting principles generally accepted in the United States of America applied on a consistent basis.

The consolidated financial statements include the operating results of Faconnable, S.A. ("Faconnable") from the date of acquisition (Note 2).

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

Recent Accounting Pronouncements

Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting For Derivative Instruments and Hedging Activities," as amended by SFAS No. 137 and No. 138, requires the Company to recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. Adoption of this standard in the fiscal year beginning February 1, 2001, is not expected to have a material impact on the Company's consolidated financial statements.

The Company adopted Financial Accounting Standards Board Interpretation No. 44, "Accounting for Certain Transactions involving Stock Compensation" in July 2000, which provides guidance for certain issues that arose in applying Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees". Adoption of this Interpretation did not have a material impact on the Company's consolidated financial statements.

In September 2000, the FASB issued SFAS No. 140 "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities" ("SFAS No. 140"), a replacement of Statement 125 with the same title. It revises the standards for securitizations and other transfers of financial assets and collateral and requires certain additional disclosures, but otherwise retains most of SFAS No. 125's provisions. SFAS No. 140 is effective for transfers after March 31, 2001 with certain disclosures required for periods ending on

(dollars in thousands)

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

or after December 31, 2000. Adoption of the accounting provisions of this standard is not expected to have a material impact on the Company's consolidated financial statements.

Note 2 - Acquisition

On October 24, 2000, the Company acquired 100% of Faconnable, of Nice, France, a designer, wholesaler and retailer of high quality men's and women's apparel and accessories. The Company paid $87,685 in cash and issued 5,074,000 shares of common stock of the Company, for a total value of approximately $170,000 including expenses. The acquisition is being accounted for under the purchase method of accounting, and, accordingly, Faconnable's results of operations have been included in the Company's results of operations since October 24, 2000. The purchase price has been allocated to Faconnable's assets and liabilities based on their estimated fair values as of the date of acquisition. Goodwill and other identifiable intangible assets related to this acquisition are being amortized over their estimated useful lives on a straight-line basis over 10 years to 35 years.

The purchase also provides for contingent payments to two shareholders that may be paid after five years from the date of acquisition based on the performance of the subsidiary and the continued active involvement of the principals in Faconnable. The contingent payments will be recorded as compensation expense when it becomes probable that the performance targets will be met.

The following unaudited pro forma information presents the results of the Company's operations assuming the Faconnable acquisition occurred at the beginning of each period presented:

	Nine Months Ended October 31, 2000	Nine Months Ended October 31, 1999
Net sales	$3,896,288	$3,634,448
Net earnings	$ 74,166	$ 132,776
Basic and diluted earnings per share	$ 0.55	$ 0.92

The pro forma financial information is not necessarily indicative of the operating results that would have occurred had the acquisition been consummated as of the beginning of each period presented, nor is it necessarily indicative of future operating results.

A summary of the purchase price allocation for the Faconnable acquisition is as follows:

Fair value of identifiable assets acquired	$ 38,646
Intangible assets recorded	158,144
Liabilities assumed	(27,410)
Total purchase price	$ 169,380

(dollars in thousands)

Note 3 - Earnings Per Share

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2000	1999	2000	1999
Basic shares	129,315,092	136,721,774	130,041,747	139,274,764
Dilutive effect of stock options and restricted stock	-	345,158	144,612	709,897
Diluted shares	129,315,092	137,066,932	130,186,359	139,984,661
Antidilutive options	8,913,270	4,885,296	5,754,360	2,439,582

Note 4 - Investment

In September 1998, the Company purchased non-voting convertible preferred stock in Streamline, Inc. ("Streamline"), an internet grocery and consumer goods delivery company, for total consideration of $22,857. In June 1999, Streamline completed an initial public offering of common stock. Upon completion of the offering, the Company's investment was converted to common stock. In January 2000, Streamline merged with Beacon Home Direct, Inc., a privately-held company, in which the Company had previously purchased preferred stock for total consideration of $10,000. The total investment in Streamline was reduced to its quoted market value of $1,662 as of October 31, 2000, which is classified as short-term.

Due to the financial condition of Streamline, the Company determined that the decline in the fair market value of its investment is other than temporary, therefore a loss of $20,655 was recorded in the statement of earnings for the quarter ended October 31, 2000, for a total loss on the investment of $31,195 for the year to date.

Streamline ceased its operations effective November 22, 2000, due to failure to obtain additional capital to fund its operations. The Company will write-off the reminder of its investment in Streamline in the fourth quarter of this fiscal year.

Note 5 - Debt

In October 2000, the Company issued $300 million of 8.95% Senior Notes due 2005. These proceeds were used to reduce short-term indebtedness, to fund the acquisition of Faconnable and for general corporate purposes.

