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

FORM 10-Q

(Mark One)
☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended October 27, 2012

OR

o **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: 001-15059

NORDSTROM, INC.

(Exact name of registrant as specified in its charter)

Washington	**91-0515058**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1617 Sixth Avenue, Seattle, Washington	**98101**
(Address of principal executive offices)	(Zip Code)

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

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 ☑ NO o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
YES ☑ NO o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑	Accelerated filer o
Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
YES o NO ☑

Common stock outstanding as of November 28, 2012: 200,094,346 shares

NORDSTROM, INC.
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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited).

NORDSTROM, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(Amounts in millions except per share amounts)
(Unaudited)

	Quarter Ended		Nine Months Ended	
	October 27, 2012	**October 29, 2011**	**October 27, 2012**	**October 29, 2011**
Net sales	**$ 2,713**	$ 2,383	**$ 8,166**	$ 7,328
Credit card revenues	**95**	95	**280**	283
Total revenues	**2,808**	2,478	**8,446**	7,611
Cost of sales and related buying and occupancy costs	**(1,730)**	(1,511)	**(5,193)**	(4,619)
Selling, general and administrative expenses:				
Retail	**(755)**	(670)	**(2,254)**	(1,989)
Credit	**(46)**	(57)	**(152)**	(171)
Earnings before interest and income taxes	**277**	240	**847**	832
Interest expense, net	**(38)**	(31)	**(118)**	(92)
Earnings before income taxes	**239**	209	**729**	740
Income tax expense	**(93)**	(82)	**(278)**	(293)
Net earnings	**$ 146**	$ 127	**$ 451**	$ 447
Earnings per share:				
Basic	**$ 0.73**	$ 0.60	**$ 2.21**	$ 2.08
Diluted	**$ 0.71**	$ 0.59	**$ 2.17**	$ 2.04
Weighted average shares outstanding:				
Basic	**200.9**	210.9	**204.5**	215.3
Diluted	**204.7**	215.0	**208.2**	219.6

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

NORDSTROM, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS
(Amounts in millions)
(Unaudited)

	Quarter Ended		Nine Months Ended	
	October 27, 2012	**October 29, 2011**	**October 27, 2012**	**October 29, 2011**
Net earnings	**$ 146**	$ 127	**$ 451**	$ 447
Other comprehensive earnings, net of tax	**1**	1	**4**	2
Comprehensive net earnings	**$ 147**	$ 128	**$ 455**	$ 449

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

NORDSTROM, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in millions)
(Unaudited)

	October 27, 2012	January 28, 2012	October 29, 2011
Assets			
Current assets:			
Cash and cash equivalents	**$ 1,158**	$ 1,877	$ 1,457
Accounts receivable, net	**2,088**	2,033	1,995
Merchandise inventories	**1,650**	1,148	1,507
Current deferred tax assets, net	**222**	220	216
Prepaid expenses and other	**115**	282	147
Total current assets	**5,233**	5,560	5,322
Land, buildings and equipment (net of accumulated depreciation of $4,013, $3,791 and $3,769)	**2,551**	2,469	2,471
Goodwill	**175**	175	200
Other assets	**306**	287	346
Total assets	**$ 8,265**	$ 8,491	$ 8,339
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable	**$ 1,347**	$ 917	$ 1,256
Accrued salaries, wages and related benefits	**320**	388	327
Other current liabilities	**751**	764	698
Current portion of long-term debt	**6**	506	506
Total current liabilities	**2,424**	2,575	2,787
Long-term debt, net	**3,129**	3,141	2,810
Deferred property incentives, net	**488**	500	511
Other liabilities	**340**	319	335
Commitments and contingencies			
Shareholders' equity:			
Common stock, no par value: 1,000 shares authorized; 200.7, 207.6 and 210.1 shares issued and outstanding	**1,622**	1,484	1,436
Retained earnings	**303**	517	487
Accumulated other comprehensive loss	**(41)**	(45)	(27)
Total shareholders' equity	**1,884**	1,956	1,896
Total liabilities and shareholders' equity	**$ 8,265**	$ 8,491	$ 8,339

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

NORDSTROM, INC.
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Amounts in millions except per share amounts)
(Unaudited)

	Common Stock		Retained	Accumulated Other Comprehensive	
	Shares	Amount	Earnings	Loss	Total
Balance at January 28, 2012	207.6	$ 1,484	$ 517	$ (45)	$ 1,956
Net earnings	—	—	451	—	451
Other comprehensive earnings	—	—	—	4	4
Dividends ($0.81 per share)	—	—	(166)	—	(166)
Issuance of common stock under stock compensation plans	2.9	101	—	—	101
Stock-based compensation	0.1	37	—	—	37
Repurchase of common stock	(9.9)	—	(499)	—	(499)
Balance at October 27, 2012	**200.7**	**$ 1,622**	**$ 303**	**$ (41)**	**$ 1,884**

	Common Stock		Retained	Accumulated Other Comprehensive	
	Shares	Amount	Earnings	Loss	Total
Balance at January 29, 2011	218.0	$ 1,168	$ 882	$ (29)	$ 2,021
Net earnings	—	—	447	—	447
Other comprehensive earnings	—	—	—	2	2
Dividends ($0.69 per share)	—	—	(149)	—	(149)
Issuance of common stock for HauteLook acquisition	3.5	148	—	—	148
Issuance of common stock under stock compensation plans	2.9	86	—	—	86
Stock-based compensation	0.9	34	—	—	34
Repurchase of common stock	(15.2)	—	(693)	—	(693)
Balance at October 29, 2011	210.1	$ 1,436	$ 487	$ (27)	$ 1,896

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

NORDSTROM, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in millions)
(Unaudited)

	Nine Months Ended	
	October 27, 2012	October 29, 2011
Operating Activities		
Net earnings	**$ 451**	$ 447
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization expenses	**314**	273
Amortization of deferred property incentives and other, net	**(47)**	(41)
Deferred income taxes, net	**(31)**	18
Stock-based compensation expense	**42**	42
Tax benefit from stock-based compensation	**19**	17
Excess tax benefit from stock-based compensation	**(20)**	(19)
Provision for bad debt expense	**48**	82
Change in operating assets and liabilities:		
Accounts receivable	**(94)**	(56)
Merchandise inventories	**(449)**	(444)
Prepaid expenses and other assets	**(28)**	(62)
Accounts payable	**339**	331
Accrued salaries, wages and related benefits	**(71)**	(53)
Other current liabilities	**(18)**	30
Deferred property incentives	**43**	61
Other liabilities	**9**	2
Net cash provided by operating activities	**507**	628
Investing Activities		
Capital expenditures	**(369)**	(398)
Change in restricted cash	**200**	—
Change in credit card receivables originated at third parties	**(10)**	10
Other, net	**(7)**	(3)
Net cash used in investing activities	**(186)**	(391)
Financing Activities		
Proceeds from long-term borrowings, net of discounts	**—**	499
Principal payments on long-term borrowings	**(505)**	(5)
Increase (decrease) in cash book overdrafts	**36**	(20)
Cash dividends paid	**(166)**	(149)
Payments for repurchase of common stock	**(506)**	(693)
Proceeds from issuances under stock compensation plans	**83**	69
Excess tax benefit from stock-based compensation	**20**	19
Other, net	**(2)**	(6)
Net cash used in financing activities	**(1,040)**	(286)
Net decrease in cash and cash equivalents	**(719)**	(49)
Cash and cash equivalents at beginning of period	**1,877**	1,506
Cash and cash equivalents at end of period	**$ 1,158**	$ 1,457
Supplemental Cash Flow Information		
Cash paid during the period for:		
Interest (net of capitalized interest)	**$ 108**	$ 73
Income taxes	**$ 360**	$ 340
Non-cash investing activity:		
Issuance of common stock for HauteLook acquisition	**$ —**	$ 148

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

NORDSTROM, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollar and share amounts in millions except per share and per option amounts)
(Unaudited)

NOTE 1: BASIS OF PRESENTATION
The accompanying condensed consolidated financial statements include Nordstrom, Inc. and its subsidiaries. All intercompany transactions and balances are eliminated in consolidation. The interim condensed consolidated financial statements have been prepared on a basis consistent in all material respects with the accounting policies described and applied in our 2011 Annual Report on Form 10-K ("Annual Report"), and reflect all adjustments that are, in management's opinion, necessary for the fair presentation of the results of operations, financial position and cash flows for the periods presented.

