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

FORM 8-K

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

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED) February 21, 2007

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

WASHINGTON	001-15059	91-0515058
(STATE OR OTHER JURISDICTION OF INCORPORATION)	(COMMISSION FILE NUMBER)	(I.R.S. EMPLOYER IDENTIFICATION NO.)

1617 SIXTH AVENUE, SEATTLE, WASHINGTON 98101
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES) (ZIP CODE)

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

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

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

___ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

___ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

___ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

___ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02 Results of Operations and Financial Condition

On February 26, 2007, Nordstrom, Inc. issued an earnings release announcing its results of operations for the quarter and year ended February 3, 2007, its financial position as of February 3, 2007, and its cash flows for the year ended February 3, 2007. A copy of this earnings release is attached as Exhibit 99.1.

ITEM 5.02 Entry into a Material Definitive Agreement

(e) Named Executive Officer Compensation

On February 21, 2007 the Compensation Committee (the "Committee") of the Board of Directors of Nordstrom, Inc. (the "Company") approved the following executive compensation actions relative to the Company's Named Executive Officers as set forth in the Company's proxy statement dated April 13, 2006 (the "NEOs"):

Named Executive Officer	2006 Bonus (1)	2007 Base Salary (2)
Blake W. Nordstrom President	$1,645,490	$700,000
Peter E. Nordstrom EVP and President Merchandising	$1,460,843	$650,000
Erik B. Nordstrom EVP and President Stores	$1,460,843	$650,000
Michael G. Koppel EVP and Chief Financial Officer	$564,439	$480,000
James O'Neal EVP and President Nordstrom Product Group	$494,526	$395,000

(1) The 2006 cash bonuses were determined based on the achievement of pre-established performance measures set by the Committee under the shareholder approved Nordstrom, Inc. Executive Management Group Bonus Plan.

(2) Represents Named Executive Officers' base salaries effective April 1, 2007 set by the Committee on February 21, 2007.

On February 21, 2007, the Committee also approved stock option grants to the Company's five NEOs, effective March 1, 2007. Stock options were granted pursuant to the terms of the Nordstrom, Inc. 2004 Equity Incentive Plan (the "Plan"). Stock option grants have a term of ten years with an exercise price equivalent to the fair market value of the Company's stock on March 1, 2007. Vesting occurs at the rate of 25% annually beginning one year from the date

of grant. The number of options to be awarded to each individual is a function of base pay, a long-term incentive (LTI) percentage and the fair value of an option. The Binomial Lattice model is used to estimate the fair value of an option. This model requires the input of certain assumptions, including risk-free interest rate, volatility, dividend yield, and expected life. The formula for determining the number of options granted is:

No. of Options = (base pay * LTI %) / option fair value

The 2007 Stock Option Award Agreement and Form of Notice is attached hereto as Exhibit 10.1.

On February 21, 2007, the Committee also approved Performance Share Units ("PSUs") awards to the Company's five NEOs. PSUs are awarded pursuant to the terms of the Nordstrom, Inc. 2004 Equity Incentive Plan. PSUs entitle the participant to settle in shares of Company Common Stock or cash in lieu thereof upon the achievement of such performance goals as may be established by the Committee at the time of grant based on any one or combination of certain performance criteria enumerated in the Plan. 2007-2010 PSUs are earned over a three-year period. The percentage of PSUs granted that will actually be earned at the end of the three-year period is based upon the Company's total shareholder return compared to the total shareholder return of companies in a pre-defined group of retail peers. Additionally, PSUs will only be earned if the Company's total shareholder return for the period is positive. The number of units to be awarded to each individual is a function of base pay, a long-term incentive (LTI) percentage and the value of a performance share unit (discounted to reflect the risk of forfeiture). The formula for determining the number of units granted is:

No. of Units = (base pay * LTI %) / discounted stock price

The 2007 Performance Share Unit Award Agreement and Form of Notice is attached hereto as Exhibit 10.2.

Also on February 21, 2007, the Committee approved bonus goals, performance levels and award levels that may be earned during the fiscal year ending February 2, 2008 ("Fiscal Year 2007") under the Company's shareholder approved Executive Management Group Bonus Plan (the "Plan").

Under the Plan, bonus awards are paid only when performance goals are achieved. The bonus target and maximum payments are expressed as a percentage of base salary and the bonus goals vary by position depending on each participant's area of responsibility and influence.

Fiscal Year 2007 bonus arrangements for the Company's NEOs were approved by the Compensation Committee as follows:

Name and Principal Position	Bonus Target as a % of Base Salary	Bonus Maximum as a % of Base Salary	Bonus Measures	Bonus Measure Weighting
Blake W. Nordstrom President	100%	250.0%	-Earnings before taxes/ Return on invested capital	100.0%
Peter E. Nordstrom EVP and President Merchandising	100%	250.0%	-Earnings before taxes/ Return on invested capital	100.0%
Erik B. Nordstrom EVP and President Stores	100%	250.0%	-Earnings before taxes/ Return on invested capital	100.0%
Michael G. Koppel EVP and Chief Financial Officer	60%	150.0%	-Earnings before taxes/ Return on invested capital -Leadership development -Cost/asset productivity	75.0% 12.5% 12.5%
James R. O'Neal EVP and President Nordstrom Product Group	60%	150.0%	-Earnings before taxes -Nordstrom Product Group sales (Full-line stores only) -Nordstrom Product Group design development and lead times	75.0% 12.5% 12.5%

ITEM 7.01 Regulation FD Disclosure

On February 26, 2007, Nordstrom, Inc. issued an earnings release announcing its results of operations for the quarter and year ended February 3, 2007, its financial position as of February 3, 2007, and its cash flows for the year ended February 3, 2007. A copy of this earnings release is attached as Exhibit 99.1.

