FORWARD-LOOKING STATEMENTS

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

Q1 15: 4.4%
Q2 15: 4.9%
Q3 15: 0.9%
Q4 15: 1.0%
Q1 16: (1.7%)
Q2 16: (1.2%)

ADJUSTED TO EXCLUDE ANNIVERSARY SHIFT (~250 BASIS POINTS IMPACT)
DRIVING LOYALTY
SUCCESSFUL LAUNCH OF EXPANDED PROGRAM

ACTIVE REWARDS CUSTOMERS
(in millions)

ACTIVE REWARDS CUSTOMERS: SHopped JWN OVER THE LAST 12 MONTHS

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016 (END OF Q2)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3.3</td>
<td>3.8</td>
<td>4.3</td>
<td>4.7</td>
<td>~6</td>
</tr>
</tbody>
</table>
## H2 INITIATIVES
EXECUTING ON GROWTH STRATEGY

<table>
<thead>
<tr>
<th>EXPANDING REACH</th>
<th>BRAND COLLABORATIONS</th>
<th>DIGITAL EXPERIENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONTINUE CANADA EXPANSION WITH TWO STORES IN TORONTO</td>
<td>IVY PARK 2016</td>
<td>INTEGRATING STORE &amp; ONLINE EXPERIENCE</td>
</tr>
<tr>
<td>OPENING 2ND FULL-LINE STORE IN AUSTIN, TX</td>
<td>Madewell 2015</td>
<td>MOBILE AND WEB EHANCEMENTS</td>
</tr>
<tr>
<td>15 NEW RACK STORES IN FALL</td>
<td>NORDSTROM SPACE</td>
<td></td>
</tr>
</tbody>
</table>

- NEW mobile app features include store mode and visual search

Flagship store in Eaton Centre, Toronto
STRATEGY
IMPROVING CUSTOMER EXPERIENCE

SEAMLESS EXPERIENCE

SUCCESS METRICS

GAIN MARKET SHARE
- Grow sales faster than industry

INCREASE RELEVANCE
- Increase total & new customers
- Maintain average customer age
- Improve customer experience

DELIVER TOP-TIER TSR
- Improve profitability
MIKE KOPPEL
EVP & CFO, NORDSTROM, INC.
EARNINGS PERFORMANCE
IMPACTED BY CREDIT TRANSACTION & PLANNED GROWTH

Q2 15

CREDIT

EBIT
$377M

CREDIT TRANSACTION-RELATED

REVENUE SHARING

TECHNOLOGY, FULFILLMENT, STORE PRE-OPENING

Q2 16

EBIT
$221M

INCL. ANNIVERSARY SHIFT

Q2 15

CORE BUSINESS

Q2 16
STRATEGIC GROWTH INVESTMENTS
EXPECTED TO ADD OVER $1 BILLION TO TOP-LINE IN 2016

EBIT IMPACT ($M)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>Q1 2016</th>
<th>Q2 2016</th>
<th>Q3 2016E</th>
<th>Q4 2016E</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(~40)</td>
<td>(~75)</td>
<td>(~140)</td>
<td>(~75)</td>
<td>(~100)</td>
<td>(~110)</td>
<td>(~110)</td>
</tr>
</tbody>
</table>

*INCLUDES NON-CASH ACQUISITION-RELATED EXPENSES

NORDSTROMRACK.COM | HAUTELOOK*
CANADA ENTRY
TRUNK CLUB*

*INCLUDES NON-CASH ACQUISITION-RELATED EXPENSES
## COMP SALES TRENDS

REFLECTED STRONG ANNIVERSARY SALE

<table>
<thead>
<tr>
<th></th>
<th>NORDSTROM.COM</th>
<th>TRUNK CLUB</th>
<th>NORDSTROM Rack.COM</th>
<th>HAUTELOOK</th>
<th>TOTAL COMPANY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 15</td>
<td>4.2%</td>
<td>4.9%</td>
<td>6.5%</td>
<td>2.4%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Q2 15</td>
<td>4.8%</td>
<td>6.5%</td>
<td>6.5%</td>
<td>2.4%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Q3 15</td>
<td>0.3%</td>
<td>2.4%</td>
<td>3.6%</td>
<td>3.6%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Q4 15</td>
<td>0.2%</td>
<td>3.6%</td>
<td>3.6%</td>
<td>3.6%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Q1 16</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(1.7%)</td>
</tr>
<tr>
<td>Q2 16</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(1.2%)</td>
</tr>
</tbody>
</table>