The condensed consolidated financial statements as of and for the periods ended October 27, 2012 and October 29, 2011 are unaudited. The condensed consolidated balance sheet as of January 28, 2012 has been derived from the audited consolidated financial statements included in our 2011 Annual Report. The interim condensed consolidated financial statements should be read together with the consolidated financial statements and related footnote disclosures contained in our 2011 Annual Report.

The preparation of our financial statements requires that we make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and disclosure of contingent assets and liabilities. We base our estimates on historical experience and other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from these estimates.

Our business, like that of other retailers, is subject to seasonal fluctuations. Due to our Anniversary Sale in July, the holidays in December and the half-yearly sales that occur in our second and fourth quarters, our sales are typically higher in the second and fourth quarters of the fiscal year than in the first and third quarters. In 2012, our Anniversary Sale shifted to the last week of July and the first week of August to align with the historical timing of our sale event. This moved one week of event sales to the third quarter. Results for any quarter are not necessarily indicative of the results that may be achieved for a full fiscal year.

Recent Accounting Pronouncements
In December 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2011-11, *Disclosures about Offsetting Assets and Liabilities*, which has requirements that are disclosure-only in nature. This ASU requires disclosures about offsetting and related arrangements for financial instruments and derivative instruments, including gross and net information and evaluation of the effect of netting arrangements on the statement of financial position. We do not expect the provisions of this ASU, which are effective for us beginning with the first quarter of 2013, to have a material impact on our consolidated financial statements.

NOTE 2: HAUTELOOK
On March 23, 2011, we acquired 100% of the outstanding equity of HauteLook, Inc., an online private sale retailer offering limited-time sale events on fashion and lifestyle brands. The terms of this acquisition included upfront consideration of $180 in Nordstrom common stock and an "earn-out" provision ultimately settled in 2011 for $30 in Nordstrom common stock. On the acquisition date, we recorded intangible assets of $62 and goodwill of $146, offset by other net liabilities of $13. In the fourth quarter of 2011, we recognized a goodwill impairment charge of $25, reducing the HauteLook goodwill to $121 due to a reorganization of HauteLook, changes in expected business results and market dynamics. Additionally, as part of the reorganization, we recorded income of $12 related to the settlement of the earn-out liability.

NORDSTROM, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollar and share amounts in millions except per share and per option amounts)
(Unaudited)

NOTE 3: ACCOUNTS RECEIVABLE
The components of accounts receivable are as follows:

	October 27, 2012	January 28, 2012	October 29, 2011
Credit card receivables:			
Nordstrom VISA credit card receivables	**$ 1,315**	$ 1,347	$ 1,344
Nordstrom private label card receivables	**777**	727	691
Total credit card receivables	**2,092**	2,074	2,035
Allowance for credit losses	**(95)**	(115)	(125)
Credit card receivables, net	**1,997**	1,959	1,910
Other accounts receivable[1]	**91**	74	85
Accounts receivable, net	**$ 2,088**	$ 2,033	$ 1,995

[1]Other accounts receivable consist primarily of credit and debit card receivables due from third-party financial institutions.

Activity in the allowance for credit losses for the quarter and nine months ended October 27, 2012 and October 29, 2011 is as follows:

	Quarter Ended		Nine Months Ended	
	October 27, 2012	October 29, 2011	October 27, 2012	October 29, 2011
Allowance at beginning of period	**$ 105**	$ 125	**$ 115**	$ 145
Bad debt provision	**10**	31	**48**	82
Write-offs	**(25)**	(37)	**(86)**	(119)
Recoveries	**5**	6	**18**	17
Allowance at end of period	**$ 95**	$ 125	**$ 95**	$ 125

For purposes of determining impairment and recording the associated allowance for credit losses, we evaluate our credit card receivables on a collective basis as they are composed of large groups of smaller-balance homogeneous loans and, therefore, are not individually evaluated for impairment.

Under certain circumstances, we may make modifications to payment terms for a customer experiencing financial difficulties in an effort to help the customer avoid bankruptcy and to maximize our recovery of the outstanding balance. These modifications, which meet the definition of troubled debt restructurings ("TDRs"), include reduced or waived fees and finance charges, and/or reduced minimum payments. Receivables classified as TDRs were $54, or 2.6% of our total credit card receivables as of October 27, 2012, $58, or 2.8% of our total credit card receivables as of January 28, 2012 and $62, or 3.1% of our total credit card receivables as of October 29, 2011. As with other aged receivables in our portfolio, the allowance for credit losses related to receivables classified as TDRs is primarily based on our historical aging and delinquency trends and write-off experience, with qualitative consideration of factors affecting the credit quality of our portfolio, including amounts of and trends in TDRs.

NORDSTROM, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollar and share amounts in millions except per share and per option amounts)
(Unaudited)

Credit Quality

The primary indicators of the credit quality of our credit card receivables are aging and delinquency, particularly the levels of account balances delinquent 30 days or more as these are the accounts most likely to be written off. The following table illustrates the aging and delinquency status of our credit card receivables:

	October 27, 2012		January 28, 2012		October 29, 2011	
	Balance	% of Total	Balance	% of Total	Balance	% of Total
Current	**$ 1,960**	**93.7%**	$ 1,928	93.0%	$ 1,899	93.3%
1 – 29 days delinquent	**89**	**4.2%**	92	4.4%	80	3.9%
30+ days delinquent:						
30 – 59 days delinquent	**17**	**0.9%**	20	1.0%	21	1.1%
60 – 89 days delinquent	**11**	**0.5%**	13	0.6%	15	0.7%
90 days or more delinquent	**15**	**0.7%**	21	1.0%	20	1.0%
Total 30+ days delinquent	**43**	**2.1%**	54	2.6%	56	2.8%
Total credit card receivables	**$ 2,092**	**100.0%**	$ 2,074	100.0%	$ 2,035	100.0%
Receivables not accruing finance charges	**$ 10**		$ 15		$ 18	
Receivables 90 days or more delinquent and still accruing finance charges	**$ 9**		$ 11		$ 11	

We also evaluate credit quality using FICO credit scores. The following table illustrates the distribution of our credit card receivables across FICO score ranges:

	October 27, 2012		January 28, 2012		October 29, 2011	
FICO Score Range[1]	Balance	% of Total	Balance	% of Total	Balance	% of Total
801+	**$ 335**	**16.0%**	$ 307	14.8%	$ 331	16.3%
720 – 800	**755**	**36.1%**	741	35.7%	728	35.7%
660 – 719	**571**	**27.3%**	572	27.6%	545	26.8%
600 – 659	**258**	**12.3%**	270	13.0%	253	12.4%
001 – 599	**101**	**4.8%**	120	5.8%	115	5.7%
Other[2]	**72**	**3.5%**	64	3.1%	63	3.1%
Total credit card receivables	**$ 2,092**	**100.0%**	$ 2,074	100.0%	$ 2,035	100.0%

[1]Credit scores for our cardholders are updated at least every 60 days. Amounts listed in the table reflect the most recently obtained credit scores as of the dates indicated.
[2]Other consists of amounts not yet posted to customers' accounts and receivables from customers for whom FICO scores are temporarily unavailable.

NORDSTROM, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollar and share amounts in millions except per share and per option amounts)
(Unaudited)

NOTE 4: DEBT AND CREDIT FACILITIES

Debt
A summary of our long-term debt is as follows:

	October 27, 2012	January 28, 2012	October 29, 2011
Secured			
Series 2007-2 Class A Notes, one-month LIBOR plus 0.06% per year, due April 2012	—	$ 454	$ 454
Series 2007-2 Class B Notes, one-month LIBOR plus 0.18% per year, due April 2012	—	46	46
Series 2011-1 Class A Notes, 2.28%, due October 2016	**$ 325**	325	—
Mortgage payable, 7.68%, due April 2020	**48**	51	52
Other	**10**	12	13
	383	888	565
Unsecured			
Senior notes, 6.75%, due June 2014, net of unamortized discount	**400**	399	399
Senior notes, 6.25%, due January 2018, net of unamortized discount	**648**	648	648
Senior notes, 4.75%, due May 2020, net of unamortized discount	**498**	498	498
Senior notes, 4.00%, due October 2021, net of unamortized discount	**499**	499	499
Senior debentures, 6.95%, due March 2028	**300**	300	300
Senior notes, 7.00%, due January 2038, net of unamortized discount	**344**	343	343
Other	**63**	72	64
	2,752	2,759	2,751
Total long-term debt	**3,135**	3,647	3,316
Less: current portion	**(6)**	(506)	(506)
Total due beyond one year	**$ 3,129**	$ 3,141	$ 2,810

In April 2012, we retired our Series 2007-2 Class A & B Notes ("the Notes") totaling $500, which had been secured by our restricted receivables. The Notes were retired using cash that had been accumulated monthly into a restricted account beginning in December 2011. Prior to the retirement, the accumulated cash was included in our condensed consolidated balance sheet in prepaid expenses and other.

