

NIKE INC

FORM 10-Q (Quarterly Report)

Filed 10/10/03 for the Period Ending 08/31/03

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 10/10/2003 For Period Ending 8/31/2003

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

UNITED STATES 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 August 31, 2003
Commission file number - 1-10635

NIKE, Inc.

(Exact name of registrant as specified in its charter)

OREGON	93-0584541
(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 is an accelerated filer (as
defined in Rule 12b-2 of the Exchange Act). Yes No

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

Common Stock shares outstanding as of August 31, 2003 were:

Class A	97,816,766
Class B	164,602,344
	<hr/>
	262,419,110
	=====

PART 1 - FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	August 31, 2003	May 31, 2003
	(in millions)	
ASSETS		
Current assets:		
Cash and equivalents	\$ 997.8	\$ 634.0
Accounts receivable	2,085.5	2,101.1
Inventories (Note 2)	1,480.5	1,514.9
Deferred income taxes	175.1	221.8
Prepaid expenses and other current assets	309.3	266.2
	<hr/>	<hr/>
Total current assets	5,048.2	4,738.0
Property, plant and equipment	2,957.0	2,988.8
Less accumulated depreciation	1,393.1	1,368.0
	<hr/>	<hr/>
Property, plant and equipment, net	1,563.9	1,620.8
Identifiable intangible assets, net (Note 3)	118.0	118.2
Goodwill (Note 3)	65.6	65.6
Deferred income taxes and other assets	222.9	229.4
	<hr/>	<hr/>
Total Assets	\$7,018.6	\$6,772.0
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 205.6	\$ 205.7
Notes payable	237.6	75.4
Accounts payable	520.1	572.7
Accrued liabilities	879.2	1,054.2
Income taxes payable	192.2	107.2
	<hr/>	<hr/>
Total current liabilities	2,034.7	2,015.2
Long-term debt	532.3	551.6
Deferred income taxes and other liabilities	234.2	214.2
Commitments and contingencies (Note 8)	--	--
Redeemable preferred stock	0.3	0.3
Shareholders' equity:		
Common stock at stated value:		
Class A convertible-97.8 and 97.8 shares outstanding	0.2	0.2
Class B-164.6 and 165.8 shares outstanding	2.6	2.6
Capital in excess of stated value	612.1	589.0
Unearned stock compensation	(7.8)	(0.6)
Accumulated other comprehensive income	(165.9)	(239.7)
Retained earnings	3,775.9	3,639.2
	<hr/>	<hr/>
Total shareholders' equity	4,217.1	3,990.7
	<hr/>	<hr/>
Total liabilities and shareholders' equity	\$7,018.6	\$6,772.0
	=====	=====

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

NIKE, Inc.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

Three Months Ended

	August 31,	
	2003	2002
	(in millions, except per share data)	
Revenues	\$3,024.9	\$2,796.3
Cost of sales	1,723.4	1,639.2
Gross margin	1,301.5	1,157.1
Selling and administrative	869.6	804.8
Interest expense, net	7.5	7.2
Other expense, net	23.8	11.0
Income before income taxes and cumulative effect of accounting change	400.6	334.1
Income taxes	139.4	116.9
Income before cumulative effect of accounting change	261.2	217.2
Cumulative effect of accounting change, net of income taxes	--	266.1
Net income/(loss)	\$ 261.2	\$ (48.9)
Basic earnings (loss) per common share (Note 6):		
Before accounting change	\$ 0.99	\$ 0.82
Cumulative effect of accounting change	--	(1.00)
	\$ 0.99	\$ (0.18)
Diluted earnings (loss) per common share (Note 6):		
Before accounting change	\$ 0.98	\$ 0.81
Cumulative effect of accounting change	--	(0.99)
	\$ 0.98	\$ (0.18)
Dividends declared per common share	\$ 0.14	\$ 0.12

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

NIKE, Inc.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended August 31,	
	2003	2002
	(in millions)	
Cash provided (used) by operations:		
Net income (loss)	\$ 261.2	\$ (48.9)
Income charges (credits) not affecting cash:		
Cumulative effect of accounting change	--	266.1
Depreciation	61.2	56.4
Deferred income taxes	1.4	--
Amortization and other	10.6	2.1
Income tax benefit from exercise of stock options	2.9	1.1