ITEM 9.01 Financial Statements and Exhibits

(d) Exhibits

10.1 2007 Stock Option Award Agreement and Form of Notice

10.2 2007 Performance Share Unit Award Agreement and Form of Notice

99.1 Nordstrom earnings release dated February 26, 2007, relating to the Company's results of operations for the quarter and year ended February 3, 2007, its financial position as of February 3, 2007, and its cash flows for the year ended February 3, 2007.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NORDSTROM, INC.

By: /s/ David L. Mackie

David L. Mackie
Corporate Secretary

Dated: February 26, 2007

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
10.1	2007 Stock Option Notice Award Agreement and Form of Notice
10.2	2007 Performance Share Unit Award Agreement and Form of Notice
99.1	Nordstrom earnings release dated February 26, 2007 relating to the Company's results of operations for the quarter and year ended February 3, 2007, its financial position as of February 3, 2007, and its cash flows for the year ended February 3, 2007.

Exhibit 10.1

Non-qualified Stock Option Agreement
Time-Vested Option
2007

A NONQUALIFIED STOCK OPTION GRANT for the number of shares of Common Stock (hereinafter the "Option") as noted in the 2007 Notice of Grant of Stock Options, of Nordstrom, Inc., a Washington Corporation (the "Company"), is hereby granted to the "Optionee." The option price is as noted in the 2007 Notice of Grant of Stock Options and was determined as provided in, and is subjected to, the terms of the Nordstrom, Inc. 2004 Equity Incentive Plan (the "Plan") adopted by the Board of Directors of the Company and approved by the Company's shareholders, which is incorporated in this Agreement. To the extent inconsistent with this Agreement, the terms of the Plan shall govern. The Compensation Committee of the Board has the discretionary authority to construe and interpret the Plan and this Agreement. The Option is subject to the following:

1. OPTION PRICE
The option price is one hundred percent (100%) of the fair market value of the Company's Common Stock, as determined by the closing price of the Company's Common Stock on the New York Stock Exchange on the date of the grant. For this purpose, the "date of grant" is indicated in the 2007 Notice of Grant of Stock Options and reflects either the date the Compensation Committee approves the grant, or if this date falls within a closed trading period, the first trading day thereafter that falls within an open trading window.

2. VESTING AND EXERCISING OF OPTION
Except as set forth in Section 5, the Option shall vest and be exercisable in accordance with the provisions of the Plan as follows:

(a) Schedule of Vesting and Rights to Exercise.

Years of Continuous Service Following Grant of Option	Percent of Option Vested
After 1 year	25%
After 2 years	50%
After 3 years	75%
After 4 years	100%

(b) Method of Exercise. The Option shall be exercisable (only to the extent vested) by a written notice that shall:

(i) state the election to exercise the Option, the number of shares, the total option price, and the name, address and social security number of the Optionee;

(ii) be signed by the person entitled to exercise the Option; and

(iii) be in writing and delivered to Nordstrom Leadership Benefits (either directly or through a stock broker).

The Company has made arrangements with a broker for stock option management and exercises. Procedures for management and exercises shall be disseminated to the Optionee with the Agreement.

Payment of the purchase price of any shares with respect to which an Option is being exercised shall be by check or bank wire transfer, by means of the surrender of shares of Common Stock previously held for at least six months by Optionee, or where not acquired by Optionee by exercising a stock option, having a fair market value at least equal to the exercise price, or by giving an irrevocable direction for a securities broker approved by the Company to sell all or part of the Option shares and to deliver to the Company from the sale proceeds an amount sufficient to pay the option exercise price and any amount required to be withheld to meet the Company's minimum statutory withholding requirements, including the employee's share of payroll taxes. (The balance of the sale proceeds, if any, will be delivered to the Optionee.)

The certificate(s) or shares of Common Stock as to which the Option shall be exercised shall be registered in the name of the person(s) exercising the Option unless another person is specified. An Option hereunder may not at any time be exercised for a fractional number of shares.

(c) Restrictions on Exercise. These Options may not be exercised if the issuance of the shares upon such exercise would constitute a violation of any applicable federal or state securities or other law or valid regulation, or the Company's insider trading policy. As a condition to the exercise of these Options, the Company may require the person exercising the Options to make any representation and warranty to the Company as the Company's counsel advises and as may be required by the Company or by any applicable law or regulation.

3. ACCEPTANCE OF OPTIONS
Although Nordstrom does not require the Optionee's signature upon accepting the grant, the Optionee remains subject to the terms of this Agreement.

4. NONTRANSFERABILITY OF OPTIONS
The Option may not be sold, pledged, assigned or transferred in any manner otherwise than, in the event of the Optionee's death, either indicated on your valid Nordstrom Beneficiary Designation form, by will or the laws of descent and distribution and, except as set forth in Section 5 below, may be exercised during the lifetime of the Optionee only by the Optionee or by the guardian or legal representative of the Optionee. The terms of the Option shall be binding upon the executors, administrators, heirs and successors of the Optionee.

