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

FORM 10-K

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

For the fiscal year ended January 31, 1999

/ / 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.)

1617 Sixth Avenue, Seattle, Washington 98101
(Address of principal executive office) (Zip code)

Registrant's telephone number, including area code: 206-628-2111

Securities registered pursuant to Section 12(b) of the Act:
None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, without par value
(Title of class)

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 / /

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. / /

On March 17, 1999, 142,080,328 shares of common stock were outstanding, and the aggregate market value of those shares (based upon the closing price as reported by NASDAQ) held by non-affiliates was approximately $3.3 billion.

Documents Incorporated by Reference:

Portions of Nordstrom, Inc. 1998 Annual Report to Shareholders
(Parts I, II and IV)

Portions of Proxy Statement for 1999 Annual Meeting of Shareholders
(Part III)

PART I

Item 1. Business.

Nordstrom, Inc. (the "Company") was incorporated in the State of Washington in 1946 as successor to a retail shoe business started in 1901. As of January 31, 1999, the Company operated 67 large specialty stores in Alaska, California, Colorado, Connecticut, Georgia, Illinois, Indiana, Kansas, Maryland, Michigan, Minnesota, New Jersey, New York, Ohio, Oregon, Pennsylvania, Texas, Utah, Virginia, and Washington, selling a wide selection of apparel, shoes and accessories for women, men and children.

The Company also operated 24 stores under the name "Nordstrom Rack" and one clearance store which serve as outlets for clearance merchandise from the Company's large specialty stores. The Racks also purchase merchandise directly from manufacturers. The Racks are located in California, Colorado, Illinois, Maryland, Minnesota, New York, Oregon, Pennsylvania, Utah, Virginia, and Washington.

The Company also operated three specialty boutiques in New York and California under the name "Faconnable", and two free-standing shoe stores located in Hawaii. In addition, the Company operated a Direct Sales Division which commenced operations in January 1994 with the mailing of its first catalog, and an internet shopping site, www.nordstrom.com, which was launched in October, 1998.

In February 1999, the Company opened a new Rack store in Sacramento, California, and in March 1999, a large specialty store in Norfolk, Virginia. In August 1999, the Company plans to open a large specialty store in Providence, Rhode Island and replace an existing store in Spokane, Washington. In September 1999, the Company is scheduled to open large specialty stores in Mission Viejo, California and in Columbia, Maryland. In addition, the Company intends to open a new Rack store in Brea, California, in September 1999, and replace a Rack store in Lynnwood, Washington, in November 1999.

The west coast of the United States, and the east coast, from southern New York to Virginia, are the markets in which the Company has the largest presence. An economic downturn or other significant event within one of those markets may have a material effect on the Company's operating results.

The Company purchases merchandise from many suppliers, no one of which accounted for more than 3% of 1998 net purchases. The Company believes that it is not dependent on any one supplier, and considers its relations with its suppliers to be satisfactory.

Item 1. Business (continued)

The Company has approximately 85 trademarks. With the exception of the Federally registered names "Nordstrom", "Classiques Entier", "Evergreen", "Preview Collection" and "Preview International", the loss or abandonment of any particular trademark would not have a significant impact on the operations of the Company.

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. The Company regularly employs on a full or part-time basis an average of approximately 42,000 employees. Due to the seasonal nature of the Company's business, the number increased to approximately 50,000 employees in July, and approximately 46,000 employees in December.

The Company's business is highly competitive. Its stores compete with other national, regional and local retail establishments within its operating areas which carry similar lines of merchandise, including department stores, specialty stores, boutiques, mail order and internet businesses. The Company believes the principal methods of competing in its industry include customer service, value, fashion, advertising, store location and depth of selection.

Certain other information required under Item 1 is contained within the following sections of the Company's 1998 Annual Report to Shareholders, which sections are incorporated by reference herein from Exhibit 13.1 of this report:

Management's Discussion and Analysis
Note 1 in Notes to Consolidated Financial Statements
Note 14 in Notes to Consolidated Financial Statements
Retail Store Facilities

Executive Officers of the Registrant

Name	Age	Title	Officer Since	Family Relationship
Jammie Baugh	45	Executive Vice President	1990	None
Gail A. Cottle	47	Executive Vice President	1985	None
Darren R. Jackson	34	Vice President and Treasurer	1998	None

Executive Officers of the Registrant (continued)
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Name	Age	Title	Officer Since	Family Relationship
Kevin T. Knight	43	President of Nordstrom National Credit Bank and Nordstrom Credit, Inc.	1998	None
Robert J. Middlemas	42	Executive Vice President	1993	None
Blake W. Nordstrom	38	Co-President	1991	Brother of Erik B. and Peter E. Nordstrom
Erik B. Nordstrom	35	Co-President	1995	Brother of Blake W. and Peter E. Nordstrom
J. Daniel Nordstrom	36	Co-President	1995	Brother of William E. Nordstrom and cousin of James A. Nordstrom
James A. Nordstrom	37	Co-President	1991	Cousin of J. Daniel and William E. Nordstrom
Peter E. Nordstrom	36	Co-President	1995	Brother of Blake W. and Erik B. Nordstrom
William E. Nordstrom	35	Co-President	1995	Brother of J. Daniel Nordstrom and cousin of James A. Nordstrom
James R. O'Neal	40	Executive Vice President	1997	None
Michael A. Stein	49	Executive Vice President	1998	None
Susan A. Wilson Tabor	53	Executive Vice President	1997	None
John J. Whitacre	46	Chairman of the Board of Directors	1989	None
Martha S. Wikstrom	42	Executive Vice President	1991	None

Executive Officers of the Registrant (continued)
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Jammie Baugh has been Executive Vice President - Northwest General Manager since 1997. Prior thereto, she served as Executive Vice President - General Manager Southern California since 1991, and General Manager Southern California since 1990.

Gail A. Cottle has been Executive Vice President - Nordstrom Product Group General Manager since 1996, when men's clothing, footwear and cosmetics were added to this group. The Faconnable business unit was added to this group in 1999. Prior to 1996, she was Executive Vice President of women's apparel, kid's apparel, and accessories product development since 1992.

Darren R. Jackson has been Vice President and Treasurer since January 31, 1999. Prior thereto, he served as Vice President - Strategic Planning since August 1998, and as Planning Manager from February through August 1998. Prior to joining Nordstrom, he was the Chief Financial Officer for Carson Pirie Scott & Co. since 1994.

Kevin T. Knight has been President of Nordstrom National Credit Bank, President of Nordstrom Credit, Inc., and General Manager of the credit business unit since April 1998. Prior to joining Nordstrom, he was Senior Vice President of Retailer Financial Services, a unit of General Electric Capital Corporation, since 1995. Prior thereto, he held various positions with General Electric since 1977.

Robert J. Middlemas has been Executive Vice President - Central States General

Manager since 1997. Prior thereto, he served as Vice President - Central States General Manager since 1993.

Blake W. Nordstrom has been Co-President since 1995 and is currently responsible for credit, operations, and Rack business unit. Prior thereto, he served as Vice President - General Manager Washington/Alaska since 1991.

Erik B. Nordstrom has been Co-President since 1995 and is currently responsible for Nordstrom Product Group. Prior thereto, he served as Store/Regional Manager - Minnesota since 1992.

J. Daniel Nordstrom has been Co-President since 1995 and is currently responsible for direct sales division. Prior thereto, he served as General Manager direct sales division since 1993.

James A. Nordstrom has been Co-President since 1995 and is currently responsible for the full-line store business units. Prior thereto, he served as Vice President - General Manager Northern California Region since 1991.

Peter E. Nordstrom has been Co-President since 1995 and is currently responsible for Nordstrom brand development, human resources, and diversity affairs. Prior thereto, he served as Regional Manager Orange County since 1991.

Executive Officers of the Registrant (continued)

William E. Nordstrom has been Co-President since 1995 and is currently responsible for cross-business unit strategies and center integration, organizational communication, and new projects. He served as Corporate Merchandise Manager Accessories in 1995. Prior thereto, he served as Corporate Merchandise Manager Nordstrom Rack from 1992 to 1995.

James R. O'Neal has been Executive Vice President - Southwest General Manager since 1997 and served as Vice President - Northern California in 1997. Prior thereto, he served as General Manager Northern California from 1995 to 1997, and served as City Regional Manager from 1993 to 1995.

Michael A. Stein was hired as Executive Vice President and Chief Financial Officer of the Company on October 15, 1998. He is responsible for the Company's treasury, corporate finance, business information technology services, real estate and store planning, investor relations, controllership, tax, legal, and internal audit functions. Prior to joining Nordstrom, he served as Executive Vice President and Chief Financial Officer of Marriott International, Inc. since October 1993; as Senior Vice President, Finance and Corporate Controller of Marriott Corporation since 1991; and as Vice President, Finance and Chief Accounting Officer since 1989. Prior to joining Marriott, he spent 18 years with Arthur Andersen LLP (formerly Arthur Andersen & Co.) where, since 1982, he was a partner.

Susan A. Wilson Tabor has been Executive Vice President - Rack General Manager since 1998. Prior thereto, she served as Vice President - Rack General Manager from 1997 to 1998, and served as Rack General Manager from 1993 to 1997.

John J. Whitacre has been Chairman and Chief Executive Officer since 1996, and served as Co-Chairman from 1995 to 1996. Prior thereto, he served as Co-President - Shoes, Men's Wear, Operations, Finance, Product Development, Restaurant, Credit, Inventory Management Systems and Direct Sales since 1991.

Martha S. Wikstrom has been Executive Vice President - East Coast General Manager since 1997. Prior thereto, she served as Vice President - General Manager Capital since 1991.

The officers are re-elected annually by the Board of Directors following each year's Annual Meeting of Shareholders. Officers serve at the discretion of the Board of Directors.

Item 2. Properties.

The following table summarizes the number of stores owned or operated by the Company and the percentage of total store area represented by each listed category at January 31, 1999:

	Number of stores	% of total store square footage
Owned stores	21	25%
Leased stores	45	29
Owned on leased land	29	44
Partly owned & partly leased	2	2
	97	100%

Item 2. Properties. (continued)

The Company also operates seven merchandise distribution centers, five which are owned, one which is leased, and one which is owned on leased land. The Company owns its principal offices in Seattle, Washington, and an office building in the Denver, Colorado metropolitan area which serves as the principal offices of Nordstrom Credit, Inc. and Nordstrom National Credit Bank.

Certain other information required under this item is included in the following sections of the Company's 1998 Annual Report to Shareholders, which sections are incorporated by reference herein from Exhibit 13.1 of this report:

Note 7 in Notes to Consolidated Financial Statements
Note 11 in Notes to Consolidated Financial Statements
Retail Store Facilities

Item 3. Legal Proceedings.

The information required under this item is included in the following section of the Company's 1998 Annual Report to Shareholders, which section is incorporated by reference herein from Exhibit 13.1 of this report:

Note 15 in Notes to Consolidated Financial Statements

Item 4. Submission of Matters to a Vote of Security Holders.

None

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters.

The Company's Common Stock, without par value, is traded on the NASDAQ National Market under the symbol "NOBE." The approximate number of holders of Common Stock as of March 17, 1999 was 82,500.

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters. (continued)

Certain other information required under this item with respect to stock prices and dividends is included in the following sections of the Company's 1998 Annual Report to Shareholders, which sections are incorporated by reference herein from Exhibit 13.1 of this report:

Financial Highlights
Stock Prices
Consolidated Statements of Shareholders' Equity
Note 16 in Notes to Consolidated Financial Statements

Item 6. Selected Financial Data.

The information required under this item is included in the following section of the Company's 1998 Annual Report to Shareholders, which section is incorporated by reference herein from Exhibit 13.1 of this report:

Ten-Year Statistical Summary

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The information required under this item is included in the following section of the Company's 1998 Annual Report to Shareholders, which section is incorporated by reference herein from Exhibit 13.1 of this report:

Management's Discussion and Analysis

Item 7A. 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 have maturities of three months or less, the Company believes that the risk of material loss is low.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk. (continued)

The table below presents pricipal amounts, at book value, by year of maturity, and related weighted average interest rates.

In thousands	1999	2000	2001	2002	2003	Thereafter	Total at January 31, 1999	Fair Value January 31, 1999	Fair Value January 31, 1998
INTEREST RATE RISK									
ASSETS									
Short-term investments	$231,829						$231,829	$231,829	$ 15,690
Average interest rate	5.0%						5.0%		
LIABILITIES									
Notes payable & commercial paper	78,783						78,783	78,783	263,767
Average interest rate	5.2%						5.2%		
Long-term debt - Fixed	$ 62,963	$57,776	$11,000	$76,750	-	$650,000	858,489	893,872	419,027
Average interest rate	6.9%	7.6%	8.7%	7.3%	-	6.4%	6.6%		

Certain other information required under this item is included in the following section of the Company's 1998 Annual Report to Shareholders, which section is incorporated by reference herein from Exhibit 13.1 of this report:

Note 1 in Notes to Consolidated Financial Statements

Item 8. Financial Statements and Supplementary Data.