Changes in other working capital components	13.4	(102.7)
Cash provided by operations	350.7	174.1
Cash provided (used) by investing activities:		
Additions to property, plant and equipment	(42.0)	(43.7)
Disposals of property, plant and equipment	1.6	4.8
Increase in other assets	(1.7)	(12.4)
(Decrease) increase in other liabilities	(0.2)	1.2
Cash used by investing activities	(42.3)	(50.1)
Cash provided (used) by financing activities:		
Proceeds from long-term debt issuance	1.8	90.1
Reductions in long-term debt including current portion	(1.5)	(51.4)
Increase (decrease) in notes payable	162.1	(207.8)
Proceeds from exercise of options	19.0	4.9
Repurchase of stock	(95.0)	(53.1)
Dividends on common stock	(36.9)	(31.9)
Cash provided (used) by financing activities	49.5	(249.2)
Effect of exchange rate changes on cash	5.9	(20.3)
Net increase (decrease) in cash and equivalents	363.8	(145.5)
Cash and equivalents, May 31, 2003 and 2002	634.0	575.5
Cash and equivalents, August 31, 2003 and 2002	\$ 997.8	\$ 430.0
	=====	=====

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

NIKE, Inc.

NOTES TO UNAUDITED 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. The interim financial information and notes thereto should be read in conjunction with the Company's latest Annual Report on Form 10-K. The results of operations for the three (3) months ended August 31, 2003 are not necessarily indicative of results to be expected for the entire year.

Certain prior year amounts have been reclassified to conform to fiscal year 2004 presentation. These changes had no impact on previously reported results of operations or shareholders' equity.

NOTE 2 - Inventories:

Inventories by major classification are as follows:

	Aug. 31, 2003	May 31, 2003
	_____	_____
	(in millions)	
Finished goods	\$1,454.3	\$1,484.1
Work-in-progress	11.5	15.2
Raw materials	14.7	15.6
	_____	_____

\$1,480.5	\$1,514.9
=====	=====

NOTE 3 - Identifiable Intangible Assets and Goodwill:

The Company adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," (FAS 142) effective June 1, 2002. In accordance with FAS 142, goodwill and intangible assets with indefinite lives will no longer be amortized but instead will be measured for impairment at least annually, or when events indicate that an impairment exists. Intangible assets that are determined to have definite lives will continue to be amortized over their useful lives.

The following table summarizes the Company's identifiable intangible assets and goodwill balances as of August 31, 2003 and May 31, 2003:

	August 31, 2003		May 31, 2003	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
	(in millions)			
Amortized intangible assets:				
Patents	\$ 25.2	\$ (10.8)	\$ 24.9	\$ (10.4)
Trademarks	13.1	(10.8)	12.9	(10.6)
Other	7.5	(1.2)	7.5	(1.1)
Total	<u>\$ 45.8</u>	<u>\$ (22.8)</u>	<u>\$ 45.3</u>	<u>\$ (22.1)</u>
	=====	=====	=====	=====
Unamortized intangible assets:				
Goodwill	\$ 65.6		\$ 65.6	
Trademarks	95.0		95.0	
Total	<u>\$ 160.6</u>		<u>\$ 160.6</u>	
	=====		=====	

Amortization expense, which is included in selling and administrative expense, was \$0.9 million and \$1.1 million for the three-month periods ended August 31, 2003 and August 31, 2002, respectively. The estimated amortization expense for intangible assets subject to amortization for each of the succeeding years ended May 31, 2004 through May 31, 2008 are as follows: 2004: \$3.1 million; 2005: \$2.9 million; 2006: \$2.8 million; 2007: \$2.3 million; 2008: \$2.1 million.

NOTE 4 - Comprehensive Income (Loss):

Comprehensive income (loss), net of taxes, is as follows:

	Three Months Ended August 31,	
	2003	2002
	(in millions)	
Net income (loss)	\$261.2	\$(48.9)
Other comprehensive income (loss):		
Change in cumulative translation adjustment and other	(59.2)	12.3
Changes due to cash flow hedging instruments:		
Net gain (loss) on hedge derivatives	86.5	(84.2)
Reclassification to net income (loss) of previously deferred (gains) and losses related to hedge derivative instruments	46.5	23.0
Other comprehensive income (loss)	<u>73.8</u>	<u>(48.9)</u>
Total comprehensive income (loss)	<u>\$335.0</u>	<u>\$(97.8)</u>
	=====	=====

NOTE 5 - Stock-Based Compensation:

The Company uses the intrinsic value method to account for stock-based compensation in accordance with Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees" as permitted by Statement of Financial Accounting Standards (SFAS) No. 123 "Accounting for Stock-Based Compensation" (FAS 123). The Company's policy is to grant stock options with an exercise price equal to the market value at the date of grant, and accordingly, no compensation expense is recognized.