5. SEPARATION OF EMPLOYMENT
Except as set forth below, a vested Option may only be exercised while the Optionee is an employee of the Company. If an Optionee's employment is terminated, the Optionee or his or her legal representative shall have the right to exercise the Option after such termination as follows:

(a) If the Optionee dies while employed by the Company, the persons

named in the Optionee's Beneficiary Designation form may exercise such rights. If no valid Beneficiary Designation form is on file with the Company, then the person to whom the Optionee's rights have passed by will or the laws of descent and distribution may exercise such rights. If the Option was granted at least six months prior to the death of the Optionee while employed by the Company, it shall continue to vest and may be exercised during the period ending four years after the Optionee's death, but in no event later than 10 years after the date of grant. If the Option was granted less than six months prior to death, such Option shall be terminated as of the date of death.

(b) If the Optionee is separated due to disability, as defined in Section 22(e)(3) of the Internal Revenue Code, the Option, if granted at least six months prior to such separation, shall continue to vest and may be exercised during the period ending four years after separation, but in no event later than 10 years after the date of grant. If the Option was granted less than six months prior to disability, such Option shall be terminated as of that date.

(c) If the Optionee is separated due to retirement between the ages of 53 and 57 with 10 continuous years of service to the Company or upon attaining age 58, the Option, if granted at least six months prior to such retirement, shall continue to vest and may be exercised during the period ending four years after separation, but in no event later than 10 years after the date of grant. If the Option was granted less than six months prior to retirement, such Option shall be terminated as of that date.

(d) If the Optionee's employment is terminated due to his or her embezzlement or theft of Company funds, defraudation of the Company, violation of Company rules, regulations or policies, or any intentional act that harms the Company, such Option, to the extent not exercised as of the date of termination, shall be terminated as of that date.

(e) If the Optionee is separated for any reason other than those set forth in subparagraphs (a), (b), (c) and (d) above, the Optionee (or Optionee's beneficiary) may exercise his or her Option, to the extent vested as of the date of his or her separation, within 100 days after separation, but in no event later than 10 years after the date of grant.

6. TERM OF OPTIONS
The Option may not be exercised more than 10 years from the date of original grant of these Options, and the vested portion of such Option may be exercised during such term only in accordance with the Plan and the terms of this Option.

7. ADJUSTMENTS UPON CHANGES IN CAPITALIZATION
The number and kind of shares of Company stock subject to this Option shall be appropriately adjusted, pursuant to the Plan, along with a corresponding adjustment in the option price to reflect any stock dividend, stock split, split-up, extraordinary dividend distribution, or any combination or exchange of shares, however accomplished.

8. ADDITIONAL OPTIONS
The Nordstrom Compensation Committee of the Board of Directors may or may not grant the Optionee additional stock options in the future. Nothing in this Option or any future grant should be construed as suggesting that additional grants of options to the Optionee will be forthcoming.

9. LEAVES OF ABSENCE AND PART-TIME WORK
For purposes of this Option, the Optionee's service does not terminate due to a military leave, a sick leave or another bona fide leave of absence if the leave was approved by the Company in writing and if continued crediting of service is required by the terms of the leave or by applicable law. But, service terminates when the approved leave ends unless the Optionee immediately returns to active work.

If the Optionee goes on a leave of absence approved by the Company, then the vesting schedule specified in the 2007 Notice of Grant of Stock Options may be adjusted in accordance with the Company's leave of absence policy or the terms of the leave.

10. TAX WITHHOLDING
In the event that the Company determines that it is required to withhold any tax as a result of the exercise of this Option, the Optionee, as a condition to the exercise of their Options, shall make arrangements satisfactory to the Company to enable it to satisfy all withholding requirements.

11. RIGHTS AS A SHAREHOLDER
Neither the Optionee nor the Optionee's representative shall have any rights as a shareholder with respect to any Common Shares subject to this Option, until (i) the Optionee or the Optionee's representative becomes entitled to receive such Common Shares by filing a notice of exercise and paying the Option Price pursuant to this Option, and (ii) the Optionee or Optionee's representative has satisfied any other requirement imposed by applicable law or the Plan.

12. NO RETENTION RIGHTS
Nothing in this Option or in the Plan shall give the Optionee the right to be retained by the Company (or a subsidiary of the Company) as an employee or in any capacity. The Company and its subsidiaries reserve the right to terminate the Optionee's service at any time, with or without cause.

13. ENTIRE AGREEMENT
The 2007 Notice of Grant of Stock Options, this Agreement and the Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof. They supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) that relate to the subject matter hereof.

14. CHOICE OF LAW
This Agreement shall be governed by, and construed in accordance with, the laws of the State of Washington, as such laws are applied to contracts entered into and performed in such State.

Exhibit 10.1

Nordstrom, Inc.

