

NIKE INC

FORM 10-Q (Quarterly Report)

Filed 04/14/98 for the Period Ending 02/28/98

Address	ONE BOWERMAN DR BEAVERTON, OR 97005-6453
Telephone	5036713173
CIK	0000320187
Symbol	NKE
SIC Code	3021 - Rubber and Plastics Footwear
Industry	Footwear
Sector	Consumer Cyclical
Fiscal Year	05/31

NIKE INC

FORM 10-Q (Quarterly Report)

Filed 4/14/1998 For Period Ending 2/28/1998

Address	ONE BOWERMAN DR BEAVERTON, Oregon 97005-6453
Telephone	503-671-3173
CIK	0000320187
Industry	Footwear
Sector	Consumer Cyclical
Fiscal Year	05/31

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

FOR QUARTERLY REPORTS UNDER SECTION 13 OR 15 (d) OF
THE SECURITIES AND EXCHANGE ACT OF 1934

For the Quarter Ended February 28, 1998 Commission file number - 1-10635

NIKE, Inc.

(Exact name of registrant as specified in its charter)

OREGON	93-084541
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
One Bowerman Drive, Beaverton, Oregon	97005-6453
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (503) 671-6453

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 X No .

Common Stock shares outstanding as of February 28, 1998 were:

Class A	101,481,308
Class B	186,245,961
	<hr/>
	287,727,269
	=====

PART 1 - FINANCIAL INFORMATION

Item 1. Financial Statements

NIKE, Inc.

CONDENSED CONSOLIDATED BALANCE SHEET

Feb. 28,
1998

May 31,
1997

	(in thousands)	
ASSETS		
Current assets:		
Cash and equivalents	\$ 150,280	\$ 445,421
Accounts receivable	1,809,830	1,754,137
Inventories (Note 3)	1,566,099	1,338,640
Deferred income taxes	138,008	135,663
Prepaid expenses	228,815	157,058
	-----	-----
Total current assets	3,893,032	3,830,919
	-----	-----
Property, plant and equipment	1,710,068	1,425,747
Less accumulated depreciation	618,549	503,378
	-----	-----
	1,091,519	922,369
Identifiable intangible assets and goodwill	449,718	464,191
Deferred income taxes and other assets	203,834	143,728
	-----	-----
	\$5,638,103	\$5,361,207
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 1,960	\$ 2,216
Notes payable	629,665	553,153
Accounts payable	471,575	687,121
Accrued liabilities	674,179	570,504
Income taxes payable	59,369	53,923
	-----	-----
Total current liabilities	1,836,748	1,866,917
Long-term debt (Note 6)	385,311	296,020
Deferred income taxes and other liabilities	41,167	42,132
Commitments and contingencies (Note 4)	-	-
Redeemable Preferred Stock	300	300
Shareholders' equity:		
Common Stock at stated value (Note 2):		
Class A convertible-101,481 and		
101,711 shares outstanding	151	152
Class B-186,246 and 187,559 shares		
outstanding	2,704	2,706
Capital in excess of stated value	250,288	210,650
Foreign currency translation		
adjustment	(61,966)	(31,333)
Retained earnings	3,183,400	2,973,663
	-----	-----
	3,374,577	3,155,838
	-----	-----
	\$5,638,103	\$5,361,207
	=====	=====

The accompanying Notes to Condensed Consolidated Financial Statements are
an integral part of this statement.

NIKE, Inc.