If the Company had accounted for stock options issued to employees in accordance with FAS 123, the Company's pro forma net income (loss) and pro forma earnings (loss) per share would have been reported as follows:

	Three Months Ended August 31,	
	2003	2002
	(in millions, except per share data)	
Net income (loss) as reported	\$261.2	\$(48.9)
Add: Stock-based compensation expense included in reported net income, net of tax	--	--
Deduct: Total stock-based employee compensation expense under fair value based method for all awards, net of tax	(11.3)	(8.6)
Pro forma net income (loss)	\$249.9	\$(57.5)
Earnings (loss) per share:	=====	=====
Basic - as reported	\$ 0.99	\$(0.18)
Basic - pro forma	\$ 0.95	\$(0.22)
Diluted - as reported	\$ 0.98	\$(0.18)
Diluted - pro forma	\$ 0.94	\$(0.22)

The pro forma effects of applying FAS 123 may not be representative of the effects on reported net income (loss) and earnings (loss) per share for future periods since options vest over several years and additional awards are made each year.

NOTE 6 - Earnings (Loss) Per Common Share:

The following represents a reconciliation from basic earnings (loss) per share to diluted earnings (loss) per share. Options to purchase 3.9 million and 4.3 million shares of common stock were outstanding at August 31, 2003 and August 31, 2002, respectively, but were not included in the computation of diluted earnings (loss) per share because the options' exercise prices were greater than the average market price of common shares and, therefore, the effect would be antidilutive.

	Three Months Ended August 31,	
	2003	2002
	(in millions, except per share data)	
Determination of shares:		
Average common shares outstanding	262.9	265.3
Assumed conversion of dilutive stock options and awards	4.3	3.8
Diluted average common shares outstanding	267.2	269.1
Basic earnings (loss) per common share:	=====	=====
Before cumulative effect of accounting change	\$ 0.99	\$ 0.82
Cumulative effect of accounting change	--	(1.00)
Diluted earnings (loss) per common share:	\$ 0.99	\$(0.18)
	=====	=====

Before cumulative effect of accounting change	\$ 0.98	\$ 0.81
Cumulative effect of accounting change	--	(.99)
	<u>\$ 0.98</u>	<u>\$(0.18)</u>
	=====	=====

NOTE 7 - Operating Segments:

The Company's operating segments are evidence of the structure of the Company's internal organization. The major segments are defined by geographic regions with operations participating in NIKE brand sales activity. Each NIKE brand geographic segment operates predominantly in one industry: the design, production, marketing and selling of sports and fitness footwear, apparel, and equipment. The "Other" category shown below represents activities of Cole Haan Holdings, Inc., Bauer NIKE Hockey, Inc., Hurley International LLC, and NIKE Golf, which are considered immaterial for individual disclosure.

Where applicable, "Corporate" represents items necessary to reconcile to the consolidated financial statements, which generally include corporate activity and corporate eliminations. Effective June 1, 2003 the assets, liabilities, and operating expenses of NIKE IHM, Inc., which primarily manufactures NIKE Air components, have been reclassified to the Corporate category from Other, reflecting current management of these operations. NIKE IHM, Inc. information for the applicable prior year period has been reclassified to conform to the current year presentation.

Net revenues as shown below represent sales to external customers for each segment. Intercompany revenues have been eliminated and are immaterial for separate disclosure. The Company evaluates performance of individual operating segments based on pre-tax income. On a consolidated basis, this amount represents Income before income taxes and cumulative effect of accounting change as shown in the Unaudited Condensed Consolidated Statements of Operations. Reconciling items for pre-tax income represent corporate costs that are not allocated to the operating segments for management reporting and intercompany eliminations for specific items in the Unaudited Condensed Consolidated Statements of Operations.

Accounts receivable, inventory, and property, plant, and equipment for operating segments are regularly reviewed and therefore provided below:

