

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

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

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED) February 21, 2006

NORDSTROM, INC.  
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

WASHINGTON

001-15059

91-0515058

(STATE OR OTHER JURISDICTION  
OF INCORPORATION)

(COMMISSION FILE  
NUMBER)

(I.R.S. EMPLOYER  
IDENTIFICATION NO.)

1617 SIXTH AVENUE, SEATTLE, WASHINGTON  
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

98101  
(ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE (206) 628-2111

INAPPLICABLE  
(FORMER NAME OR FORMER ADDRESS IF CHANGED SINCE LAST REPORT)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02 Results of Operations and Financial Condition

On February 23, 2006, Nordstrom, Inc. issued an earnings release announcing its results of operations for the quarter and year ended January 28, 2006, its financial position as of January 28, 2006, and its cash flows for the year ended January 28, 2006. A copy of this earnings release is attached as Exhibit 99.1.

ITEM 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers

On February 22, 2006, Nordstrom, Inc. issued a press release announcing the appointment of Philip G. Satre to its Board of Directors, effective February 21, 2006. A copy of this press release is attached as Exhibit 99.2. There are no arrangements or understandings between Mr. Satre and any other person pursuant to which Mr. Satre was appointed to the Board of Directors. Mr. Satre and the Company are not parties to any transaction requiring disclosure under Item 404(a) of Regulation S-K.

ITEM 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

On February 21, 2006, in conjunction with the appointment of Mr. Philip Satre to the Board of Directors, Nordstrom, Inc.'s Board of Directors unanimously approved an amendment to the Company's bylaws to increase the number of directors from nine to ten.

ITEM 7.01 Regulation FD Disclosure

On February 23, 2006, Nordstrom, Inc. issued an earnings release announcing its results of operations for the quarter and year ended January 28, 2006, its financial position as of January 28, 2006, and its cash flows for the year ended January 28, 2006. A copy of this earnings release is attached as Exhibit 99.1.

ITEM 9.01 Financial Statements and Exhibits

99.1 Nordstrom earnings release dated February 23, 2006 relating to the Company's results of operations for the quarter and year ended January 28, 2006, its financial position as of January 28, 2006, and its cash flows for the year ended January 28, 2006.

99.2 Nordstrom press release dated February 22, 2006 announcing the appointment of Philip Satre to the Company's Board of Directors.

SIGNATURE

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 hereunto duly authorized.

NORDSTROM, INC.

By: /s/ Michael G. Koppel  
-----  
Michael G. Koppel  
Executive Vice President and  
Chief Financial Officer

Dated: February 23, 2006

EXHIBIT INDEX

EXHIBIT  
NUMBER

DESCRIPTION

99.1 Nordstrom earnings release dated February 23, 2006 relating to the Company's results of operations for the quarter and year ended January 28, 2006, its financial position as of January 28, 2006, and its cash flows for the year ended January 28, 2006.

99.2 Nordstrom press release dated February 22, 2006 announcing the appointment of Philip Satre to the Company's Board of Directors.

For Immediate Release

- - - - -

February 23, 2006

#### NORDSTROM REPORTS FOURTH QUARTER EARNINGS PER SHARE OF 69 CENTS

SEATTLE - February 23, 2006 - Nordstrom, Inc. (NYSE: JWN) today reported net earnings of \$190.4 million, or \$0.69 per diluted share, for the fourth quarter ended January 28, 2006. For the same period last year, net earnings and earnings per diluted share were \$140.0 million and \$0.50, respectively.

Total sales for the fourth quarter of 2005 increased 9.3 percent, to \$2.3 billion, compared to sales of \$2.1 billion in the same period last year. Fourth quarter same-store sales increased 5.8 percent.

#### FOURTH QUARTER HIGHLIGHTS

Net earnings increased 36 percent in the fourth quarter compared to the same quarter last year, reflecting strong sales momentum and ongoing operating improvements. The company remains committed to providing a differentiated shopping experience and delivering superior long-term financial performance.

- - Same-store sales increased 5.8 percent for the quarter, higher than the company's one to three percent same-store sales guidance. Continued improvement in regular price sales throughout the quarter and a successful Men's Half-Yearly clearance event drove the sales increase.

- - Gross profit, as a percent of sales, increased 81 basis points. This improvement was a result of sales leverage on buying and occupancy costs.