The information required under this item is included in the following sections of the Company's 1998 Annual Report to Shareholders, which sections are incorporated by reference herein from Exhibit 13.1 of this report:

Consolidated Statements of Earnings
Consolidated Balance Sheets
Consolidated Statements of Shareholders' Equity
Consolidated Statements of Cash Flows
Notes to Consolidated Financial Statements
Independent Auditors' Report

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None

PART III

Item 10. Directors and Executive Officers of the Registrant.

The information required under this item with respect to the Company's Directors and compliance with Section 16(a) of the Exchange Act is included in the following sections of the Company's Proxy Statement for its 1999 Annual Meeting of Shareholders, which sections are incorporated by reference herein and will be filed within 120 days after the end of the Company's fiscal year:

Election of Directors
Compliance with Section 16 of the Exchange Act of 1934

The information required under this item with respect to the Company's Executive Officers is incorporated by reference from Part I, Item 1 of this report under "Executive Officers of the Registrant."

Item 11. Executive Compensation.

The information required under this item is included in the following sections of the Company's Proxy Statement for its 1999 Annual Meeting of Shareholders, which sections are incorporated by reference herein and will be filed within 120 days after the end of the Company's fiscal year:

Compensation of Executive Officers in the Year Ended January 31, 1999
Compensation and Stock Option Committee Report on the 1998 Fiscal Year Executive Compensation
Stock Price Performance
Compensation of Directors
Compensation Committee Interlocks and Insider Participation

Item 12. Security Ownership of Certain Beneficial Owners and Management.

The information required under this item is included in the following section of the Company's Proxy Statement for its 1999 Annual Meeting of Shareholders, which section is incorporated by reference herein and will be filed within 120 days after the end of the Company's fiscal year:

Security Ownership of Certain Beneficial Owners and Management

Item 13. Certain Relationships and Related Transactions.

The information required under this item is included in the following sections of the Company's Proxy Statement for its 1999 Annual Meeting of Shareholders, which sections are incorporated by reference herein and will be filed within 120 days after the end of the Company's fiscal year:

Election of Directors
Compensation Committee Interlocks and Insider Participation
Certain Relationships and Related Transactions

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K.

(a)1. Financial Statements

The following consolidated financial information and statements of Nordstrom, Inc. and its subsidiaries and the Independent Auditors' Report are incorporated by reference herein from Exhibit 13.1 of this report:

Consolidated Statements of Earnings
Consolidated Balance Sheets
Consolidated Statements of Shareholders' Equity
Consolidated Statements of Cash Flows
Notes to Consolidated Financial Statements
Independent Auditors' Report

(a)2. Financial Statement Schedules

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Schedule II - Valuation and Qualifying Accounts	19

Other schedules for which provision is made in Regulation S-X are not required, are inapplicable, or the information is included in the Company's 1998 Annual Report to Shareholders as incorporated by reference herein from Exhibit 13.1 of this report.

(a)3. Exhibits

(3.1) Articles of Incorporation of the Registrant are hereby incorporated by reference from the Registrant's Form 10-K for the year ended January 31, 1989, Exhibit A.

(a)3. Exhibits (continued)

(3.2) By-laws of the Registrant, as amended, are hereby incorporated by reference from the Registrant's Form 10-K for the year ended January 31, 1998, Exhibit 3.2.

(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.

(4.2) Senior indenture between Registrant and Norwest Bank Colorado, N.A., as trustee, dated January 13, 1999 is hereby incorporated by reference from Registration No. 333-69281, Exhibit 4.3.

(4.3) Form of Subordinated Indenture between Registrant and Norwest Bank Colorado, N.A., as trustee, dated January 13, 1999 is hereby incorporated by reference from Registration No. 333-69281, Exhibit 4.4.

(10.1) Operating Agreement dated August 30, 1991 between Nordstrom Credit, Inc. and Nordstrom National Credit Bank is hereby incorporated by reference from the Nordstrom Credit, Inc. Quarterly Report on Form 10-Q (SEC File No. 0-12994) for the quarter ended July 31, 1991, Exhibit 10.1, as amended.

(10.2) Merchant Agreement dated August 30, 1991 between Registrant and Nordstrom National Credit Bank is hereby incorporated by reference from the Registrant's Quarterly Report on Form 10-Q for the quarter ended July 31, 1991, Exhibit 10.1.

(10.3) The Nordstrom Supplemental Retirement Plan is hereby incorporated by reference from the Registrant's Form 10-K for the year ended January 31, 1993, Exhibit 10.3.

(10.4) The 1993 Non-Employee Director Stock Incentive Plan is hereby incorporated by reference from the Registrant's Form 10-K for the year ended January 31, 1994, Exhibit 10.4.

(10.5) Investment Agreement dated October 8, 1984 between the Registrant and Nordstrom Credit, Inc. is hereby incorporated by reference from the Nordstrom Credit, Inc. Form 10, Exhibit 10.1.

(10.6) Master Pooling and Servicing Agreement dated August 14, 1996 between Nordstrom National Credit Bank and Norwest Bank Colorado, N.A., as trustee, is hereby incorporated by reference from the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 1996, Exhibit 10.1.

(a)3. Exhibits (continued)

(10.7) Series 1996-A Supplement to Master Pooling and Servicing Agreement dated August 14, 1996 between Nordstrom National Credit Bank, Nordstrom Credit, Inc. and Norwest Bank Colorado, N.A., as trustee, is hereby incorporated by reference from the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 1996, Exhibit 10.2.

(10.8) Transfer and Administration Agreement dated August 14, 1996 between Nordstrom National Credit Bank, Enterprise Funding Corporation and Nationsbank, N.A. is hereby incorporated by reference from the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 1996, Exhibit 10.3.

(10.9) Receivables Purchase Agreement dated August 14, 1996 between Registrant and Nordstrom Credit, Inc. is hereby incorporated by reference from the Registrant's Form 10-K for the year ended January 31, 1997, Exhibit 10.12.

(10.10) The Nordstrom, Inc. 1997 Stock Option Plan is hereby incorporated by reference from the Registrant's Report on Form S-8, Registration No. 333-63403 filed on September 15, 1998.

(10.11) Credit Agreement dated July 24, 1997 between Registrant and a group of commercial banks is hereby incorporated by reference from the Registrant's Quarterly Report on Form 10-Q for the quarter ended July 31, 1997, Exhibit 10.1.

(10.12) Credit Agreement dated July 24, 1997 between Nordstrom Credit, Inc. and a group of commercial banks is hereby incorporated by reference from the Nordstrom Credit, Inc. Quarterly Report on Form 10-Q for the quarter ended July 31, 1997, Exhibit 10.1.

(10.13) Commercial Paper Dealer Agreement dated October 2, 1997 between Registrant and Bancamerica Securities, Inc. is hereby incorporated by reference from the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 1997, Exhibit 10.1.

(10.14) Commercial Paper Agreement dated October 2, 1997 between Registrant and Credit Suisse First Boston Corporation is hereby incorporated by reference from the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 1997, Exhibit 10.2.

(10.15) Issuing and Paying Agency Agreement dated October 2, 1997 between Registrant and First Trust of New York, N.A. is hereby incorporated by reference from the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 1997, Exhibit 10.3.

(a)3. Exhibits (continued)

(10.16) Amendment to the Series 1996-A Supplement to Master Pooling and Servicing Agreement dated August 14, 1996 between Nordstrom National Credit Bank, Nordstrom Credit, Inc. and Norwest Bank Colorado, N.A., as trustee, dated December 10, 1997 is hereby incorporated by reference from the Nordstrom Credit, Inc. Form 10-K for the year ended January 31, 1998, Exhibit 10.13.

(10.17) Second Amendment to the Series 1996-A Supplement to Master Pooling and Servicing Agreement dated August 14, 1996 between Nordstrom National Credit Bank, Nordstrom Credit, Inc. and Norwest Bank Colorado, N.A., as trustee, dated July 23, 1998 is hereby incorporated by reference from the Nordstrom Credit, Inc. Form 10-K for the year ended January 31, 1999, Exhibit 10.12.

(10.18) First Amendment to the Credit Agreement dated July 24, 1997 between Registrant and a group of commercial banks, dated September 16, 1998 is filed herein as an Exhibit.

(13.1) The Company's 1998 Annual Report to Shareholders is filed herein as an Exhibit.

(21.1) List of the Registrant's Subsidiaries is filed herein as an Exhibit.

(23.1) Independent Auditors' Consent and Report on Schedule is on page 18 of this report.

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

All other exhibits are omitted because they are not applicable, not required, or because the required information is included in the Company's 1998 Annual Report to Shareholders.

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the last quarter of the period for which this report is filed.

Signatures

Pursuant to the requirements of Section 13 or 15(d) 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 A. Stein

Michael A. Stein
Executive Vice President and Chief Financial Officer
(Principal Accounting and Financial Officer)

Date: March 22, 1999

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

Principal Accounting and Financial Officer:	Principal Executive Officer:
/s/ Michael A. Stein	/s/ John J. Whitacre
Michael A. Stein Executive Vice President and Chief Financial Officer	John J. Whitacre Chairman and Director

Directors:

/s/ D. Wayne Gittinger	/s/ Alfred E. Osborne, Jr.
D. Wayne Gittinger Director	Alfred E. Osborne, Jr. Director
/s/ Enrique Hernandez, Jr.	/s/ William D. Ruckelshaus
Enrique Hernandez, Jr. Director	William D. Ruckelshaus Director

Directors (continued):

/s/ Ann D. McLaughlin	/s/ Elizabeth Crownhart Vaughan
Ann D. McLaughlin Director	Elizabeth Crownhart Vaughan Director
/s/ John A. McMillan	/s/ John J. Whitacre
John A. McMillan Director	John J. Whitacre Chairman of the Board of Directors
/s/ Bruce A. Nordstrom	/s/ Bruce G. Willison
Bruce A. Nordstrom Director	Bruce G. Willison Director
/s/ John N. Nordstrom	
John N. Nordstrom Director	

Date: March 22, 1999

Exhibit 23.1

INDEPENDENT AUDITORS' CONSENT AND REPORT ON SCHEDULE

Shareholders and Board of Directors
Nordstrom, Inc.

We consent to the incorporation by reference in Registration Statements Nos. 33-18321, 33-28882, and 333-63403 on Form S-8 and in Registration Statement 333-69281 on Form S-3 of Nordstrom, Inc. of our reports dated March 12, 1999 appearing in and incorporated by reference in this Annual Report on Form 10-K of Nordstrom, Inc. and subsidiaries for the year ended January 31, 1999.

We have audited the consolidated financial statements of Nordstrom, Inc. and subsidiaries as of January 31, 1999 and 1998, and for each of the three years in the period ended January 31, 1999, and have issued our report thereon dated March 12, 1999; such financial statements and report are included in your 1998 Annual Report to Shareholders and are incorporated herein by reference. Our audits also included the consolidated financial statement schedule of Nordstrom, Inc. and subsidiaries, listed in Item 14(a)2. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such consolidated financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

Deloitte & Touche LLP
March 22, 1999
Seattle, Washington

NORDSTROM, INC. AND SUBSIDIARIES

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

(Dollars in thousands)

Column A	Column B	Column C	Column D	Column E
		Additions	Deductions	
Description	Balance at beginning of period	Charged to costs and expenses	Account write-offs net of recoveries	Balance at end of period
Allowance for doubtful accounts:				
Year ended:				
January 31, 1997	$29,393	$51,352	$53,952	$26,793
January 31, 1998	$26,793	$40,440	$36,849	$30,384
January 31, 1999	$30,384	$23,827	$29,668	$24,543

NORDSTROM INC. AND SUBSIDIARIES

Exhibit Index

Exhibit		Method of Filing
3.1	Articles of Incorporation	Incorporated by reference from the Registrant's Form 10-K for the year ended January 31, 1989, Exhibit A.
3.2	By-laws, as amended	Incorporated by reference from the Registrant's Form 10-K for the year ended January 31, 1998, Exhibit 3.2.
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.
4.2	Senior indenture between Registrant and Norwest Bank Colorado, N.A., as trustee, dated January 13, 1999	Incorporated by reference from Registration No. 333-69281, Exhibit 4.3.
4.3	Form of Subordinated Indenture between Registrant and Norwest Bank Colorado, N.A., as trustee, dated January 13, 1999	Incorporated by reference from Registration No. 333-69281, Exhibit 4.4.
10.1	Operating Agreement dated August 30, 1991 between Nordstrom Credit, Inc and Nordstrom National Credit Bank	Incorporated by reference from the Nordstrom Credit, Inc. Quarterly Report on Form 10-Q (SEC File No. 0-12994) for the quarter ended July 31, 1991, Exhibit 10.1, as amended.
10.2	Merchant Agreement dated August 30, 1991 between Registrant and Nordstrom National Credit Bank	Incorporated by reference from the Registrant's Quarterly Report on Form 10-Q for the quarter ended July 31, 1991, Exhibit 10.1.
10.3	Nordstrom Supplemental Retirement Plan	Incorporated by reference from the Registrant's Form 10-K for the year ended January 31, 1993, Exhibit 10.3.