The Company owns a 49% interest in a limited partnership which is constructing a new corporate office building in which the Company will be the primary occupant. In accordance with Emerging Issues Task Force Issue No. 97-10 "The Effect of Lessee Involvement in Asset Construction," the Company is considered to be the owner of the property. Construction in progress includes

(dollars in thousands)

Note 5 - Debt (cont.)

capitalized costs related to this building of $39,700 as of October 31, 2000. The corresponding finance obligation of $35,600 as of October 31, 2000 is included in other long-term debt.

The Company is a guarantor of a $93,000 construction credit facility of the limited partnership. This credit facility provides for interest at either the LIBOR rate plus 0.75%, or the greater of the Federal Funds rate plus 0.5% and the prime rate and matures in August 2002.

Note 6 - Segment Reporting

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

Three months ended October 31, 2000	Retail Stores	Credit Operations	Catalog/ Internet	Corporate and Other	Eliminations	Total
Net sales and revenues to external customers	$1,181,807	-	$ 72,489	-	-	$1,254,296
Service charge income	-	$ 34,071		-	-	34,071
Intersegment revenues	11,940	5,950		-	$(17,890)	-
Net earnings	54,636	5,459	(12,971)	$ (50,444)	-	(3,320)

Three months ended October 31, 1999	Retail Stores	Credit Operations	Catalog/ Internet	Corporate and Other	Eliminations	Total
Net sales and revenues to external customers	$1,058,105	-	$ 52,009	-	-	$1,110,114
Service charge income	-	$ 28,651		-	-	28,651
Intersegment revenues	7,198	5,396		-	$(12,594)	-
Net earnings	51,943	8,293	(10,010)	$ (16,593)	-	33,633

Nine months ended October 31, 2000	Retail Stores	Credit Operations	Catalog/ Internet	Corporate and Other	Eliminations	Total
Net sales and revenues to external customers	$3,649,696	-	$200,394	-	-	$3,850,090
Service charge income	-	$ 96,665	-	-	-	96,665
Intersegment revenues	25,914	18,601	-	-	$(44,515)	-
Net earnings	196,585	12,899	(24,709)	$(109,905)	-	74,870

Nine months ended October 31, 1999	Retail Stores	Credit Operations	Catalog/ Internet	Corporate and Other	Eliminations	Total
Net sales and revenues to external customers	$3,451,583	-	$141,031	-	-	$3,592,614
Service charge income	-	$ 84,135	-	-	-	84,135
Intersegment revenues	14,575	17,907	-	-	$(32,482)	-
Net earnings	208,198	20,461	(21,295)	$ (71,354)	-	136,010

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

Note 7 - Contingent Liabilities

Because all of the lawsuits described below (with the exception of Nine West) are in their preliminary stages, the Company is not in a position at this time to quantify the amount or range of any possible losses related to those claims. The Company intends to vigorously defend itself in the described cases. While no assurance can be given as to the ultimate outcome of these lawsuits, based on preliminary investigations, management currently believes that these matters will not have a material adverse effect on the Company's financial position.

Cosmetics

The Cosmetics lawsuit has been previously described in the Nordstrom, Inc. Annual Report on Form 10-K for the fiscal year ended January 31, 2000.

Nine West

With regard to the Nine West lawsuit, as described in the Nordstrom, Inc. Annual Report on Form 10-K for the fiscal year ended January 31, 2000, the court has preliminarily approved a settlement and has authorized the plaintiffs to send notices of the settlement to class members. A hearing on final approval of the settlement is scheduled for December 2000. The settlement does not admit any violation of the law or admit liability by any defendant. The settlement does not require any payment from the Company.

Credit Fees

The Company has been named a defendant in a purported class action in the Federal District Court for the Eastern District of Pennsylvania. The case purports to be brought under the National Bank Act and the Arizona Consumer Loan Act of 1997. Plaintiff, a resident of Pennsylvania and a user of Nordstrom's credit through Nordstrom fsb, a wholly owned subsidiary of the Company, claims to represent all customers of Nordstrom who have been extended credit by Nordstrom fsb under revolving credit accounts for consumer purchases at Nordstrom stores. Plaintiff claims that Nordstrom fsb has been paid principal, interest and late fees in violation of said statutes on account of which plaintiff seeks recovery or forfeiture thereof. The Company has not yet filed a response to the Amended Complaint which was filed in October 2000.