Credit Facilities
As of October 27, 2012, we had total short-term borrowing capacity available for general corporate purposes of $800. Of the total capacity, we had $600 under our commercial paper program, which is backed by our unsecured revolving credit facility ("revolver") that expires in June 2016, and $200 under our 2007-A Variable Funding Note ("2007-A VFN") that expires in January 2013. For the nine months ended October 27, 2012, we had no issuances under our commercial paper program and no borrowings under our revolver or our 2007-A VFN.

The revolver requires that we maintain a leverage ratio, defined as Adjusted Debt to Earnings before Interest, Income Taxes, Depreciation, Amortization and Rent ("EBITDAR"), of less than four times. As of October 27, 2012, we are in compliance with this covenant.

NORDSTROM, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollar and share amounts in millions except per share and per option amounts)
(Unaudited)

NOTE 5: FAIR VALUE MEASUREMENTS
We disclose our financial assets and liabilities that are measured at fair value in our condensed consolidated balance sheets on a recurring basis, by level within the fair value hierarchy as defined by applicable accounting standards:

Level 1: Quoted market prices in active markets for identical assets or liabilities
Level 2: Other observable market-based inputs or unobservable inputs that are corroborated by market data
Level 3: Unobservable inputs that cannot be corroborated by market data that reflect the reporting entity's own assumptions

We did not have any financial assets or liabilities that were measured at fair value on a recurring basis as of October 27, 2012 or January 28, 2012. The following table presents our financial assets and liabilities that were measured at fair value on a recurring basis as of October 29, 2011, by level within the fair value hierarchy:

	Fair Value Hierarchy	October 29, 2011
Assets:		
Interest rate swap	Level 2	$ 64
Liabilities:		
HauteLook earn-out liability	Level 3	$ 39

Interest Rate Swap
The estimated fair value of our interest rate swap agreements (collectively, the "swap") was a $64 asset as of October 29, 2011. In January 2012, we sold our interest rate swap. During 2011, before the sale of our swap, we estimated the fair value of our interest rate swap based upon observable market-based inputs for identical or comparable arrangements from reputable third-party brokers, adjusted for credit risk. As such, these were considered Level 2 fair value measurements.

HauteLook Earn-out
The estimated fair value of our HauteLook earn-out was a $39 liability as of October 29, 2011. On November 23, 2011, we settled the earn-out provisions for $30 and have no remaining liability related to the earn-out. During 2011, before the settlement, we estimated the fair value of the HauteLook earn-out liability using a valuation model based on our expectations of HauteLook’s future performance, estimates of volatility around those expectations and the risk-adjusted discount rate. As such, this was considered a Level 3 fair value measurement.

Other
Financial instruments not measured at fair value on a recurring basis include cash and cash equivalents, accounts receivable, accounts payable and debt. The carrying value of cash and cash equivalents, accounts receivable, net and accounts payable approximate fair value due to their short-term nature. The estimated fair value of our long-term debt, including current maturities and the remaining fair value adjustment from our previous effective fair value hedge, was $3,746 as of October 27, 2012, compared with a carrying value of $3,135. We estimated the fair value of long-term debt using quoted market prices of the same or similar issues, and as such, this is considered a Level 1 fair value measurement.

We also measure certain non-financial assets at fair value on a non-recurring basis, primarily goodwill and long-lived tangible and intangible assets, in connection with periodic evaluations for potential impairment. We recorded no impairment charges for these assets for the nine months ended October 27, 2012 and October 29, 2011.

NOTE 6: CONTINGENT LIABILITIES
We are subject from time to time to various claims and lawsuits arising in the ordinary course of business, including lawsuits alleging violations of state and/or federal wage and hour and other employment laws, privacy and other consumer-based claims. Some of these lawsuits purport or may be determined to be class or collective actions and seek substantial damages or injunctive relief, or both, and some may remain unresolved for several years. We believe the recorded reserves in our condensed consolidated financial statements are adequate in light of the probable and estimable liabilities. As of the date of this report, we do not believe any currently identified claim, proceeding or litigation, either alone or in the aggregate, will have a material impact on our results of operations, financial position or cash flows. Since these matters are subject to inherent uncertainties, our view of them may change in the future.

(Dollar and share amounts in millions except per share and per option amounts)

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NOTE 7: SHAREHOLDERS' EQUITY

In May 2011, our Board of Directors authorized a program (the "2011 Program") to repurchase up to $750 of our outstanding common stock, through February 2, 2013. In February 2012, our Board of Directors authorized a new program (the "2012 Program") to repurchase up to $800 of our outstanding common stock, through February 1, 2014, in addition to the remaining amount available for repurchase under the 2011 Program. For the nine months ended October 27, 2012, we repurchased 9.9 shares of our common stock for an aggregate purchase price of $499 and had $612 in remaining share repurchase capacity. The actual number and timing of future share repurchases, if any, will be subject to market and economic conditions and applicable Securities and Exchange Commission rules.

NOTE 8: STOCK-BASED COMPENSATION

The following table summarizes our stock-based compensation expense:

	Quarter Ended		Nine Months Ended	
	October 27, 2012	**October 29, 2011**	**October 27, 2012**	**October 29, 2011**
Stock options	**$ 8**	$ 8	**$ 29**	$ 26
HauteLook stock compensation	**2**	3	**7**	9
Performance share units	**1**	3	**3**	4
Employee stock purchase plan	**—**	—	**1**	1
Other	**—**	—	**2**	2
Total stock-based compensation expense, before income tax benefit	**$ 11**	$ 14	**$ 42**	$ 42
Income tax benefit	**(3)**	(5)	**(14)**	(16)
Total stock-based compensation expense, net of income tax benefit	**$ 8**	$ 9	**$ 28**	$ 26

During the nine months ended October 27, 2012 and October 29, 2011, we granted 2.9 and 2.7 options with estimated weighted average grant-date fair values per option of $15 in each period.

NOTE 9: EARNINGS PER SHARE

The computation of earnings per share is as follows:

	Quarter Ended		Nine Months Ended	
	October 27, 2012	**October 29, 2011**	**October 27, 2012**	**October 29, 2011**
Net earnings	**$ 146**	$ 127	**$ 451**	$ 447
Basic shares	**200.9**	210.9	**204.5**	215.3
Dilutive effect of stock options and other	**3.8**	4.1	**3.7**	4.3
Diluted shares	**204.7**	215.0	**208.2**	219.6
Earnings per basic share	**$ 0.73**	$ 0.60	**$ 2.21**	$ 2.08
Earnings per diluted share	**$ 0.71**	$ 0.59	**$ 2.17**	$ 2.04
Anti-dilutive stock options and other	**2.4**	3.8	**4.8**	4.0

NORDSTROM, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollar and share amounts in millions except per share and per option amounts)
(Unaudited)

NOTE 10: SEGMENT REPORTING

The following tables set forth information for our reportable segments:

	Retail	Credit	Corporate/Other	Total
Quarter Ended October 27, 2012				
Net sales	$ 2,657	—	$ 56	**$ 2,713**
Credit card revenues	—	$ 95	—	**95**
Earnings (loss) before interest and income taxes	342	25	(90)	**277**
Interest expense, net	—	(6)	(32)	**(38)**
Earnings (loss) before income taxes	342	19	(122)	**239**
Quarter Ended October 29, 2011				
Net sales	$ 2,350	—	$ 33	**$ 2,383**
Credit card revenues	—	$ 95	—	**95**
Earnings (loss) before interest and income taxes	307	22	(89)	**240**
Interest expense, net	—	(2)	(29)	**(31)**
Earnings (loss) before income taxes	307	20	(118)	**209**
Nine Months Ended October 27, 2012				
Net sales	$ 8,296	—	$ (130)	**$ 8,166**
Credit card revenues	—	$ 280	—	**280**
Earnings (loss) before interest and income taxes	1,160	52	(365)	**847**
Interest expense, net	—	(19)	(99)	**(118)**
Earnings (loss) before income taxes	1,160	33	(464)	**729**
Goodwill	175	—	—	**175**
Nine Months Ended October 29, 2011				
Net sales	$ 7,427	—	$ (99)	**$ 7,328**
Credit card revenues	—	$ 283	—	**283**
Earnings (loss) before interest and income taxes	1,061	60	(289)	**832**
Interest expense, net	—	(9)	(83)	**(92)**
Earnings (loss) before income taxes	1,061	51	(372)	**740**
Goodwill	200	—	—	**200**