	Three Months Ended August 31,	
	2003	2002
	_____	_____
	(in millions)	
Net Revenue		
USA	\$1,253.9	\$1,282.7
EUROPE, MIDDLE EAST, AFRICA	1,013.5	869.3
ASIA PACIFIC	348.3	307.8
AMERICAS	153.7	142.3
OTHER	255.5	194.2
	<u>\$3,024.9</u>	<u>\$2,796.3</u>
	=====	=====
Pre-tax Income		
USA	\$ 295.6	\$ 283.9
EUROPE, MIDDLE EAST, AFRICA	204.7	162.2
ASIA PACIFIC	76.7	50.7
AMERICAS	24.3	25.2
OTHER	(3.2)	(11.2)
CORPORATE	(197.5)	(176.7)
	<u>\$ 400.6</u>	<u>\$ 334.1</u>
	=====	=====
	Aug. 31, 2003	May 31, 2003
	_____	_____
	(in millions)	
Accounts Receivable, net		
USA	\$ 625.0	\$ 609.5
EUROPE, MIDDLE EAST, AFRICA	834.0	792.6
ASIA PACIFIC	228.0	258.4
AMERICAS	126.7	130.0
OTHER	234.1	269.2
CORPORATE	37.7	41.4
	<u>\$2,085.5</u>	<u>\$2,101.1</u>

Inventories, net	=====	=====
USA	\$ 603.5	\$ 640.6
EUROPE, MIDDLE EAST, AFRICA	361.2	383.4
ASIA PACIFIC	133.6	143.5
AMERICAS	90.2	84.2
OTHER	259.5	239.4
CORPORATE	32.5	23.8
	-----	-----
	\$1,480.5	\$1,514.9
	=====	=====
Property, Plant and Equipment, net		
USA	\$ 211.6	\$ 215.7
EUROPE, MIDDLE EAST, AFRICA	220.7	241.4
ASIA PACIFIC	374.0	386.3
AMERICAS	10.8	11.0
OTHER	79.9	82.1
CORPORATE	666.9	684.3
	-----	-----
	\$1,563.9	\$1,620.8
	=====	=====

NOTE 8 - Commitments and Contingencies:

At August 31, 2003, the Company had letters of credit outstanding totaling \$461.2 million. These letters of credit were issued primarily for the purchase of inventory.

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 9 - Subsequent Event:

On September 4, 2003, the Company completed the acquisition of 100 percent of the equity shares of Converse Inc. for \$305 million cash. Converse Inc. is based in Massachusetts and designs, distributes, and markets high performance and casual athletic footwear and apparel.

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

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities.

We believe that the estimates, assumptions and judgments involved in the accounting policies described in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of our most recent Annual Report on Form 10-K have the greatest potential impact on our financial statements, so we consider these to be our critical accounting policies. Because of the uncertainty inherent in these matters, actual results could differ from the estimates we use in applying the critical accounting policies. Certain of these critical accounting policies affect working capital account balances, including the policies for revenue recognition, the reserve for uncollectible accounts receivable, inventory reserves, and contingent payments under endorsement contracts. These policies require that we make estimates in the preparation of our financial statements as of a given date. However, since our business cycle is relatively short, actual results related to these estimates are generally known within the six-month period following the financial statement date. Thus, these policies generally affect only the timing of reported amounts across two to three quarters.

Within the context of these critical accounting policies, we are not currently aware of any reasonably likely events or circumstances that would result in materially different amounts being reported.

Operating Results

- Revenues for the first quarter of fiscal 2004 increased 8% to \$3.0 billion versus \$2.8 billion for the first quarter of fiscal 2003.

- Gross margin increased as a percentage of revenues for the first quarter of fiscal 2004 to 43.0% from 41.4% for the first quarter of the prior year.

- Selling and administrative remained relatively consistent as a percentage of revenues at 28.7% versus 28.8% for the first quarter of the prior year.

- Income increased 20% for the quarter to \$261.2 million from \$217.2 million for the prior year, before the cumulative effect of accounting change in the first quarter of the prior year. After the effect of the accounting change, the first quarter of fiscal 2003 had a net loss of \$48.9 million.

- Diluted earnings per share for the quarter increased 21% to \$0.98 from \$0.81 in the prior year before the cumulative effect of accounting change. After the effect of the accounting change, the first quarter of fiscal 2003 had a loss of \$0.18 per diluted share.

A 15% increase in revenue from our international regions drove a majority of the 8% increase in consolidated revenues. Changes in currency exchange rates, primarily the euro, contributed approximately six and one-half percentage points of the consolidated revenue growth. See further discussion of revenues in the regional commentary below.

In the first quarter of fiscal 2004, our consolidated gross margin percentage improved 160 basis points versus the prior year, from 41.4% to 43.0%, our highest quarterly gross margin percentage in our history as a public company. Factors contributing to the improved gross margin percentage in the quarter were as follows:

- (1) Higher pricing margins for in-line products, which represents current product offerings, resulted from lower product costs due to manufacturing efficiencies, reduced material costs, and lower air freight as well as a higher mix of sales of classic footwear models.
- (2) A reduced level of closeout sales as a percentage of total sales and improved margins on those sales.
- (3) Changes in currency exchange rates, primarily the Euro.