Notice of Grant of Stock Options

First Name, Last Name

ID:
Grant No:
Effective March 1, 2007, you were awarded nonqualified stock options under the Nordstrom, Inc. 2004 Equity Incentive Plan (the Plan) to purchase _________ shares of

Exhibit 10.2

Performance Share Unit Award Agreement
2007

AN AWARD FOR PERFORMANCE SHARE UNITS (PSUs) for the number of shares of Common Stock (hereinafter the "Units") as noted in the 2007 Notice of Award of Performance Share Units (the "Notice"), of Nordstrom, Inc., a Washington Corporation (the "Company"), is hereby granted to the "Unit holder" on the date set forth in the Notice. The Units are subject to the terms, definitions and provisions of the Nordstrom, Inc. 2004 Equity Incentive Plan (the "Plan") adopted by the Board of Directors of the Company and approved by the Company's shareholders, which is incorporated in this Agreement. Each vested Unit is equal in value to one share of Nordstrom stock. To the extent inconsistent with this Agreement, the terms of the Plan shall govern. The Compensation Committee of the Board has the discretionary authority to construe and interpret the Plan and this Agreement. The Units are subject to the following:

1. VESTING AND SETTLEMENT OF UNITS

At the end of three fiscal years following the date of the Award ("the Performance Cycle"), Units shall vest and be settled in accordance with the provisions of the Plan as follows:

(a) Vesting

Except as set forth in Section 2, Units shall vest at the applicable percentage when the Compensation Committee of the Board certifies that (1) the Company's Total Shareholder Return (TSR) is positive, and (2) its TSR performance relative to the TSR of other companies in the peer group exceeds the following corresponding percentile rankings. For purposes of determining the Company's TSR relative to the TSR of other companies in the peer group, the share price of the Common Stock of the Company, and the share prices of the companies in the peer group, shall be based on a thirty (30) trading day average established prior to the start of the Performance Cycle and a thirty (30) trading day average established at the end of the Performance Cycle.

Percentile Ranking	Vesting %
100.00%	125%
93.00%	125%
86.00%	125%
80.00%	100%
73.00%	85%
66.00%	85%
60.00%	75%
53.00%	75%
0 - 50.00%	0%

The relative percentile rankings may change during the Performance Cycle based upon mergers, acquisitions, dissolutions and other industry consolidation involving the companies in the peer group. Generally, PSUs will be vested if the Nordstrom TSR for the three-year period following the grant is in the top half of performers relative to the other companies in the peer group.

(b) Settlement

Units shall be settled upon vesting, unless the Unit holder has elected to defer the Units into the Executive Deferred Compensation Plan (EDCP). Such deferral election must be in writing, must be executed at least six months prior to the last day of the Performance Cycle in which the Units vest, and must be irrevocable. Upon deferral, the vested Units (and their subsequent settlement and payment) shall be governed by the terms and conditions of the EDCP as that Plan may be amended from time to time by the Company.

At the time of settlement, unless earlier deferred into the EDCP, the Unit holder shall elect to receive one share of Common Stock for each vested Unit or receive an equivalent amount of cash (in accordance with procedures established by the Company). The amount of cash will be determined on the basis of the market value of the Common Stock on the last day of the Performance Cycle, determined at the time of vesting.

(c) Withholding Taxes

No stock certificates or cash will be distributed to the Unit holder, or amounts deferred into the EDCP, unless the Unit holder has made acceptable arrangements to pay any withholding taxes that may be due as a result of the settlement of this Award. These arrangements may include withholding shares of Common Stock that otherwise would be distributed when the Units are settled. The fair market value of the shares required to cover withholding will be applied to the withholding of taxes prior to the Unit holder receiving the remaining shares (or the cash value of those shares).

(d) Restrictions on Resale

The Unit holder agrees not to sell any shares of the Company's stock at a time when applicable laws or Company policies prohibit a sale. This restriction will apply as long as the Unit holder is an employee, consultant or director of the Company or a subsidiary or affiliate of the Company.

2. SEPARATION OF EMPLOYMENT

Except as set forth below, Units vest and may only be settled while the Unit holder is an employee of the Company. If the Unit holder's employment is terminated, the Units shall continue to vest pursuant to the schedule set forth in subparagraph 1(a) above, and the Unit holder or his or her legal representative shall have the right to settlement of the Units after such termination only as follows:

(a) If the Unit holder dies, the persons to whom the Unit holder's rights have passed by beneficiary designation, or if no valid Beneficiary Designation form is on file with Nordstrom, then by will or the laws of descent and distribution, shall be entitled to settlement of the Units. The Unit holder's beneficiary(ies) shall be entitled to a prorated payment with respect to Units earned during the Performance Cycle based on the period of service during the term of this Agreement.

(b) If the Unit holder is separated due to his or her disability, as defined in Section 22(e)(3) of the Internal Revenue Code, the Unit holder (or his or her beneficiary) shall be entitled to a prorated payment with respect to Units earned during the

Performance Cycle based on the period of service during the term of this Agreement.

(c) If the Unit holder is separated due to retirement between the ages of 53 and 57 with 10 years of service to the Company, or upon attaining age 58, the Unit holder (or his or her beneficiary) shall be entitled to a prorated payment with respect to Units earned during the Performance Cycle based on the period of service during the term of this Agreement.

(d) If the Unit holder is separated for any reason other than those set forth in subparagraphs (a), (b) and (c) above, Units, to the extent not vested and settled as of the date of his or her separation, shall be forfeited as of that date.