The following table summarizes net sales within our reportable segments:

	Quarter Ended		Nine Months Ended	
	October 27, 2012	October 29, 2011	October 27, 2012	October 29, 2011
Nordstrom full-line stores	**$ 1,730**	$ 1,595	**$ 5,560**	$ 5,257
Direct	**248**	178	**799**	568
Nordstrom	**1,978**	1,773	**6,359**	5,825
Nordstrom Rack	**613**	528	**1,747**	1,478
Other retail[1]	**66**	49	**190**	124
Total Retail segment	**2,657**	2,350	**8,296**	7,427
Corporate/Other	**56**	33	**(130)**	(99)
Total net sales	**$ 2,713**	$ 2,383	**$ 8,166**	$ 7,328

[1]Other retail includes our HauteLook online private sale subsidiary, our Jeffrey stores and our treasure&bond store.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

(Dollar and share amounts in millions except per share and per square foot amounts)

CAUTIONARY STATEMENT

Certain statements in this Quarterly Report on Form 10-Q contain or may suggest "forward-looking" information (as defined in the Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties, including, but not limited to, anticipated financial outlook for the fiscal year ending February 2, 2013, anticipated annual same-store sales rate, anticipated Return on Invested Capital and trends in our operations. Such statements are based upon the current beliefs and expectations of the company's management and are subject to significant risks and uncertainties. Actual future results may differ materially from historical results or current expectations depending upon factors including, but not limited to:

- the impact of economic and market conditions and the resultant impact on consumer spending patterns,
- our ability to respond to the business environment, fashion trends and consumer preferences, including changing expectations of service and experience in stores and online,
- effective inventory management,
- successful execution of our growth strategy, including possible expansion into new markets, technological investments and acquisitions, our ability to realize the anticipated benefits from such growth initiatives, and the timely completion of construction associated with newly planned stores, relocations and remodels, all of which may be impacted by the financial health of third parties,
- our ability to manage the change in our business/financial model as we increase our investment in e-commerce and our online business,
- our ability to maintain relationships with our employees and to effectively attract, develop and retain our future leaders,
- successful execution of our multi-channel strategy, including planning, procurement and allocation capabilities,
- our compliance with applicable banking and related laws and regulations impacting our ability to extend credit to our customers,
- impact of the current regulatory environment and financial system and health care reforms,
- the impact of any systems failures, cybersecurity and/or security breaches, including any security breaches that result in the theft, transfer or unauthorized disclosure of customer, employee or company information or our compliance with information security and privacy laws and regulations in the event of such an incident,
- our compliance with employment laws and regulations and other laws and regulations applicable to us, including the outcome of claims and litigation and resolution of tax matters,
- compliance with debt covenants and availability and cost of credit,
- our ability to safeguard our brand and reputation,
- successful execution of our information technology strategy,
- our ability to maintain our relationships with vendors,
- trends in personal bankruptcies and bad debt write-offs,
- changes in interest rates,
- efficient and proper allocation of our capital resources,
- weather conditions, natural disasters, health hazards or other market disruptions, or the prospects of these events and the impact on consumer spending patterns,
- disruptions in our supply chain,
- the geographic locations of our stores,
- the effectiveness of planned advertising, marketing and promotional campaigns,
- our ability to control costs and
- the timing and amounts of share repurchases by the company, if any, or any share issuances by the company, including issuances associated with option exercises or other matters.

These and other factors, including those factors described in Part I, "Item 1A. Risk Factors" in our 2011 Annual Report on Form 10-K, could affect our financial results and cause actual results to differ materially from any forward-looking information we may provide. We undertake no obligation to update or revise any forward-looking statements to reflect subsequent events, new information or future circumstances.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

(Continued) (Dollar and share amounts in millions except per share and per square foot amounts)

OVERVIEW

Our third quarter marked the twelfth consecutive quarter of total company same-store sales increases, reflecting our ongoing efforts to improve the customer experience across all channels. Third quarter results were impacted by a timing shift of our Anniversary Sale, moving one week of the event from the second quarter into the third quarter. To provide a better indication of our performance, we look to our combined second and third quarter same-store sales increase of 7.3%.

Our focus on delivering a differentiated experience to our customers continues to create multiple growth opportunities. Our customers have a growing number of ways to shop, with expectations increasingly centered on speed and convenience. Given our customer's expanding view of service, we are making strategic investments to improve the experience across all channels. In e-commerce, we continue to build upon our online capabilities by expanding merchandise selection, enhancing the website and mobile experience and expediting check-out and delivery. These investments helped drive the 38% third quarter sales growth in our Direct channel. This was a notable increase on top of last year's 33% growth when we launched free shipping and returns online in the third quarter of 2011.

We also continue to grow through new stores and other initiatives and believe we can leverage our strong operating model and increase market share through expansion into both new and existing markets. During the first nine months of the year, we opened one Nordstrom full-line store, opened thirteen Nordstrom Rack stores and relocated three Nordstrom Rack stores. We also announced our plans to expand into Canada with four full-line stores. In addition, we have plans to increase our Rack stores to over 230 by the end of 2016. At the same time, our core store business remains strong and we have continued to elevate the customer experience. As an example, we now have mobile point-of-sale devices at all of our Rack stores to increase the speed at check-out, which in turn will drive incremental volume.

Strategic partnerships also help us build capabilities and increase our relevance. In the third quarter we began carrying merchandise from Topshop, an internationally renowned brand with trend-leading fashion at affordable prices, in fourteen of our stores and online.

Our credit business contributes to an improved customer experience through our product offerings, serving customers from our call centers and our Fashion Rewards program. This program plays an important part in strengthening and building customer relationships. Fashion Rewards members shop more frequently and spend more on average than non-members. With the launch of our enhanced program earlier this year, we generated increases in new accounts, Fashion Reward members' spend and Nordstrom card penetration compared with last year. We now have 3.1 million active members, a 22% increase over last year. During the third quarter, our delinquency and write-off trends continued to improve and were well below the same period in 2011.

Our focus on enhancing the customer experience, through e-commerce, store expansion and new markets, provides us with multiple growth opportunities, enabling us to deliver sustainable, profitable growth. Our overall goals remain to achieve high single-digit total sales growth and mid-teens Return on Invested Capital ("ROIC"), as we believe these measures correlate strongly with shareholder return. We are currently on track to achieve these long-term financial goals and in 2012 expect to produce the highest earnings before interest and income taxes ("EBIT") dollar results in our history.

RESULTS OF OPERATIONS

Our reportable segments are Retail and Credit. Our Retail segment includes our Nordstrom branded full-line stores and website, our Nordstrom Rack stores and our other retail channels including HauteLook, our Jeffrey stores and our treasure&bond store. For purposes of discussion and analysis of our results of operations, we combine our Retail segment results with revenues and expenses in the "Corporate/Other" column of our segment reporting footnote (collectively, the "Retail Business"). We analyze our results of operations through earnings before interest and income taxes for our Retail Business and earnings before income taxes for our Credit segment, while interest expense and income taxes are discussed on a total company basis.

