

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

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

For the quarterly period ended April 30, 1998

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 May 26, 1998: 74,392,513 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 April 30,	
	1998	1997
Net sales	\$1,040,215	\$953,747
Costs and expenses:		
Cost of sales and related buying and occupancy	698,300	646,512
Selling, general and administrative	309,263	274,287
Interest, net	10,232	7,510
Service charge income and other, net	(30,417)	(27,911)
Total costs and expenses	987,378	900,398
Earnings before income taxes	52,837	53,349
Income taxes	20,500	21,000
Net earnings	\$ 32,337	\$ 32,349
Basic earnings per share	\$ .43	\$ .41
Diluted earnings per share	\$ .43	\$ .41
Cash dividends paid per share of common stock outstanding	\$ .14	\$ .125

These statements should be read in conjunction with the Notes to Consolidated Financial Statements contained herein and in the Nordstrom 1997 Annual Report to Shareholders.

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

	April 30, 1998	January 31, 1998	April 30, 1997
	-----	-----	-----
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 19,728	\$ 24,794	\$ 49,066
Accounts receivable, net	596,741	664,448	661,284
Merchandise inventories	907,322	826,045	823,609
Prepaid income taxes and other	83,382	79,710	68,612
	-----	-----	-----
Total current assets	1,607,173	1,594,997	1,602,571
Property, buildings and equipment, net	1,261,539	1,252,513	1,184,278
Other assets	23,342	17,653	18,010
	-----	-----	-----
<b>TOTAL ASSETS</b>	<b>\$2,892,054</b>	<b>\$2,865,163</b>	<b>\$2,804,859</b>
	=====	=====	=====
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Current Liabilities:			
Notes payable	\$ 103,252	\$ 263,767	\$ 194,040
Accounts payable	382,322	321,311	398,748
Accrued salaries, wages and taxes	157,621	205,273	150,610
Accrued expenses	37,674	37,884	34,847
Accrued income taxes	24,117	13,242	21,489
Current portion of long-term debt	51,129	101,129	101,303
	-----	-----	-----
Total current liabilities	756,115	942,606	901,037
Long-term debt	619,505	319,736	371,469
Deferred lease credits and other liabilities	132,285	127,763	130,422
Shareholders' Equity:			
Common stock, no par: 250,000,000 shares authorized; 74,360,740, 76,259,052 and 77,145,937 shares issued and outstanding	206,321	201,050	184,607
Retained earnings	1,177,828	1,274,008	1,217,324
	-----	-----	-----
Total shareholders' equity	1,384,149	1,475,058	1,401,931
	-----	-----	-----
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$2,892,054</b>	<b>\$2,865,163</b>	<b>\$2,804,859</b>
	=====	=====	=====

These statements should be read in conjunction with the Notes to Consolidated Financial Statements contained herein and in the Nordstrom 1997 Annual Report to Shareholders.

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

	Three Months Ended April 30,	
	----- 1998 -----	----- 1997 -----
<b>OPERATING ACTIVITIES:</b>		
Net earnings	\$ 32,337	\$ 32,349
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	41,076	36,646
Change in:		
Accounts receivable, net	67,707	53,305
Merchandise inventories	(81,277)	(103,690)
Prepaid income taxes and other	(3,672)	995
Accounts payable	61,011	88,318
Accrued salaries, wages and taxes	(47,652)	(39,087)
Accrued expenses	(210)	(6,296)
Income tax liabilities	10,712	8,368
Deferred lease credits and other liabilities	4,685	(100)
Net cash provided by operating activities	----- 84,717 -----	----- 70,808 -----
<b>INVESTING ACTIVITIES:</b>		
Additions to property, buildings and equipment, net	(49,929)	(68,307)
Other	(3,112)	(5)
Net cash used in investing activities	----- (53,041) -----	----- (68,312) -----
<b>FINANCING ACTIVITIES:</b>		
(Decrease) increase in notes payable	(160,515)	30,270
Proceeds from issuance of long-term debt, net	297,175	91,836
Principal payments on long-term debt	(50,156)	(210)
Proceeds from issuance of common stock	5,271	1,209
Cash dividends paid	(10,629)	(9,908)
Purchase and retirement of common stock	(117,888)	(94,911)
Net cash (used in) provided by financing activities	----- (36,742) -----	----- 18,286 -----
Net (decrease)increase in cash and cash equivalents	(5,066)	20,782
Cash and cash equivalents at beginning of period	24,794	28,284
Cash and cash equivalents at end of period	----- \$ 19,728 =====	----- \$ 49,066 =====

These statements should be read in conjunction with the Notes to Consolidated Financial Statements contained herein and in the Nordstrom 1997 Annual Report to Shareholders.