- - The same-store sales increase combined with expense control resulted in a 70 basis point reduction in selling, general and administrative expenses on a percent to sales basis.

#### FULL YEAR RESULTS

For the fiscal year ended January 28, 2006, net earnings increased 40 percent to \$551.3 million compared to net earnings of \$393.5 million for the same period last year. Earnings per share for the same periods were \$1.98 and \$1.38, respectively.

Total sales for the year increased 8.3 percent to \$7.7 billion compared to prior year sales of \$7.1 billion. Same-store sales increased 6.0 percent.

#### EXPANSION UPDATE

During the fourth quarter Nordstrom opened one full-line store in Dallas, Texas at The North Park Center. Gross square footage for the year has increased approximately 3.5 percent, from 19,397,000 to 20,070,000. On March 10, 2006, the company plans to open one store at The Gardens Mall in Palm Beach, Fla.

#### SHARE REPURCHASE

Nordstrom repurchased approximately 1.1 million shares of its common stock during the fourth quarter for \$40.8 million. This reduction in weighted average shares outstanding had no effect on diluted earnings per share for the quarter.

#### 2006 OUTLOOK

For the fiscal year ending February 3, 2007, the company anticipates diluted earnings per share in the range of \$2.15 to \$2.23, which includes an estimated expense of \$0.06 per diluted share from the adoption of SFAS No. 123(R) regarding expensing of stock options. For the first quarter, the company expects low single digit same-store sales growth and earnings per share in the range of \$0.39 to \$0.44.

#### CONFERENCE CALL INFORMATION:

Company management will be hosting a conference call and webcast to discuss fourth quarter results at 4:15p.m. (ET) today. Access to the conference call is open to the press and general public in a listen only mode. To participate, please dial 212-547-0138 ten minutes prior to the call (passcode: NORD). A telephone replay will be available for 48 hours beginning approximately one hour after the conclusion of the call by dialing 888-562-4353. Interested

parties may also access the call over the Internet by visiting the Investor Relations section of the company's corporate website at <http://about.nordstrom.com/aboutus/investor/webcasts.asp>. An archived version of the webcast will be available at this location for 30 days.

Nordstrom, Inc. is one of the nation's leading fashion specialty retailers, with 155 US stores located in 27 states. Founded in 1901 as a shoe store in Seattle, today Nordstrom operates 98 full-line stores, 49 Nordstrom Racks, five Faconnable boutiques, one free-standing shoe store, and two clearance stores. Nordstrom also operates 32 international Faconnable boutiques in Europe. Additionally, Nordstrom serves customers through its online presence at <http://www.nordstrom.com> and through its catalogs. Nordstrom, Inc. is publicly traded on the NYSE under the symbol JWN.

Certain statements in this news release contain "forward-looking" information (as defined in the Private Securities Litigation Reform Act of 1995) that involves risks and uncertainties, including anticipated results, store openings and trends in company operations. Actual future results and trends may differ materially from historical results or current expectations depending upon factors including, but not limited to, the impact of economic and competitive market forces, including the impact of terrorist activity or the impact of a war on the company, its customers and the retail industry, the company's ability to predict fashion trends, consumer apparel buying patterns, trends in personal bankruptcies and bad debt write-offs, changes in interest rates, employee relations, the company's ability to continue its expansion plans, changes in government or regulatory requirements, the company's ability to control costs, weather conditions and hazards of nature. Our SEC reports may contain other information on these and other factors that could affect our financial results and cause actual results to differ materially from any forward-looking information we may provide. The company undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events, new information or future circumstances.

Investor Contact:  
RJ Jones, 206-303-3007

Media Contact:  
Brooke White, 206-373-3030

NORDSTROM, INC.  
CONSOLIDATED STATEMENTS OF EARNINGS - 4th Quarter  
(unaudited; amounts in thousands,  
except per share data and percentages)

Quarter % of  
sales(1)  
Quarter % of  
sales ended  
(except as  
ended (except  
as 1/28/06  
indicated)  
1/29/05  
indicated) --  
-----  
- - - - -  
----- Net  
sales  
\$2,295,818