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Retail Business

Summary

The following table summarizes the results of our Retail Business for the quarter and nine months ended October 27, 2012, compared with the quarter and nine months ended October 29, 2011:

	Quarter Ended			
	October 27, 2012		October 29, 2011	
	Amount	% of net sales	Amount	% of net sales
Net sales	**$ 2,713**	**100.0%**	$ 2,383	100.0%
Cost of sales and related buying and occupancy costs	**(1,706)**	**62.9%**	(1,495)	(62.7%)
Gross profit	**1,007**	**37.1%**	888	37.3%
Selling, general and administrative expenses	**(755)**	**(27.9%)**	(670)	(28.1%)
Earnings before interest and income taxes	**$ 252**	**9.3%**	$ 218	9.1%

	Nine Months Ended			
	October 27, 2012		October 29, 2011	
	Amount	% of net sales	Amount	% of net sales
Net sales	**$ 8,166**	**100.0%**	$ 7,328	100.0%
Cost of sales and related buying and occupancy costs	**(5,117)**	**62.7%**	(4,567)	(62.3%)
Gross profit	**3,049**	**37.3%**	2,761	37.7%
Selling, general and administrative expenses	**(2,254)**	**(27.6%)**	(1,989)	(27.1%)
Earnings before interest and income taxes	**$ 795**	**9.7%**	$ 772	10.5%

(Continued) (Dollar and share amounts in millions except per share and per square foot amounts)

Retail Business Net Sales

	Quarter Ended		Nine Months Ended	
	October 27, 2012	**October 29, 2011**	**October 27, 2012**	**October 29, 2011**
Net sales by channel:				
Nordstrom full-line stores	**$ 1,730**	$ 1,595	**$ 5,560**	$ 5,257
Direct	**248**	178	**799**	568
Nordstrom	**1,978**	1,773	**6,359**	5,825
Nordstrom Rack	**613**	528	**1,747**	1,478
Other retail[1]	**66**	49	**190**	124
Total Retail segment	**2,657**	2,350	**8,296**	7,427
Corporate/Other	**56**	33	**(130)**	(99)
Total net sales	**$ 2,713**	$ 2,383	**$ 8,166**	$ 7,328
Net sales increase	**13.8%**	14.2%	**11.4%**	12.8%
Same-store sales increase by channel:				
Nordstrom full-line stores	**8.1%**	6.2%	**4.6%**	6.4%
Direct	**38.3%**	33.3%	**40.6%**	26.3%
Nordstrom	**11.2%**	8.5%	**8.1%**	8.1%
Nordstrom Rack	**8.1%**	6.8%	**7.5%**	4.3%
Total	**10.7%**	7.9%	**7.7%**	7.2%
Sales per square foot	**$ 109**	$ 98	**$ 328**	$ 303
4-wall sales per square foot[2]	**$ 94**	$ 88	**$ 294**	$ 279

[1]Other retail includes our HauteLook online private sale subsidiary, our Jeffrey stores and our treasure&bond store.
[2]4-wall sales per square foot is calculated as Nordstrom full-line and Nordstrom Rack sales divided by Nordstrom full-line and Nordstrom Rack weighted-average square footage. Weighted-average square footage includes a percentage of period-end square footage for new stores equal to the percentage of the period during which they were open.

Total company net sales increased 13.8% for the quarter and 11.4% for the nine months ended October 27, 2012, compared with the same periods in 2011. Overall same-store sales increased 10.7% for the quarter and 7.7% for the nine months ended October 27, 2012. During the nine months ended October 27, 2012, we opened one Nordstrom full-line store, opened thirteen Nordstrom Rack stores and relocated three Nordstrom Rack stores.

Nordstrom net sales for the third quarter of 2012 were $1,978, an increase of 11.5% compared with the same period in 2011, while net sales were $6,359 for the nine months ended October 27, 2012, an increase of 9.2% compared with the same period in 2011. Nordstrom same-store sales increased 11.2% for the quarter and 8.1% for the nine months ended October 27, 2012, compared with the same periods in 2011. Both the number of items sold and the average selling price increased for the quarter and nine months ended October 27, 2012, compared with the same periods last year. Top-performing categories for both the quarter and nine months ended October 27, 2012, included Men's Shoes and Men's Apparel. For the quarter, Kids' Apparel was also a highlight while Handbags performed well for the nine months ended October 27, 2012. Nordstrom net sales and same-store sales for the quarter ended October 27, 2012 were favorably impacted by the Anniversary Sale shift, which moved an additional week of the event from the second quarter into the third quarter.

Full-line same-store sales increased 8.1% for the quarter and 4.6% for the nine months ended October 27, 2012, compared with the same periods in 2011. The top-performing geographic regions for full-line stores for the quarter were the Midwest and Northwest and for the nine months ended October 27, 2012 they were the South and Midwest. The Direct channel continued to show strong sales growth with an increase of 38.3% in the third quarter of 2012 and 40.6% in the first nine months of 2012, compared with the same periods in the prior year. These increases significantly outpaced our overall performance and are reflective of how customers are responding to our ongoing e-commerce initiatives.

(Continued) (Dollar and share amounts in millions except per share and per square foot amounts)

Nordstrom Rack net sales increased $85, or 16.3%, for the quarter and $269, or 18.2% for the nine months ended October 27, 2012, compared with the same periods in 2011. Nordstrom Rack same-store sales increased 8.1% for the quarter and 7.5% for the nine months ended October 27, 2012. Both the number of items sold and the average selling price of Nordstrom Rack merchandise increased for the quarter and nine months ended October 27, 2012, compared with the same periods last year.

Retail Business Gross Profit

	Quarter Ended		Nine Months Ended	
	October 27, 2012	**October 29, 2011**	**October 27, 2012**	**October 29, 2011**
Gross profit	**$ 1,007**	$ 888	**$ 3,049**	$ 2,761
Gross profit rate	**37.1%**	37.3%	**37.3%**	37.7%
			October 27, 2012	**October 29, 2011**
Ending inventory per square foot			**$ 65.42**	$ 60.90
Inventory turnover rate[1]			**5.07**	5.23

[1]Inventory turnover rate is calculated as the trailing 12-months cost of sales and related buying and occupancy costs (for all segments) divided by the trailing 4-quarter average inventory.

Retail gross profit increased $119 for the quarter and $288 for the nine months ended October 27, 2012, compared with the same periods in 2011, due primarily to our strong sales performance. Our retail gross profit rate decreased 14 basis points for the quarter and 34 basis points for the nine months ended October 27, 2012, compared with the same periods in 2011, primarily due to accelerated Rack growth which carries a lower gross profit rate relative to other channels. With Rack's high sales productivity and return on invested capital, we plan to continue to grow and accelerate our Rack channel.

Our regular-priced selling at Nordstrom increased while our inventory turnover rate decreased to 5.07 times for the trailing 12-months ended October 27, 2012, from 5.23 times for the same period in the prior year. The decrease in inventory turnover rate is primarily due to our Rack growth initiatives and associated higher levels of inventory. On a per square foot basis, we ended the quarter with a 10.8% increase in sales on a 7.4% increase in ending inventory. The increase in sales over inventory is primarily due to the shift of the Anniversary Sale, which moved an additional week of sales from the second quarter into the third quarter.

Retail Business Selling, General and Administrative Expenses

	Quarter Ended		Nine Months Ended	
	October 27, 2012	**October 29, 2011**	**October 27, 2012**	**October 29, 2011**
Selling, general and administrative expenses	**$ 755**	$ 670	**$ 2,254**	$ 1,989
Selling, general and administrative expense rate	**27.9%**	28.1%	**27.6%**	27.1%

Our Retail selling, general and administrative expenses ("Retail SG&A") increased $85, or 12.6%, for the quarter and $265, or 13.3%, for the nine months ended October 27, 2012, compared with the same periods in 2011. The increases were primarily due to a continuation of various initiatives, which began in the second half of 2011, to improve the customer experience across all channels and specifically to grow our e-commerce business. These include higher planned e-commerce, fulfillment and technology expenses. The increases also reflected higher sales volume and the opening of fourteen stores since the third quarter of 2011. Our Retail SG&A rate decreased 30 basis points for the third quarter of 2012, compared with the third quarter of 2011, due to expense leverage gained from the additional sales from the Anniversary Sale shift, partially offset by increases in fulfillment costs. As a result of the higher fulfillment and technology expenses, our Retail SG&A rate increased 46 basis points for the nine months ended October 27, 2012, compared with the same period in the prior year.

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Credit Segment

Summary

The table below provides a detailed view of the operational results of our Credit segment, consistent with the segment disclosure provided in the Notes to Condensed Consolidated Financial Statements. In order to better reflect the economic contribution of our credit and debit card program, intercompany merchant fees are also included in the table below. Intercompany merchant fees represent the estimated intercompany income of our Credit segment from the usage of our cards in the Retail segment. The Credit segment does not charge the Retail segment an intercompany interchange merchant fee and on a consolidated basis, we avoid costs that would be incurred if our customers used third-party cards.

Interest expense is assigned to the Credit segment in proportion to the amount of estimated capital needed to fund our credit card receivables, which assumes a mix of 80% debt and 20% equity. The average credit card receivable investment metric included in the following table represents our best estimate of the amount of capital for our Credit segment that is financed by equity. Based on our research, debt as a percentage of credit card receivables for other credit card companies ranges from 70% to 90%. We believe that debt equal to 80% of our credit card receivables is appropriate given our overall capital structure goals.