Bar Code

The Company is named as one of 135 retailer defendants in a lawsuit filed in the United States District Court for the District of Arizona. Plaintiff claims that the Company and the other defendants have infringed certain patents held by it related to methods of scanning production markings (bar codes) placed on work pieces or merchandise. The complaint seeks from each defendant an award of damages for past infringement, to be trebled because of alleged willful and deliberate infringement. Most of the retailer defendants, including the Company, have entered into a Joint Defense Agreement.

The Company is also subject to other ordinary routine litigation incidental to its business and with respect to which no material liability is expected.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following "management's discussion and analysis of financial condition and results of operations" includes "forward-looking statements" within the meaning of the private securities litigation reform act of 1995. This act provides a "safe harbor" for forward-looking statements to encourage companies to provide prospective information about themselves so long as they identify these statements as forward-looking and provide meaningful cautionary statements identifying important factors that could cause actual results to differ from the projected results.

Statements made in this filing that are not historical facts are forward looking information that involve risks and uncertainties. Forward-looking statements typically are identified by the use of such terms as "may," "will," "expect," "believe," "anticipate," "estimate," "plan" and similar words, although some forward-looking statements are expressed differently. You should be aware that our actual results could differ materially from those contained in the forward-looking statements due to a number of factors, which include, but are not limited to, the following: the Company's ability to predict fashion trends, consumer apparel buying patterns, the Company's ability to control costs and expenses, the Company's ability to overcome technological problems, trends in personal bankruptcies and bad debt write-offs, employee relations, adverse weather conditions and other hazards of nature such as earthquakes and floods, the Company's ability to continue its store, brand and line expansion plans, and the impact of competitive market forces. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this report.

The following discussion should be read in conjunction with the Management's Discussion and Analysis section of the Nordstrom, Inc. Annual Report on Form 10-K for the fiscal year ended January 31, 2000.

Results of Operations:

During the third quarter of 2000, sales increased 13.0% compared to the corresponding quarter in 1999. For the nine-month period, sales increased 7.2% compared to the corresponding period in 1999. Comparable store sales (sales in stores open at least one full fiscal year at the beginning of the fiscal year) increased 4.7% for the quarter and 1.2% for the nine-month period. The increase in comparable store sales for the quarter was primarily due to calendar variations, the most significant of which was a shift in the timing of the 2000 Anniversary Sale which resulted in five more Anniversary Sale days being included in the third quarter of 2000 than were in the 1999 third quarter.

Gross profit as a percentage of net sales decreased to 34.3% in the third quarter of 2000, as compared to 35.3% in the same period in 1999. For the nine-month period, gross profit as a percentage of net sales decreased to 34.4%, as compared to 34.6% in the same period in 1999. The decrease for the quarter and the nine-month period was primarily due to an increase in markdowns.

For the third quarter of 2000, selling, general and administrative expenses as a percentage of net sales increased to 34.8%, compared to 31.7% for the third quarter of 1999. For the nine-month period, selling, general and administrative expenses as a percentage of net sales were 31.9%, compared to 29.6% for the corresponding period in 1999. The increase for the quarter was partially due to nonrecurring charges in 2000 related to severance expenses of approximately $13 million as a result of changes in management, and a charge for the write-off of certain information technology investments of approximately $10 million. The increases for the quarter and the nine-month period were also due to several other factors, including: increased sales promotion expenses in the full-line stores; increased credit expenses related to marketing programs for numerous credit products and a new loyalty program for the Company's proprietary credit card; and higher wage and other personnel expenses.

Interest expense, net increased by 22.2% during the quarter, to $16 million. For the nine-month period, interest expense, net increased 16.0% to $43.6 million. The increases for the quarter and the nine-month period were due to an increase in levels of short-term debt outstanding and an increase in interest rates, partially offset by a decrease in the average levels of long-term debt outstanding.

During the quarter and the nine-month period, losses of $20.7 million and $31.2 million, respectively, were recorded to recognize the write down of the value of the investment in Streamline, Inc., which was deemed by management to be other than temporary. The fair market value of the investment in Streamline is $1.7 million as of October 31, 2000. Streamline ceased its operations effective November 22, 2000, due to failure to obtain additional capital to fund its operations. The Company will write-off the remainder of this investment in the fourth quarter of this year.

Service charge income and other, net increased by 34.9% during the quarter, to $37 million. For the nine-month period, service charge income and other, net increased 25.4% to $101.2 million. The increase for the quarter and the nine-month period was due to higher accounts receivable securitization gains, and higher service charge and late fee income associated with increases in the number of credit accounts and credit sales.