Selling and administrative expense, comprised of demand creation and operating overhead, grew 8% versus the prior year quarter, and as a percentage of revenue, remained relatively consistent with the prior year. Demand creation expense grew 1% to \$324.1 million in the first quarter of fiscal 2004 from \$321.8 million in fiscal 2003, reflecting a six percentage point increase due to changes in currency exchange rates. Excluding the impact of currency, demand creation spending declined versus the first quarter of fiscal 2003 mainly due to costs of our World Cup marketing campaign incurred in the first quarter of last year.

Operating overhead increased 13% to \$545.5 million in the first quarter of fiscal 2004 from \$483.0 million in fiscal 2003. Currency exchange rates contributed five percentage points of the increase. Excluding the effects of currency, operating overhead increases were attributed to higher reserves for bad debts in our Europe, Middle East and Africa (EMEA) region, operating costs of new factory outlet stores outside the U.S., costs related to our on-going development of systems and processes supporting our worldwide supply chain initiative and increased costs to support the growth of our NIKE Golf, Cole Haan and Hurley businesses.

Other expense, net was \$23.8 million for the first quarter of fiscal 2004 compared to \$11.0 million in the first quarter of fiscal 2003. Beginning this fiscal year, interest income and profit sharing expense previously included in other expense, net, are included in interest expense, net and selling and administrative, respectively. The presentation of prior year amounts has been adjusted to conform to the current classification. The majority of the increase over the prior year is due to loss on disposal of land gifted to the NIKE Foundation and legal settlement costs. The largest component of other expense, net, comprising approximately half of this year's net expense, is foreign currency losses primarily due to hedge losses on intercompany charges to a European subsidiary, whose functional currency is the euro. These losses are comparable to last year and are reflected in the Corporate line in our segment presentation of pre-tax income in Note 7 - Operating Segments. The hedge losses reflected that the euro has strengthened considerably since we entered into these hedge contracts.

In the first quarter of fiscal 2004, net foreign currency losses in other expense, net were more than offset by favorable translation of foreign currency denominated profits, which resulted in higher translated earnings in our foreign operations, most significantly in EMEA. Our estimate of the net impact of these losses and the favorable translation is a \$34 million addition to consolidated income before income taxes compared to the prior year period. Consistent with our existing policies, we have also hedged a portion of anticipated intercompany charges for the balance of fiscal 2004. As the euro has strengthened since these hedge contracts were executed, we expect to continue to incur some hedge losses for the balance of fiscal 2004. However, at current exchange rates, we expect the net impact of the hedge losses and the offsetting positive translation impact will result in a net benefit to fiscal 2004 consolidated net income versus the prior year.

Our effective tax rate in the first quarter of fiscal 2004 was 34.8%, relatively consistent with the first quarter of fiscal 2003 rate of 35.0%, but higher than the full year rate for fiscal 2003 of 34.1%. This increase compared to fiscal 2003 anticipates higher taxes on foreign earnings.

Included in the first quarter of fiscal 2003 net income was a \$266.1 million charge for the cumulative effect of implementing Statement of Financial Accounting Standard No. 142, "Goodwill and Other Intangible Assets," (FAS 142). This charge related to the impairment of goodwill and trademarks associated with Bauer NIKE Hockey and the goodwill of Cole Haan, reflecting that the fair values we estimated for these assets were less than the carrying values. See the Notes to Consolidated Financial Statements (Note 4 - Identifiable Intangible Assets and Goodwill) in our Annual Report on Form 10-K as of May 31, 2003 for further information.

Our largest international region, EMEA, reported 17% revenue growth in the first quarter of fiscal 2004 compared to fiscal 2003. This growth reflected a 19 percentage point improvement due to changes in currency exchange rates. Excluding the effect from changes in currency exchange rates apparel revenues were down due to the mix of product sold. Key drivers of the change in mix were a shift in the timing of the launch of the Manchester United away jersey from the first quarter into the second quarter, and increased sales of lower priced spring and summer products as the region experienced unseasonably warm summer weather. Both the footwear and equipment business units in EMEA delivered revenue growth versus the prior year.

EMEA pre-tax income grew 26% to \$204.7 million in the first quarter of fiscal 2004 up from \$162.2 million in the first quarter of fiscal 2003. Higher revenues and improved gross margins drove the increase, more than offsetting incremental selling and administrative costs. The improved gross margins were primarily the result of changes in currency exchange rates and higher in-line pricing margins in footwear.