	Quarter Ended October 27, 2012		Quarter Ended October 29, 2011	
	Amount	**Annualized % of average credit card receivables**	**Amount**	**Annualized % of average credit card receivables**
Credit card revenues	**$ 95**	**18.3%**	$ 95	18.7%
Interest expense	**(6)**	**(1.2%)**	(2)	(0.6%)
Net credit card income	**89**	**17.1%**	93	18.1%
Cost of sales and related buying and occupancy costs – loyalty program	**(24)**	**(4.7%)**	(16)	(3.2%)
Selling, general and administrative expenses	**(46)**	**(8.8%)**	(57)	(11.1%)
Total expense	**(70)**	**(13.5%)**	(73)	(14.2%)
Credit segment earnings before income taxes, as presented in segment disclosure	**19**	**3.6%**	20	3.9%
Intercompany merchant fees	**18**	**3.5%**	14	2.9%
Credit segment contribution, before income taxes	**$ 37**	**7.1%**	$ 34	6.7%
Credit and debit card volume:				
Outside	**$ 1,055**		$ 1,015	
Inside	**936**		735	
Total volume	**$ 1,991**		$ 1,750	
Average credit card receivables	**$ 2,096**		$ 2,036	
Average credit card receivable investment[1]	**$ 419**		$ 407	
Annualized Credit segment contribution[2]	**21.8%**		20.5%	

[1]Assumes 80% of accounts receivable is funded with debt.

[2]Net of tax, calculated as a percentage of our average credit card receivable investment.

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	Nine Months Ended October 27, 2012		Nine Months Ended October 29, 2011	
	Amount	Annualized % of average credit card receivables	Amount	Annualized % of average credit card receivables
Credit card revenues	**$ 280**	**18.3%**	$ 283	18.7%
Interest expense	**(19)**	**(1.2%)**	(9)	(0.6%)
Net credit card income	**261**	**17.1%**	274	18.1%
Cost of sales and related buying and occupancy costs – loyalty program	**(76)**	**(5.0%)**	(52)	(3.5%)
Selling, general and administrative expenses	**(152)**	**(10.0%)**	(171)	(11.3%)
Total expense	**(228)**	**(15.0%)**	(223)	(14.7%)
Credit segment earnings before income taxes, as presented in segment disclosure	**33**	**2.1%**	51	3.4%
Intercompany merchant fees	**61**	**4.0%**	50	3.3%
Credit segment contribution, before income taxes	**$ 94**	**6.2%**	$ 101	6.7%
Credit and debit card volume:				
Outside	**$ 3,136**		$ 3,035	
Inside	**3,111**		2,512	
Total volume	**$ 6,247**		$ 5,547	
Average credit card receivables	**$ 2,039**		$ 2,019	
Average credit card receivable investment[1]	**$ 408**		$ 404	
Annualized Credit segment contribution[2]	**19.1%**		20.1%	

[1]Assumes 80% of accounts receivable is funded with debt.

[2]Net of tax, calculated as a percentage of our average credit card receivable investment.

Credit Card Revenues

	Quarter Ended		Nine Months Ended	
	October 27, 2012	October 29, 2011	October 27, 2012	October 29, 2011
Finance charge revenue	**$ 62**	$ 63	**$ 185**	$ 188
Interchange – third party	**20**	20	**59**	60
Late fees and other revenue	**13**	12	**36**	35
Total credit card revenues	**$ 95**	$ 95	**$ 280**	$ 283

Credit card revenues include finance charges, interchange fees, late fees and other revenue. Finance charges represent interest earned on unpaid balances while late fees are assessed when cardholders pay less than their minimum balance by the payment due date. Interchange fees are earned from the use of Nordstrom VISA credit cards at merchants outside of Nordstrom.

Credit card revenues decreased slightly for the nine months ended October 27, 2012, compared with the same period in the prior year, due to increases in total volume that were offset by continued improvements in customer payment rates.

Credit Segment Interest Expense

Interest expense increased to $6 for the quarter and $19 for the nine months ended October 27, 2012, from $2 for the quarter and $9 for the nine months ended October 29, 2011, due to higher average interest rates applicable to the Credit segment.

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Credit Segment Cost of Sales and Related Buying and Occupancy Costs

Cost of sales and related buying and occupancy costs, which include the estimated cost of Nordstrom Notes and complimentary alterations credits that are expected to be issued and redeemed under our Fashion Rewards program, increased $8 for the quarter and $24 for the nine months ended October 27, 2012, compared with the same periods in the prior year. The increases were due to improvements to our Fashion Rewards benefits and increases in volume on Nordstrom credit and debit cards of 13.7% for the quarter and 12.6% for the nine months ended October 27, 2012, compared with the same periods in the prior year. We provide these benefits to our cardholders, as participation in the Fashion Rewards program enhances customer loyalty and drives incremental sales in our stores and online.

Credit Segment Selling, General and Administrative Expenses

Selling, general and administrative expenses for our Credit segment ("Credit SG&A") are summarized in the following table:

	Quarter Ended		Nine Months Ended	
	October 27, 2012	**October 29, 2011**	**October 27, 2012**	**October 29, 2011**
Operational and marketing expenses	**$ 36**	$ 26	**$ 104**	$ 89
Bad debt provision	**10**	31	**48**	82
Total Credit selling, general and administrative expenses	**$ 46**	$ 57	**$ 152**	$ 171

Total Credit SG&A expenses decreased $11 for the quarter and $19 for the nine months ended October 27, 2012, compared with the same periods in the prior year. The decreases were due primarily to lower bad debt expense, which reflects continued improvement in our portfolio delinquencies and write-off results, partially offset by increases in operational and marketing expenses due to enhancements in our Fashion Rewards benefits.

Allowance for Credit Losses and Credit Trends

The following table summarizes activity in the allowance for credit losses:

	Quarter Ended		Nine Months Ended	
	October 27, 2012	**October 29, 2011**	**October 27, 2012**	**October 29, 2011**
Allowance at beginning of period	**$ 105**	$ 125	**$ 115**	$ 145
Bad debt provision	**10**	31	**48**	82
Write-offs	**(25)**	(37)	**(86)**	(119)
Recoveries	**5**	6	**18**	17
Allowance at end of period	**$ 95**	$ 125	**$ 95**	$ 125
Annualized net write-offs as a percentage of average credit card receivables	**3.9%**	5.8%	**4.5%**	6.6%

	October 27, 2012	**October 29, 2011**
30+ days delinquent as a percentage of ending credit card receivables	**2.1%**	2.8%
Allowance as a percentage of ending credit card receivables	**4.5%**	6.2%

Our write-off rates continued to improve during the quarter ended October 27, 2012 while delinquency rates are stabilizing and both rates are well below prior year levels. As a result of these improvements, the overall performance of the credit card portfolio and underlying economic trends, we reduced our allowance for credit losses by $10 during the quarter ended October 27, 2012.

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Total Company Results

Interest Expense, Net

Interest expense, net was $38 for the quarter and $118 for the nine months ended October 27, 2012, compared with $31 for the quarter and $92 for the nine months ended October 29, 2011. The increases were due to higher average interest rates and higher average debt balances.

Income Tax Expense

	Quarter Ended		Nine Months Ended	
	October 27, 2012	**October 29, 2011**	**October 27, 2012**	**October 29, 2011**
Income tax expense	**$ 93**	$ 82	**$ 278**	$ 293
Effective tax rate	**38.7%**	39.1%	**38.1%**	39.6%

The effective tax rate for the quarter and nine months ended October 27, 2012, decreased compared with the same periods in 2011 as a result of changes in state income taxes and the impact of non-taxable acquisition-related expenses in 2011.

Fiscal 2012 Outlook

Our expectations for fiscal 2012 are as follows:

Same-store sales	6.5 to 7.0% increase
Credit card revenues	$5 to $10 million increase
Gross profit rate[1]	40 to 50 basis point decrease
Selling, general and administrative expenses:	
Retail	$340 to $355 million increase
Credit	$10 to $15 million decrease
Interest expense, net	Approximately $30 million increase
Effective tax rate	38.5%
Earnings per diluted share[2]	$3.45 to $3.50
Diluted shares outstanding[2]	Approximately 207.3 million

[1]Includes both our Retail gross profit and the cost of our loyalty program, which is recorded in our Credit segment, as a percentage of net sales.
[2]This outlook does not include the impact of any future share repurchases.