Notwithstanding anything above to the contrary, if during the term of this Award, the Unit holder directly or indirectly, either as an employee, employer, consultant, agent, principal, partner, shareholder, corporate officer, director or in any other capacity, engages or assists any third party in engaging in any business competitive with the Company; divulges any confidential or proprietary information of the Company to a third party who is not authorized by the Company to receive the confidential or proprietary information; or uses any confidential or proprietary information of the Company, then the post-separation proration of Units and settlement rights set forth above shall cease immediately, and all outstanding vested and unvested portions of the Award shall be automatically forfeited.

3. TERM

Units not certified by the Compensation Committee of the Board as having vested as of the end of the three-year Performance Cycle for which the Units were awarded, shall be forfeited.

4. ADJUSTMENTS UPON CHANGES IN CAPITALIZATION

The number and kind of shares of Company stock subject to this Award shall be appropriately adjusted pursuant to the Plan to reflect any stock dividend, stock split, split-up or any combination or exchange of shares, however accomplished.

5. ADDITIONAL UNITS

The Compensation Committee may or may not grant the Unit holder additional performance share units in the future. Nothing in this Award or any future Award should be construed as suggesting that

additional unit awards to the Unit holder will be forthcoming.

6. RIGHTS AS A SHAREHOLDER

Neither the Unit holder nor the Unit holder's beneficiary or representative shall have any rights as a shareholder with respect to any Common Shares subject to these Units, unless and until the Units vest and are settled in shares of Common Stock of the Company.

7. NO RETENTION RIGHTS

Nothing in this Agreement or in the Plan shall give the Unit holder the right to be retained by the Company (or a subsidiary of the Company) as an employee or in any capacity. The Company and its subsidiaries reserve the right to terminate the Unit holder's service at any time, with or without cause.

8. ENTIRE AGREEMENT

The 2007 Notice of Award of Performance Share Units, this Agreement and the Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof. They supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) that relate to the subject matter hereof.

9. CHOICE OF LAW

This Agreement shall be governed by, and construed in accordance with, the laws of the State of Washington, as such laws are applied to contracts entered into and performed in such State.

Exhibit 10.2

Nordstrom, Inc.

Notice of Award of Performance Share Units

First Name, Last Name

Employee No:
Award No:

On February 21, 2007, you were awarded ________ Performance Share Units (PSUs) under the Nordstrom, Inc. 2004 Equity Incentive Plan (the "Plan").

Your PSUs are governed by the terms of your PSU Award Agreement and the terms of the Plan. Your PSUs are earned (or "vested") based on the Nordstrom Total Shareholder Return (TSR) relative to the performance of our retail comparator group over the three-year period ending on January 30, 2010. At the end of the three-year period, if Nordstrom's TSR is a positive number, your PSUs will be earned as detailed below:

Percentile Ranking	Vest %
100.00%	125%
93.00%	125%
86.00%	125%
80.00%	100%
73.00%	85%
66.00%	85%
60.00%	75%
53.00%	75%
0-50.00%	0%

TSR results are provided to you via e-mail on a quarterly basis during the fiscal year. The periodic TSR communication shows you how Nordstrom stock is performing in relation to our retail comparator group for each PSU grant, and the progress that has been made toward earning your PSUs. Final vesting of PSUs will be determined by the Compensation Committee of the Board of Directors and based on the actual TSR measured at the end of the performance cycle.

Please keep this Notice for your records.

If you have any questions about your grant, please call Nordstrom Leadership Benefits at (206) 303-5855, tie line 8-805-5855 or e-mail leadership.benefits@nordstrom.com.

Exhibit 99.1

For Immediate Release
- ---------------------
February 26, 2007

NORDSTROM REPORTS FOURTH QUARTER EARNINGS PER SHARE INCREASE OF 29 PERCENT

SEATTLE - February 26, 2007 - Nordstrom, Inc. (NYSE: JWN) today reported net earnings of $232.3 million, or $0.89 per diluted share, for the fourth quarter ended February 3, 2007. For the same period last year, net earnings and earnings per diluted share were $190.4 million and $0.69, respectively.

Total sales for the fourth quarter of 2006 increased 14.6 percent, to $2.6 billion, compared to sales of $2.3 billion in the same period last year. Same-store sales increased 8.3 percent. Similar to many other retailers, Nordstrom follows the retail 4-5-4 reporting calendar, which included an extra week in the fourth quarter of fiscal 2006 (the 53rd week). In the 53rd week, the company had sales of $117.7 million. Sales for the 53rd week represented 5.1 percentage points of the total sales percent increase versus the prior year. The 53rd week is not included in same-store sales calculations.

FOURTH QUARTER HIGHLIGHTS
Earnings per diluted share in the fourth quarter increased 29 percent compared to the same quarter last year, reflecting strong sales momentum primarily due to the company's improved execution of its merchandising strategy. This growth in earnings per diluted share occurred on top of last year's 38 percent increase in the fourth quarter. The company continues to focus on providing customers with compelling merchandise and service in its full-line, Rack and online stores.

- Same-store sales increased 8.3 percent for the quarter, exceeding the company's one to three percent same-store sales plan. Strong regular price sales across all major merchandise categories throughout the quarter and a successful holiday season drove the sales increase.

- Gross profit, as a percent of sales, increased 81 basis points over the fourth quarter fiscal 2005 result. Merchandise margin improved versus the prior year, driven mainly by lower markdowns and higher sell-through of inventory, especially in women's apparel.

