

NORDSTROM COMPANY HISTORY

In 1887, John W. Nordstrom, at 16 years of age, left Sweden for the United States. He arrived in New York with \$5 in his pocket, unable to speak a word of English.

The young immigrant labored in mines and logging camps as he crossed the United States to California and Washington. In 1897, he headed north to Alaska and the Klondike in search of gold. Two years later he returned to Seattle with a \$13,000 stake, ready to settle down.

Carl F. Wallin, a Seattle shoemaker Nordstrom had met in Alaska, offered him a partnership in a shoe store. In 1901, they opened their first store, Wallin & Nordstrom, on Fourth and Pike street in Seattle. John W. believed success would come only by offering customers the very best service, selection, quality and value. By remaining committed to that philosophy, the business grew and in 1923 the partners added a second store in Seattle's University District.

When John W. Nordstrom retired in 1928, he sold his share of the company to his sons, Everett and Elmer. Carl Wallin retired soon thereafter, and in 1929 he also sold his interest to the Nordstrom sons. A third son, Lloyd, joined the team in 1933.

In the years that followed, Everett, Elmer and Lloyd Nordstrom built the company into the largest independent shoe chain in the nation. The company grew to include eight Nordstrom shoe stores in Washington and Oregon, and thirteen leased shoe departments in Washington, Oregon and California. The downtown Seattle store became the largest shoe store in the country.

By the early 1960s, the company began looking at possible expansion opportunities. On August 6, 1963, Nordstrom announced the purchase of Best Apparel, a Seattle-based clothing store with an outlet in Seattle and another at Lloyd Center in Portland, Ore.

Elmer, Everett and Lloyd immediately began modernizing Best Apparel and ran it along with the established Nordstrom shoe stores. In 1965, they opened a new Best Apparel location adjacent to their shoe store at Northgate Mall in Seattle.

The following January, the company purchased a Portland fashion retailer, Nicholas Ungar. They merged this store with the existing shoe store in downtown Portland. For the first time, customers were greeted with a new name -- Nordstrom Best. In August 1966, a new Nordstrom Best opened in Tacoma, Wash., followed by the opening of a newly remodeled Nordstrom Best in Bellevue, Wash., in November of 1967.

In 1968, Everett, the eldest brother, turned 65 years old. The brothers had all previously agreed to retire when each reached that age. Control of the company was turned over to the family's third generation, resulting in a leadership team consisting of Everett's son Bruce, Elmer's sons James and John, Lloyd's son-in-law, Jack McMillan, and family friend Bob Bender.

The third generation continued to run the company with the same philosophy their grandfather and fathers had used before them. In August of 1971, Nordstrom went public, offering Nordstrom Best stock. Nordstrom was recognized in 1973 as the West Coast's largest volume fashion specialty store when sales passed \$100 million. That same year, the company formally changed its name to Nordstrom, Inc.

The company continued to expand. In 1975, Nordstrom purchased three stores in Alaska from the Northern Commercial Company in Anchorage, Fairbanks and Kenai. Around that same time, the first Nordstrom Rack store opened in Seattle as a clearance center for Full-Line Store merchandise. Today, Nordstrom Rack stores offer clothing, shoes and accessories at 30 to 75 percent off regular retail prices.

In May of 1978, Nordstrom entered the highly competitive California market with the opening of the South Coast Plaza Nordstrom in Orange County. This store laid the groundwork for rapid expansion into other cities throughout California.

Expansion was not limited to the West Coast. In 1988, Nordstrom opened its first East Coast location at Tysons Corner in McLean, Va., and in 1990, the company opened a store in Paramus, N.J. The Oakbrook Center Nordstrom just outside Chicago opened in 1991.

In 1995, the third generation of Nordstrom family members retired as co-chairmen, but retained their positions on the Board of Directors. In May 2006, Bruce Nordstrom retired from his position as chairman of the Board. Today, President Blake Nordstrom and his executive team manage the company. These individuals are Paul Favaro, executive vice president, Strategy and Development; Linda Finn, executive vice president, Marketing; Kevin Knight, president, Nordstrom Credit, Inc.; Mike Koppel, chief financial officer; Dan Little, chief administrative officer; Scott Meden, president, Nordstrom Rack; Erik Nordstrom, president of stores; Jamie Nordstrom, president, Nordstrom Direct; Pete Nordstrom, president of merchandising; Jim O'Neal, president, Nordstrom Product Group; and Delena Sunday, executive vice president, Human Resources and Diversity Affairs. Enrique Hernandez, Jr. is the non-executive chairman of the Board of Directors.

In 1998, Nordstrom began serving customers through its online presence at www.nordstrom.com, making Nordstrom accessible to customers 24-hours a day.

In 2000, the company acquired Façonnable, S.A.S., a collection of high-quality men's and women's apparel and accessories established in 1960 in Nice, France. The line had been sold exclusively in the U.S. at Nordstrom stores and Nordstrom-operated Façonnable boutiques since 1989, where it became one of the company's top-selling brands. In July 2007, Nordstrom agreed to sell Façonnable to M1 Group, a family-owned investment company based out of Lebanon. As of November 1, 2007, Nordstrom no longer operates Façonnable boutiques in the U.S. or Europe.

In 2005, the company purchased a majority interest in Jeffrey, two luxury specialty stores owned and created by Jeffrey Kalinsky. The two stores are located in Atlanta, Ga., and in the Meatpacking District in New York City. Jeffrey remains president and CEO of Jeffrey and is also the Executive Vice President of Designer Merchandising at Nordstrom.

Nordstrom continues to expand operations across the country. In 2007, the company opened its first store in the Boston area in Natick, Mass. and new Full-Line Stores in Novi, Mich., and Denver, Colo., as well as a new Nordstrom Rack store in Tukwila, Wash. In 2008, Nordstrom opened stores in Aventura, Fla., Burlington, Mass., Clinton Township, Mich., and its first Full-Line store in Hawaii at Honolulu's Ala Moana Center. Throughout the remainder of 2008, Nordstrom will open four more new Full-Line stores including its first store in Pittsburgh in October. The company will also relocate one existing Full-Line store and open six new Nordstrom Rack stores. Currently, Nordstrom plans to open 20 new Full-Line Stores through 2012.

Today Nordstrom operates a total of 165 stores located in 28 states, with 107 Full-Line Stores, 54 Nordstrom Racks, two Jeffrey boutiques and two clearance stores. Nordstrom remains committed to its founding principles of providing customers with the best possible service, selection, quality and value.

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