ADJUSTED TO EXCLUDE ANNIVERSARY SHIFT
INVENTORY MANAGEMENT
ALIGNING INVENTORY GROWTH WITH SALES TRENDS

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Sales</th>
<th>Inventory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 15</td>
<td>9%</td>
<td>11%</td>
</tr>
<tr>
<td>Q3 15</td>
<td>7%</td>
<td>8%</td>
</tr>
<tr>
<td>Q4 15</td>
<td>5%</td>
<td>12%</td>
</tr>
<tr>
<td>Q1 16</td>
<td>2%</td>
<td>5%</td>
</tr>
<tr>
<td>Q2 16</td>
<td>0%</td>
<td>1%</td>
</tr>
</tbody>
</table>

SALES │ INVENTORY
## BUSINESS MODEL EVOLUTION

IMPROVING PRODUCTIVITY

<table>
<thead>
<tr>
<th>CAPABILITIES</th>
<th>CURRENT PROGRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>TECHNOLOGY</td>
<td>Modernizing technology platform to increase productivity</td>
</tr>
<tr>
<td>SUPPLY CHAIN</td>
<td>Implementing initiatives to improve operating performance</td>
</tr>
<tr>
<td>MARKETING</td>
<td>Realigning marketing efforts with focus on customer journey</td>
</tr>
<tr>
<td>CORPORATE</td>
<td>Streamlining corporate headquarters</td>
</tr>
</tbody>
</table>
CAPITAL DEPLOYMENT
REPRIORITIZING INVESTMENTS WITH EVOLVING CUSTOMER EXPECTATIONS

HISTORICAL NET CAPEX ($B) (2011-2016E)

NET CAPEX % OF SALES

5 YEAR CAPITAL PLAN (2016E-2020E)

$3.6B ~4% OF SALES

- TECHNOLOGY & SUPPLY CHAIN
  - $1.4
  - 38%
- NEW STORES & RELOCATIONS
  - $0.5
  - 14%
- REMODELS & MAINTENANCE
  - $0.8
  - 24%
- CANADA & MANHATTAN
  - $0.8
  - 24%

NET CAPEX REFLECTS GROSS CAPEX NET OF DEFERRED PROPERTY INCENTIVES

## FY 2016 EXPECTATIONS

<table>
<thead>
<tr>
<th>BETTER / (WORSE) VS. LY</th>
<th>PRIOR OUTLOOK</th>
<th>UPDATED OUTLOOK</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL SALES (%)</td>
<td>2.5 – 4.5</td>
<td>2.5 – 4.5</td>
</tr>
<tr>
<td>COMP SALES (%)</td>
<td>(1) – 1</td>
<td>(1) – 1</td>
</tr>
<tr>
<td>RETAIL EBIT (%)</td>
<td>(10) – (20)</td>
<td>(10) – (15)</td>
</tr>
<tr>
<td>CREDIT EBIT (M)</td>
<td>$70 – $80</td>
<td>~$80</td>
</tr>
<tr>
<td>DILUTED EPS</td>
<td>$2.50 – $2.70</td>
<td>$2.60 – $2.75</td>
</tr>
</tbody>
</table>
Q2 2016 OVERVIEW

Q2 results reflected strong Anniversary performance, inventory and expense execution

**BUSINESS UPDATE**

**EXPANDED LOYALTY PROGRAM**
- Successful launch

**FINANCIAL PERFORMANCE**

**TOTAL SALES $ & COMP %**
- Reflected strong Anniversary Sale

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Total Sales ($)</th>
<th>Comp %</th>
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<tbody>
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<td>Q1 15</td>
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**CAPITAL INVESTMENTS**
- Reprioritized with customer expectations

**GOING FORWARD**

**BUSINESS EVOLUTION**
- Improving productivity

**CUSTOMER STRATEGY**
- Improving customer experience

**H2 GROWTH INITIATIVES**
- Executing on growth strategy

**2016 OUTLOOK**

<table>
<thead>
<tr>
<th>Description</th>
<th>Prior Outlook</th>
<th>Updated Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Better/Worse vs. LY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Sales (%)</td>
<td>2.5 – 4.5</td>
<td>2.5 – 4.5</td>
</tr>
<tr>
<td>Comp/SALES (%)</td>
<td>(1) – 1</td>
<td>(1) – 1</td>
</tr>
<tr>
<td>Retail EBIT (%)</td>
<td>(10) – (20)</td>
<td>(10) – (15)</td>
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<td>Diluted EPS</td>
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<td>$2.60 – $2.75</td>
</tr>
</tbody>
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**NET CAPX REFS:**
- North American expansion
- Supply chain optimization
- Technology and IT investments
- Productivity improvements

**CAPABILITIES**
- Technology: Modernizing technology platform to increase productivity
- Supply Chain: Implementing initiatives to improve operating performance
- Marketing: Realignment of marketing efforts with focus on customer journey
- Corporate: Streamlining corporate headquarters

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- Grow sales faster than industry

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