NORDSTROM, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED APRIL 30, 1998 AND 1997  
(dollars in thousands)  
(unaudited)

Note 1 - Basis of Presentation

The consolidated balance sheets of Nordstrom, Inc. and subsidiaries (the "Company") as of April 30, 1998 and 1997, 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, 1999.

It is not considered necessary to include detailed footnote information as of April 30, 1998 and 1997. The financial information should be read in conjunction with the Notes to Consolidated Financial Statements contained in the Nordstrom 1997 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 April 30, 1998 and 1997, 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.

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

Note 2 - Earnings Per Share

Basic earnings per share are computed on the basis of the weighted average number of common shares outstanding during the period. Average shares outstanding for the first quarter were 75,110,335 and 78,579,511 in 1998 and 1997.

Diluted earnings per share are computed on the basis of the weighted average number of common shares outstanding during the period plus dilutive common stock equivalents consisting of shares subject to stock options. Average shares outstanding including dilutive shares for the first quarter were 75,379,272 and 78,640,743 in 1998 and 1997.

Options with an exercise price greater than the average market price are not included in the computation of diluted earnings per share. For the first quarter in 1998 and 1997 there were 146,971 and 1,037,038 options with an exercise price greater than the average price.

NORDSTROM, INC. AND SUBSIDIARIES  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE THREE MONTHS ENDED APRIL 30, 1998 AND 1997  
 (dollars in thousands)  
 (unaudited)

Note 3 - New Accounting Rules

In March, 1998 the Accounting Standards Executive Committee of the AICPA issued Statement of Position 98-1 ("SOP 98-1"), "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use", which requires that certain software costs be capitalized and amortized over the period of use. The Company adopted SOP 98-1 during the quarter ended April 30, 1998, which resulted in an increase in earnings after taxes of \$1.7 million (\$.02 per share).

As of February 1, 1998, the Company has adopted Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income," which establishes standards for the reporting and display of comprehensive income and its components. Adoption of this standard had no material effect on the Company's consolidated financial position, results of operations or cash flows.

The Financial Accounting Standards Board has issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," which establishes reporting and disclosure standards for an enterprise's operating segments and SFAS No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits," which revises employers' disclosures about pension and other postretirement benefit plans. Both statements are effective for the Company's fiscal year ending January 31, 1999. Adoption of these standards will not impact the Company's consolidated financial position, results of operations or cash flows, and any effect will be limited to the form and content of its disclosures.

Note 4 - Credit Card and Financing Subsidiaries

The summarized combined results of operations of Nordstrom Credit, Inc. and Nordstrom National Credit Bank are as follows:

Three Months Ended April 30,	1998 -----	1997 -----
Total revenue	\$32,462	\$31,806
Earnings before income taxes	13,798	11,643
Net earnings	8,782	7,373

Note 5 - Stockholders' Equity

During the quarters ended April 30, 1998 and 1997, the Company issued 112,988 and 35,292 shares of common stock, primarily due to the exercise of employee stock options. The Company also repurchased 2,011,300 and 2,524,332 outstanding shares of its common stock during the quarters ended April 30, 1998 and 1997.

NORDSTROM, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED APRIL 30, 1998 AND 1997  
(dollars in thousands)  
(unaudited)

Note 6 - Subsequent Event

On May 19, 1998, the Company's Board of Directors approved a two-for-one stock split on the Company's common stock. One additional share will be issued for each share of common stock held by shareholders of record as of the close of business on June 8, 1998. New shares will be distributed on June 30, 1998.

ITEM 2: 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 1997 Annual Report to Shareholders.

Results of Operations:

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During the first quarter of 1998, sales increased 9.1% when compared with the same quarter in 1997. Sales for comparable stores increased 0.2% during the quarter, with the remainder of the increase coming from new units and from the Company's direct sales catalog division. Early in the quarter, comparable store sales were negatively affected by heavy rains in California. Comparable store sales showed improvement in April, partially due to Easter falling in the month of April in the current year compared to March in the prior year.

Cost of sales and related buying and occupancy costs decreased as a percentage of sales for the quarter as compared to the corresponding period in 1997. The decrease was due primarily to higher merchandise margins resulting from an improvement in the mix of merchandise styles and sizes in the full-line stores. Buying costs also decreased due to efficiencies gained through restructuring of certain buying responsibilities.