The net loss for the quarter ended October 31, 2000 was $3.3 million, compared to net earnings of $33.6 million in the same period in 1999. The diluted loss per share was $0.03 for the third quarter ended October 31, 2000, compared to diluted earnings per share of $0.25 achieved in the same period in 1999. Net earnings for the nine months ended October 31, 2000 decreased 45.0% to $74.9 million from $136 million in the same period in 1999. For the nine months ended October 31, 2000, diluted earnings per share were $0.58, a decrease of 40.2% from the $0.97 achieved in the same period in 1999. The decreases in earnings and earnings per share for the quarter and the nine-month period were primarily due to nonrecurring charges related to changes in management and write-off of certain information technology investments, and higher selling, general and administrative expenses, partially offset by higher service charge income. Net earnings and earnings per share were also impacted by a $20.7 million pretax charge for the quarter and a $31.2 million pretax charge for the nine-month period related to the write-down of the Streamline investment. The decreases in diluted earnings per share for the quarter and year to date were partially offset by a decrease in the number of shares outstanding.

Liquidity and Capital Resources:

The Company finances its working capital needs, capital expenditures and share repurchase activity with cash provided by operations and external borrowings. The Company's cash and cash equivalents decreased $11,300 during the nine-month period ended October 31, 2000, as cash used for investing activities was more than the cash provided by operations and additional financing activities. The increase in accounts payable was primarily due to a change in the Company's policy to pay its vendors based on receipt of goods rather than the invoice date.

For the nine months ended October 31, 2000, cash flow used for investing activities is comprised primarily of capital expenditures for new store expansion and information technology-related projects.

During the quarter, the Company opened four new full-line stores in Frisco, Texas; Broomfield, Colorado; Roseville, California and Chicago, Illinois. The Company also opened five new Rack stores in Honolulu, Hawaii; Spokane, Washington; Oak Brook, Illinois; Scottsdale, Arizona and Chandler, Arizona during the quarter. For the year to date, the Company has opened a total of five new full-line and ten new Rack stores. Additionally, in November 2000, the Company opened one full-line store in Boca Raton, Florida. Construction is progressing as planned on new stores scheduled to open in 2001.

Although the Company has made commitments for stores opening in 2001 and beyond, it is possible that in one or more instances store site negotiations may be terminated and the store may not be built or delays may occur. Furthermore, environmental and land use regulations and the difficulties encountered by shopping center developers in securing financing could make future development of stores more difficult, time-consuming and expensive.

For the nine months ended October 31, 2000, cash provided by financing activities was $180 million, due primarily to debt proceeds partially offset by cash used to purchase and retire common stock under the Company's stock purchase program.

In October 2000, the Company issued $300 million of 8.95% Senior Notes due 2005, these proceeds were used to reduce short-term indebtedness, to fund the acquisition of Faconnable and for general corporate purposes.

During the nine months ended October 31, 2000, the Company repurchased 3.6 million shares of its common stock for an aggregate of approximately $81.3 million under a stock purchase program. At October 31, 2000, the Company had remaining share repurchase authorization of approximately $87 million.

Seasonality

The Company's business, like that of other retailers, is subject to seasonal fluctuations. Due to the Company's anniversary sale in July and holidays in December, sales are higher in the second and fourth quarters of the fiscal year than in the first and third quarters. Accordingly, results for any quarter are not necessarily indicative of the results that may be achieved for a full fiscal year.

Recent Accounting Pronouncements

Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting For Derivative Instruments and Hedging Activities," as amended by SFAS No. 137 and No. 138, requires the Company to recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. Adoption of this standard in the fiscal year beginning February 1, 2001, is not expected to have a material impact on the Company's consolidated financial statements.

The Company adopted Financial Accounting Standards Board Interpretation No. 44, "Accounting for Certain Transactions involving Stock Compensation" in July 2000, which provides guidance for certain issues that arose in applying Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees". Adoption of this Interpretation did not have a material impact on the Company's consolidated financial statements.

In September 2000, the FASB issued SFAS No. 140 "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities" ("SFAS No. 140"), a replacement of Statement 125 with the same title. It revises the standards for securitizations and other transfers of financial assets and collateral and requires certain additional disclosures, but otherwise retains most of SFAS No. 125's provisions. SFAS No. 140 is effective for transfers after March 31, 2001 with certain disclosures required for periods ending on or after December 31, 2000. Adoption of the accounting provisions of this