CONDENSED CONSOLIDATED STATEMENT OF INCOME

	Three Months Ended February 28,		Nine Months Ended February 28,	
	1998	1997	1998	1997
	-----	-----	-----	-----
	(in thousands, except per share data)			
Revenues	\$2,223,995	\$2,423,648	\$7,245,366	\$6,812,608
	-----	-----	-----	-----
Costs and expenses:				
Costs of sales	1,428,849	1,435,427	4,503,836	4,075,174

Selling and administrative	651,378	577,579	1,903,338	1,637,569
Interest expense	13,167	15,793	47,222	38,687
Other (income)/expense, net	7,983	7,716	27,473	16,210
	<hr/>	<hr/>	<hr/>	<hr/>
	2,101,377	2,036,515	6,481,869	5,767,640
	<hr/>	<hr/>	<hr/>	<hr/>
Income before income taxes	122,618	387,133	763,497	1,044,968
Income taxes	49,500	150,000	296,200	404,900
	<hr/>	<hr/>	<hr/>	<hr/>
Net income	\$ 73,118	\$ 237,133	\$ 467,297	\$ 640,068
	=====	=====	=====	=====
Earnings per share of common stock	\$ 0.25	\$ 0.82	\$ 1.61	\$ 2.22
Earnings per share of common stock- assuming dilution	\$ 0.25	\$ 0.80	\$ 1.58	\$ 2.16
Dividends declared per common share	\$ 0.12	\$ 0.10	\$ 0.34	\$ 0.28

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of this statement.

NIKE, Inc.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Nine Months Ended February 28,	
	1998	1997
	<hr/>	<hr/>
	(in thousands)	
Cash provided (used) by operations:		
Net income	\$ 467,297	\$ 640,068
Income charges (credits) not affecting cash:		
Depreciation	132,980	94,777
Deferred income taxes	(6,720)	(13,806)
Other	26,075	18,892
Changes in other working capital components	(458,899)	(683,128)
	<hr/>	<hr/>
Cash provided by operations	160,733	56,803
	<hr/>	<hr/>
Cash provided (used) by investing activities:		
Additions to property, plant and equipment	(352,110)	(317,580)
Disposals of property, plant and equipment	10,581	23,218
Increase in other assets	(59,505)	(55,626)
Decrease in other liabilities	(17,803)	(10,859)
	<hr/>	<hr/>
Cash used by investing activities	(418,837)	(360,847)
	<hr/>	<hr/>
Cash provided (used) by financing activities:		
Additions to long-term debt	101,435	300,135
Reductions in long-term debt	(1,715)	(11,044)
Increase in notes payable	76,512	67,166
Proceeds from exercise of options	24,405	18,133
Repurchase of stock	(151,985)	--
Dividends paid - common and preferred	(92,780)	(71,991)
	<hr/>	<hr/>
Cash (used) provided by financing activities	(44,128)	302,399
	<hr/>	<hr/>
Effect of exchange rate changes on cash	7,091	(2,675)
	<hr/>	<hr/>
Effect of May 1996 Cash Flow Activity for certain subsidiaries (Note 5)	--	43,004

Net (decrease) increase in cash and equivalents	(295,141)	38,684
Cash and equivalents, May 31, 1997 and 1996	445,421	262,117
Cash and equivalents February 28, 1998 and 1997	\$ 150,280	\$ 300,801
	=====	=====

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of this statement.

NIKE, Inc.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - Summary of significant accounting policies:

Basis of Presentation:

The accompanying unaudited condensed consolidated financial statements reflect all adjustments (consisting of normal recurring accruals) which are, in the opinion of management, necessary for a fair presentation of the results of operations for the interim period(s). The interim financial information and notes thereto should be read in conjunction with the Company's latest annual report to shareholders. The results of operations for the three and nine months ended February 28, 1998 are not necessarily indicative of results to be expected for the entire year.

NOTE 2 - Net income per common share:

SFAS 128, "Earnings per Share," replaces primary and fully diluted earnings per share with basic and diluted earnings per share. Under the new requirements, the dilutive effect of stock options is excluded from the calculation of basic earnings per share. Diluted earnings per share is calculated similarly to fully diluted earnings per share as required under APB 15. SFAS 128 became effective for the Company's 1998 third quarter financial statements. All prior period earnings per share data presented have been restated to conform to the provisions of this statement. The following represents a reconciliation from basic earnings per share to diluted earnings per share:

	Three Months Ended February 28,		Nine Months Ended February 28,	
	1998	1997	1998	1997
	_____	_____	_____	_____
	(in thousands, except per share data)			
Determination of shares:				
Weighted average common shares outstanding	287,585	288,568	289,292	288,183
Assumed conversion of stock options	5,600	8,800	6,524	8,732
	_____	_____	_____	_____
Weighted average common shares outstanding- assuming dilution	293,185	297,368	295,816	296,915
	=====	=====	=====	=====
Earnings per share of common stock	\$ 0.25	\$ 0.82	\$ 1.61	\$ 2.22
Earnings per share of common stock- assuming dilution	\$ 0.25	\$ 0.80	\$ 1.58	\$ 2.16

During the second quarter of fiscal year 1997, the Company issued additional shares in connection with a two-for-one stock split effected in the form of a 100% stock dividend on outstanding Class A and Class B common stock. The per common share amounts in the Consolidated Financial Statements and accompanying notes have been adjusted to reflect this stock split.

NOTE 3 - Inventories:

Inventories by major classification are as follows:

Feb. 28, 1998	May 31, 1997
_____	_____

(in thousands)

Finished goods	\$1,475,497	\$1,248,401
Work-in-process	43,401	50,245
Raw materials	47,201	39,994
	<hr/>	<hr/>
	\$1,566,099	\$1,338,640
	=====	=====

NOTE 4 - Commitments and contingencies:

There have been no other significant subsequent developments relating to the commitments and contingencies reported on the Company's most recent Form 10-K.

NOTE 5 - Change in year-end of certain subsidiaries:

Prior to fiscal year 1997, certain of the Company's non-U.S. operations reported their results of operations on a one month lag which allowed more time to compile results. Beginning in the first quarter of fiscal year 1997, the one month lag was eliminated. As a result, the May 1996 charge from operations for these entities of \$4.1 million was recorded to retained earnings in the first quarter of fiscal year 1997.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Operating Results

Net income for the third quarter of fiscal year 1998 decreased 69% to \$73.1 million, or \$0.25 per diluted share, compared to \$237.1 million, or \$0.80 per diluted share last year. Year to date, net income decreased 27%. Revenues decreased 8% for the quarter, while increasing 6% on a year-to-date basis. For the quarter, gross margins decreased to 35.8% compared to 40.8% last year. Year-to-date margins were 37.8% compared to 40.2% in the prior year. Selling and administrative expenses increased as a percentage of revenue to 29.3% for the quarter and 26.3% year-to-date, compared to 23.8% and 24.0% for the previous year's quarter and year-to-date, respectively. The Company's results of operations for the quarter and nine months ended February 28, 1998 are most significantly a result of lower growth rates in the U.S. and Asia Pacific regions. In the U.S., both footwear and apparel revenues declined in the quarter, primarily due to the saturation of retail athletic footwear and apparel markets. In Asia Pacific, the recent economic crisis in key markets in that region has resulted in reduced consumer spending.

The Company is currently undergoing a cost evaluation initiative and will incur a restructuring charge of between \$125 and \$175 million in the fourth quarter of fiscal 1998. Included in the charge will be charges associated with the reduction in the Company's global workforce, lease abandonments, asset write-downs and other costs. These measures, combined with the Company's efforts to maintain an efficient cost structure in the face of a difficult short-term market in the U.S. and Asia Pacific, are expected to result in projected reduced spending in excess of \$100 million in fiscal 1999.

For the quarter ended February 28, 1998, total revenues decreased \$199.7 million and increased \$432.8 million year-to-date. U.S. brand revenues decreased 15% and 1% for the quarter and year-to-date, respectively. U.S. footwear revenue declines were the primary reason, with revenue down 18% for the quarter and 5% year-to-date. The decrease for the quarter was due to a 9% decrease in pairs sold and an 11% average reduction in selling price. While most core footwear categories experienced decreases for the quarter, the three largest category increases were in golf (up 117%), soccer (up 80%), and Brand Jordan (up 125%). U.S. apparel revenues decreased 5% for the quarter, but increased 10% on a year-to-date basis. For the quarter, golf was up 55% while the core apparel categories of training and basketball were down 10% and 22%, respectively.