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Return on Invested Capital ("ROIC") (Non-GAAP financial measure)

We define ROIC as follows:

$$\text{ROIC} = \frac{\textbf{Net Operating Profit after Taxes}}{\textbf{Average Invested Capital}}$$

For the 12 fiscal months ended October 27, 2012, our ROIC decreased to 12.9% compared with 13.7% for the 12 fiscal months ended October 29, 2011. Our ROIC decreased compared with the prior year primarily due to an increase in our average invested capital, attributable to growth in the trailing 12-month average of cash and cash equivalents. We anticipate that ROIC for fiscal year 2012 will exceed ROIC for fiscal year 2011.

We believe that ROIC is a useful financial measure for investors in evaluating our operating performance. When analyzed in conjunction with our net earnings and total assets and compared with return on assets (net earnings divided by average total assets), it provides investors with a useful tool to evaluate our ongoing operations and our management of assets from period to period. ROIC is one of our key financial metrics, and we also incorporate it into our executive incentive measures. We believe that overall performance as measured by ROIC correlates directly to shareholders' return over the long term. ROIC is not a measure of financial performance under GAAP, should not be considered a substitute for return on assets, net earnings or total assets as determined in accordance with GAAP, and may not be comparable with similarly titled measures reported by other companies. The closest measure calculated using GAAP amounts is return on assets, which decreased to 8.2% from 8.9% for the 12 fiscal months ended October 27, 2012, compared with the 12 fiscal months ended October 29, 2011. The following is a comparison of return on assets to ROIC:

	12 Fiscal Months Ended	
	October 27, 2012	**October 29, 2011**
Net earnings	**$ 687**	$ 679
Add: income tax expense	**421**	434
Add: interest expense	**157**	127
Earnings before interest and income tax expense	**1,265**	1,240
Add: rent expense	**97**	73
Less: estimated depreciation on capitalized operating leases[1]	**(52)**	(39)
Net operating profit	**1,310**	1,274
Estimated income tax expense[2]	**(497)**	(497)
Net operating profit after tax	**$ 813**	$ 777
Average total assets[3]	**$ 8,341**	$ 7,624
Less: average non-interest-bearing current liabilities[4]	**(2,230)**	(1,982)
Less: average deferred property incentives[3]	**(500)**	(503)
Add: average estimated asset base of capitalized operating leases[5]	**673**	525
Average invested capital	**$ 6,284**	$ 5,664
Return on assets	**8.2%**	8.9%
ROIC	**12.9%**	13.7%

[1]Capitalized operating leases is our best estimate of the asset base we would record for our leases that are classified as operating if they had met the criteria for a capital lease, or we purchased the property. Asset base is calculated as described in footnote 5 below.

[2]Based upon our effective tax rate multiplied by the net operating profit for the 12 fiscal months ended October 27, 2012 and October 29, 2011.

[3]Based upon the trailing 12-month average.

[4]Based upon the trailing 12-month average for accounts payable, accrued salaries, wages and related benefits, and other current liabilities.

[5]Based upon the trailing 12-month average of the monthly asset base, which is calculated as the trailing 12-months rent expense multiplied by eight. The multiple of eight times rent expense is a commonly used method of estimating the asset base we would record for our capitalized operating leases described in footnote 1.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations. (Continued) (Dollar and share amounts in millions except per share and per square foot amounts)

LIQUIDITY AND CAPITAL RESOURCES

We maintain a level of liquidity sufficient to allow us to cover our seasonal cash needs and to maintain appropriate levels of short-term borrowings. We believe that our operating cash flows, available credit facilities and potential future borrowings are sufficient to finance our cash requirements for the next 12 months and beyond.

Over the long term, we manage our cash and capital structure to maximize shareholder return, maintain our financial position, manage refinancing risk and allow flexibility for strategic initiatives. We regularly assess our debt and leverage levels, capital expenditure requirements, debt service payments, dividend payouts, potential share repurchases and other future investments. We believe our existing cash on-hand, operating cash flows, available credit facilities and potential future borrowings will be sufficient to fund these scheduled future payments and potential long-term initiatives.

For the nine months ended October 27, 2012, cash and cash equivalents decreased by $719 to $1,158, primarily due to payments for repurchases of common stock of $506 and principal payments on long-term borrowings of $505, partially offset by cash provided by operations of $507.

Operating Activities

Net cash provided by operating activities decreased $121 for the nine months ended October 27, 2012, compared with the same period in 2011, due primarily to changes in working capital.

Investing Activities

Net cash used in investing activities decreased to $186 for the nine months ended October 27, 2012, compared with $391 for the nine months ended October 29, 2011, due primarily from using restricted cash to retire the securitized Series 2007-2 Class A & B Notes ("the Notes").

In connection with the April 2012 maturity of the Notes totaling $500, we began making required monthly cash deposits of $100 into a restricted account in December 2011 until we accumulated $500 by April 2012 to retire the notes. As of January 28, 2012, we had accumulated $200, which was included in our condensed consolidated balance sheet in prepaid expenses and other. During the first quarter of 2012, we accumulated an additional $300 prior to the Notes' April maturity date.

Financing Activities

Net cash used in financing activities was $1,040 for the nine months ended October 27, 2012, compared with $286 for the nine months ended October 29, 2011.

We retired our $500 securitized Series 2007-2 Class A & B Notes upon maturity in April 2012 using accumulated restricted cash described in Investing Activities above. During the first nine months of 2011, we issued $500 of senior unsecured notes at 4.00%, due October 2021. Net proceeds from the offering were $499.

Additionally, we made payments of $506 for repurchases of common stock for the nine months ended October 27, 2012, compared with $693 for the nine months ended October 29, 2011.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations. (Continued) (Dollar and share amounts in millions except per share and per square foot amounts)

Free Cash Flow (Non-GAAP financial measure)

We define Free Cash Flow as:

Free Cash Flow = Net Cash Provided By Operating Activities – Capital Expenditures – Cash Dividends Paid +/– Change in Credit Card Receivables Originated at Third Parties +/– Change in Cash Book Overdrafts

Free Cash Flow is one of our key liquidity measures, and in conjunction with GAAP measures, provides us with a meaningful analysis of our cash flows. We believe that our ability to generate cash is more appropriately analyzed using this measure. Free Cash Flow is not a measure of liquidity under GAAP and should not be considered a substitute for operating cash flows as determined in accordance with GAAP. In addition, Free Cash Flow does have limitations:

- Free Cash Flow does not necessarily represent funds available for discretionary use and is not necessarily a measure of our ability to fund our cash needs; and
- Other companies in our industry may calculate Free Cash Flow differently than we do, limiting its usefulness as a comparative measure.

To compensate for these limitations, we analyze Free Cash Flow in conjunction with other GAAP financial and performance measures impacting liquidity, including operating cash flows. The closest GAAP measure calculated using GAAP amounts is net cash provided by operating activities, which was $507 and $628 for the nine months ended October 27, 2012 and October 29, 2011. The following is a reconciliation of our net cash provided by operating activities and Free Cash Flow:

	Nine Months Ended	
	October 27, 2012	**October 29, 2011**
Net cash provided by operating activities	**$ 507**	$ 628
Less: capital expenditures	**(369)**	(398)
Less: cash dividends paid	**(166)**	(149)
(Less) Add: change in credit card receivables originated at third parties	**(10)**	10
Add (Less): change in cash book overdrafts	**36**	(20)
Free Cash Flow	**$ (2)**	$ 71
Net cash used in investing activities	**$ (186)**	$ (391)
Net cash used in financing activities	**$ (1,040)**	$ (286)

(Continued) (Dollar and share amounts in millions except per share and per square foot amounts)

Credit Capacity and Commitments

As of October 27, 2012, we had total short-term borrowing capacity available for general corporate purposes of $800. Of the total capacity, we had $600 under our commercial paper program, which is backed by our unsecured revolving credit facility ("revolver") that expires in June 2016, and $200 under our 2007-A Variable Funding Note ("2007-A VFN") that expires in January 2013. For the nine months ended October 27, 2012, we had no issuances under our commercial paper program and no borrowings under our revolver or our 2007-A VFN.

Impact of Credit Ratings

Under the terms of our $600 revolver, any borrowings we may enter into will accrue interest at a floating base rate tied to LIBOR in the case of Euro-Dollar Rate Loans and to the highest of: (i) the Euro-Dollar rate plus 100 basis points, (ii) the federal funds rate plus 50 basis points and (iii) the prime rate in the case of Base Rate Loans.