Selling, general and administrative expenses increased as a percentage of sales when compared to the same quarter in 1997 due to several factors. There were two full-line store openings during the quarter, compared to no store openings in the first quarter of 1997. Expenses increased due to spending on system development projects and computer equipment, and higher sales promotion costs for the Company's direct sales catalog division than in the corresponding period of 1997. Additionally, the Company incurred higher expenses to support implementation of the Company's value-based management program. These increases were partially offset by decreased employee benefit costs and credit expenses.

Interest expense increased as a percentage of sales when compared to the same quarter in 1997 due primarily to higher levels of long-term debt outstanding during the quarter.

ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONT.)

Financial Condition:

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The Company's working capital increased at April 30, 1998 when compared to April 30, 1997 due primarily to a decrease in notes payable and the current portion of long-term debt.

In March 1998, the Company issued \$300 million of 6.95% Senior Debentures due 2028. Proceeds from the issue were used to repay short-term debt and repurchase the Company's common stock.

In February 1998, the Company completed a repurchase of \$100 million of its outstanding common stock as approved by the Board of Directors at its February 1997 meeting. Also, the Company purchased \$100.6 million during the quarter of a \$400 million stock repurchase program authorized in February, 1998.

During the quarter ended April 30, 1998, the Company opened full-line stores at Perimeter Mall in Atlanta, Georgia and Oak Park Mall in Overland Park, Kansas. The Company also opened a Rack at Tanasbourne Towne Center in Hillsboro, Oregon. On May 8, 1998, a new Rack was opened at the Mall of America in Bloomington, Minnesota. Construction is progressing as planned on new stores scheduled to open later this year and in 1999.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

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Fatimah Azizian v. Macy's California, Inc.; Federated Department Stores; Bullocks, Inc.; Nordstrom, Inc.; May Department Stores Co.; Nieman-Marcus, Inc.; Saks & Co.; Gottschalks, Inc.; Bloomingdales, Inc.; and Does 1 through 200, inclusive Superior Court of the State of California, County of Marin, Case No. 174049 (filed May 29, 1998); Regina Callan v. Macy's California, Inc.; Federated Department Stores; Bullocks, Inc.; Nordstrom, Inc.; May Department Stores Co.; Nieman-Marcus, Inc.; Saks & Co.; Gottschalks, Inc.; Bloomingdales, Inc.; and Does 1 through 200, inclusive Superior Court of the State of California, City and County of San Francisco, Case No. 995468 (filed June 1, 1998); and Lee R. Bright v. Macy's California, Inc.; Federated Department Stores; Bullocks, Inc.; Nordstrom, Inc.; May Department Stores Co.; Nieman-Marcus, Inc.; Saks & Co.; Gottschalks, Inc.; Bloomingdales, Inc.; and Does 1 through 200, inclusive Superior Court of the State of California, City and County of San Francisco, Case No. 995556 (filed June 4, 1998) are substantially identical lawsuits seeking class certification that were filed on behalf of customers of cosmetics for personal use and not for resale who are resident in the State of California, alleging that the Company and other department stores collusively controlled the sales price of cosmetics by charging identical prices, agreeing not to discount cosmetics and petitioning cosmetic manufacturers to stop selling to stores that discount cosmetics.

Item 1. Legal Proceeding (Cont.)  
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In these actions, plaintiffs seek damages (trebled) according to proof at trial, attorneys' fees and prejudgment interest on their price-fixing claims and restitution on their unfair competition claims. Since the Company has not yet been served with these class action complaints, no further action has been taken.

Item 6. Exhibits and Reports on Form 8-K  
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(a) Exhibits  
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(4.1) Indenture between Registrant and Norwest Bank Colorado, N.A., as trustee, dated March 11, 1998 is hereby incorporated by reference from Registration No. 333-47035, Exhibit 4.1.

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

(b) Reports on Form 8-K  
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The Company filed a Form 8-K on March 13, 1998 to file an exhibit related to a \$300 million debt offering in March 1998.

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

Date: June 9, 1998  
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NORDSTROM, INC. AND SUBSIDIARIES

Exhibit Index

Exhibit -----	Method of Filing -----
4.1 Indenture between Registrant and Norwest Bank Colorado, N.A., as trustee, dated March 11, 1998	Incorporated by reference from Registration No. 333-47035, Exhibit 4.1
27.1 Financial Data Schedule	Filed herewith electronically

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