- Selling, general and administrative expenses as a percent to sales decreased 20 basis points versus the prior year. Overall, expenses during the fourth quarter trended in line with the improved performance in sales and gross profit compared to last year. In the fourth quarter, performance-based incentive compensation costs driven by goals for total year results and share price appreciation accelerated above plan, as fiscal 2006 sales, gross profit, and earnings before tax results exceeded expectations.

- As a result of the adoption of SFAS No. 123(R), "Share-Based Payment," the company recorded $8.4 million in share-based compensation expense for the quarter, which resulted in a $0.02 impact on diluted earnings per share. Of the total expense, $3.6 million was recorded in buying and occupancy and $4.8 million was recorded in selling, general and administrative expenses.

- Sales of $117.7 million in the 53rd week period resulted in earnings of $0.02 per diluted share for the quarter.

FULL YEAR RESULTS
For the fiscal year ended February 3, 2007, net earnings increased 23 percent to $678.0 million compared to net earnings of $551.3 million last year. Earnings per diluted share for the same periods were $2.55 and $1.98, respectively.

Total sales for the year increased 10.8 percent to $8.6 billion compared to prior year sales of $7.7 billion, with sales for the 53rd week representing 1.5 percentage points of the total increase versus last year. As noted previously, same-store sales calculations do not include the 53rd week. For the year, same-store sales increased 7.5 percent.

EXPANSION UPDATE

Nordstrom opened a new 35,000-square-foot Nordstrom Rack store at Grand Plaza in San Marcos, Calif., on November 16, 2006.

In 2007, Nordstrom plans to open three new full-line stores:
- On September 7, 2007, a 144,000-square-foot store at the Natick Mall in Natick, Mass.;
- On September 28, 2007, a 165,000-square-foot store at the Twelve Oaks Mall in Novi, Mich.;
- On October 19, 2007, a 140,000-square foot-store in the Cherry Creek Mall in Denver, Colo.

In the fall of 2007, Nordstrom plans to open a new Rack store at Southcenter Square in Tukwila, Wash.

SHARE REPURCHASE
Nordstrom repurchased approximately 0.5 million shares of its common stock during the fourth quarter for $26.0 million. This reduction in weighted average shares outstanding had no material effect on diluted earnings per share for the quarter.

2007 OUTLOOK
The company is providing the following 2007 forecast:
Full-Year 2007 Full-Year 2007 Adjusted for comparability
------------ -- --------- -----
~~Same-store Sales 3% to 4% 3% to 4% Gross Profit (%) 30 to 40 basis point increase 30 to 40 basis point increase Selling, General and~~

~~Admin. Expense (%) 5 to 15 basis point increase 35 to 45 basis point decrease Interest Expense Flat $20 to $25 million decrease Other Income including Finance Charges $25 to $35 million increase Flat Effective Tax Rate 38.5% 38.5% Earnings per Diluted Share $2.78 to $2.84 $2.86 to $2.92 Diluted Shares Outstanding 261 million 261 million Prior Year Earnings per Diluted Share $2.55 $2.55~~

Notes on comparability of fiscal year 2007 to 2006:

The 53rd week in fiscal 2006 creates a timing shift in the 4-5-4 calendar for fiscal 2007. The months of fiscal 2007 begin and end one week later than in fiscal 2006. Our same-store sales reporting basis compares weeks 1 through 52 for both years, excluding the 53rd week of 2006. This timing shift is anticipated to impact the cadence of monthly same-store sales results throughout the year, as many normal sales trends, events and holiday periods are aligned differently than last year.

The company expects to complete an $800 to $900 million securitization transaction backed by the company's co-branded Visa receivables in the first quarter of fiscal 2007. With that securitization transaction, we begin a new accounting treatment for the co-branded Visa receivables and debt secured by those receivables. The co-branded Visa receivables will be recorded on the balance sheet initially at fair value with no allowance for credit losses. Normal write-offs for uncollectible Visa receivables, estimated at $19 million along with other costs net at $4 million, will be recorded in Other Income and Expenses over the eight month period following the transaction. This period is equal to the average repayment life of the acquired receivables. This activity will impact annual earnings per diluted share by $0.05.

Also as a result of the securitization transaction, income and expenses from our co-branded Visa receivables that were previously reported net in Other Income and Expenses (under securitization accounting guidance) will be reclassified in our earnings statement. Bad debt and write-off expense is expected to increase approximately $25 to $35 million and impact the SG&A rate by 30 to 40 basis points. Interest expense, partially offset by interest income, will increase approximately $20 to $25 million. Other income including finance charges will increase $45 to $55 million. The offsetting combination of these expenses and income is not anticipated to impact annual earnings per diluted share.

Pre-opening costs for new stores in fiscal 2007 and 2008 will incrementally increase general and administrative costs by approximately $12 million in fiscal 2007. These expenses are projected to impact the SG&A rate by approximately 15 basis points and earnings per diluted share by $0.03.

For the first quarter of 2007, the company expects mid-single digit same-store sales growth. Due to the one week timing shift in 2007 caused by the 53rd week of 2006, same-store sales are expected to vary monthly versus the planned quarterly rate as follows: in line in February, above in March, and below in April. Earnings per diluted share for the first quarter are expected in the range of $0.51 to $0.54, including a $0.02 impact from the first quarter portion of incremental expenses associated with the securitization transaction described in the notes above.