10.4	1993 Non-Employee Director Stock Incentive Plan	Incorporated by reference from the Registrant's Form 10-K for the year ended January 31, 1994, Exhibit 10.4.
10.5	Investment Agreement dated October 8, 1984 between the Registrant and Nordstrom Credit, Inc.	Incorporated by reference from the Nordstrom Credit, Inc. Form 10, Exhibit 10.1.
10.6	Master Pooling and Servicing Agreement dated August 14, 1996 between Nordstrom National Credit Bank and Norwest Bank Colorado, N.A., as trustee	Incorporated by reference from the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 1996, Exhibit 10.1.
10.7	Series 1996-A Supplement to Master Pooling and Servicing Agreement dated August 14, 1996 between Nordstrom National Credit Bank, Nordstrom Credit, Inc. and Norwest Bank Colorado, N.A., as trustee	Incorporated by reference from the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 1996, Exhibit 10.2.
10.8	Transfer and Administration Agreement dated August 14, 1996 between Nordstrom National Credit Bank, Enterprise Funding Corporation and Nationsbank, N.A.	Incorporated by reference from the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 1996, Exhibit 10.3.
10.9	Receivables Purchase Agreement dated August 14, 1996 between Registrant and Nordstrom Credit, Inc.	Incorporated by reference from the Registrant's Form 10-K for the year ended January 31, 1997, Exhibit 10.12.
10.10	1997 Nordstrom Stock Option Plan	Incorporated by reference from the Registrant's Report on Form S-8, Registration No. 333-63403 filed on September 15, 1998.
10.11	Credit Agreement dated July 24, 1997 between Registrant and a group of commercial banks	Incorporated by reference from the Registrant's Quarterly Report on Form 10-Q for the quarter ended July 31, 1997, Exhibit 10.1.

10.12	Credit Agreement dated July 24, 1997 between Nordstrom Credit, Inc. and a group of commercial banks	Incorporated by reference from the Nordstrom Credit, Inc. Quarterly Report on Form 10-Q for the quarter ended July 31, 1997, Exhibit 10.1.
10.13	Commercial Paper Dealer Agreement dated October 2, 1997 between Registrant and Bancamerica Securities, Inc.	Incorporated by reference from the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 1997, Exhibit 10.1.
10.14	Commercial Paper Agreement dated October 2, 1997 between Registrant and Credit Suisse First Boston Corporation	Incorporated by reference from the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 1997, Exhibit 10.2.
10.15	Issuing and Paying Agency Agreement dated October 2, 1997 between Registrant and First Trust of New York, N.A.	Incorporated by reference from the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 1997, Exhibit 10.3.
10.16	Amendment to the Series 1996-A Supplement to Master Pooling and Servicing Agreement dated August 14, 1996 between Nordstrom National Credit Bank, Nordstrom Credit, Inc. and Norwest Bank Colorado, N.A., as trustee, dated December 10, 1997	Incorporated by reference from the Nordstrom Credit, Inc. Form 10-K for the year ended January 31, 1998, Exhibit 10.13.
10.17	Second Amendment to the Series 1996-A Supplement to Master Pooling and Servicing Agreement dated August 14, 1996 between Nordstrom National Credit Bank, Nordstrom Credit, Inc. and Norwest Bank Colorado, N.A., as trustee, dated July 23, 1998	Incorporated by reference from the Nordstrom Credit, Inc. Form 10-K for the year ended January 31, 1999, Exhibit 10.12.
10.18	First Amendment to the Credit Agreement dated July 24, 1997 between Registrant and a group of commercial banks, dated September 16, 1998	Filed herewith electronically

13.1	1998 Annual Report to Shareholders	Filed herewith electronically
21.1	Subsidiaries of the Registrant	Filed herewith electronically
23.1	Independent Auditors' Consent and Report on Schedule	Filed herewith electronically
27.1	Financial Data Schedule	Filed herewith electronically

EXHIBIT 10.18

FIRST AMENDMENT
Dated as of September 16, 1998

This FIRST AMENDMENT (this "Amendment") is among NORDSTROM, INC., a Washington corporation (the "Borrower"), the financial institutions and other entities party to the Credit Agreement referred to below (the "Lenders"), and NATIONSBANK, N.A. (successor to NationsBank of Texas, N.A.), as agent (the "Agent") for the Lenders thereunder.

PRELIMINARY STATEMENTS:

1. The Borrower, the Lenders, the Managing Agents and the Agent have entered into a Credit Agreement dated as of July 24, 1997 (the "Credit Agreement"; capitalized terms used and not otherwise defined herein have the meanings assigned to such terms in the Credit Agreement).

2. The Borrower has requested that the Lenders amend the Minimum Net Worth covenant set forth in the Credit Agreement.

3. The Required Lenders are, on the terms and conditions stated below, willing to grant the request of the Borrower.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Amendments to Credit Agreement. Effective as of the date hereof and subject to satisfaction of the conditions precedent set forth in Section 2 hereof, Section 6.3.2 of the Credit Agreement is hereby amended by deleting each reference in clause (B) of such Section to "July 31, 1997" and replacing each such reference with "July 31, 1998."

SECTION 2. Conditions to Effectiveness. This Amendment shall not be effective until each of the following conditions precedent shall have been satisfied:

(a) the Agent shall have executed this Amendment and shall have received counterparts of this Amendment executed by the Borrower and the Required Lenders; and

(b) each of the representations and warranties in Section 3 below shall be true and correct.

SECTION 3. Representations and Warranties. The Borrower represents and warrants as follows:

(a) Authority. The Borrower has the requisite corporate power and authority to execute and deliver this Amendment and to perform its obligations hereunder and under the Loan Documents (as modified hereby) to which it is a party. The execution, delivery and performance by the Borrower of this Amendment, and the performance by the Borrower of each Loan Document (as modified hereby) to which it is a party have been duly approved by all necessary corporate action of the Borrower and no other corporate proceedings on the part of the Borrower are necessary to consummate such transactions.

(b) Enforceability. This Amendment has been duly executed and delivered by the Borrower. This Amendment and each Loan Document (as modified hereby) to which the Borrower is a party is the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, and is in full force and effect.

(c) Representations and Warranties. The representations and warranties contained in each Loan Document to which the Borrower is a party (other than any such representations and warranties that, by their terms, are specifically made as of a date other than the date hereof) are true and correct on and as of the date hereof as though made on and as of the date hereof.

(d) No Default. No event has occurred and is continuing that constitutes a Default or Event of Default.

SECTION 4. Reference to and Effect on the Loan Documents. (a) Upon and after the effectiveness of this Amendment, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as modified hereby.

(b) Except as specifically modified above, the Credit Agreement and the other Loan Documents are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender, either Managing Agent or the Agent under any of the Loan Documents, nor constitute a waiver or amendment of any provision of any of the Loan Documents.

SECTION 5. Reference to and Effect on the Loan Documents. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by telefacsimile shall be effective as delivery of a manually executed counterpart of this Amendment.

SECTION 6. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of Washington.

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed by their respective officers thereunto duly authorized, as of the date first written above.

NORDSTROM, INC.,
a Washington corporation

By: /s/ John A. Goesling

Name: John A. Goesling
Title: Vice President

NATIONSBANK, N.A. (successor to
NationsBank of Texas, N.A.),
as Agent

By: /s/ Michael Shea

Name: Michael Shea
Title: Senior Vice President

Lenders
- -------

NATIONSBANK, N.A. (successor to
NationsBank of Texas, N.A.)

By: /s/ Michael Shea

Name: Michael Shea
Title: Senior Vice President

BANK OF AMERICA NATIONAL TRUST
AND SAVINGS ASSOCIATION

By: /s/ Maria Vickroy-Peralta

Name: Maria Vickroy-Peralta
Title: Vice President

REVOLVING COMMITMENT VEHICLE
CORPORATION
By: Morgan Guaranty Trust Company of New
York, as Attorney-in-fact for Revolving
Commitment Vehicle Corporation

By: /s/ David Weintrob

Name: David Weintrob
Title: Vice President

BANK ONE, COLORADO, N.A.

By: /s/ David L. Ericson

Name: David L. Ericson
Title: Senior Corporate
Banking Manager

KEYBANK NATIONAL ASSOCIATION

By: /s/ Richard J. Ameny, Jr.

Name: Richard J. Ameny, Jr.
Title: Assistant Vice President

NORWEST BANK MINNESOTA,
NATIONAL ASSOCIATION

By: /s/ Brad Hardy

Name: Brad Hardy
Title: Vice President

PNC BANK, NATIONAL ASSOCIATION

By: /s/ Eric C. Johnson

Name: Eric C. Johnson
Title: Senior Vice President

U.S. Bank

By: /s/ Arnold J. Conrad

Name: Arnold J. Conrad
Title: Vice President

Exhibit 13.1
Portions of the 1998 Annual Report to Shareholders

Financial Highlights

Dollars in thousands except per share amounts

Fiscal Year	1998	1997	% Change
Net sales	$5,027,890	$4,851,624	+3.6
Earnings before income taxes	337,723	307,213	+9.9
Net earnings	206,723	186,213	+11.0
Basic and diluted earnings per share	1.41	1.20	+17.5
Cash dividends paid per share	.30	.265	+13.2

Stock Prices

Fiscal Year	1998		1997	
	high	low	high	low
First Quarter	33 9/16	25 1/8	19 7/8	16 15/16
Second Quarter	40 3/8	30 1/8	29 13/16	19 5/8
Third Quarter	39 1/2	22	34 3/32	26 3/16
Fourth Quarter	44 1/8	27 1/16	32 7/8	21 55/128

Nordstrom, Inc. common stock is traded over-the-counter and quoted daily in leading financial publications. NASDAQ Symbol-NOBE.

Graph - Net Sales
The vertical bar graph compares net sales for the past ten years. Beginning with the oldest fiscal year on the left, net sales (dollars are in millions) were as follows: 1989-$2,671; 1990-$2,894; 1991-$3,180; 1992-$3,422; 1993-$3,590; 1994-$3,894; 1995-$4,114; 1996-$4,453; 1997-$4,852; 1998-$5,028.

Graph - Net Earnings
The vertical bar graph compares net earnings for the past ten years. Beginning with the oldest fiscal year on the left, net earnings (dollars are in millions) were as follows: 1989 -$114.9; 1990-$115.8; 1991-$135.8; 1992-$136.6; 1993-$140.4; 1994-$203.0; 1995-$165.1; 1996-$147.5; 1997-$186.2; 1998-$206.7.

To Our Shareholders and Employees

As anticipated, 1998 was a pivotal year. We purposely tested our capabilities in planning disciplines and merchant fitness. Coupled with other initiatives that you will hear more about later, this effort reaped solid financial benefits. While we continue to make progress in many aspects of the business, much work remains. Having found the courage, patience and fortitude to embrace this new posture, we are now in a position to move forward more aggressively and offensively. The intent of our current reorganization is straightforward: by the end of our 100th year, in 2001, our ambition is to rank - based upon total shareholder return - in the top quartile of our retail peer group.

Obviously, accomplishing this goal will be a challenge. Effecting change takes time and persistence. A company-wide dedication to learning new practices is currently under way. But our commitment to execute the necessary adjustments must not sacrifice fundamental company values. All that is good about Nordstrom, such as our emphasis on quality products, our faith in people, our strength in teamwork, and our commitment to ethical behavior, should be strengthened from these ongoing initiatives.

Prior to a discussion of what lies ahead, let's review financial highlights from the most recent year:

- Total revenues increased to $5.0 billion, up 3.6 percent.
- In May, our Board of Directors approved a 2-for-1 stock split, the third in the last 15 years.
- Market capitalization expanded 52.5 percent to $5.9 billion.
- Net earnings rose 11.0 percent to $206.7 million.
- Basic and diluted earnings per share increased to $1.41, up 17.5 percent.

Our story, a type of retail authority that we call "The Nordstrom Experience," is based upon quality people and quality products. Future success will require higher levels of quality in every detail of our business operation. Therefore, we will focus on the consistent delivery of products, product knowledge, service, and pricing that collectively form a superior offer relative to our competitors. Our goal is for every customer to trust and rely upon Nordstrom as its specialty retail provider. We want customer relationships that depend upon us as a continuing resource. We intend to differentiate Nordstrom even more with our talented, ambitious workforce that appreciates fashion and works to improve service one customer at a time.

Our aim, then, is to constantly attract and retain people with a passion for retailing and serving every customer. We want knowledgeable individuals who personalize customer interaction and make shopping fun and rewarding. To that end, we are reviewing existing roles and responsibilities throughout the company. In October of this year, Michael A. Stein, who worked nearly ten years for Marriott International, joined Nordstrom as Executive Vice President and Chief Financial Officer.

We are making changes to match meaningful career opportunities with the proper combinations of skills and experience. Performance measures, information systems development, and incentives are all geared to provide our employees with the tools and incentives they need in order to bring value to our customers and shareholders.

