

<b>JWN</b>	2000A	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E
<b>Cash flow analysis</b>											
Sales	5,529	5,634	5,975	6,449	7,131	7,723	8,561	8,828	9,004	9,600	10,000
<i>growth</i>		1.91%	6.05%	7.93%	10.59%	8.29%	10.85%	3.12%	2.00%	6.62%	4.17%
Gross margin	38.7%	37.9%	38.4%	39.4%	40.8%	40.8%	41.3%	41.0%	40.7%	40.9%	41.2%
<i>change</i>		-0.8%	0.4%	1.0%	1.4%	0.0%	0.5%	-0.3%	-0.3%	0.2%	0.3%
Stores	114.25	126.50	139.25	145.25	149.25	152.25	156.00	159.00	167.75	176.00	184.00
<i>growth</i>		10.72%	10.08%	4.31%	2.75%	2.01%	2.46%	1.92%	5.50%	4.92%	4.55%
Square footage	15,366	16,665	17,948	18,832	19,334	19,798	20,265	20,356	21,476	22,532	23,557
<i>growth</i>		8.45%	7.70%	4.93%	2.67%	2.40%	2.36%	0.45%	5.50%	4.92%	4.55%
Sales per sqft	359.79	338.08	332.92	342.43	368.85	390.08	422.44	433.67	419.25	426.05	424.51
SG&A	1747.0	1722.6	1814.0	1899.1	2022.7	2100.7	2296.9	2359.8	2458.1	2592.0	2680.0
<i>margin</i>	31.60%	30.57%	30.36%	29.45%	28.36%	27.20%	26.83%	26.73%	27.30%	27.00%	26.80%
Depreciation	203.0	213.1	233.9	250.7	264.8	276.3	284.5	269.0	325.5	346.3	358.6
	3.7%	3.8%	3.9%	3.9%	3.7%	3.6%	3.3%	3.0%	3.6%	3.6%	3.6%
EBIT	395.2	413.9	478.6	639.9	887.2	1052.0	1242.0	1260.9	1208.2	1336.4	1441.5
<i>growth</i>		4.72%	15.64%	33.71%	38.64%	18.57%	18.07%	1.52%	5.50%	4.92%	4.55%
EBIT (38.7% tax)	242.3	253.7	293.4	392.3	543.9	644.9	761.4	772.9	740.6	819.2	883.6
Capital expenditures	321	396	328	258	247	272	264	501	400	300	250
		23.21%	-17.14%	-21.29%	-4.44%	10.05%	-2.66%	89.46%	-20.16%	-25.00%	-16.67%
<b>Share information</b>											
Share price	\$32.50										
Shares outstanding	221,000										
Market capitalization	7,182,500										
Net debt	1,878,000										
Enterprise value	9,060,500										
<b>Free Cash Flow Yield</b>								<b>3.00%</b>	<b>3.76%</b>	<b>5.73%</b>	<b>6.99%</b>
<b>EV/EBITDA</b>								<b>5.92</b>	<b>5.91</b>	<b>5.38</b>	<b>5.03</b>

<b>SKS</b>	2006A	2007A	2008E	2009E	2010E
<b>Cash flow analysis</b>					
Sales	2,940	3,283	3,389	3,567	4,000
<i>growth</i>		11.65%	3.25%	5.23%	12.15%
Gross margin	38.6%	39.1%	39.6%	40.2%	40.8%
<i>change</i>		0.5%	0.5%	0.6%	0.6%
Stores					
Total	198.75	197.75	200.00	200.00	200.00
<i>growth</i>		-0.50%	1.14%	0.00%	0.00%
Square footage					
Avg Full Line	111,111	111,111	111,111	111,111	111,111
Avg Off Fifth	28,000	28,000	28,000	28,000	28,000
Avg Club Libby Lu	1,463	1,463	1,463	1,463	1,463
Total	7,532,000	7,504,000	7,567,000	7,567,000	7,567,000
<i>growth</i>		-0.37%	0.84%	0.00%	0.00%
Sales per sqft	390.33	437.45	447.89	471.33	528.61
SG&A	690.9	768.1	789.7	827.4	924.0
<i>margin</i>	23.50%	23.40%	23.30%	23.20%	23.10%
Other expenses	323.4	328.3	271.1	278.2	304.0
<i>margin</i>	11.00%	10.00%	8.00%	7.80%	7.60%
Depreciation	97.0	134.6	145.7	153.4	172.0
(included in other)	3.3%	4.1%	4.3%	4.3%	4.3%
EBIT	120.5	187.1	281.3	328.1	404.0
<i>margin</i>	4.10%	5.70%	8.30%	9.20%	10.10%
<i>growth</i>		55.23%	5.50%	4.92%	4.55%
EBIT (40% tax)	72.3	112.3	168.8	196.9	242.4
Capital expenditures	124	132	125	100	75
<i>growth</i>		6.87%	-5.43%	-20.00%	-25.00%
Change in working capital			20	10	10
<b>Share information</b>					
Share price	\$12.00				
Shares outstanding	140,170,000				
Market capitalization	1,682,040,000				
Net debt	471,430,000				
Enterprise value	2,153,470,000				
<b>Owned Real Estate Value</b>	\$244 /sqft		<b>1,000 mn</b>		
<b>Free Cash Flow Yield</b>		<b>-0.92%</b>	<b>2.96%</b>	<b>4.96%</b>	<b>8.24%</b>
<b>EV/EBITDA</b>		<b>6.69</b>	<b>5.04</b>	<b>4.47</b>	<b>3.74</b>