CONFERENCE CALL INFORMATION
Company management will be hosting a conference call and webcast to discuss fourth quarter and annual results at 4:30 p.m. (ET) today. Access to the conference call is open to the press and general public in a listen-only mode. To participate, please dial 212-547-0138 ten minutes prior to the call (passcode: NORD). A telephone replay will be available for 48 hours beginning approximately one hour after the conclusion of the call by dialing 866-448-4802. Interested parties may also access the call over the Internet by visiting the Investor Relations section of the company's corporate Web site at http://about.nordstrom.com/aboutus/investor/webcasts.asp. An archived version of the webcast will be available at this location for 30 days.

Nordstrom, Inc. is one of the nation's leading fashion specialty retailers, with 155 US stores located in 27 states. Founded in 1901 as a shoe store in Seattle, today Nordstrom operates 98 full-line stores, 50 Nordstrom Racks, four Faconnable boutiques in the United States, one free-standing shoe store, and two clearance stores. Nordstrom also operates 36 Faconnable boutiques in Europe. In addition, Nordstrom serves customers through its online presence at http://www.nordstrom.com and through its catalogs. Nordstrom, Inc. is publicly traded on the NYSE under the symbol JWN.

Certain statements in this news release contain "forward-looking" information (as defined in the Private Securities Litigation Reform Act of 1995) that involves risks and uncertainties, including anticipated results for the fiscal year ending February 2, 2008, and its first quarter, store openings and trends in company operations. Actual future results and trends may differ materially from historical results or current expectations depending upon factors including, but not limited to, the impact of economic and competitive market forces, the impact of terrorist activity or the impact of a war on the

company, its customers and the retail industry, the company's ability to predict fashion trends, consumer apparel buying patterns, trends in personal bankruptcies and bad debt write-offs, changes in interest rates, employee relations, the company's ability to continue its expansion plans, the timely completion of construction associated with newly planned stores, changes in government or regulatory requirements, the company's ability to control costs, weather conditions and hazards of nature. Our SEC reports, including our Form 10-K for the fiscal year ended January 28, 2006, and our Form 10-K for the fiscal year ended February 3, 2007, to be filed with the SEC on or about March 23, 2007, contain other information on these and other factors that could affect our financial results and cause actual results to differ materially from any forward-looking information we may provide. The company undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events, new information or future circumstances.

Investor Contact: RJ Jones, 206-303-3007

Media Contact: Deniz Anders, 206-373-3038

NORDSTROM, INC.
CONSOLIDATED STATEMENTS OF EARNINGS - 4th Quarter

(unaudited; amounts in thousands, except per share data and percentages)

	Quarter ended 2/3/07	% of sales (1) (except as indicated)	Quarter ended 1/28/06	% of sales (1) (except as indicated)
~~Net sales~~	~~$2,630,904~~	~~100.0%~~	~~$ 2,295,818~~	~~100.0%~~
~~Cost of sales and related buying & occupancy costs~~	~~(1,624,190)~~	~~(61.7%)~~	~~(1,435,891)~~	~~(62.5%)~~
~~Gross profit~~	~~1,006,714~~	~~38.3%~~	~~859,927~~	~~37.5%~~
~~Selling, general and administrative expenses~~	~~(684,881)~~	~~(26.0%)~~		

~~(602,280) (26.2%)~~

~~Operating income 321,833 12.2% 257,647 11.2% Interest expense, net (7,805) (0.3%) (11,509) (0.5%) Other income including finance charges, net 65,017 2.5% 61,302 2.7%~~

~~Earnings before income tax expense 379,045 14.4% 307,440 13.4% Income tax expense (146,704) (38.7%) (2) (117,010) (38.1%) (2)~~

~~Net earnings $ 232,341 8.8% $190,430 8.3%~~

~~Earnings per share Basic $0.90 $0.71 Diluted $0.89 $0.69~~

ADDITIONAL DATA

Weighted average shares outstanding ~~Basic 257,259 269,783 Diluted 262,230 275,662~~

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

(2)Percent of earnings before income tax expense.

NORDSTROM, INC.
CONSOLIDATED STATEMENTS OF EARNINGS - Year to Date

(unaudited; amounts in thousands, except per share data and percentages)

Year % of sales (1) Year % of sales (1) ended (except as ended (except as 2/3/07 indicated) 1/28/06 indicated)

~~Net sales $ 8,560,698 100.0%~~

~~$7,722,860 100.0% Cost of sales and related buying & occupancy costs (5,353,949) (62.5%) (4,888,023) (63.3%)~~

~~Gross profit 3,206,749 37.5% 2,834,837 36.7% Selling, general and administrative expenses (2,296,863) (26.8%) (2,100,666) (27.2%)~~

~~Operating income 909,886 10.6% 734,171 9.5% Interest expense, net (42,758) (0.5%) (45,300) (0.6%) Other income including finance charges, net 238,525 2.8% 196,354 2.5%~~

~~Earnings before income tax expense 1,105,653 12.9% 885,225 11.5% Income tax expense (427,654) (38.7%) (2) (333,886) (37.7%) (2)~~

~~Net earnings $ 677,999 7.9% $551,339 7.1% ========== ========== Earnings per share Basic $2.60 $2.03 Diluted $2.55 $1.98~~

ADDITIONAL DATA
- ---------------

Weighted average shares outstanding ~~Basic 260,689 271,958 Diluted 265,712 277,776~~

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

(2) Percent of earnings before income tax expense.