In an effort to balance work/life demands, operating hours were intentionally reduced in 1998, especially during the fourth quarter. In addition, all stores are now closed on January 1st and July 4th. We regularly review our employee benefit programs. We want to ensure that we remain competitive and that the right choices are in place to fit the changing needs of our current and future workforce. Company contributions to the Nordstrom

Profit Sharing and 401(k)

plans reached $50 million in 1998, and climbed to $171 million over the last four years. This year the company contributed more than $2,000 per employee for participants in both plans, making us a leader in our industry. We also recently increased participation in the stock option program so that it includes more management employees. These improvements are important to the health of our operation and are required steps to retain and attract future Nordstrom leaders.

On Friday morning, August 21, 1998, more than five thousand enthusiastic customers filled the streets of downtown Seattle. Our hometown store was about to open in a beautifully restored building. This opening was remarkable and gratifying. If it's true that every picture tells a story, then Mr. Carlos Gonzalez of the Seattle Times did a masterful job in capturing the essence of this historic and sentimental occasion. His photo can be found in the center of this report.

Nordstrom continued to expand its national presence and reach more new customers. Last year, the Company opened three new full-line stores: Perimeter Mall, in Atlanta, Georgia; Oak Park Mall, in Overland Park, Kansas; and Fashion Square, in Scottsdale, Arizona. We also added four new Rack clearance stores: Westgate Mall, in San Jose, California; Meadows Market Place, in Littleton, Colorado; Mall of America, in Bloomington, Minnesota; and Tanasbourne Towne Center, in Beaverton, Oregon. Overall, we added approximately one million additional feet of selling space, an eight percent increase over 1997.

This year we plan to open four new full-line stores: Norfolk, Virginia; Providence, Rhode Island; Mission Viejo, California; and Columbia, Maryland. We will also relocate our existing Spokane store within River Park Square, in downtown Spokane, Washington. Additionally, three Rack stores are planned, including one in Sacramento, California and another in Brea, California, along with the relocation of an existing Rack in Lynnwood, Washington. Altogether, this creates over

800,000 square feet of additional selling space in 1999. After this year, the pace of full-line and Rack store growth begins to accelerate. Somewhere between ten and fifteen full-line stores and four to six Rack stores are currently scheduled to open during 2000 and 2001. This growth represents approximately 3.0 to 4.0 million additional square feet of retail store over the period 1999 through 2001.

We are working to build quality options for our customers. They are based on the convergence of multiple shopping channels and the identification of three specific dimensions in which we want to compete as a leader: convenience, price and shopping as a format of entertainment. We are not interested in dictating where our customer will shop. Rather, we are building an organization that will be where our customers want us to be.

To this end, we are working to develop solid shopping options - The Nordstrom Experience - through our full-line store, Rack store, Catalog and Internet operations. Full-line stores will strive to create a traditional and comfortable shopping environment centered on people, products and entertainment. Our Rack locations offer a similar opportunity to access a quality mix of Nordstrom products and branded fashion at a lower price. Nordstrom The Catalog, along with our newer catalog, Nordstrom Second Nature, and our even newer web site, offer convenient access any time, from anywhere. With our state-of-the-industry fulfillment center in Cedar Rapids, Iowa, we are positioned to deliver merchandise to our growing family of customers anywhere in the world within two days. Accordingly, we continued to expand Catalog operations during this last year and experienced a 31 percent increase in sales volume. But even with that sales growth, it was a tough year for our Catalog division, as it was for the direct mail industry as a whole. Inventories were excessively high for the first half of the year, and early fall and winter sales grew at a slower rate than our expectations. The combination of higher markdowns in the early part of the year, with lower sales growth in the third and fourth quarters, had an adverse impact on the performance of this important new business.

In October, we launched the www.nordstrom.com web site. As a new venture, we are concentrating on execution and reliability. We want to build trust through each of these convenient new customer access channels. Recently we expanded our merchandise selection on the site to include all Nordstrom The Catalog items, bringing our current on-line offerings to more than 60,000 units. As we continue to learn, we expect to refine and eventually expand services on the site based upon feedback from customers.

Another noteworthy development is our investments in Streamline, Inc. and Scotty's Home Market. Streamline is based in Boston; Scotty's is located outside of Chicago. Both companies are in the home delivery relationship business. Each provides services for time-starved consumers who are searching for better ways to organize the tasks of grocery shopping, dry cleaning, video rental and other basic weekly errands. Our intent at this point is to learn all we can about this access channel. Again, we want to be where our customers want us to be.

Currently our company is researching the best way, at every level, to match performance measures with incentives. We want to ensure that accountability is aligned with authority. The fundamental principle is that investment decisions will be based on their ability to create value over time. Performance measures are being developed to support this objective.

As we establish the proper performance measures, we also will develop systems that provide accurate information quickly at all levels throughout the company. Our people want to be smarter and faster. They need tools that encourage informed innovation and quick response to trends.

We took a firm step in this direction during the past year with the introduction of a new merchandise planning system, which allows easier on-line access to information that is critical to our buyers. Continued progress is required in this area. Our objectives are to provide customer experiences that are unique to Nordstrom, and to dramatically increase productivity throughout the company.

Going forward, we believe that our success as an organization will depend upon our ability to consistently provide The Nordstrom Experience regardless of market or medium, and to create value with quality people, quality products and quality growth across all stakeholder groups. We believe customers want special experiences, convenience, and value for their purchases. Employees want respect, the freedom to perform their jobs, rewards for their effort, and opportunities to pursue careers. Communities want Nordstrom to participate in making where we work and live a better place. And finally, shareholders expect Nordstrom to be a great retailer AND a great investment.

These next twelve to twenty-four months will be important ones for us. Reaching the top quartile in total shareholder return within our retail peer group by fiscal year 2002 will require steady improvement. We recognize the need to manage our business for financial results in the near term, in addition to building for the long term. In this interim period, some of what we gain will need to be reinvested in our business. The need to perform short-term and grow long-term is delicate. We will do our best to maintain the appropriate balance as we go forward.

Recently, Nordstrom was listed as the second most-respected retailer in the world by the Financial Times. Working Woman magazine rated Nordstrom as the ninth best place for career women to work in America. Catalyst ranked Nordstrom among the top companies in America with women in key executive positions. On Fortune magazine's list of 100 best places to work in America, Nordstrom ranked 98th. Earlier last year, Fortune's list of best places to work for Asians, Blacks and Hispanics placed Nordstrom 37th, and its annual survey of most admired companies listed

Nordstrom 125th. Finally, this past November, Consumer Reports magazine, in a nationwide survey of more than sixty retail organizations, ranked Nordstrom first in overall quality, service and value.

Nordstrom has been an enthusiastic supporter of the United Way for most of our history. This past year we made a decision to improve our campaign effort, especially at the leadership levels. Since United Way has always represented our core community effort, we felt that the executives in the company needed to appreciate their role in setting an example. The response was meaningful. This year's campaign increased our nationwide Nordstrom pledges to United Way by more than 22%.

As we look to the future, we contemplate the view of Mr. Gonzalez's photo taken on the morning of our downtown Seattle opening. The picture reminds us that Nordstrom is unique. We feel a deep responsibility to current and former employees, who built our Company's reputation - our story - over these past ninety-eight years. We believe this photo represents something special that is good, and that must be preserved, while we do everything within our ability to achieve our ambitious goals.

Sincerely,

John J. Whitacre
Chairman and Chief Executive Officer

Nordstrom, Inc. and Subsidiaries

Management's Discussion and Analysis

The following discussion and analysis reviews the past three years, as well as additional information on future expectations and trends. Some of the information in this annual report, including anticipated store openings, planned capital expenditures and trends in company operations, are forward looking statements which are subject to risks and uncertainties. Actual future results and trends may differ materially depending upon a variety of factors, including but not limited to, the Company's ability to predict fashion trends, consumer apparel buying patterns, the Company's ability to control costs and expenses, 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 expansion plans, and the impact of ongoing competitive market factors. This discussion and analysis should be read in conjunction with the basic consolidated financial statements and the Ten-Year Statistical Summary.

Overview

In 1998 Nordstrom, Inc. (the "Company") achieved record sales and net earnings. The Company's strategy of managing for value, which includes controlling inventory levels, better aligning authority and accountability throughout the organization, and an increased focus on capital productivity contributed to the strong financial results. Cash flow from operations was sufficient to fund the Company's continued growth. The Company opened three new full-line stores and four new Rack stores in the fiscal year ended January 31, 1999. The Company also expanded a full-line store and relocated its downtown Seattle, Washington, flagship store. During the year the Company also expanded its presence in the internet marketplace with the launching of the www.nordstrom.com web site. While not yet a significant contributor to operating results, this distribution channel provides another strategic avenue for the Company to serve its customers.

Results of Operations

Sales

The Company achieved modest sales increases in 1998. The components of the percentage change in sales for each of the past three years are as follows:

Fiscal Year	1998	1997	1996
Sales in comparable stores (open at least fourteen months)	(2.6%)	3.8%	0.6%
Sales in new stores	5.2%	3.9%	7.0%
Direct sales catalog	1.0%	1.2%	0.7%
Total percentage increase	3.6%	8.9%	8.3%

The decrease in comparable store sales in 1998 was attributable to management's focus on controlling inventory levels which resulted in lower, but more profitable, sales. In 1997, comparable store sales growth reflected the strong economic environment and a positive reaction to changes in the merchandise mix in the women's apparel departments which occurred in mid-1996. In 1996, the Company changed the merchandise mix in most of its women's apparel departments in response to changing customer profiles and vendor product offerings, resulting in sales decreases in many of the departments.

"Sales in new stores" includes sales from stores open fourteen months or less. New stores are generally not as productive as "Comparable stores" because the customer base and traffic patterns of each store are developed over time.

The direct sales catalog division continued to contribute to the Company's sales growth with sales of $205 million, $156 million and $103 million in 1998, 1997 and 1996.

The Company's average price varied increased slightly over the past three years, due primarily to changes in the merchandise mix. Inflation in overall merchandise costs and prices has not been significant during the past three years.

Graph - Percentage of 1998 Sales by Merchandise Category
The pie chart depicts each merchandise category and its percent of total sales. Clockwise: Shoes - 19%; Men's Apparel and Furnishings - 18%; Women's Accessories - 20%; Children's Apparel and Accessories - 4%; Women's Apparel 37%; Other - 2%.

Sales by major merchandise category have changed only slightly over the past three years.

Cost of sales and related buying and occupancy

Cost of sales and related buying and occupancy expenses as a percentage of net sales were 66.5% in 1998, 67.9% in 1997 and 69.2% in 1996.

The 1998 decrease, as a percentage of net sales, was due primarily to higher merchandise margins resulting from favorable pricing strategies and from the Company's increased focus on managing inventory levels, which resulted in lower markdowns. A decrease in buying costs due to efficiencies gained through restructuring of certain buying responsibilities also contributed to the improvement. The decreases in cost of sales and buying costs were partially offset by increased occupancy costs related to new and remodeled stores.

The 1997 decrease, as a percentage of net sales, was due to higher merchandise margins. Initial markups were higher and markdowns were lower, reflecting a recovery from the impact of the changes in the merchandise mix in the women's apparel departments in 1996. Those changes caused a decline in initial markups during that year. Buying costs increased, as a percentage of net sales, due to additional merchandising personnel in the Company's newer regions and increased investment in development of the Company's own merchandise brands. Occupancy costs decreased, as a percentage of net sales, primarily due to comparable store sales growth.

Selling, general and administrative

Selling, general and administrative expenses as a percentage of net sales were 28.0% in 1998, 27.3% in 1997 and 27.3% in 1996.

The increase in 1998 from 1997 was due to higher sales promotion costs for the Company's direct sales catalog division, and spending on Year 2000 compliance and other information system operational costs. The increase was partially offset by decreases in bad debt expenses associated with the Company's credit card business and lower selling expenses, as a percentage of sales.

Interest expense

Interest expense increased 37% in 1998 as a result of incremental borrowings to finance share repurchases. During 1998, the Company repurchased 11.2 million shares at an aggregate cost of $346 million.

Interest expense decreased in 1997, compared to 1996, primarily because of the use of proceeds from sale of the Company's VISA credit card receivables to repay short-term borrowings.

Service charge income and other, net

Service charge income and other, net primarily represents income from the Company's credit card operations, offset by miscellaneous expenses.

Service charge income and other, net was lower in 1998 than 1997, primarily due to lower accounts receivable balances on which the Company earns service charges.

In 1997, service charge income and other, net was lower than in 1996 primarily because of the impact of the sale, in August 1996, of the Company's VISA credit card receivables.

Liquidity and Capital Resources

The Company finances its working capital needs, capital expenditures and share repurchase activity with cash provided by operations and borrowings. Also, during 1996, the Company sold its VISA credit card portfolio.

