NORDSTROM
Q3 EARNINGS CONFERENCE CALL
November 10, 2016
FORWARD-LOOKING STATEMENTS

This presentation contains statements that are forward looking. These statements are based upon current expectations and assumptions that are subject to risks and uncertainties. We may not achieve the results projected in these forward-looking statements, and our actual results could materially differ because of factors discussed in this conference call, in the comments made during this presentation, and in the risk factors section of our Form 10-K, Form 10-Qs, and other reports and filings with the Securities and Exchange Commission. The Company undertakes no obligation to update or revise any forward-looking statement to reflect subsequent events, new information or future circumstances.
BLAKE NORDSTROM
CO-PRESIDENT, NORDSTROM, INC.
SALES GROWTH
CONSISTENT TRENDS

COMP SALES

Q3 15: 0.9%
Q4 15: 1.0%
Q1 16: (1.7%)
Q2 16: (1.2%)
Q3 16: 2.4%
Q2/Q3 16: 0.4%

TOTAL SALES

Q3 15: 6.6%
Q4 15: 5.2%
Q1 16: 2.5%
Q2 16: (0.2%)
Q3 16: 7.2%
Q2/Q3 16: 3.3%

EXCLUDES EVENT SHIFT IMPACT
EARNINGS PERFORMANCE
STRONG INVENTORY AND EXPENSE EXECUTION

Q3 15

RETAIL EBIT $148M

Q3 16

IMPURMENT CHARGE $197M

RETAIL EBIT $23M

INCLUDES ANNIVERSARY SHIFT

TECHNOLOGY
SUPPLY CHAIN
MARKETING

CORE BUSINESS

ENTERPRISE CAPABILITIES

NORDSTROM

TRUNK CLUB

HAUTELOOK
Q3 INITIATIVES
EXECUTING ON GROWTH STRATEGY

SERVICE AND EXPERIENCE

CANADA STORE OPENINGS
EATON CENTRE
YORKDALE CENTRE

PRODUCT

NOW AT NORDSTROM

GOOD
AMERICAN

AUSTIN THE DOMAIN
FULL-LINE STORE

AND

15 NEW NORDSTROM RACK STORES
COMP SALES PERFORMANCE
CONTINUED TRENDS

**NORDSTROM**

**NORDSTROM.COM**

**TRUNK CLUB**

<table>
<thead>
<tr>
<th></th>
<th>Q3 15</th>
<th>Q4 15</th>
<th>Q1 16</th>
<th>Q2 16</th>
<th>Q3 16</th>
<th>Q2/Q3 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>NORDSTROM</td>
<td>0.3%</td>
<td>0.2%</td>
<td>4.3%</td>
<td>2.3%</td>
<td>0.9%</td>
<td>(0.9%)</td>
</tr>
<tr>
<td>PEERS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL COMPANY**

<p>| | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>0.9%</td>
<td>1.0%</td>
<td>(1.7%)</td>
<td>(1.2%)</td>
<td>2.4%</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

FULL-PRICE PEERS: ANF, CHS, DDS, GPS, LB, M, HBC, SAKS, TIF, URBN
OFF-PRICE PEERS: BURL, DSW, ROST, SAKS OFF FIFTH/GILT, SMRT, TJX

EXCLUDES EVENT SHIFT IMPACT
INVENTORY MANAGEMENT

SALES GROWTH OUTPACED INVENTORY GROWTH

EXCLUDES EVENT SHIFT IMPACT

Q2 15  |  Q3 15  |  Q4 15  |  Q1 16  |  Q2/Q3 16

11%    |  8%    |  12%   |  5%    |  3% SALES

9%     |  7%    |  5%    |  2%    |  0% ENDING INVENTORY
Evolving Business Model
Investments Impacting Near-Term Profitability

EBIT Margin
12.0%

Core Business
Enterprise Capabilities
Technology Supply Chain Marketing

New Markets

EBIT Margin
7.8%
# EVOLVING BUSINESS MODEL

GAINING OPERATIONAL EFFICIENCIES

<table>
<thead>
<tr>
<th>Expense Growth</th>
<th>Accelerated Investments</th>
<th>Operating Model Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>CORE BUSINESS &amp; NEW MARKETS</td>
<td>6%</td>
<td>~ 3%</td>
</tr>
<tr>
<td>ENTERPRISE CAPABILITIES</td>
<td>20%</td>
<td>~ 9%</td>
</tr>
<tr>
<td>TOTAL SG&amp;A</td>
<td>9%</td>
<td>~ 5%</td>
</tr>
</tbody>
</table>

2010-2015 CAGR
## FY 2016 EXPECTATIONS

<table>
<thead>
<tr>
<th>BETTER / (WORSE) VS. LY</th>
<th>PRIOR OUTLOOK</th>
<th>CURRENT OUTLOOK, EXCLUDING IMPAIRMENT</th>
<th>CURRENT OUTLOOK</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL SALES (%)</td>
<td>2.5 – 4.5</td>
<td>~ 3.5</td>
<td>~ 3.5</td>
</tr>
<tr>
<td>COMP SALES (%)</td>
<td>(1) – 1</td>
<td>~ flat</td>
<td>~ flat</td>
</tr>
<tr>
<td>RETAIL EBIT (%)</td>
<td>(10) – (15)</td>
<td>(5) – (10)</td>
<td>(30) – (35)</td>
</tr>
<tr>
<td>CREDIT EBIT ($M)</td>
<td>~ 80</td>
<td>~ 90</td>
<td>~ 90</td>
</tr>
<tr>
<td>EPS</td>
<td>$2.60 – $2.75</td>
<td>$2.85 – $2.95</td>
<td>$1.70 - $1.80</td>
</tr>
</tbody>
</table>
NORDSTROM | Q3 2016 OVERVIEW