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is subject to the risk of fluctuating interest rates in the normal course of business, primarily as a result of its short-term borrowing and investment activities which generally bear interest at variable rates. Because the short-term borrowings and investments, other than the investment in marketable equity securities, have maturities of three months or less, the Company believes that the risk of material loss is low, and that the carrying amount approximates fair value. The Company's investment in marketable equity securities is classified as short-term and is recorded on the balance sheet at fair value based upon the quoted market price with unrealized gains or losses reported as a separate component of accumulated other comprehensive earnings. Realized gains and losses and declines in value judged to be other than temporary are included in net earnings. At October 31, 2000, the Company had outstanding borrowings of approximately $111 million under short-term notes payable, which bear interest from 6.56% to 6.70%, and mature from November 1, 2000 to November 7, 2000. In October 2000, the Company issued $300 million of 8.95% Senior Notes due 2005. These proceeds were used to reduce short-term indebtedness, to fund the acquisition of Faconnable and for general corporate purposes.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The information required under this item is included in the following section of Part I, Item 1 of this report:

Note 7 in Notes to Consolidated Financial Statements

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

(10.1) Share Purchase and Contribution Agreement dated as of September 27, 2000 by and among Nordstrom, Inc., Nordstrom European Capital Group, and the Selling Shareholders of Faconnable, S.A., is hereby incorporated by reference to Exhibit 2.1 to the Registrant's Registration Statement on Form S-3, Registration No. 333-50028 filed on November 15, 2000.

(10.2) Amendment to the Share Purchase and Contribution Agreement dated as of October 20, 2000 by and among Nordstrom, Inc., Nordstrom European Capital Group, and the Selling Shareholders of Faconnable, S.A., is hereby incorporated by reference to Exhibit 2.2 to the Registrant's Registration Statement on Form S-3, Registration No. 333-50028 filed on November 15, 2000.

(10.3) The Put Agreement dated November 1, 1999 between Nordstrom, Inc. and the holders of the Series C Preferred Stock of Nordstrom.com, Inc. is filed herein as an Exhibit.

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

(b) Reports on Form 8-K

The Company filed a Form 8-K on September 7, 2000 to announce senior management changes. The Company also filed a Form 8-K on October 11, 2000 to announce non-recurring charges and third quarter earnings expectations.

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
Vice President and Corporate Controller
(Principal Accounting Officer)

Date: December 13, 2000

NORDSTROM, INC. AND SUBSIDIARIES

Exhibit Index

Exhibit	Method of Filing
10.1 Share Purchase and Contribution Agreement dated as of September 27, 2000 by and among Nordstrom, Inc., Nordstrom European Capital Group, and the Selling Shareholders of Faconnable, S.A.	Incorporated by reference to Exhibit 2.1 to the Registrant's Registration Statement on Form S-3, Registration No. 333-50028 filed on November 15, 2000.
10.2 Amendment to the Share Purchase and Contribution Agreement dated as of October 20, 2000 by and among Nordstrom, Inc., Nordstrom European Capital Group, and the Selling Shareholders of Faconnable, S.A.	Incorporated by reference to Exhibit 2.2 to the Registrant's Registration Statement on Form S-3, Registration No. 333-50028 filed on November 15, 2000.
10.3 The Put Agreement dated November 1, 1999 between Nordstrom, Inc. and the holders of the Series C Preferred Stock of Nordstrom.com, Inc.	Filed herewith electronically
27.1 Financial Data Schedule	Filed herewith electronically

PUT AGREEMENT

THIS PUT AGREEMENT (this "Agreement") is dated as of November 1, 1999, and is by and between Nordstrom, Inc., a Washington corporation ("Nordstrom"), and the holders of the Series C Preferred Stock of Nordstrom.com, Inc., a Delaware corporation (the "Company"), set forth on Exhibit A hereto (the "Investors").

WHEREAS, concurrently with the execution and delivery of this Agreement, Nordstrom and the Investors are purchasing shares of the Company's Preferred Stock and a wholly owned subsidiary of Nordstrom and the Company are entering into that certain Limited Liability Company Agreement in connection with the formation of Nordstrom.com, LLC (the "LLC"); and

WHEREAS, Nordstrom and the Investors each desire to enter into this Agreement for the purpose of providing a potential financing vehicle for the Company and absent such financing for Nordstrom to purchase from the Investors the Company's Series C Preferred Stock (the "Series C Preferred Stock") and the Company's Common Stock (the "Common Stock") issued upon conversion thereof (collectively, the "Investor Stock") as provided below.

NOW, THEREFORE, the parties hereto agree as follows:

SECTION 1 PUT RIGHT

1.1 Put Right of Investors. If by July 1, 2002, Nordstrom has not provided the Company with financing on the terms described in Exhibit B hereto and an Initial Public Offering (as hereafter defined) is not consummated by September 1, 2002, at any time during the thirty (30) day period beginning September 1, 2002, upon the receipt by Nordstrom of a written request from the holders of a majority of the Common Stock issuable and issued upon conversion of the Company's Series C Preferred Stock (the "Conversion Shares"), Nordstrom shall purchase all, but not less than all, of the Investor Stock, at an aggregate price (the "Put Price") equal to the greater of (i) the Fair Market Value (as hereafter defined) of the Investor Stock and (ii) the product of (A) the number of shares of Conversion Shares and (B) $16.65 (as adjusted for subsequent stock splits, stock dividends, combinations, reclassifications and the like) per share of Common Stock.