Non-U.S. brand revenues decreased 1% for the quarter and increased 18% year-to-date. Had the dollar remained constant with that of the prior year, non-U.S. revenues would have increased 9% for the quarter and 29% year-to-date. Europe increased 4% for the quarter (11% on a constant dollar basis) with footwear down 12% and apparel up 35%. The top five countries in the region, which represent 64% and 67% of the total revenue for the quarter and year-to-date, respectively, increased 5% for the quarter and 13% for the year. Italy, France and Spain all had double digit growth in constant dollars. The Asia Pacific region decreased 17% for the quarter (down 2% on a constant dollar basis). Footwear revenues in the region were down 26%, while apparel increased 6%. Japan, which a year ago had increased 107% quarter on quarter, had flat revenues operationally, and was down 10% including the effect of exchange rates. The Americas region, which includes Latin America and Canada, increased 27% for the quarter (32% on a constant dollar basis) and both footwear and apparel revenues increased to 14% and 72%, respectively.

Other and Other Brands, which includes NIKE brand equipment, Bauer Inc., Cole Haan, Sports Specialties, and Tetra Plastics, increased 6% to \$118.3 million for the third quarter and 5% to \$425.3 million year-to-date. The increase was due to NIKE brand equipment partially offset by a decline in the Other Brands.

The breakdown of revenues follows:

Three Months Ended			Nine Months Ended		
February 28,			February 28,		
1998	1997	% Change	1998	1997	% Change
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

	(in thousands)					
U.S. Footwear	\$ 800,410	\$ 980,369	-18%	\$2,644,077	\$2,796,823	-5%
U.S. Apparel	330,958	348,702	-5%	1,174,459	1,067,474	10%
Total United States	1,131,368	1,329,071	-15%	3,818,536	3,864,297	-1%
Non-U.S. Footwear	595,433	689,064	-14%	1,910,215	1,754,831	9%
Non-U.S. Apparel	378,857	293,821	29%	1,091,303	788,181	38%
Total Non-U.S.	974,290	982,885	-1%	3,001,518	2,543,012	18%
Other & Other Brands	118,337	111,692	6%	425,312	405,299	5%
Total Revenues	\$2,223,995	\$2,423,648	-8%	\$7,245,366	\$6,812,608	6%
	=====	=====	====	=====	=====	====

The overall decrease in gross margin as a percentage of revenues for both the quarter and year-to-date, compared to the prior year, was due to four principal factors. First was the increase in close-out product sales compared to the prior year. The regions most affected by this were the U.S. and Asia Pacific. Second, inventory reserves increased to write down slow-moving inventory that has been unable to be sold in the marketplace. Third, the strengthening of the U.S. dollar has had a direct impact on the Company's ability to price product in competitive markets. Finally, increased levels of warehousing, royalties, and research and development costs have had the effect of lowering margins due to the smaller revenue base. Management expects that the gross margin percentage for fiscal 1998 will continue to be below levels experienced in the prior year.

Selling and administrative expenses increased \$73.8 million over the previous year's third quarter and \$265.8 million year-to-date. The increases are due to higher levels of marketing expenses, including spending in the third quarter surrounding the Winter Olympics and endorsement contracts. Infrastructure spending has also increased, however wage-related increases over the prior year are beginning to slow down as cost-cutting measures take effect. Selling and administrative expenses are expected to remain higher than last year's levels, as a percentage of revenue, through the end of fiscal 1998.

Interest expense, while down for the third quarter, increased on a year-to-date basis due to increased debt, both short and long-term, for growing infrastructure and financing increased levels of inventory. Other expense has increased on a year-to-date basis, primarily due to decreased interest income and increased losses on foreign transactions, offset by decreased profit sharing expense.

The Company's effective tax rate for the quarter was 40.4% compared to 38.75% in the prior year. Year-to-date the rate has risen to 38.8% compared to 38.7%. The increase in the rate is primarily due to a lower mix of non-U.S. earnings to total.

