

NORDSTROM INC  
Form 10-Q  
December 03, 2012  
Table of Contents

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

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  
(State or other jurisdiction of  
incorporation or organization)

91-0515058  
(I.R.S. Employer  
Identification No.)

1617 Sixth Avenue, Seattle, Washington  
(Address of principal executive offices)  
206-628-2111

98101  
(Zip Code)

(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

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

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

Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES  NO

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



Table of Contents

NORDSTROM, INC.  
TABLE OF CONTENTS

	Page
<u>PART I – FINANCIAL INFORMATION</u>	
Item 1. <u>Financial Statements (Unaudited).</u>	
<u>Condensed Consolidated Statements of Earnings</u> <u>Quarter and Nine Months Ended October 27, 2012 and October 29, 2011</u>	3
<u>Condensed Consolidated Statements of Comprehensive Earnings</u> <u>Quarter and Nine Months Ended October 27, 2012 and October 29, 2011</u>	3
<u>Condensed Consolidated Balance Sheets</u> <u>October 27, 2012, January 28, 2012 and October 29, 2011</u>	4
<u>Condensed Consolidated Statements of Shareholders' Equity</u> <u>Nine Months Ended October 27, 2012 and October 29, 2011</u>	5
<u>Condensed Consolidated Statements of Cash Flows</u> <u>Nine Months Ended October 27, 2012 and October 29, 2011</u>	6
<u>Notes to Condensed Consolidated Financial Statements</u>	7
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations.</u>	14
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk.</u>	28
Item 4. <u>Controls and Procedures.</u>	28
<u>PART II – OTHER INFORMATION</u>	
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds.</u>	29
Item 6. <u>Exhibits.</u>	29
<u>SIGNATURES</u>	30
<u>INDEX TO EXHIBITS</u>	31

Table of Contents

## 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.



Table of Contents

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			