1.2 Fair Market Value; Put Procedures.

(a) Determination of Fair Market Value. If requested by the holders of a majority of the Conversion Shares, the Fair Market Value will be appraised by an independent appraiser appearing on the attached Schedule A selected by mutual agreement of Nordstrom and the holders of a majority of the Investor Stock (the "First Appraiser"). The First Appraiser will render an appraisal of the Fair Market Value to

Nordstrom and the Investors. Nordstrom and the Investors will cause the fees and expenses of the First Appraiser to be paid by the LLC. Each of Nordstrom and the Investors will be entitled within thirty (30) days after receipt of the appraisal of the First Appraiser to dispute such appraisal. In such event, the disputing party will select a second independent appraiser appearing on the attached Schedule A (the "Second Appraiser") who shall render an appraisal of the Fair Market Value. Nordstrom and the Investors will cause the fees and expenses of the Second Appraiser to be paid by the LLC. The First Appraiser and Second Appraiser shall meet to resolve their differences, if any, as to the Fair Market Value. If such two appraisers are able to resolve their differences as to Fair Market Value, the joint decision of such appraisers will be the Fair Market Value. If the First Appraiser and the Second Appraiser are unable to resolve their differences as to Fair Market Value within 30 days after receipt of the second appraisal, the First Appraiser and the Second Appraiser shall in turn select a third appraiser from the list on the attached Schedule A (the "Third Appraiser") to appraise the Fair Market Value. Nordstrom and the Investors will cause the fees and expenses of the Third Appraiser to be paid by the LLC. The average of the three appraisals shall be the Fair Market Value. The Fair Market Value shall equal the fair market value of the company multiplied by a fraction (i) the numerator of which is the number of Conversion Shares, and (ii) the denominator of which is the number of outstanding shares of Common Stock outstanding after giving effect to (A) the conversion of all outstanding convertible securities of the Company, (B) the exercise of all outstanding vested in-the-money securities of the Company, and (C) consummation of the merger contemplated pursuant to Section 5.8 of the Joint Venture Agreement between the Company and Nordstrom. (For purposes of the preceding sentence, the number of outstanding shares shall be determined as of September 1, 2002). Each appraiser shall appraise the fair market value of the Company taken as a whole, taking into account valuation parameters deemed appropriate by such appraiser (including, without limitation, the Company's value as a going concern as a privately or publicly held company, the Company's value if sold to a willing buyer in an arms'-length transaction and the Company's value upon liquidation), without giving effect to any adjustment for the fact that the Investor Stock indirectly represents a minority interest in the LLC.

(b) Procedure. The closing of any sale of Investor Stock under Section 1.1 shall take place at the offices of Lane Powell Spears Lubersky LLP, 1420 Fifth avenue, Suite 4100, Seattle, Washington (or such other place as may be agreed by Nordstrom and the holders of a majority of the Common Stock issuable or issued upon conversion of the Company's Series C Preferred Stock) on the Put Closing Date (as hereafter defined).

(i) The Put Closing Date shall be on the date that is the later of (A) October 15, 2002, if no appraisal is obtained pursuant to Section 1.2(a), (B) forty (40) days after the receipt of the appraisal rendered by the First Appraiser (unless either party disputes such appraisal within thirty (30) days after it is received), (C) if applicable, forty (40) days after receipt of the joint decision of the appraisers selected by Nordstrom, on the one hand, and the Investors, on the other, resolving any differences they have as to the Fair Market Value (D) if applicable, ten (10) days after receipt of the appraisal rendered by the Third Appraiser, or (E) such other date as may be mutually acceptable to the parties to the transaction.

(ii) On the Put Closing Date, Nordstrom shall deliver to the holders of Investor Stock the Put Price in cash, and the holders of Investor Stock shall deliver to Nordstrom certificates representing the Investor Stock, free of any liens or encumbrances, together with such powers and other documentation necessary for the transfer of such stock. The parties hereto shall do all things and execute and deliver all papers as may be necessary to consummate any purchase under this Agreement.

For purposes of this Agreement, "Initial Public Offering" means an initial public offering of the Common Stock of the Company or Nordstrom.com, Holdings, Inc. or the common shares of the LLC pursuant to a registration statement declared effective under the Securities Act of 1933, as amended, resulting in gross proceeds of at least $20.0 million and underwritten by a nationally recognized investment bank.