Worldwide futures and advance orders for NIKE brand athletic footwear and apparel scheduled for delivery from March 1998 through July 1998 totaled \$4.0 billion, 9% lower than such orders for the same period last year. These orders and the percentage change in these orders are not necessarily indicative of the change in revenues which the Company will experience for subsequent periods. This is due to potential shifts in the mix of advance orders in relation to at once orders and varying cancellation rates. Finally exchange rate fluctuations will also cause differences in the comparisons.

LIQUIDITY AND CAPITAL RESOURCES

The Company's financial position remains strong at February 28, 1998. Compared to May 31, 1997, total assets increased \$277 million to \$5.6 billion while shareholder's equity increased \$219 million to \$3.4 billion. Working capital increased \$92 million, to \$2.1 billion at February 28, 1998, and the Company's current ratio was unchanged from fiscal year-end at 2.1. The increase in working capital is primarily a result of higher inventory levels due to the slow down in revenue growth. The Company has taken steps to reduce inventory levels. These include actions to sell close-out inventory as well as to moderate inventory purchases to more cautiously match up with futures orders and at-once demand.

Cash provided by operations was \$161 million for the nine months ended February 28, 1998, an increase of \$104 million over last year's first nine months, primarily due to decreased working capital requirements as a result of lower growth rates compared to the first nine months of fiscal 1997.

Additions to property, plant and equipment for the first nine months of fiscal 1998 were \$352 million compared to \$318 million for the same period last year. Additions in the U.S. totaled \$158 million due to continued overall expansion of U.S. operations which includes warehouse locations, world headquarters expansion, management information systems and the continued development of retail locations. Outside the U.S., additions totaled \$181 million due to the development and expansion of new and existing warehouse facilities as well as the development of retail locations. The Company expects total capital expenditures for fiscal 1998 to be approximately \$550 million.

Additions to long-term debt totaled \$101 million for the first nine months of fiscal 1998. In fiscal 1997 the Company filed a shelf registration with the Securities and Exchange Commission for the sale of up to \$500 million of debt securities. Under this program, the Company issued \$100 million medium term notes in the first quarter of fiscal 1998, maturing in three and five years. The proceeds were swapped into Dutch Guilders and the Company used this long-term fixed rate debt financing, in addition to excess cash, to retire the Company's Dutch Guilder

external short-term debt. Management believes that significant funds generated by operations, together with access to sufficient sources of funds, will adequately meet its anticipated operating, global infrastructure expansion and capital needs. Significant short and long-term lines of credit are maintained with banks which, along with cash on hand, provide adequate operating liquidity. Liquidity is also provided by the Company's commercial paper program, under which there was \$328 million outstanding at February 28, 1998.

During the quarter, the Company purchased a total of 2.7 million shares of NIKE's Class B common stock for \$123.2 million, completing the \$450 million program approved in July 1993 and beginning the four-year, \$1 billion program approved in December 1997. In the quarter, 2.4 million shares were purchased under the July 1993 program for \$108.2 million. Total shares purchased since July 1993 were 23.8 million. Under the new \$1 billion program, the Company purchased a total of 355,000 shares for \$15.0 million. Funding has, and is expected to continue to, come from operating cash flow in conjunction with short-term borrowings. The timing and the amount of shares purchased will be dictated by working capital needs and stock market conditions.