100.0%	
\$2,100,343	
<del>100.0%</del>	<del>Cost</del>
<del>of sales and</del>	<del>related</del>
<del>buying &amp;</del>	<del>occupancy</del>
<del>costs</del>	
<del>(1,435,891)</del>	
<del>(62.5%)</del>	
<del>(1,330,656)</del>	
<del>(63.4%)</del>	
<hr/>	
<del>—Gross</del>	<del>profit</del>
<del>859,927</del>	<del>37.5%</del>
<del>769,687</del>	<del>36.6%</del>
<del>Selling,</del>	<del>general and</del>
<del>administrative</del>	<del>expenses</del>
<del>(602,280)</del>	
<del>(26.2%)</del>	
<del>(565,497)</del>	
<del>(26.9%)</del>	
<hr/>	
<del>Operating</del>	<del>income</del>
<del>257,647</del>	<del>11.2%</del>
<del>204,190</del>	<del>9.7%</del>
<del>Interest</del>	<del>expense, net</del>
<del>(11,509)</del>	
<del>(0.5%)</del>	
<del>(13,168)</del>	
<del>(0.6%)</del>	<del>Other</del>
<del>income</del>	<del>including</del>
<del>finance</del>	<del>charges, net</del>
<del>61,302</del>	<del>2.7%</del>
<del>45,453</del>	<del>2.2%</del>
<hr/>	
<del>—Earnings</del>	<del>before income</del>
<del>taxes</del>	<del>307,440</del>
<del>13.4%</del>	<del>236,475</del>
<del>11.3%</del>	<del>Income</del>
<del>tax expense</del>	<del>(117,010)</del>
<del>(38.1%)(2)</del>	<del>(96,495)</del>
<del>(40.8%)(2)</del>	
<hr/>	
<del>—Net</del>	<del>earnings</del>
<del>\$190,430</del>	<del>8.3%</del>
<del>\$139,980</del>	<del>6.7%</del>
<del>=====</del>	
<del>=====</del>	
<del>Earnings per</del>	<del>share Basic \$</del>
<del>0.71</del>	<del>\$ 0.51</del>
<del>Diluted \$</del>	<del>0.69</del>
<del>\$ 0.50</del>	

ADDITIONAL DATA

-----  
Weighted average shares outstanding  
Basic  
269,783  
274,889  
Diluted  
275,662  
280,641

(1)Subtotals and totals may not foot due to rounding.

(2)Percent of earnings before income taxes.

NORDSTROM, INC.  
CONSOLIDATED STATEMENTS OF EARNINGS - Full Year  
(unaudited; amounts in thousands,  
except per share data and percentages)

Year % of  
sales(1) Year  
% of sales  
ended (except  
as ended  
(except as  
1/28/06  
indicated)  
1/29/05  
indicated) --  
-----  
-----

----- Net  
sales  
\$7,722,860  
100.0%  
\$7,131,388  
100.0% Cost  
of sales and  
related  
buying &  
occupancy  
costs  
(4,888,023)  
(63.3%)  
(4,559,388)  
(63.9%)

-----  
Gross  
profit  
2,834,837  
36.7%  
2,572,000  
36.1%  
Selling,  
general and  
administrative  
expenses  
(2,100,666)  
(27.2%)  
(2,020,233)  
(28.3%)

-----  
Operating  
income  
734,171 9.5%  
551,767 7.7%  
Interest

~~expense, net~~  
~~(45,300)~~  
~~(0.6%)~~  
~~(77,428)~~  
~~(1.1%) Other~~  
~~income~~  
~~including~~  
~~finance~~  
~~charges, net~~  
~~196,354 2.5%~~  
~~172,942 2.4%~~

~~----- Earnings~~  
~~before income~~  
~~taxes 885,225~~  
~~11.5% 647,281~~  
~~9.1% Income~~  
~~tax expense~~  
~~(333,886)~~  
~~(37.7%)(2)~~  
~~(253,831)~~  
~~(39.2%)(2)-----~~

~~----- Net~~  
~~earnings~~  
~~\$551,339 7.1%~~  
~~\$393,450 5.5%~~  
~~=====~~  
~~=====~~

~~Earnings per~~  
~~share Basic \$~~  
~~2.03 \$ 1.41~~  
~~Diluted \$~~  
~~1.98 \$ 1.38~~

ADDITIONAL DATA  
 - - - - -

Weighted average shares outstanding  
 Basic  
~~271,958~~  
~~278,993~~  
 Diluted  
~~277,776~~  
~~284,533~~

(1) Subtotals and totals may not foot due to rounding.

(2) Percent of earnings before income taxes.