1.3 Other Purchases of Investor Stock. At any time, Nordstrom may purchase all of the Investor Stock on terms and conditions approved by Nordstrom and holders of a majority of the Investor Stock.

SECTION 2 MISCELLANEOUS.

2.1 Headings. The headings in this Agreement are for convenience of reference only and shall not control or affect the meaning or construction of any provisions hereof.

2.2 Entire Agreement. This Agreement constitutes the entire agreement and understanding of the parties hereto in respect of the subject matter hereof, and there are no restrictions, promises, representations, warranties, covenants, or undertakings with respect to the subject matter hereof, other than those expressly set forth or referred to herein.

2.3 Notices. Unless otherwise provided, any notice required or permitted under this Agreement shall be given in writing and shall be deemed effectively given upon personal delivery to the party to be notified or upon delivery by confirmed facsimile transmission, nationally recognized overnight courier service, or upon deposit with the United States Post Office, by registered or certified mail, postage prepaid and addressed to the party to be notified at the address indicated for such party on the signature page hereof, or at such other address as such party may designate by ten (10) days' advance written notice to the other parties.

2.4 Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns. Notwithstanding the foregoing, neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall (except as expressly provided in this Agreement) be assignable by Nordstrom without the prior written consent of the other parties hereto.

2.5 Specific Performance. Each of the parties hereto acknowledges and agrees that in the event of any breach of this Agreement, the non-breaching party or parties would be irreparably harmed and could not be made whole by monetary damages. It is accordingly agreed that the parties hereto shall and do hereby waive the defense in any action for specific performance that a remedy at law would be adequate and that the parties hereto, in addition to any other remedy to which they may be entitled at law or in equity, shall be entitled to compel specific performance of this Agreement.

2.6 Amendments. This Agreement may not be amended, modified or supplemented without the prior written consent of Nordstrom and the holders of a majority of the Common Stock issuable or issued upon conversion of the Company's Series C Preferred Stock.

2.7 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same Agreement.

2.8 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California applicable to contracts made and to be performed therein.

2.9 Expenses. Except as expressly provided herein, the parties to this Agreement shall bear their respective expenses incurred in connection with the preparation, execution and performance of this Agreement and the transactions contemplated hereby, including, without limitation, all fees and expenses of agents, representatives, counsel and accountants.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

NORDSTROM, INC.

Name: Michael A. Stein
Title: Executive Vice President and Chief Financial Officer

Address: Nordstrom, Inc.
1617 Sixth Avenue, Suite 500
Seattle, WA 98101

INVESTORS:

BENCHMARK CAPITAL PARTNERS III, L.P.
as nominee for
Benchmark Capital Partners III, L.P.
Benchmark Founders Fund III, L.P.
Benchmark Founders Fund III-A, L.P
Benchmark Members Fund III, L.P.

By: Benchmark Capital Management Co. III, L.L.C.
its general partner

By:

Managing Member

Address: 2480 Sand Hill Road, Suite 200
Menlo Park, CA 94025

MADRONA RETAIL PARTNERS I, L.L.C.

By:

By:

Its.:

Address: 1000 Second Ave., Suite 3700
Seattle, WA 98104

Exhibit A

Series C Preferred Stock Holders

Name and Address	Number of Shares Purchased	Series of Preferred Stock	Total Purchase Price of Shares
Benchmark Capital Partners III, L.P. 2480 Sand Hill Road, Suite 200 Menlo Park, CA 94025	3,217,503.15	C	$10,714,285.50
Benchmark Founders' Fund III, L.P. 2480 Sand Hill Road, Suite 200 Menlo Park, CA 94025	938,223.87	C	$3.124.285.50
Benchmark Founders' Fund III-A, L.P. 2480 Sand Hill Road, Suite 200 Menlo Park, CA 94025	254,128.83	C	$846,249.00
Benchmark Members' Fund III, L.P. 2480 Sand Hill Road, Suite 200 Menlo Park, CA 94025	94,594.59	C	$315,000.00
Madrona Retail Partners I, L.L.C. 1000 Second Ave., Suite 3700 Seattle, WA 98104	300,300.30	C	$1,000,000

SCHEDULE A
INDEPENDENT APPRAISERS

To be Agreed Upon

First Appraiser: American Appraisal
Second Appraiser: Houlihan Lokey Howard & Zukin
Third Appraiser: Arthur Andersen