Special Note Regarding Forward-Looking Statements and Reports Analyst Reports

Certain written and oral statements made or incorporated by reference from time to time by NIKE or its representatives in this report, other reports, filings with the Securities and Exchange Commission, press releases, conferences, or otherwise, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 ("the Act"). Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate, or imply future results, performance, or achievements, and may contain the words "believe," "anticipate," "expect," "estimate," "project," "will be," "will continue," "will likely result," or words or phrases of similar meaning. Forward-looking statements involve risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. The risks and uncertainties are detailed from time to time in reports filed by NIKE with the S.E.C., including Forms 8-K, 10-Q, and 10-K, and include, among others, the following: international, national and local general economic and market conditions; the size and growth of the overall athletic footwear, apparel, and equipment markets; intense competition among designers, marketers, distributors and sellers of athletic footwear, apparel, and equipment for consumers and endorsers; demographic changes; changes in consumer preferences; popularity of particular designs, categories of products, and sports; seasonal and geographic demand for NIKE products; the size, timing and mix of purchases of NIKE's products; fluctuations and difficulty in forecasting operating results, including, without limitation, the fact that advance "futures" orders may not be indicative of future revenues due to the changing mix of futures and at-once orders; the ability of NIKE to sustain, manage or forecast its growth; new product development and introduction; the ability to secure and protect trademarks, patents, and other intellectual property; performance and reliability of products; customer service; adverse publicity; the loss of significant customers or suppliers; dependence on distributors; business disruptions; increased costs of freight and transportation to meet delivery deadlines; changes in business strategy or development plans; general risks associated with doing business outside the United States, including, without limitation, import duties, tariffs, quotas and political instability; changes in government regulations; liability and other claims asserted against NIKE; the ability to attract and retain qualified personnel; and other factors referenced or incorporated by reference in this report and other reports.

The risks included here are not exhaustive. Other sections of this report may include additional factors which could adversely impact NIKE's business and financial performance. Moreover, NIKE operates in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors, nor can it assess the impact of all such risk factors on NIKE's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

Investors should also be aware that while NIKE does, from time to time, communicate with securities analysts, it is against NIKE's policy to disclose to them any material non-public information or other confidential commercial information. Accordingly, shareholders should not assume that NIKE agrees with any statement or report issued by any analyst irrespective of the content of the statement or report. Furthermore, NIKE has a policy against issuing or confirming financial forecasts or projections issued by others. Accordingly, to the extent that reports issued by securities analysts contain any projections, forecasts or opinions, such reports are not the responsibility of NIKE.

Part II - Other Information

Item 1. Legal Proceedings:

There have been no material changes from the information previously reported under Item 3 of the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 1997.

Item 6. Exhibits and Reports on Form 8-K:

(a) EXHIBITS:

3.1 Restated Articles of Incorporation, as amended (incorporated by reference from Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 1995).

3.2 Third Restated Bylaws, as amended (incorporated by reference from Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 1995).

4.1 Restated Articles of Incorporation, as amended (see Exhibit 3.1).

4.2 Third Restated Bylaws, as amended (see Exhibit 3.2).

4.3 Form of Indenture between the Company and The First National Bank of Chicago, as Trustee (incorporated by reference from Exhibit 4.01 to Amendment No. 1 to Registration Statement No. 333-15953) filed by the Company on November 26, 1996.

4.4 Officers' Certificate establishing the terms of the Company's 6-3/8% Notes Due December 1, 2003 (incorporated by reference from Exhibit 4.1 to the Company's Current Report on Form 8-K dated December 10, 1996).

4.5 Form of 6-3/8% Note due December 1, 2003 (incorporated by reference from Exhibit 4.2 to the Company's Current Report on Form 8-K dated December 10, 1996).

4.6 Form of Officers' Certificate establishing the terms of the Company's Fixed Rate Medium-Term Note and Floating Rate Medium-Term Note (incorporated by reference from Exhibit 4.1 to the Company's Current Report on Form 8-K dated April 23, 1997).

4.7 Form of Fixed Rate Medium-Term Note (incorporated by reference from Exhibit 4.2 to the Company's Current Report on Form 8-K dated April 23, 1997).

4.8 Form of Floating Rate Medium-Term Note (incorporated by reference from Exhibit 4.3 to the Company's Current Report on Form 8-K dated April 23, 1997).

10.1 Credit Agreement dated as of September 15, 1995 among NIKE, Inc., Bank of America National Trust & Savings Association, individually and as Agent, and the other banks party thereto (incorporated by reference from the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 1995).