<del>Assets Current</del>	
<del>assets Cash and</del>	
<del>cash equivalents \$</del>	
<del>462,656</del>	<del>\$ 360,623</del>
<del>Short term</del>	
<del>investments 54,000</del>	
<del>41,825</del>	<del>Accounts</del>
<del>receivable, net</del>	
<del>638,887</del>	<del>645,663</del>
<del>Investment in</del>	
<del>asset-backed</del>	
<del>securities 561,136</del>	
<del>422,416</del>	
<del>Merchandise</del>	
<del>inventories</del>	
<del>955,978</del>	<del>917,182</del>
<del>Current deferred</del>	
<del>tax assets 145,470</del>	
<del>131,547</del>	<del>Prepaid</del>
<del>expenses and other</del>	
<del>55,358</del>	<del>53,188</del>
<del>-----</del>	<del>Total</del>
<del>current assets</del>	
<del>2,873,485</del>	
<del>2,572,444</del>	<del>Land,</del>
<del>buildings and</del>	
<del>equipment, net</del>	
<del>1,773,871</del>	
<del>1,780,366</del>	<del>Goodwill</del>
<del>51,714</del>	<del>51,714</del>
<del>Tradename 84,000</del>	
<del>84,000</del>	<del>Other</del>
<del>assets 137,607</del>	
<del>116,866</del>	
<del>-----</del>	<del>Total assets</del>
<del>\$4,920,677</del>	
<del>\$4,605,390</del>	

~~Liabilities and Shareholders' Equity~~

<del>Current</del>	
<del>liabilities</del>	
<del>Accounts payable \$</del>	
<del>540,019</del>	<del>\$ 482,394</del>
<del>Accrued salaries,</del>	
<del>wages and related</del>	
<del>benefits 285,982</del>	
<del>287,904</del>	<del>Other</del>
<del>current</del>	
<del>liabilities</del>	
<del>408,404</del>	<del>354,201</del>
<del>Income taxes</del>	
<del>payable 81,617</del>	
<del>115,556</del>	<del>Current</del>
<del>portion of long-</del>	
<del>term debt 306,618</del>	
<del>101,097</del>	
<del>-----</del>	<del>Total</del>
<del>current</del>	
<del>liabilities</del>	
<del>1,622,640</del>	
<del>1,341,152</del>	<del>Long-</del>
<del>term debt, net</del>	
<del>627,776</del>	<del>929,010</del>
<del>Deferred property</del>	
<del>incentives, net</del>	
<del>364,382</del>	<del>367,087</del>
<del>Other liabilities</del>	
<del>213,198</del>	<del>179,147</del>
<del>Shareholders'</del>	
<del>equity: Common</del>	
<del>stock, no par</del>	
<del>value: 1,000,000</del>	
<del>shares authorized;</del>	
<del>269,549</del>	<del>and</del>
<del>271,331</del>	<del>shares</del>
<del>issued and</del>	
<del>outstanding</del>	
<del>685,934</del>	<del>552,655</del>
<del>Unearned stock</del>	

compensation	(327)
(299) Retained earnings	1,404,366
	<u>1,227,303</u>
Accumulated other comprehensive earnings	2,708
	<u>9,335</u>
Total shareholder's equity	2,092,681
	<u>1,788,994</u>
Total liabilities and shareholders' equity	\$4,920,677
	<u>\$4,605,390</u>

NORDSTROM, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(unaudited; amounts in thousands)

Year Ended	Year Ended
1/28/06	1/29/05 ---
----	-----
----	-----
Operating Activities	
Net earnings	
\$551,339	
\$393,450	
Adjustments to reconcile net earnings to net cash provided by operating activities:	
Depreciation and amortization of buildings and equipment	
276,328	
264,769	
Amortization of deferred property incentives and other, net	

~~(33,350)~~  
~~(31,378)~~  
Stock-based  
compensation  
expense  
~~13,285~~  
~~8,051~~  
Deferred  
income  
taxes, net  
~~(11,238)~~  
~~(8,040)~~ Tax  
benefit of  
stock  
option  
exercises  
and  
employee  
stock  
purchases  
~~41,092~~  
~~25,442~~  
Provision  
for bad  
debt ~~20,918~~  
~~24,639~~  
Change in  
operating  
assets and  
liabilities:  
Accounts  
receivable  
~~(15,140)~~  
~~(2,950)~~  
Investment  
in asset  
backed  
securities  
~~(135,790)~~  
~~(149,970)~~  
Merchandise  
inventories  
~~(20,804)~~  
~~(11,771)~~  
Prepaid  
expenses  
~~(1,035)~~  
~~(3,163)~~  
Other  
assets  
~~(3,473)~~  
~~(8,143)~~  
Accounts  
payable  
~~31,721~~  
~~23,930~~  
Accrued  
salaries,  
wages and  
related  
benefits  
~~(11,284)~~  
~~15,055~~  
Other  
current  
liabilities  
~~38,755~~  
~~58,471~~  
Income  
taxes  
payable  
~~(33,877)~~  
~~(18,999)~~  
Property  
incentives  
~~49,480~~  
~~19,837~~  
Other  
liabilities  
~~19,305~~  
~~7,116~~