For the fiscal year ended January 31, 1999, net cash provided by operating activities increased by approximately $300 million compared to the 1997 amount, primarily because of the aforementioned decrease in merchandise inventories, higher net earnings and depreciation charges, and lower credit card receivables. For the fiscal year ended January 31, 1998, net cash provided by operating activities increased by approximately $66 million compared to the 1996 amount, primarily due to higher earnings and lower credit card receivables.

The Company believes that operating working capital (net working capital excluding short-term investments, notes payable and current portion of long-term debt) is a more appropriate measure of the Company's ongoing working capital requirements than net working capital because it eliminates the effect of changes in the levels of short-term investments and borrowings. These levels vary depending on the amount and timing of financing activities. The Company's operating working capital is shown below:

Fiscal Year	1998	1997	1996
Operating working capital (in thousands)	$822,160	$1,017,258	$971,342
Percentage change from prior year	(19.2%)	4.7%	(11.2%)
Net sales/average operating working capital	5.5	4.9	4.3

During 1998, operating working capital declined primarily due to decreases in inventory levels and customer accounts receivable balances.

The increase in operating working capital during 1997 was fueled by growth in merchandise inventories which more than offset a decline in customer accounts receivable.

During 1996, growth in the Company's proprietary credit card balances leveled off due to competition within the credit card industry. The Company also reduced its efforts to promote its VISA credit card because of concerns about rising charge-offs. In addition, in 1996 the Company securitized its VISA credit card portfolio. These factors together resulted in a decrease in operating working capital for the year.

Graph - Investing and Operating Cash Flows
The vertical bar graph compares cash provided by operating activities and cash used in investing activities for each year, for the past ten years. Dollars in millions.

Year	Cash used in investing activities	Cash provided by operating activities
1989	$168.7	$122.2
1990	$200.7	$148.1
1991	$147.2	$154.0
1992	$ 71.9	$235.6
1993	$132.7	$262.1
1994	$246.9	$231.8
1995	$254.0	$121.9
1996	$191.9	$234.7
1997	$260.0	$300.4
1998	$267.6	$600.8

In March 1998, the Company issued $300 million of 6.95% Senior Debentures due in 2028. The proceeds were used to repay commercial paper and current maturities of long-term debt. In January 1999, the Company issued $250 million of 5.625% Senior Notes due in 2009, the proceeds of which were used to repay short-term debt and for general corporate purposes. A substantial portion of the Company's total debt of $947 million at January 31, 1999, finances the Company's credit card portfolio, which aggregated $592 million at that date.

The Company spent nearly $700 million over the last three years, net of deferred lease credits, to add new stores and facilities, and to improve existing stores and facilities. Over 2.8 million square feet of retail store space has been added during this time period, representing an increase of 27 percent.

The Company plans to spend about $900 million on capital projects over the next three years, with approximately $150 million allocated to the refurbishment of existing stores. At January 31, 1999, approximately $68 million has been contractually committed for the construction of new stores or remodel of existing stores. Although the Company has made commitments for stores opening in 1999 and beyond, it is possible that some stores may not be opened as scheduled because of environmental and land use regulations, or for other reasons. In addition to its cash flow from operations, the Company has funds available under its revolving credit facilities. Management believes that the Company's current financial strength and credit position enable it to maintain its existing stores and to take advantage of attractive new opportunities.

The Board of Directors has authorized an aggregate of $950 million of share repurchases since May 1995. As of January 31, 1999, the Company has purchased approximately 25 million shares of its common stock for approximately $630 million pursuant to these authorizations and has remaining share repurchase authority of $320 million. The share repurchases have been financed, in part, through additional borrowings, resulting in a planned increase in the Company's debt to capital ratio. At January 31, 1999, the Company's debt to capital ratio was .4184.

Graph - Square Footage by Business Unit at January 31, 1999
The pie chart shows the percent of total square feet in each business unit and also gives the number of square feet for that business unit. Clockwise, Southwest - 33.5%, 4,557,000; Northwest - 20.3%, 2,754,000; Central States - 15.3%, 2,086,000; East Coast - 23.0%, 3,126,000; Rack - 7.5%, 1,013,000; Other - .4%, 57,000.

Year 2000

The Company is taking steps to avoid potential negative consequences of Year 2000 software non-compliance and presently believes that any such non-compliance will not have a material effect on the Company's business, results of operations or financial condition. However, if unforeseen difficulties arise or if the modification, conversion and replacement activities that the Company has undertaken are not completed in a timely manner, the Company's operations may be negatively affected, either from its own computer systems or from interactions with vendors and other third parties with which it does business.

The Company is currently evaluating, replacing or upgrading its computer systems in an effort to make them Year 2000 compliant, and expects to have remediation efforts completed for its critical computer systems by mid-1999. Testing is being conducted based on criticality. Non-information technology systems, such as microchips embedded in elevators, are also being evaluated, replaced or upgraded, as needed. Although the Company's initial assessment of its Year 2000 compliance has been completed, reassessments are conducted on an ongoing basis to provide reasonable assurance that all critical risks have been identified and will be mitigated.

The Company's cumulative Year 2000 expenses through January 31, 1999, were approximately $13 million. In 1998, approximately $7 million of expenses were incurred, and 1999 expenses are expected to be about the same amount. In order to meet Year 2000 compliance goals, the Company has redeployed existing resources. While this reallocation of resources has resulted in the deferral of certain information technology projects, the impact of those deferrals is not material to the Company. The Company believes that all necessary Year 2000 compliance work will be completed in a timely fashion. However, there can be no guarantee that all systems will be compliant by the Year 2000, that the estimated cost of remediation will not increase, or that the systems of others (e.g. vendors and other third parties) on which the Company relies will be compliant.

Since 1996, the Company has been communicating with vendors to determine their state of readiness with regard to the Year 2000 issue. Based on its assessment to date, the Company has no indication that any third party is likely to experience Year 2000 non-compliance of a nature which would have a material impact on the Company. However, the risk remains that vendors or other third parties may not have accurately determined their state of readiness, in which case such parties' lack of Year 2000 compliance may have a material adverse effect on the Company's results of operations. The Company will continue to monitor the Year 2000 compliance of third parties with which it does business.

The Company believes that the most likely worst-case scenarios that it might confront with respect to Year 2000 issues have to do with the possible failure of third party systems over which the Company has no control, such as, but not limited to, power and telecommunications services. The Company has in place a business continuity plan that addresses recovery from various kinds of disasters, including recovery from significant interruption in conveyance of data within the Company's network information systems. The Company is using this plan to assist in development of more specific Year 2000 contingency plans, which it expects to complete around mid-1999.

Recent Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities." Effective for the Company in the fiscal year beginning February 1, 2000, SFAS 133 requires an entity 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 is not expected to have a material impact on the Company's consolidated financial statements.

Nordstrom, Inc. and Subsidiaries

Consolidated Statements of Earnings

Dollars in thousands except per share amounts

Year ended January 31,	1999	% of sales	1998	% of sales	1997	% of sales
Net sales	$5,027,890	100.0	$4,851,624	100.0	$4,453,063	100.0
Costs and expenses:						
Cost of sales and related buying and occupancy	3,344,945	66.5	3,295,813	67.9	3,082,037	69.2
Selling, general and administrative	1,405,270	28.0	1,322,929	27.3	1,217,590	27.3
Interest, net	47,091	0.9	34,250	0.7	39,400	0.9
Service charge income and other, net	(107,139)	(2.1)	(108,581)	(2.2)	(129,469)	(2.9)
	4,690,167	93.3	4,544,411	93.7	4,209,558	94.5
Earnings before income taxes	337,723	6.7	307,213	6.3	243,505	5.5
Income taxes	131,000	2.6	121,000	2.5	96,000	2.2
Net earnings	$ 206,723	4.1	$ 186,213	3.8	$ 147,505	3.3
Basic earnings per share	$1.41		$1.20		$ .91	
Diluted earnings per share	$1.41		$1.20		$ .91	
Cash dividends paid per share	$ .30		$.265		$ .25	

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Nordstrom, Inc. and Subsidiaries

Consolidated Balance Sheets

Dollars in thousands

January 31,	1999	1998
Assets		
Current assets:		
Cash and cash equivalents	$ 241,431	$ 24,794
Accounts receivable, net	587,135	664,448
Merchandise inventories	750,269	826,045
Prepaid income taxes and other	101,572	95,371
Total current assets	1,680,407	1,610,658
Land, buildings and equipment, net	1,362,400	1,252,513
Other assets	72,600	17,653
Total assets	$3,115,407	$2,880,824
Liabilities and Shareholders' Equity		
Current liabilities:		
Notes payable	$ 78,783	$ 263,767
Accounts payable	339,635	321,311
Accrued salaries, wages and related benefits	202,914	186,215
Income taxes and other accruals	83,869	70,184
Current portion of long-term debt	63,341	101,129
Total current liabilities	768,542	942,606
Long-term debt	804,893	319,736
Deferred lease credits	147,188	77,091
Other liabilities	78,131	66,333
Shareholders' equity:		
Common stock, no par; 250,000,000 shares authorized; 142,114,167 and 152,518,104 shares issued and outstanding	230,761	201,050
Unearned stock compensation	(4,703)	-
Retained earnings	1,090,595	1,274,008
Total shareholders' equity	1,316,653	1,475,058
Total liabilities and shareholders' equity	$3,115,407	$2,880,824

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Nordstrom, Inc. and Subsidiaries

Consolidated Statements of Shareholders' Equity

Dollars in thousands except per share amounts

	Common Stock Shares	Common Stock Amount	Unearned Compensation	Retained Earnings	Total
Balance at February 1, 1996	162,226,288	$168,440	-	$1,254,532	$1,422,972
Net earnings	-	-	-	147,505	147,505
Cash dividends paid ($.25 per share)	-	-	-	(40,472)	(40,472)
Issuance of common stock	798,336	14,958	-	-	14,958
Purchase and retirement of common stock	(3,754,670)	-	-	(71,771)	(71,771)
Balance at January 31, 1997	159,269,954	183,398	-	1,289,794	1,473,192
Net earnings	-	-	-	186,213	186,213
Cash dividends paid ($.265 per share)	-	-	-	(41,168)	(41,168)
Issuance of common stock	843,150	17,652	-	-	17,652
Purchase and retirement of common stock	(7,595,000)	-	-	(160,831)	(160,831)
Balance at January 31, 1998	152,518,104	201,050	-	1,274,008	1,475,058
Net earnings	-	-	-	206,723	206,723
Cash dividends paid ($.30 per share)	-	-	-	(44,059)	(44,059)
Issuance of common stock	793,663	29,711	$(4,995)	-	24,716
Purchase and retirement of common stock	(11,197,600)	-	-	(346,077)	(346,077)
Amortization of unearned compensation	-	-	292	-	292
Balance at January 31, 1999	142,114,167	$230,761	$(4,703)	$1,090,595	$1,316,653

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Nordstrom, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

Dollars in thousands

Year ended January 31,	1999	1998	1997
Operating Activities			
Net earnings	$206,723	$186,213	$147,505
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation	180,108	158,969	155,122
Amortization of deferred lease credits and other, net	(2,954)	(2,092)	(1,542)
Stock-based compensation expense	9,545	-	-
Change in:			
Accounts receivable, net	77,313	50,141	(7,262)
Merchandise inventories	75,776	(106,126)	(93,616)
Prepaid income taxes and other	(6,201)	(11,616)	(4,808)
Accounts payable	18,324	10,881	32,846
Accrued salaries, wages and related benefits	16,699	10,307	11,551
Income tax liabilities and other accruals	17,187	1,432	(9,281)
Other liabilities	8,296	2,301	4,199
Net cash provided by operating activities	600,816	300,410	234,714
Investing Activities			
Additions to land, buildings and equipment	(290,584)	(259,935)	(204,278)
Additions to deferred lease credits	74,264	-	14,167
Investments in unconsolidated affiliates	(32,857)	-	-
Other, net	(18,404)	(49)	(1,838)
Net cash used in investing activities	(267,581)	(259,984)	(191,949)
Financing Activities			
Proceeds from accounts receivable securitization	-	-	186,600
(Decrease) increase in notes payable	(184,984)	99,997	(68,731)
Proceeds from issuance of long-term debt	544,165	91,644	57,729
Principal payments on long-term debt	(101,106)	(51,210)	(117,311)
Proceeds from issuance of common stock	15,463	17,652	14,958
Cash dividends paid	(44,059)	(41,168)	(40,472)
Purchase and retirement of common stock	(346,077)	(160,831)	(71,771)
Net cash used in financing activities	(116,598)	(43,916)	(38,998)
Net increase (decrease) in cash and cash equivalents	216,637	(3,490)	3,767
Cash and cash equivalents at beginning of year	24,794	28,284	24,517
Cash and cash equivalents at end of year	$241,431	$ 24,794	$ 28,284

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Notes to Consolidated Financial Statements

Dollars in thousands except per share amounts

Note 1: Summary of Significant Accounting Policies

The Company: Nordstrom, Inc. is a fashion specialty retailer offering a wide selection of high quality apparel, shoes and accessories for women, men and children, principally through 67 large specialty stores and 25 clearance stores. All of the Company's stores are located in the United States, with approximately 34% of its retail square footage located in the state of California.