Q3 results reflected continuous improvement in operating model

**BUSINESS UPDATE**

**SALES GROWTH**
- Consistent trends

<table>
<thead>
<tr>
<th></th>
<th>Q3 15</th>
<th>Q4 15</th>
<th>Q1 16</th>
<th>Q2 16</th>
<th>Q3 16</th>
<th>Q2/Q3 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMP SALES</td>
<td>0.9%</td>
<td>1.0%</td>
<td>(1.7%)</td>
<td>(1.2%)</td>
<td>2.4%</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

**FINANCIAL PERFORMANCE**

**EARNINGS PERFORMANCE**
- Strong inventory and expense execution

**GOING FORWARD**

**CUSTOMER STRATEGY**
- Improve the customer experience

**CAPITAL INVESTMENTS** (FY16-20)
- Aligned with evolving customer expectations

**Q3 INITIATIVES**
- Executing strategy to improve the customer experience and drive growth

**SERVICE AND EXPERIENCE**
- CANADA STORE OPENINGS
- EATON CENTRE YORKDALE CENTRE
- NOW AT NORDSTROM
- J.CREW

**PRODUCT**
- GOOD AMERICAN
- AUSTIN THE DOMAIN
- FULL LINE STORE
- 15 NEW NORDSTROM RACK STORES

**2016 OUTLOOK**

<table>
<thead>
<tr>
<th>BETTER (OR WORSE) VS. LY</th>
<th>PRIOR OUTLOOK</th>
<th>CURRENT OUTLOOK, EXCLUDING IMPAIRMENT</th>
<th>CURRENT OUTLOOK</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL SALES (%)</td>
<td>2.5 – 4.5</td>
<td>~ 3.5</td>
<td>~ 3.5</td>
</tr>
<tr>
<td>COMP SALES (%)</td>
<td>(1) – (1)</td>
<td>~ flat</td>
<td>~ flat</td>
</tr>
<tr>
<td>RETAIL EBIT (%)</td>
<td>(10) – (15)</td>
<td>(5) – (10)</td>
<td>(30) – (35)</td>
</tr>
<tr>
<td>CREDIT EBIT ($M)</td>
<td>~ 80</td>
<td>~ 90</td>
<td>~ 90</td>
</tr>
<tr>
<td>EPS</td>
<td>$2.60 – $2.75</td>
<td>$2.65 – $2.95</td>
<td>$1.70 – $1.80</td>
</tr>
</tbody>
</table>

**2016 OUTLOOK**

<table>
<thead>
<tr>
<th>BETTER (OR WORSE) VS. LY</th>
<th>PRIOR OUTLOOK</th>
<th>CURRENT OUTLOOK, EXCLUDING IMPAIRMENT</th>
<th>CURRENT OUTLOOK</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL SALES (%)</td>
<td>2.5 – 4.5</td>
<td>~ 3.5</td>
<td>~ 3.5</td>
</tr>
<tr>
<td>COMP SALES (%)</td>
<td>(1) – (1)</td>
<td>~ flat</td>
<td>~ flat</td>
</tr>
<tr>
<td>RETAIL EBIT (%)</td>
<td>(10) – (15)</td>
<td>(5) – (10)</td>
<td>(30) – (35)</td>
</tr>
<tr>
<td>CREDIT EBIT ($M)</td>
<td>~ 80</td>
<td>~ 90</td>
<td>~ 90</td>
</tr>
<tr>
<td>EPS</td>
<td>$2.60 – $2.75</td>
<td>$2.65 – $2.95</td>
<td>$1.70 – $1.80</td>
</tr>
</tbody>
</table>

**2016 OUTLOOK**

<table>
<thead>
<tr>
<th>BETTER (OR WORSE) VS. LY</th>
<th>PRIOR OUTLOOK</th>
<th>CURRENT OUTLOOK, EXCLUDING IMPAIRMENT</th>
<th>CURRENT OUTLOOK</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL SALES (%)</td>
<td>2.5 – 4.5</td>
<td>~ 3.5</td>
<td>~ 3.5</td>
</tr>
<tr>
<td>COMP SALES (%)</td>
<td>(1) – (1)</td>
<td>~ flat</td>
<td>~ flat</td>
</tr>
<tr>
<td>RETAIL EBIT (%)</td>
<td>(10) – (15)</td>
<td>(5) – (10)</td>
<td>(30) – (35)</td>
</tr>
<tr>
<td>CREDIT EBIT ($M)</td>
<td>~ 80</td>
<td>~ 90</td>
<td>~ 90</td>
</tr>
<tr>
<td>EPS</td>
<td>$2.60 – $2.75</td>
<td>$2.65 – $2.95</td>
<td>$1.70 – $1.80</td>
</tr>
</tbody>
</table>