NORDSTROM, INC.
CONSOLIDATED BALANCE SHEETS

(unaudited; amounts in thousands)

2/3/07
1/28/06 ----
------- ----

~~Assets~~
~~Current assets: Cash and cash equivalents $ 402,559 $ 462,656~~
~~Short-term investments - 54,000~~
~~Accounts receivable, net 684,376 639,558~~
~~Investment in asset backed securities 428,175 561,136~~
~~Merchandise inventories 997,289 955,978~~
~~Current deferred tax assets, net 169,320 145,470~~
~~Prepaid expenses and other 60,474 55,359 ------- -------~~
~~Total current assets 2,742,193 2,874,157~~
~~Land, buildings and equipment, net 1,757,215 1,773,871~~
~~Goodwill 51,714 51,714~~
~~Acquired tradename 84,000 84,000~~
~~Other assets 186,456 137,607 ------- -------~~
~~Total assets $ 4,821,578 $4,921,349~~
~~=========== ===========~~
~~Liabilities and Shareholders' Equity~~
~~Current liabilities: Accounts payable $ 576,796 $ 540,019~~
~~Accrued salaries, wages and related benefits 339,965 285,982~~
~~Other current liabilities 433,487 409,076~~
~~Income taxes payable 76,095 81,617~~
~~Current portion of long-term debt 6,800 306,618 ------- -------~~
~~Total current liabilities 1,433,143 1,623,312~~
~~Long-term debt, net 623,652 627,776~~
~~Deferred property incentives, net 356,062 364,382~~
~~Other liabilities 240,200 213,198~~
~~Shareholders' equity:~~

~~Common stock, no par value: 1,000,000 shares authorized; 257,313 and 269,549 shares issued and outstanding 826,421 685,934~~
~~Unearned stock compensation — (327)~~
~~Retained earnings 1,350,680 1,404,366~~
~~Accumulated other comprehensive (loss) earnings (8,580) 2,708~~
~~Total shareholders' equity 2,168,521 2,092,681~~
~~Total liabilities and shareholders' equity $4,821,578 $4,921,349~~
~~=========== ===========~~

NORDSTROM, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited; amounts in thousands)

Year ended 2/3/07 Year ended 1/28/06
---------- ----------

~~Operating Activities~~
~~Net earnings $ 677,999 $ 551,339~~
~~Adjustments to reconcile net earnings to net cash provided by operating activities:~~
~~Depreciation and amortization of buildings and equipment 284,520 276,328~~
~~Amortization of deferred property incentives and other, net (36,293) (33,350)~~
~~Stock-based compensation expense 37,362 13,285~~
~~Deferred income taxes, net (58,274) (11,238)~~
~~Tax benefit of stock-~~

~~based payments~~	~~43,552~~	~~41,092~~
~~Excess tax benefit from stock-based payments~~	~~(38,293)~~	~~—~~
~~Provision for bad debt expense~~	~~17,064~~	~~20,918~~
~~Change in operating assets and liabilities:~~		
~~Accounts receivable~~	~~(61,301)~~	~~(15,140)~~
~~Investment in asset backed securities~~	~~127,984~~	~~(135,790)~~
~~Merchandise inventories~~	~~(38,649)~~	~~(20,804)~~
~~Prepaid expenses~~	~~(4,723)~~	~~(1,035)~~
~~Other assets~~	~~(7,661)~~	~~(3,473)~~
~~Accounts payable~~	~~84,291~~	~~31,721~~
~~Accrued salaries, wages and related benefits~~	~~48,719~~	~~(11,284)~~
~~Other current liabilities~~	~~23,533~~	~~38,755~~
~~Income taxes payable~~	~~(5,522)~~	~~(33,877)~~
~~Deferred property incentives~~	~~30,723~~	~~49,480~~
~~Other liabilities~~	~~17,334~~	~~19,305~~
~~Net cash provided by operating activities~~	~~1,142,365~~	~~776,232~~
~~Investing Activities~~		
~~Capital expenditures~~	~~(264,437)~~	~~(271,659)~~
~~Proceeds from sale of assets~~	~~224~~	~~107~~
~~Purchases of short-term investments~~	~~(109,550)~~	~~(542,925)~~
~~Sales of short term investments~~	~~163,550~~	~~530,750~~
~~Other, net~~	~~(8,067)~~	~~(8,366)~~
~~Net cash used in investing activities~~	~~(218,280)~~	~~(292,093)~~
~~Financing Activities~~		
~~Principal payments on long term debt~~		

~~(307,559) (101,047)~~

~~(Decrease) increase in cash book overdrafts (50,853) 4,946~~

~~Proceeds from exercise of stock options 50,900 73,023~~

~~Proceeds from employee stock purchase plan 16,300 15,600~~

~~Excess tax benefit from stock-based payments 38,293 —~~

~~Cash dividends paid (110,158) (87,196)~~

~~Repurchase of common stock (621,527) (287,080)~~

~~Other, net 422 (352)~~

~~Net cash used in financing activities (984,182) (382,106)~~

~~Net (decrease) increase in cash and cash equivalents (60,097) 102,033~~

~~Cash and cash equivalents at beginning of year 462,656 360,623~~

~~Cash and cash equivalents at end of year $ 402,559 $ 462,656~~