The Company purchases a significant percentage of its merchandise from foreign countries, principally in the Far East. An event causing a disruption in imports from the Far East could have a material adverse impact on the Company's operations. In connection with the purchase of foreign merchandise, the Company has outstanding letters of credit totaling $52,749 at January 31, 1999.

Basis of Presentation: The Consolidated Financial Statements include the accounts of Nordstrom, Inc. and its subsidiaries, the most significant of which are wholly owned subsidiaries, Nordstrom Credit, Inc. and Nordstrom National Credit Bank. All significant intercompany transactions and balances are eliminated in consolidation. The presentation of these financial statements in conformity with generally accepted accounting principles requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

Merchandise Inventories: Merchandise inventories are stated at the lower of cost (first-in, first-out basis) or market, using the retail method.

Advertising: Costs for newspaper, television, radio and other media are generally expensed as incurred. Direct response advertising costs, consisting primarily of catalog book production and printing costs, are capitalized and amortized over the expected life of the catalog, not to exceed 6 months. Net capitalized direct response advertising costs were $3,436 and $3,648 at January 31, 1999 and 1998, and are included in prepaid taxes and other on the Consolidated Balance Sheets. Total advertising expenses were $145,841, $115,272 and $97,216 in 1998, 1997 and 1996.

Land, Buildings and Equipment: Straight-line and accelerated methods are applied in the calculation of depreciation and amortization. Lives used for calculating depreciation and amortization rates for the principal asset classifications are as follows: buildings, 10 to 40 years; store fixtures and equipment, three to 15 years; leasehold improvements, life of lease or applicable shorter period.

Store Preopening Costs: Store opening and preopening costs are charged to expense when incurred.

Capitalization of Interest: The interest carrying costs of facilities being constructed are capitalized during their construction period based on the Company's weighted average borrowing rate.

Cash Equivalents: The Company considers all short-term investments with a maturity at date of purchase of three months or less to be cash equivalents.

Customer Accounts Receivable: In accordance with industry practices, installments maturing in more than one year or deferred payment accounts receivable are included in current assets.

Cash Management: The Company's cash management system provides for the reimbursement of all major bank disbursement accounts on a daily basis. Accounts payable at January 31, 1999 and 1998 include $10,189 and $4,361 of checks not yet presented for payment drawn in excess of cash balances.

Deferred Lease Credits: Deferred lease credits are amortized on a straight-line basis primarily over the life of the applicable lease.

Fair Value of Financial Instruments: The carrying amount of cash equivalents and notes payable approximates fair value because of the short maturity of these instruments. The fair value of long-term debt (including current maturities), using quoted market prices of the same or similar issues with the same remaining term to maturity, is approximately $894,000 and $419,000 at January 31, 1999 and 1998.

Nordstrom, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(Note 1 continued)

Derivatives Policy: The Company limits its use of derivative financial instruments to the management of foreign currency and interest rate risks. The effect of these activities is not material to the Company's financial condition or results of operations. The Company has no material off-balance sheet credit risk, and the fair value of derivative financial instruments at January 31, 1999 and 1998 is not material.

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS 133 requires an entity to recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. The Company plans to adopt SFAS 133 on February 1, 2000, as required. Adoption of this standard is not expected to have a material impact on the Company's consolidated financial statements.

New Accounting Pronouncements: In 1998, the Company adopted SFAS No. 130, which establishes standards for the reporting and display of comprehensive income and its components. The Company's net earnings and comprehensive net income are the same for the year ended January 31, 1999. The Company also adopted SFAS No. 132 in 1998, which revises employers' disclosures about pension and other postretirement benefit plans. Adoption of these standards had no material effect on the Company's consolidated financial position, results of operations or cash flows.

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

Note 2: Employee Benefits

The Company provides a profit sharing plan for employees. The plan is fully funded by the Company and is non-contributory except for employee contributions made under Section 401(k) of the Internal Revenue Code. Under this provision of the plan, the Company provides matching contributions up to a stipulated percentage of employee contributions. Company contributions to the profit sharing portion of the plan vest over a seven year period. The Company contribution is established each year by the Board of Directors and totaled $50,000, $45,000 and $36,000 in 1998, 1997 and 1996.

Note 3: Interest, Net

The components of interest, net are as follows:

Year ended January 31,	1999	1998	1997
Short-term debt	$10,707	$10,931	$13,135
Long-term debt	43,601	32,887	32,483
Total interest cost	54,308	43,818	45,618
Less: Interest income	(1,883)	(1,221)	(1,395)
Capitalized interest	(5,334)	(8,347)	(4,823)
Interest, net	$47,091	$34,250	$39,400

Note 4: Income Taxes

Income taxes consist of the following:

Year ended January 31,	1999	1998	1997
Current income taxes:			
Federal	$113,270	$ 98,464	$ 88,414
State and local	19,672	18,679	18,150
Total current income taxes	132,942	117,143	106,564
Deferred income taxes:			
Current	(1,357)	(4,614)	(1,471)
Non-current	(585)	8,471	(9,093)
Total deferred income taxes	(1,942)	3,857	(10,564)
Total income taxes	$131,000	$121,000	$ 96,000

(Note 4 continued)

A reconciliation of the statutory Federal income tax rate to the effective tax rate is as follows:

Year ended January 31,	1999	1998	1997
Statutory rate	35.00%	35.00%	35.00%
State and local income taxes, net of Federal income taxes	4.03	4.17	4.32
Other, net	(0.24)	0.21	0.10
Effective tax rate	38.79%	39.38%	39.42%

Deferred income tax assets and liabilities result from temporary differences in the timing of recognition of revenue and expenses for tax and financial reporting purposes. Significant deferred tax assets and liabilities, by nature of the temporary differences giving rise thereto, are as follows:

January 31,	1999	1998
Accrued expenses	$27,760	$30,070
Compensation and benefits accruals	30,404	24,199
Merchandise inventories	18,801	19,398
Land, buildings and equipment basis and depreciation differences	(29,017)	(34,067)
Employee benefits	(10,659)	(10,278)
Other	(2,020)	4,005
Net deferred tax assets	$35,269	$33,327

Note 5: Earnings Per Share

On May 19, 1998, the Company's Board of Directors approved a two-for-one stock split effective June 30, 1998. All share and per share amounts have been adjusted to give retroactive effect to the stock split.

Basic earnings per share are computed on the basis of the weighted average number of common shares outstanding during the year. Average shares outstanding were 146,241,091, 154,972,560 and 161,697,968 in 1998, 1997 and 1996.

Diluted earnings per share are computed on the basis of the weighted average number of common shares outstanding during the year plus dilutive common stock equivalents (stock options). Average dilutive shares outstanding were 146,858,271, 155,350,296 and 161,924,758 in 1998, 1997 and 1996.

Options with an exercise price greater than the average market price were not included in the computation of diluted earnings per share. These options totaled 1,146,113, 303,622, and 714,164 shares in 1998, 1997, and 1996.

Note 6: Accounts Receivable

The components of accounts receivable are as follows:

January 31,	1999	1998
Customers	$592,204	$672,246
Other	19,474	22,586
Allowance for doubtful accounts	(24,543)	(30,384)
Accounts receivable, net	$587,135	$664,448

Credit risk with respect to accounts receivable is concentrated in the geographic regions in which the Company operates stores. At January 31, 1999 and 1998, approximately 40% of the Company's receivables were obligations of customers residing in California. Concentration of the remaining receivables is considered to be limited due to their geographical dispersion.

Bad debt expense totaled $23,828, $40,440 and $51,352 in 1998, 1997 and 1996.

Nordstrom National Credit Bank, a wholly-owned subsidiary of the Company, issues both a proprietary and VISA credit card. In 1996, the Company transferred substantially all of its VISA credit card receivables (approximately $203,000) to a trust in exchange for certificates representing undivided interests in the trust. A Class A certificate with a market value of $186,600 was sold to a third party, and a Class B certificate, which is subordinated to the Class A certificate, was retained by the Company. The Company owns the remaining undivided interests in the trust not represented by the Class A and Class B certificates (the "Seller's Interest").

(Note 6 continued)

Cash flows generated from the receivables in the trust are, to the extent allocable to the investors, applied to the payment of interest on the Class A and Class B certificates, absorption of credit losses, and payment of servicing fees to the Company, which services the receivables for the trust. Excess cash flows revert to the Company. The Company's investment in the Class B certificate and the Seller's Interest totals $8,208 and $20,407 at January 31, 1999 and 1998, and is included in customer accounts receivable.

Pursuant to the terms of operative documents of the trust, in certain events the Company may be required to fund certain amounts pursuant to a recourse obligation for credit losses. Based on current cash flow projections, the Company does not believe any additional funding will be required.

Note 7: Land, Buildings and Equipment

Land, buildings and equipment consist of the following (at cost):

January 31,	1999	1998
Land and land improvements	$ 57,337	$ 52,339
Buildings	500,831	460,284
Leasehold improvements	957,877	825,950
Store fixtures and equipment	944,202	836,041
	2,460,247	2,174,614
Less accumulated depreciation and amortization	(1,234,863)	(1,087,516)
	1,225,384	1,087,098
Construction in progress	137,016	165,415
Land, buildings and equipment, net	$1,362,400	$1,252,513

At January 31, 1999, the net book value of property located in California is approximately $304,000. The Company does not carry earthquake insurance in California because of its high cost.

Note 8: Other Assets

In 1998, the Company adopted AICPA Statement of Position 98-1, which requires that certain software costs be capitalized and amortized over the period of use. Software costs of $15,607, which would have been expensed as incurred prior to adoption of this rule, were capitalized as of January 31, 1999, and are being amortized over terms up to five years.

In 1998, the Company invested an aggregate of $33 million in non-voting convertible preferred stock in two companies which provide services to consumers utilizing internet technology. These investments are accounted for at cost.

Nordstrom, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 9: Notes Payable

A summary of notes payable is as follows:

Year ended January 31,	1999	1998	1997
Average daily short-term borrowings	$195,596	$193,811	$242,033
Maximum amount outstanding	385,734	278,471	345,738
Weighted average interest rate:			
During the year	5.5%	5.6%	5.4%
At year-end	5.2%	5.5%	5.3%

At January 31, 1999, the Company has unsecured lines of credit with a group of commercial banks totaling $500,000 which are available as liquidity support for the Company's commercial paper programs, and expire in July 2002. The line of credit agreements contain restrictive covenants which, among other things, require the Company to maintain a certain minimum level of net worth and a coverage ratio (as defined) of no less than 2 to 1. The Company pays commitment fees for the lines based on the Company's debt rating.

Note 10: Long-Term Debt

A summary of long-term debt is as follows:

January 31,	1999	1998
Senior debentures, 6.95%, due 2028	$300,000	-
Senior notes, 5.625%, due 2009	250,000	-
Senior notes, 8.875%, due 1998	-	$ 50,000
Medium-term notes, payable by Nordstrom Credit, Inc., 6.875%-8.67%, due 1999-2002	203,350	253,350
Notes payable, by Nordstrom Credit, Inc., 6.7%, due 2005	100,000	100,000
Other	14,884	17,515
Total long-term debt	868,234	420,865
Less current portion	(63,341)	(101,129)
Total due beyond one year	$804,893	$319,736

Aggregate principal payments on long-term debt are as follows: 1999-$63,341; 2000-$58,191; 2001-$11,454; 2002-$77,247; 2003-$319; and, after 2003-$657,682.

Note 11: Leases

The Company leases land, buildings and equipment under noncancelable lease agreements with expiration dates ranging from 1999 to 2080. Certain leases include renewal provisions at the Company's option. Most of the leases provide for additional rentals based upon specific percentages of sales and require the Company to pay for certain other costs.

Future minimum lease payments as of January 31, 1999 are as follows: 1999-$43,744; 2000-$44,149; 2001-$42,581; 2002-$34,580; 2003-$33,131; and thereafter-$307,331.

The following is a schedule of rent expense:

Year ended January 31,	1999	1998	1997
Minimum rent:			
Store locations	$19,167	$16,869	$15,468
Offices, warehouses and equipment	19,208	17,811	17,815
Store locations percentage rent	8,603	12,542	13,673
Total rent expense	$46,978	$47,222	$46,956

Note 12: Stock Based Compensation

The Company has a stock option plan (the "Plan") administered by the Compensation Committee of the Board of Directors (the "Committee") under which stock options, performance shares and restricted stock are granted to key employees of the Company. Stock options are issued at the fair market value of the stock at the date of grant. Time-vested options vest over periods ranging from four to five years, and expire after ten years after the date of grant. Performance based options vest upon reaching certain financial goals, and expire in five to ten years after the date of grant.

