

Nordstrom, Inc.
Consolidated Statements of Earnings

In millions except per share amounts

Fiscal year	2016	2015	2014
Net sales	\$14,498	\$14,095	\$13,110
Credit card revenues, net	259	342	396
Total revenues	14,757	14,437	13,506
Cost of sales and related buying and occupancy costs	(9,440)	(9,168)	(8,406)
Selling, general and administrative expenses	(4,315)	(4,168)	(3,777)
Goodwill impairment	(197)	—	—
Earnings before interest and income taxes	805	1,101	1,323
Interest expense, net	(121)	(125)	(138)
Earnings before income taxes	684	976	1,185
Income tax expense	(330)	(376)	(465)
Net earnings	\$354	\$600	\$720

Earnings per share:			
Basic	\$2.05	\$3.22	\$3.79
Diluted	\$2.02	\$3.15	\$3.72

Weighted-average shares outstanding:			
Basic	173.2	186.3	190.0
Diluted	175.6	190.1	193.6

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

Nordstrom, Inc.
Consolidated Statements of Comprehensive Earnings

In millions

Fiscal year	2016	2015	2014
Net earnings	\$354	\$600	\$720
Postretirement plan adjustments, net of tax of (\$1), (\$15) and \$7	1	24	(11)
Foreign currency translation adjustment	14	(18)	(14)
Comprehensive net earnings	\$369	\$606	\$695

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Nordstrom, Inc.
Consolidated Balance Sheets

In millions

	January 28, 2017	January 30, 2016
Assets		
Current assets:		
Cash and cash equivalents	\$1,007	\$595
Accounts receivable, net	199	196
Merchandise inventories	1,896	1,945
Prepaid expenses and other	140	278
Total current assets	3,242	3,014
Land, property and equipment, net	3,897	3,735
Goodwill	238	435
Other assets	481	514
Total assets	\$7,858	\$7,698
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$1,340	\$1,324
Accrued salaries, wages and related benefits	455	416
Other current liabilities	1,223	1,161
Current portion of long-term debt	11	10
Total current liabilities	3,029	2,911
Long-term debt, net	2,763	2,795
Deferred property incentives, net	521	540
Other liabilities	675	581
Commitments and contingencies (Note 10)		
Shareholders' equity:		
Common stock, no par value: 1,000 shares authorized; 170.0 and 173.5 shares issued and outstanding	2,707	2,539
Accumulated deficit	(1,794)	(1,610)
Accumulated other comprehensive loss	(43)	(58)
Total shareholders' equity	870	871
Total liabilities and shareholders' equity	\$7,858	\$7,698

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Nordstrom, Inc.
Consolidated Statements of Cash Flows

In millions

Fiscal year	2016	2015	2014
Operating Activities			
Net earnings	\$354	\$600	\$720
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization expenses	645	576	508
Goodwill impairment	197	—	—
Amortization of deferred property incentives and other, net	(75)	(79)	(76)
Deferred income taxes, net	(15)	142	7
Stock-based compensation expense	91	70	68
Tax (deficiency) benefit from stock-based compensation	(1)	15	20
Excess tax benefit from stock-based compensation	(5)	(15)	(22)
Bad debt expense	—	26	41
Change in operating assets and liabilities:			
Accounts receivable	(3)	(56)	(161)
Proceeds from sale of credit card receivables originated at Nordstrom	—	1,297	—
Merchandise inventories	31	(203)	(176)
Prepaid expenses and other assets	100	(126)	(4)
Accounts payable	16	(2)	15
Accrued salaries, wages and related benefits	33	(2)	18
Other current liabilities	181	50	155
Deferred property incentives	65	156	110
Other liabilities	34	2	(3)
Net cash provided by operating activities	1,648	2,451	1,220
Investing Activities			
Capital expenditures	(846)	(1,082)	(861)
Change in credit card receivables originated at third parties	—	34	(8)
Proceeds from sale of credit card receivables originated at third parties	—	890	—
Other, net	55	14	(20)
Net cash used in investing activities	(791)	(144)	(889)
Financing Activities			
Proceeds from long-term borrowings, net of discounts	—	16	34
Principal payments on long-term borrowings	(10)	(8)	(7)
Defeasance of long-term debt	—	(339)	—
Increase (decrease) in cash book overdrafts	4	23	(4)
Cash dividends paid	(256)	(1,185)	(251)
Payments for repurchase of common stock	(277)	(1,192)	(610)
Proceeds from issuances under stock compensation plans	83	94	141
Excess tax benefit from stock-based compensation	5	15	22
Other, net	6	37	(23)
Net cash used in financing activities	(445)	(2,539)	(698)
Net increase (decrease) in cash and cash equivalents	412	(232)	(367)
Cash and cash equivalents at beginning of year	595	827	1,194
Cash and cash equivalents at end of year	\$1,007	\$595	\$827
Supplemental Cash Flow Information			
Cash paid during the year for:			
Income taxes, net of refunds	\$112	\$383	\$391
Interest, net of capitalized interest	134	136	152
Non-cash investing and financing activities:			
Beneficial interest asset acquired from the sale of credit card receivables	—	62	—
Issuance of common stock for Trunk Club acquisition	—	23	280

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