Exhibit B

Nordstrom.com, Inc.
Summary of New Series D Preferred Stock Terms

Company	Nordstrom.com, Inc. ("Company")
Securities	Series D Convertible Preferred Stock ("Series D")
Investment Amount	$100 million
Investor	Nordstrom, Inc.
Valuation	Pre-money valuation of $300 million on a fully diluted basis (including shares reserved for or issued in connection with option plans or other similar plans or arrangements) for the combined entity.
Dividend Provisions	The Series D holder would not be entitled to receive any dividend unless declared by Company's Board of Directors ("Board").
Liquidation Preference	In the event of any liquidation or winding up of Company, the Series D holder is entitled to receive, parri passu with holders of Common Stock and after any preference to Series A, Series B and Series C Preferred Stock (which preference shall be doubled at the time of the Series D financing), an amount equal to the Series D Purchase Price plus any accrued but unpaid dividends. Upon payment of the above-described amounts and any other preferences, the holders of the Series A, B, C and D and the Common Stock are entitled to share ratably (calculated on an as-converted basis) in Company's remaining assets.
Conversion	The Series D holder has the right, at any time, to convert all or a portion of its Series D shares into Common Stock. The number of shares of Common Stock into which each such share initially may be converted will be determined by dividing the Series D Purchase Price by the Series D conversion price. The initial Series D conversion price equals the Series D Purchase Price. The Series D conversion price will be subject to adjustment as set forth in the "Antidilution Provisions."

Automatic Conversion	The Series D automatically converts into Common Stock at the then applicable conversion rate in the event of: (i) the closing of an underwritten public offering of shares of Common Stock by Company; or (ii) upon consent of or conversion by holders of 66 2/3 percent of the outstanding Series C.
Antidilution Provisions	Proportional adjustment in the event of stock splits, stock dividends, reclassifications and the like; standard weighted average antidilution protection is provided for the holders of the Series D in the event of future issuances of stock or other equity instruments (except as provided below) at a price per share less than the Series D Purchase Price, as adjusted. Exceptions to the foregoing weighted average dilution protection for: (i) options or warrants to purchase such shares that are reserved for or issued to employees, directors and consultants of Company that are approved by the Board, (ii) Common Stock issuable on conversion of preferred stock or other convertible securities issued by Company, and (iii) Common Stock issued as a dividend or other distribution on outstanding Common Stock or issued in connection with a subdivision of outstanding Common Stock into a greater number of shares or a combination of outstanding Common Stock into a smaller number of shares (collectively, the "Excepted Issuances").
Preemptive Rights	Series D holders have the contractual right to participate in the issuances of additional securities by Company in proportion to their ownership of outstanding Common Stock (calculated on an as -converted basis) to the total outstanding Common Stock shares and Common Stock subject to outstanding options and warrants immediately prior to the proposed issuance. The foregoing right does not apply to shares offered pursuant to a registration statement, securities issued pursuant to the acquisition of another company by Company as approved by the Board, securities issued in connection with the formation of any licensing or collaborative agreements provided by the Board, and the Excepted Issuances. The foregoing preemptive rights expire upon the earlier of: (i) immediately prior to the closing of a Qualifying IPO; or (ii) on the date on which the holder or transferee no longer holds any shares of Series D.

Voting Rights	A Series D holder shall vote on all matters in proportion to all other holders of Preferred and Common Stock, and the holders of Series C shall be given the right to vote Series B shares.
Information Rights	So long as Nordstrom, Inc. holds at least one percent of the issued and outstanding capital stock of the Company on an as-converted basis, the Company shall deliver quarterly unaudited financial statements and monthly unaudited financial reports. The foregoing information rights shall terminate upon the earlier of: (i) completion of Company's initial public offering; or (ii) the date Company registers any securities under the Securities Exchange Act of 1934.
Piggyback Registration	The Series D holders are entitled to "piggyback" registration rights of their Common Stock issuable upon conversion of their Series C on all registrations, other than registrations for employee plans or Rule 145 transactions, subordinate to any other registration rights to other holders of Preferred Stock.
Rule 144; Transfer of Rights	Registration rights do not apply if a holder may sell all of such holder's shares under Rule 144 in a three-month period.
Market Standoff Agreement	The Series D holder must comply with the request of Company's underwriters in connection with a public offering by Company not to sell or otherwise dispose of any shares of Series D Preferred Stock or Common Stock issuable upon conversion thereof (except for those securities being registered, if any, for such offering).
Expenses	The holder of Series D Preferred Stock shall pay the legal fees, in an amount not to exceed $50,000, and expenses of Gunderson, Dettmer, Stough Villeneuve Franklin & Hachigian, LLP in connection with their review and participation in the issuance of the Series D Preferred Stock, and all legal expenses of the Company.