(Note 12 continued)

In 1998, the Committee granted 185,202 performance shares which will vest over three years if certain financial goals are attained. Employees may elect to receive common stock or cash upon vesting of these performance shares. The Committee also granted 180,000 shares of restricted stock which vest over five years. No monetary consideration is paid by employees who receive performance shares or restricted stock. The Company applies Accounting Principles Board Opinion No. 25 in accounting for compensation costs under the Plan. Accordingly, no compensation cost has been recognized for time-vested stock options because the option price equals the market price on the date of grant. For performance based stock options and performance shares, compensation expense is recorded over the performance period based on the fair market value of the stock at the date it is determined that such options or shares have been earned, reduced, in the case of performance based options, by the exercise price of the options. For restricted stock grants, compensation expense is based on the market price on the date of grant and is recorded over the vesting period. Compensation expense for performance based stock options, performance shares and restricted stock was $9,545 in 1998.

If the Company had elected to follow the measurement provisions of SFAS No. 123 in accounting for its stock options, compensation expense would be recognized based on the fair value of the options at the date of grant. To estimate compensation expense which would be recognized under SFAS 123, the Company used the modified Black-Scholes option-pricing model with the following weighted-average assumptions for options granted in 1998, 1997 and 1996, respectively: risk-free interest rates of 5.2%, 5.4% and 6.4%; expected volatility factors of .46, .32 and .33; expected dividend yield of 1% for all years; and expected life of 5, 5 and 7 years.

If SFAS 123 were used to account for the Company's stock based compensation programs, the pro forma net earnings and earnings per share would be as follows:

Year ended January 31,	1999	1998	1997
Pro forma net earnings	$201,499	$183,618	$145,603
Pro forma basic earnings per share	$1.38	$1.18	$ .90
Pro forma diluted earnings per share	$1.37	$1.18	$ .90

The effects of applying SFAS 123 in this pro forma disclosure are not indicative of future amounts as awards prior to 1995 are not included, and additional awards in future years are anticipated.

The number of shares reserved for future stock option grants pursuant to the Plan is 6,155,093 at January 31, 1999.

(Note 12 continued)

Stock option activity for the Plan was as follows:

Year ended January 31,	1999		1998		1997	
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
Outstanding, beginning of year	3,401,602	$21	3,719,506	$19	4,202,678	$18
Granted	3,252,217	31	692,764	26	744,244	23
Exercised	(599,593)	18	(838,478)	17	(858,838)	16
Cancelled	(160,594)	27	(172,190)	22	(368,578)	20
Outstanding, end of year	5,893,632	$27	3,401,602	$21	3,719,506	$19
Options exercisable at end of year	2,544,092	$23	1,759,464	$19	1,990,744	$18
Weighted-average fair value of options granted during the year		$14		$ 9		$10

The following table summarizes information about stock options outstanding as of January 31, 1999:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Shares	Weighted-Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
$11 - $23	1,979,798	6	$20	1,398,384	$19
$24 - $29	2,475,234	9	$28	1,051,365	$28
$30 - $38	1,438,600	9	$33	94,343	$31
	5,893,632	8	$27	2,544,092	$23

Note 13: Supplementary Cash Flow Information

Supplementary cash flow information includes the following:

Year ended January 31,	1999	1998	1997
Cash paid during the year for:			
Interest (net of capitalized interest)	$ 44,418	$ 35,351	$ 43,356
Income taxes	126,157	126,606	106,982

Note 14: Segment Reporting

In 1998, the Company adopted SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," which established reporting and disclosure standards for an enterprise's operating segments. Operating segments are defined as components of an enterprise for which separate financial information is available and regularly reviewed by the Company's senior management.

The Company has two reportable segments which have been identified based on differences in products and services offered and regulatory conditions, the Retail Stores and the Credit Operations segments. The Retail Stores segment derives its sales from high quality apparel, shoes and accessories for women, men and children, sold through retail store locations. It includes the Company's Product Development Group which coordinates the design and production of private label merchandise sold in the Company's retail stores. Credit Operations segment revenues consist primarily of finance charges earned through issuance of the Nordstrom proprietary and VISA credit cards.

The Company's senior management utilizes various measurements to assess segment performance and to allocate resources to segments. The measurements used to compute net earnings for reportable segments are consistent with those used to compute net earnings for the Company.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies in Note 1. Corporate and Other includes sales from the Company's direct sales catalog division, as well as certain expenses and a portion of interest expense which are not allocated to the operating segments. Intersegment revenues primarily consist of fees for credit card services and are based on fees charged by third party cards.

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

Year ended January 31, 1999	Retail Stores	Credit Operations	Corporate and Other	Elimi- nations	Total
Net sales and revenues to external customers	$4,822,705	-	$205,185	-	$5,027,890
Service charge income	-	$119,926	-	-	119,926
Intersegment revenues	-	26,736	-	$(26,736)	-
Interest, net	-	31,139	16,488	(536)	47,091
Depreciation	166,002	764	13,342	-	180,108
Income tax expense (benefit)	182,800	16,200	(68,000)	-	131,000
Net earnings	288,503	25,606	(107,386)	-	206,723
Assets (a)	2,040,938	607,255	467,214	-	3,115,407
Additions to land, buildings and equipment	263,516	1,357	25,711	-	290,584

(Note 14 continued)

Year ended January 31, 1998	Retail Stores	Credit Operations	Corporate and Other	Elimi- nations	Total
Net sales and revenues to external customers	$4,695,054	-	$156,570	-	$4,851,624
Service charge income	-	$122,026	-	-	122,026
Intersegment revenues	-	27,400	-	$(27,400)	-
Interest, net	-	36,187	(1,170)	(767)	34,250
Depreciation	147,847	667	10,455	-	158,969
Income tax expense (benefit)	152,700	10,300	(42,000)	-	121,000
Net earnings	235,122	15,895	(64,804)	-	186,213
Assets (a)	1,956,527	681,391	242,906	-	2,880,824
Additions to land, buildings and equipment	221,384	242	38,309	-	259,935

Year ended January 31, 1997	Retail Stores	Credit Operations	Corporate and Other	Elimi- nations	Total
Net sales and revenues to external customers	$4,348,664	-	$104,399	-	$4,453,063
Service charge income	-	$141,304	-	-	141,304
Intersegment revenues	-	27,837	-	$(27,837)	-
Interest, net	-	42,473	(958)	(2,115)	39,400
Depreciation	144,578	678	9,866	-	155,122
Income tax expense (benefit)	120,300	11,300	(35,600)	-	96,000
Net earnings	184,834	17,326	(54,655)	-	147,505
Assets (a)	1,813,694	735,899	167,062	-	2,716,655
Additions to land, buildings and equipment	186,223	885	17,170	-	204,278

(a) Segment assets in Corporate and Other include assets of the direct sales catalog division and unallocated assets in corporate headquarters, consisting primarily of land, buildings and equipment, and deferred tax assets.

Note 15: Contingent Liabilities

Because all of the lawsuits described below are in their preliminary stages and no discovery has commenced, 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 the described cases and, while no assurances can be given as to the ultimate outcomes of these lawsuits, based on its preliminary investigation, management currently believes that resolving these matters will not have a material adverse effect on the Company's financial position.

(Note 15 continued)

Cosmetics. The Company is one of nine defendants in nine separate but substantially identical lawsuits filed in various Superior Courts of the State of California in May, June and July of 1998. The cases, which have now been consolidated in Marin County, seek class certification for all California residents who purchased cosmetics for personal use. The complaints allege that the Company and other department stores collusively control the sale price of cosmetics by charging identical prices, agreeing not to discount cosmetics and urging cosmetic manufacturers to refuse to sell to stores which discount cosmetics. The plaintiffs seek treble damages in an unspecified amount, attorneys' fees and prejudgment interest.

Nine West. The Company is one of 11 defendants in 12 substantially identical lawsuits filed in Federal District Court in New York in January and February of 1999. In addition to Nine West, a manufacturer of non-athletic footwear, other defendants include various department stores and specialty retailers. The lawsuits purport to be brought on behalf of a class of persons who purchased Nine West footwear from the defendants and allege that the retailer defendants conspired with Nine West and with each other by agreeing to minimum prices to be charged for Nine West shoes. The plaintiffs seek treble damages in an unspecified amount, attorneys' fees and prejudgment interest.

Saipan. The Company is one of 28 defendants in an action filed in Federal District Court in Los Angeles on January 13, 1999. A companion action was contemporaneously filed in state court in San Francisco against 18 defendants, including the Company, and on January 14, 1999 another action (not naming the Company) was filed in Federal Court in the Commonwealth of the Northern Mariana Islands against 22 garment manufacturers located in Saipan. The Los Angeles Federal District Court case purports to be filed as a class action on behalf of persons who have been employed in garment factories since 1988. The three lawsuits allege 'sweatshop' conditions in certain Saipan factories, some of which manufacture clothing which has been sold to the Company.

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

Note 16: Selected Quarterly Data (unaudited)

Year ended January 31, 1999	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Net sales	$1,040,215	$1,447,284	$1,094,349	$1,446,042	$5,027,890
Gross profit	341,915	476,041	377,249	487,740	1,682,945
Earnings before income taxes	52,837	113,062	63,175	108,649	337,723
Net earnings	32,337	69,162	38,675	66,549	206,723
Basic earnings per share	.22	.47	.27	.47	1.41
Diluted earnings per share	.21	.47	.27	.47	1.41
Dividends per share	.07	.07	.08	.08	.30

Year ended January 31, 1998	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Net sales	$953,747	$1,353,345	$1,089,784	$1,454,748	$4,851,624
Gross profit	307,235	428,991	365,703	453,882	1,555,811
Earnings before income taxes	53,349	96,686	59,645	97,533	307,213
Net earnings	32,349	58,586	36,145	59,133	186,213
Basic and diluted earnings per share	.21	.38	.23	.38	1.20
Dividends per share	.0625	.0625	.07	.07	.265

Management and Independent Auditors' Reports

Management Report

The accompanying consolidated financial statements, including the notes thereto, and the other financial information presented in this Annual Report have been prepared by management. The financial statements have been prepared in accordance with generally accepted accounting principles and include amounts that are based upon our best estimates and judgments. Management is responsible for the consolidated financial statements, as well as the other financial information in this Annual Report.

The Company maintains an effective system of internal accounting control. We believe that this system provides reasonable assurance that transactions are executed in accordance with management authorization, and that they are appropriately recorded, in order to permit preparation of financial statements in conformity with generally accepted accounting principles and to adequately safeguard, verify and maintain accountability for assets. The concept of reasonable assurance is based on the recognition that the cost of a system of internal control should not exceed the benefits derived.

The consolidated financial statements and related notes have been audited by Deloitte & Touche LLP, independent certified public accountants. The accompanying auditors' report expresses an independent professional opinion on the fairness of presentation of management's financial statements.

The Audit Committee of the Board of Directors is composed of the outside directors, and is responsible for recommending the independent certified public accounting firm to be retained for the coming year, subject to shareholder approval. The Audit Committee meets periodically with the independent auditors, as well as with management and the internal auditors, to review accounting, auditing, internal accounting controls and financial reporting matters. The independent auditors and the internal auditors also meet privately with the Audit Committee.

Michael A. Stein
Executive Vice President and Chief Financial Officer

Independent Auditors' Report

We have audited the accompanying consolidated balance sheets of Nordstrom, Inc. and subsidiaries (the "Company") as of January 31, 1999 and 1998, and the related consolidated statements of earnings, shareholders' equity and cash flows for each of the three years in the period ended January 31, 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Nordstrom, Inc. and subsidiaries as of January 31, 1999 and 1998, and the results of their operations and their cash flows for each of the three years in the period ended January 31, 1999, in conformity with generally accepted accounting principles.

As discussed in Note 8 to the consolidated financial statements, in 1998 the Company changed its method of accounting for certain software costs to conform with Statement of Position 98-1 of the American Institute of Certified Public Accountants.