The rate depends upon the type of borrowing incurred, plus in each case an applicable margin. This applicable margin varies depending upon the credit ratings assigned to our long-term unsecured debt. At the time of this report, our long-term unsecured debt ratings, outlook and resulting applicable margin were as follows:

	Credit Ratings	Outlook
Moody's	Baa1	Stable
Standard & Poor's	A-	Stable

	Base Interest Rate	Applicable Margin
Euro-Dollar Rate Loan	LIBOR	1.125%
Base Rate Loan	various	0.125%

Should the ratings assigned to our long-term unsecured debt improve, the applicable margin associated with any such borrowings may decrease, resulting in a slightly lower cost of capital under this facility. Should the ratings assigned to our long-term unsecured debt worsen, the applicable margin associated with our borrowings may increase, resulting in a slightly higher cost of capital under this facility.

Debt Covenant

The revolver requires that we maintain a leverage ratio, defined as Adjusted Debt to Earnings before Interest, Income Taxes, Depreciation, Amortization and Rent ("EBITDAR"), of less than four times (see the following additional discussion of Adjusted Debt to EBITDAR).

As of October 27, 2012, we were in compliance with this covenant. We will continue to monitor this covenant to ensure that we make any necessary adjustments to our plans, and we believe that we will remain in compliance with this covenant during 2012.

(Continued) (Dollar and share amounts in millions except per share and per square foot amounts)

Adjusted Debt to EBITDAR (Non-GAAP financial measure)

Adjusted Debt to EBITDAR is one of our key financial metrics, and we believe that our debt levels are best analyzed using this measure. Our current goal is to manage debt levels to maintain an investment-grade credit rating as well as operate with an efficient capital structure for our size, growth plans and industry. Investment-grade credit ratings are important to maintaining access to a variety of short-term and long-term sources of funding, and we rely on these funding sources to continue to grow our business. We believe a higher ratio, among other factors, could result in rating agency downgrades. In contrast, we believe a lower ratio would result in a higher cost of capital and could negatively impact shareholder returns. As of October 27, 2012, our Adjusted Debt to EBITDAR was 2.1 compared with 2.3 as of October 29, 2011. The decrease was primarily the result of an increase in earnings before interest, income taxes, depreciation and amortization for the 12 months ended October 27, 2012 compared with the 12 months ended October 29, 2011.

Adjusted Debt to EBITDAR is not a measure of financial performance under GAAP and should not be considered a substitute for debt to net earnings, net earnings or debt as determined in accordance with GAAP. In addition, Adjusted Debt to EBITDAR does have limitations:

- Adjusted Debt is not exact, but rather our best estimate of the total company debt we would hold if we had purchased the property and issued debt associated with our operating leases;
- EBITDAR does not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments, including leases, or the cash requirements necessary to service interest or principal payments on our debt; and
- Other companies in our industry may calculate Adjusted Debt to EBITDAR differently than we do, limiting its usefulness as a comparative measure.

To compensate for these limitations, we analyze Adjusted Debt to EBITDAR in conjunction with other GAAP financial and performance measures impacting liquidity, including operating cash flows, capital spending and net earnings. The closest measure calculated using GAAP amounts is debt to net earnings, which was 4.6 for the third quarter of 2012 and 4.9 for the third quarter of 2011. The following is a comparison of debt to net earnings and Adjusted Debt to EBITDAR:

	2012[1]	2011[1]
Debt	**$ 3,135**	$ 3,316
Add: rent expense x 8[2]	**776**	585
Less: fair value hedge adjustment included in long-term debt	**(63)**	(64)
Adjusted Debt	**$ 3,848**	$ 3,837
Net earnings	**$ 687**	$ 679
Add: income tax expense	**421**	434
Add: interest expense, net	**155**	124
Earnings before interest and income taxes	**1,263**	1,237
Add: depreciation and amortization expenses	**411**	356
Add: rent expense	**97**	73
Add: non-cash acquisition-related charges	**22**	7
EBITDAR	**$ 1,793**	$ 1,673
Debt to Net Earnings	**4.6**	4.9
Adjusted Debt to EBITDAR	**2.1**	2.3

[1]The components of Adjusted Debt are as of October 27, 2012 and October 29, 2011, while the components of EBITDAR are for the 12 months ended October 27, 2012 and October 29, 2011.

[2]The multiple of eight times rent expense used to calculate Adjusted Debt is a commonly used method of estimating the debt we would record for our leases that are classified as operating if they had met the criteria for a capital lease, or we had purchased the property.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We discussed our interest rate risk and our foreign currency exchange risk in Part II, "Item 7A. Quantitative and Qualitative Disclosures About Market Risk" in our 2011 Annual Report on Form 10-K filed with the Commission on March 16, 2012. There have been no material changes to these risks since that time.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures
As of the end of the period covered by this Quarterly Report on Form 10-Q, the Company performed an evaluation under the supervision and with the participation of management, including our President and Chief Financial Officer, of the design and effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")). Based upon that evaluation, our President and Chief Financial Officer concluded that, as of the end of the period covered by this Quarterly Report, our disclosure controls and procedures were effective in the timely and accurate recording, processing, summarizing and reporting of material financial and non-financial information within the time periods specified within the Commission's rules and forms. Our President and Chief Financial Officer also concluded that our disclosure controls and procedures were effective to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our President and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting
There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) or 15d-15(f) of the Exchange Act) during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

(c) Repurchases
(Dollar and share amounts in millions, except per share amounts)

The following is a summary of our third quarter share repurchases:

	Total Number of Shares (or Units) Purchased		Average Price Paid Per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs		Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs[1]
August 2012 (July 29, 2012 to August 25, 2012)	0.6	$	54.36	0.6	$	662
September 2012 (August 26, 2012 to September 29, 2012)	0.3	$	55.21	0.3	$	647
October 2012 (September 30, 2012 to October 27, 2012)	0.6	$	55.47	0.6	$	612
Total	1.5	$	54.97	1.5		

[1]In May 2011, our Board of Directors authorized a program (the "2011 Program") to repurchase up to $750 of our outstanding common stock, through February 2, 2013. In February 2012, our Board of Directors authorized a new program (the "2012 Program") to repurchase up to $800 of our outstanding common stock, through February 1, 2014, in addition to the remaining amount available for repurchase under the 2011 Program. For the nine months ended October 27, 2012, we repurchased 9.9 shares of our common stock for an aggregate purchase price of $499 and had $612 in remaining share repurchase capacity. The actual number and timing of future share repurchases, if any, will be subject to market and economic conditions and applicable Securities and Exchange Commission rules.

Item 6. Exhibits.

Exhibits are incorporated herein by reference or are filed or furnished with this report as set forth in the Index to Exhibits on page 31 hereof.

SIGNATURES

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

NORDSTROM, INC.
(Registrant)

/s/ Michael G. Koppel
Michael G. Koppel
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: December 3, 2012

NORDSTROM, INC.
Index to Exhibits

Exhibit		Method of Filing
31.1	Certification of President required by Section 302(a) of the Sarbanes-Oxley Act of 2002	Filed herewith electronically
31.2	Certification of Chief Financial Officer required by Section 302(a) of the Sarbanes-Oxley Act of 2002	Filed herewith electronically
32.1	Certification of President and Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished herewith electronically
101.INS	XBRL Instance Document	Filed herewith electronically
101.SCH	XBRL Taxonomy Extension Schema Document	Filed herewith electronically
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	Filed herewith electronically
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document	Filed herewith electronically
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	Filed herewith electronically
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	Filed herewith electronically

Certification required by Section 302(a) of the Sarbanes-Oxley Act of 2002

I, Blake W. Nordstrom, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Nordstrom, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Blake W. Nordstrom
Blake W. Nordstrom
President of Nordstrom, Inc.

Date: December 3, 2012

Certification required by Section 302(a) of the Sarbanes-Oxley Act of 2002

I, Michael G. Koppel, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Nordstrom, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Michael G. Koppel
Michael G. Koppel
Executive Vice President and
Chief Financial Officer of Nordstrom, Inc.

Date: December 3, 2012

Exhibit 32.1

NORDSTROM, INC.

1617 SIXTH AVENUE

SEATTLE, WASHINGTON 98101

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Nordstrom, Inc (the “Company”) on Form 10-Q for the period ended October 27, 2012, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), we, Blake W. Nordstrom, President (Principal Executive Officer), and Michael G. Koppel, Executive Vice President and Chief Financial Officer (Principal Financial Officer), of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

December 3, 2012

/s/ Blake W. Nordstrom
Blake W. Nordstrom
President of Nordstrom, Inc.

/s/ Michael G. Koppel
Michael G. Koppel
Executive Vice President and
Chief Financial Officer of Nordstrom, Inc.