~~Net  
cash  
provided by  
operating  
activities  
776,232  
606,346~~

~~Investing  
Activities  
Capital  
expenditures  
(271,659)  
(246,851)  
Proceeds  
from sale  
of assets  
107,547  
Purchases  
of short-  
term  
investments  
(542,925)  
(3,232,250)  
Sales of  
short-term  
investments  
530,750  
3,366,425  
Other, net  
(8,366)  
(2,830)~~

~~Net cash  
used in  
investing  
activities  
(292,093)  
(110,033)~~

~~Financing  
Activities  
Principal  
payments on  
long-term  
debt  
(101,047)  
(205,252)  
Increase  
(decrease)  
in cash  
book  
overdrafts  
4,946  
(2,680)  
Proceeds  
from  
exercise of  
stock  
options  
73,023  
87,061  
Proceeds  
from  
employee  
stock  
purchase  
plan 15,600  
12,892 Cash  
dividends  
paid  
(87,196)  
(67,240)  
Repurchase  
of common  
stock  
(287,080)  
(300,000)  
Other, net  
(352) (752)~~

~~Net~~  
~~cash used~~  
~~in~~  
~~financing~~  
~~activities~~  
~~(382,106)~~  
~~(475,971)~~

~~Net~~  
~~increase in~~  
~~cash and~~  
~~cash~~  
~~equivalents~~  
~~102,033~~  
~~20,342~~ Cash  
~~and cash~~  
~~equivalents~~  
~~at~~  
~~beginning~~  
~~of year~~  
~~360,623~~  
~~340,281~~

~~Cash and~~  
~~cash~~  
~~equivalents~~  
~~at end of~~  
~~year~~  
~~\$462,656~~  
~~\$360,623~~

~~\_\_\_\_\_~~

For Immediate Release  
February 22, 2006

NORDSTROM ANNOUNCES INCREASE OF QUARTERLY DIVIDEND AND APPOINTS PHILIP  
G. SATRE, FORMER CEO OF HARRAH'S ENTERTAINMENT TO THE BOARD OF  
DIRECTORS

SEATTLE - February 22, 2006 - Nordstrom, Inc.'s (NYSE: JWN) board of directors announced yesterday that it has approved a quarterly dividend of \$0.105 per share, an increase of 24% or \$0.02 per share. This cash dividend is payable on March 15, 2006, to shareholders of record on February 28, 2006.

The board also announced the addition of Philip G. Satre, retired Chairman of the Board and former CEO of Harrah's Entertainment, Inc. Mr. Satre worked for Harrah's for nearly 25 years. Well-respected in his field, Mr. Satre has received many honors and awards for his business and humanitarian efforts.

"We are pleased that Philip Satre has agreed to join our board," said Bruce Nordstrom, Chairman of the Board, Nordstrom, Inc. "Philip will be a strong resource for our company with his terrific track record in business and leadership."

Mr. Satre also serves on several corporate and non-profit boards, including Rite Aid Corporation, the Nevada Cancer Institute, the National D-Day Museum Foundation board of trustees, the UC Davis School of Law Alumni Association board and the Stanford University board of trustees.

Nordstrom, Inc. is one of the nation's leading fashion specialty retailers, with 155 US stores located in 27 states. Founded in 1901 as a shoe store in Seattle, today Nordstrom operates 98 full-line stores, 49 Nordstrom Racks, five Faconnable boutiques, one free-standing shoe store, and two clearance stores. Nordstrom also operates 32 international Faconnable boutiques in Europe. Additionally, Nordstrom serves customers through its online presence at <http://www.nordstrom.com> and through its catalogs. Nordstrom, Inc. is publicly traded on the NYSE under the symbol JWN.

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