Deloitte & Touche LLP
Seattle, Washington; March 12, 1999

Nordstrom, Inc. and Subsidiaries

Ten Year Statistical Summary

Dollars in thousands except square footage and per share amounts

Year ended January 31,	1999	1998	1997
Financial Position			
Customer accounts receivable, net	$567,661	$641,862	$693,123
Merchandise inventories	750,269	826,045	719,919
Current assets	1,680,407	1,610,658	1,546,547
Current liabilities	768,542	942,606	769,387
Working capital	911,865	668,052	777,160
Working capital ratio	2.19	1.71	2.01
Land, buildings and equipment, net	1,362,400	1,252,513	1,152,454
Long-term debt, including current portion	868,234	420,865	380,632
Debt/capital ratio	.4184	.3170	.2698
Shareholders' equity	1,316,653	1,475,058	1,473,192
Shares outstanding	142,114,167	152,518,104	159,269,954
Book value per share	9.26	9.67	9.25
Total assets	3,115,407	2,880,824	2,716,655
Operations			
Net sales	5,027,890	4,851,624	4,453,063
Costs and expenses:			
Cost of sales and related buying and occupancy	3,344,945	3,295,813	3,082,037
Selling, general and administrative	1,405,270	1,322,929	1,217,590
Interest, net	47,091	34,250	39,400
Service charge income and other, net	(107,139)	(108,581)	(129,469)
Total costs and expenses	4,690,167	4,544,411	4,209,558
Earnings before income taxes	337,723	307,213	243,505
Income taxes	131,000	121,000	96,000
Net earnings	206,723	186,213	147,505
Basic earnings per share	1.41	1.20	.91
Diluted earnings per share	1.41	1.20	.91
Dividends per share	.30	.265	.25
Net earnings as a percent of net sales	4.11%	3.84%	3.31%
Return on average shareholders' equity	14.81%	12.63%	10.19%
Sales per square foot for Company-operated stores	362	384	377
Stores	97	92	83
Total square footage	13,593,000	12,614,000	11,754,000

Nordstrom, Inc. and Subsidiaries

Ten Year Statistical Summary (continued)

Dollars in thousands except square footage and per share amounts

Year ended January 31,	1996	1995	1994	1993
Financial Position				
Customer accounts receivable, net	$874,103	$655,715	$565,151	$584,379
Merchandise inventories	626,303	627,930	585,602	536,739
Current assets	1,612,776	1,397,713	1,314,914	1,219,844
Current liabilities	818,523	679,652	618,154	503,015
Working capital	794,253	718,061	696,760	716,829
Working capital ratio	1.97	2.06	2.13	2.43
Land, buildings and equipment, net	1,103,298	984,195	845,596	824,142
Long-term debt, including current portion	439,943	373,910	438,574	481,945
Debt/capital ratio	.3209	.2556	.2911	.3309
Shareholders' equity	1,422,972	1,343,800	1,166,504	1,052,031
Shares outstanding	162,226,288	164,488,196	164,118,256	163,949,594
Book value per share	8.77	8.17	7.11	6.42
Total assets	2,732,619	2,396,783	2,177,481	2,053,170
Operations				
Net sales	4,113,517	3,894,478	3,589,938	3,421,979
Costs and expenses:				
Cost of sales and related buying and occupancy	2,806,250	2,599,553	2,469,304	2,339,107
Selling, general and administrative	1,120,790	1,023,347	940,579	902,083
Interest, net	39,295	30,664	37,646	44,810
Service charge income and other, net	(125,130)	(94,644)	(88,509)	(86,140)
Total costs and expenses	3,841,205	3,558,920	3,359,020	3,199,860
Earnings before income taxes	272,312	335,558	230,918	222,119
Income taxes	107,200	132,600	90,500	85,500
Net earnings	165,112	202,958	140,418	136,619
Basic earnings per share	1.01	1.24	.86	.83
Diluted earnings per share	1.01	1.23	.86	.83
Dividends per share	.25	.1925	.17	.16
Net earnings as a percent of net sales	4.01%	5.21%	3.91%	3.99%
Return on average shareholders' equity	11.94%	16.17%	12.66%	13.72%
Sales per square foot for Company-operated stores	382	395	383	381
Stores	78	76	74	72
Total square footage	10,713,000	9,998,000	9,282,000	9,224,000

Ten Year Statistical Summary (continued)

Dollars in thousands except square footage and per share amounts

Year ended January 31,	1992	1991	1990
Financial Position			
Customer accounts receivable, net	$585,490	$558,573	$519,656
Merchandise inventories	506,632	448,344	419,976
Current assets	1,177,638	1,090,379	1,011,148
Current liabilities	547,002	546,084	485,883
Working capital	630,636	544,295	525,265
Working capital ratio	2.15	2.00	2.08
Land, buildings and equipment, net	856,404	806,191	691,937
Long-term debt, including current portion	511,000	489,172	468,412
Debt/capital ratio	.4074	.4359	.4378
Shareholders' equity	939,231	826,410	733,250
Shares outstanding	163,688,454	163,475,820	163,169,420
Book value per share	5.74	5.06	4.49
Total assets	2,041,875	1,902,589	1,707,420
Operations			
Net sales	3,179,820	2,893,904	2,671,114
Costs and expenses:			
Cost of sales and related buying and occupancy	2,169,437	2,000,250	1,829,383
Selling, general and administrative	831,505	747,770	669,159
Interest, net	49,106	52,228	49,121
Service charge income and other, net	(87,443)	(84,660)	(55,958)

Total costs and expenses	2,962,605	2,715,588	2,491,705
Earnings before income taxes	217,215	178,316	179,409
Income taxes	81,400	62,500	64,500
Net earnings	135,815	115,816	114,909
Basic earnings per share	.83	.71	.70
Diluted earnings per share	.83	.71	.70
Dividends per share	.155	.15	.14
Net earnings as a percent of net sales	4.27%	4.00%	4.30%
Return on average shareholders' equity	15.38%	14.85%	16.74%
Sales per square foot for Company-operated stores	388	391	398
Stores	68	63	59
Total square footage	8,590,000	7,655,000	6,898,000

Nordstrom, Inc. and Subsidiaries

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Nordstrom, Inc. and Subsidiaries

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Nordstrom, Inc. and Subsidiaries

Retail Store Facilities

The following table sets forth certain information with respect to each of the stores operated by the Company. The Company also operates seven distribution centers and owns or leases other space for administrative functions.

Location	Store Name	Year opened or acquired	Present total store area/sq. ft.
Southwest Group			
Arizona			
Scottsdale	Fashion Square	1998	235,000
California			
Arcadia	Santa Anita Fashion Park	1994	151,000
Brea	Brea Mall	1979	195,000
Canoga Park	Topanga Plaza	1984	154,000
Cerritos	Los Cerritos Center	1981	122,000
Corte Madera	The Village at Corte Madera	1985	116,000
Costa Mesa	South Coast Plaza	1978	235,000
Escondido	North County Fair	1986	156,000
Glendale	Glendale Galleria	1983	147,000
Los Angeles	Westside Pavilion	1985	150,000
Montclair	Montclair Plaza	1986	134,000
Palo Alto	Stanford Shopping Center	1984	187,000
Pleasanton	Stoneridge Mall	1990	173,000
Redondo Beach	The Galleria at South Bay	1985	161,000
Riverside	The Galleria at Tyler	1991	164,000
Sacramento	Arden Fair Mall	1989	190,000
San Diego	Fashion Valley Center	1981	220,000
San Diego	Horton Plaza	1985	151,000
San Diego	University Towne Centre	1984	130,000
San Francisco	Stonestown Galleria	1988	174,000
San Francisco	San Francisco Centre	1988	350,000
San Mateo	Hillsdale Shopping Center	1982	149,000
Santa Ana	MainPlace Mall	1987	169,000
Santa Barbara	Paseo Nuevo Mall	1990	186,000
Santa Clara	Valley Fair	1987	165,000
Walnut Creek	Broadway Plaza	1984	193,000
East Coast Group			
Connecticut			
Farmington	Westfarms Mall	1997	189,000
Georgia			
Atlanta	Perimeter Mall	1998	243,000

Location	Store Name	Year opened or acquired	Present total store area/sq. ft.
East Coast Group (continued)			
Maryland			
Annapolis	Annapolis Mall	1994	162,000
Bethesda	Montgomery Mall	1991	225,000
Towson	Towson Town Center	1992	205,000
Pennsylvania			
King of Prussia	King of Prussia Plaza	1996	238,000
New Jersey			
Edison	Menlo Park Mall	1991	266,000
Freehold	Freehold Raceway Mall	1992	174,000
Millburn	The Mall at Short Hills	1995	188,000
Paramus	Garden State Plaza	1990	282,000
New York			
Garden City	Roosevelt Field Mall	1997	241,000
White Plains	The Westchester Mall	1995	219,000
Virginia			
Arlington	The Fashion Centre at Pentagon City	1989	241,000
McLean	Tysons Corner Center	1988	253,000
Central States Group			
Kansas			
Overland Park	Oak Park Mall	1998	219,000

Illinois					
Oakbrook	Oakbrook Center	1991		249,000	
Schaumburg	Woodfield Shopping Center		1995		215,000
Skokie	Old Orchard Center		1994		209,000
Indiana					
Indianapolis	Circle Centre Mall	1995		216,000	
Michigan					
Troy	Somerset Collection North		1996		258,000
Minnesota					
Bloomington	Mall of America	1992		240,000	
Ohio					
Beachwood	Beachwood Place	1997		231,000	
Texas					
Dallas	Dallas Galleria	1996		249,000	

Location	Store Name	Year opened or acquired	Present total store area/sq. ft.
Northwest Group			
Alaska			
Anchorage	Anchorage 5th Avenue Mall	1975	97,000
Colorado			
Denver	Park Meadows Mall	1996	245,000
Oregon			
Portland	Clackamas Town Center	1981	121,000
Portland	Downtown Portland	1966	174,000
Portland	Lloyd Center	1963	150,000
Salem	Salem Center	1980	71,000
Tigard	Washington Square	1974	189,000
Utah			
Murray	Fashion Place Mall	1981	110,000
Salt Lake City	Crossroads Plaza	1980	140,000
Washington			
Bellevue	Bellevue Square	1967	285,000
Lynnwood	Alderwood Mall	1979	127,000
Seattle	Downtown Seattle	1963	383,000
Seattle	Northgate Mall	1965	122,000
Spokane	Riverpark Square	1974	121,000
Tacoma	Tacoma Mall	1966	134,000
Tukwila	Southcenter Mall	1968	170,000
Vancouver	Vancouver Mall	1977	71,000
Yakima	Downtown Yakima	1972	44,000
Other			
Faconnable			
Beverly Hills, CA		1997	17,000
Costa Mesa, CA		1997	8,000
New York, NY		1993	10,000
Women's Ala Moana			
Honolulu, HI		1997	14,000
Men's Ala Moana			
Honolulu, HI		1997	8,000

1 Excludes approximately 278,000 square feet of corporate and administrative offices.

Location	Store Name	Year opened or acquired	Present total store area/sq. ft.
Rack Group			
Phoenix, AZ	Last Chance	1992	48,000
Chino, CA	Chino Town Square Rack	1987	30,000
Colma, CA	280 Metro Center Rack	1987	31,000
Costa Mesa, CA	Metro Point Rack	1983	50,000
San Diego, CA	Mission Valley Rack	1985	57,000
San Jose, CA	Westgate Mall Rack	1998	48,000
San Leandro, CA	Marina Square Rack	1990	44,000
Woodland Hills, CA	Woodland Hills Rack	1984	48,000
Littleton, CO	Meadows Market Place Rack	1998	34,000
Northbrook, IL	Village Square Rack	1996	40,000
Schaumburg, IL	Woodfield Rack	1994	45,000
Silver Spring, MD	City Place Rack	1992	37,000
Towson, MD	Towson Rack	1992	31,000
Bloomington, MN	Mall of America Rack	1998	41,000
Hempstead, NY	The Mall at the Source Rack	1997	48,000
Beaverton, OR	Tanasbourne Rack	1998	53,000
Portland, OR	Clackamas Rack	1983	28,000
Portland, OR	Downtown Portland Rack	1986	19,000
Philadelphia, PA	Franklin Mills Rack	1993	43,000
Salt Lake City, UT	Sugarhouse Center Rack	1991	31,000
Woodbridge, VA	Potomac Mills Rack	1990	46,000
Auburn, WA	SuperMall Rack	1995	48,000
Bellevue, WA	Factoria Square Rack	1997	46,000
Lynnwood, WA	Alderwood Rack	1985	25,000
Seattle, WA	Downtown Seattle Rack	1987	42,000

Shareholder Information

Independent Auditors
Deloitte & Touche LLP

Counsel
Lane Powell Spears Lubersky

Transfer Agent and Registrar
ChaseMellon Shareholder Services
Telephone (800) 318-7045

General Offices
1617 Sixth Avenue, Seattle, WA 98101-1742
Telephone (206) 628-2111

Annual Meeting
May 18, 1999 at 11:00 a.m. Pacific Daylight Time
John W. Nordstrom conference room
Downtown Seattle Store
1617 Sixth Avenue
Seattle, WA

Form 10-K
The Company's Annual Report to the Securities and Exchange Commission on Form 10-K for the year ended January 31, 1999 will be provided to shareholders upon written request to:
Nordstrom, Inc. Investor Relations
P.O. Box 2737
Seattle, WA 98111
or by calling (206) 233-6301.

Shareholder Information
Please visit our www.nordstrom.com web site to obtain the latest available information.

Nordstrom, Inc. and Subsidiaries

EXHIBIT 21.1

NORDSTROM, INC. AND SUBSIDIARIES

SUBSIDIARIES OF THE REGISTRANT

Name of Subsidiary	State of Incorporation
Nordstrom Credit, Inc.	Colorado
Nordstrom National Credit Bank	Colorado

5
1,000

12-MOS
JAN-31-1999
JAN-31-1999
241,431
0
611,678
24,543
750,269
1,680,407
2,597,263
1,234,863
3,115,407
768,542
804,893
0
0
230,761
1,085,892
3,115,407
5,027,890
5,027,890
3,334,945
4,643,076
0
0
47,091
337,723
131,000
206,723
0
0
0
206,723
1.41
1.41