10.2 Form of non-employee director Stock Option Agreement (incorporated by reference from Exhibit 10.3 to the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 1993).*

10.3 Form of Indemnity Agreement entered into between the Company and each of its officers and directors (incorporated by reference from the Company's definitive proxy statement filed in connection with its annual meeting of shareholders held on September 21, 1987).

10.4 NIKE, Inc. Restated Employee Incentive Compensation Plan (incorporated by reference from Registration Statement No. 33-29262 on Form S-8 filed by the Company on June 16, 1989).*

10.5 NIKE, Inc. 1990 Stock Incentive Plan (incorporated by reference from the Company's definitive proxy statement filed in connection with its annual meeting of shareholders held on September 22, 1997).*

10.6 NIKE, Inc. Long-Term Incentive Plan (incorporated by reference from the Company's definitive proxy statement filed in connection with its annual meeting of shareholders held on September 22, 1997).*

10.7 Collateral Assignment Split-Dollar Agreement between NIKE, Inc. and Philip H. Knight dated March 10, 1994 (incorporated by reference from Exhibit 10.7 to the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 1994).*

10.8 NIKE, Inc. Executive Performance Sharing Plan (incorporated by reference from the Company's definitive proxy statement filed in connection with its annual meeting of shareholders held on September 18, 1995).*

12.1 Computation of Ratio of Earnings to Charges.

27 Financial Data Schedule.

* Management contract or compensatory plan or arrangement.

(b) The following reports on Form 8-K were filed by the Company during the third quarter of fiscal 1998:

February 26, 1998	Item 5. Other Events	Press release issued on February 22 and 24, 1998 regarding VP resignation and earnings.
January 9, 1998	Item 5. Other Events	Press release regarding resignation of CFO.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NIKE, Inc. An Oregon Corporation

BY: /s/ Robert E. Harold

Robert E. Harold Chief Financial Officer

DATED: April 14, 1998

NIKE, INC.
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

	Nine Months Ended February 28,	
	1998	1997
	(in thousands)	
Net income	\$ 467,297	\$ 640,068
Income taxes	296,200	404,900
	763,497	1,044,968
Add fixed charges		
Interest expense (A)	48,865	40,857
Interest component of leases (B)	31,883	19,329
	80,748	60,186
Earnings before income taxes and fixed charges (C)	\$ 842,602 =====	\$1,102,984 =====
Ratio of earnings to total fixed charges	10.43 =====	18.33 =====

- (A) Interest expense includes both expensed and capitalized. (B) Interest component of leases includes one-third of rental expense, which approximates the interest component of operating leases.
- (C) Earnings before income taxes and fixed charges is exclusive of capitalized interest.

WARNING: THE EDGAR SYSTEM ENCOUNTERED ERROR(S) WHILE PROCESSING THIS SCHEDULE.

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FEBRUARY 28, 1998 FORM 10-Q AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

MULTIPLIER: 1,000

PERIOD TYPE	9 MOS
FISCAL YEAR END	MAY 31 1998
PERIOD END	FEB 28 1998
CASH	150,280
SECURITIES	0
RECEIVABLES	1,809,830
ALLOWANCES	63,282
INVENTORY	1,566,099
CURRENT ASSETS	3,893,032
PP&E	1,710,068
DEPRECIATION	618,549
TOTAL ASSETS	5,638,103
CURRENT LIABILITIES	1,836,748
BONDS	385,311
COMMON	2,855
PREFERRED MANDATORY	0
PREFERRED	300
OTHER SE	3,371,722
TOTAL LIABILITY AND EQUITY	5,638,103
SALES	7,245,366
TOTAL REVENUES	7,245,366
CGS	4,503,836
TOTAL COSTS	4,503,836
OTHER EXPENSES	1,905,857
LOSS PROVISION	24,954
INTEREST EXPENSE	47,222
INCOME PRETAX	763,497
INCOME TAX	296,200
INCOME CONTINUING	467,297
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	467,297
EPS BASIC	1.61
EPS DILUTED	1.58

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