In the Asia Pacific region, revenues increased 13% in the first quarter of fiscal 2004 compared to fiscal 2003. Four percentage points of this growth were due to changes in currency exchange rates. Excluding the benefit from changes in currency exchange rates, sales in each Asia Pacific business unit grew, as did sales in almost every country of the region. The region's growth was led by significant increases in China and Korea, driven by expansion of retail distribution and consumers' acceptance of our products, as well as continued growth experienced in Japan.

Pre-tax income for the Asia Pacific region increased to \$76.7 million in the first quarter of fiscal 2004 up from \$50.7 million in the first quarter of fiscal 2003. This increase reflected higher revenues, improved gross margins and lower selling and administrative costs. The improved gross margins were the result of higher in-line margins across footwear, apparel and equipment. Lower selling and administrative costs were driven mainly by a reduction in demand creation spending compared to the expenses incurred in the prior year relating to the 2002 World Cup.

In the Americas region, revenues increased 8% for the quarter, with two percentage points of the growth due to changes in currency exchange rates. Excluding the effects from changes in currency exchange rates, the revenue growth was driven by stronger consumer demand in South and Central America, while sales in Mexico were essentially flat and down in Canada due to lower consumer demand. Excluding the currency exchange rate impact, the region experienced sales growth in the footwear and equipment business units slightly offset by a small percentage decrease in the apparel business unit.

In the first quarter of fiscal 2004, pre-tax income for the Americas region declined slightly versus the prior year quarter, to \$24.3 million. The decline in pre-tax income was attributable to reduced gross margins due to less favorable hedge rates on product purchases in Mexico, combined with market pressure on product pricing in that market.

In the U.S. Region, revenues were down 2% in the first quarter of fiscal 2004 compared to the first quarter of fiscal 2003. U.S. footwear revenues were down 5% and equipment revenues were down 4%, more than offsetting sales growth in U.S. apparel. The increase in U.S. apparel sales of 5% was primarily driven by increased consumer demand for team licensed apparel. Lower footwear revenues were due to reduced sales to our largest customer, Foot Locker, partially offset by increased sales to other accounts, which resulted from the significant changes in our U.S. footwear distribution that began in fiscal 2003. These changes were previously disclosed in our Annual Report on Form 10-K as of May 31, 2003.

A portion of the footwear revenue decline for the first quarter was attributable to a lower average price per pair reflecting a higher percentage of sales of classic footwear and kids' models, which have lower average prices than our complex adult performance models. However, U.S. footwear futures orders scheduled for delivery from September 2003 to January 2004 reflect increases in both total amount and average price per pair versus the comparable year-ago period.

U.S. region pre-tax income increased to \$295.6 million in the first quarter of fiscal 2004 from \$283.9 million in the first quarter of fiscal 2003. Pre-tax income improved, despite lower revenues and slightly higher selling and administrative expense, due to improved gross margins across all business units, most significantly footwear. The improved gross margins were mainly due to higher in-line pricing margins and a reduced level of close out sales with improved margins on those sales.

Other revenues and pre-tax income include results from Bauer NIKE Hockey, Inc., Cole Haan Holdings, Inc., Hurley International LLC, and NIKE Golf. Other revenues grew 32% in the first quarter of fiscal 2004 compared to fiscal 2003 due to growth in each of these businesses, most significantly NIKE Golf.

Other pre-tax income improved to a loss of \$3.2 million in the first quarter of fiscal 2004 from a loss of \$11.2 million in fiscal 2003. Improved results of NIKE Golf drove the year-over-year improvement.

The breakdown of revenues follows:

	Three Months Ended August 31,		
	2003	2002	%
	(in millions)		
U.S.A. REGION			
FOOTWEAR	\$ 822.4	\$ 865.1	-5%
APPAREL	346.5	328.7	5%
EQUIPMENT	85.0	88.9	-4%
TOTAL U.S.A.	1,253.9	1,282.7	-2%
EMEA REGION			

FOOTWEAR	590.0	492.7	20%
APPAREL	341.9	310.7	10%
EQUIPMENT	81.6	65.9	24%
TOTAL EMEA	1,013.5	869.3	17%
ASIA PACIFIC REGION			
FOOTWEAR	202.8	180.5	12%
APPAREL	113.3	98.9	15%
EQUIPMENT	32.2	28.4	13%
TOTAL ASIA PACIFIC	348.3	307.8	13%
AMERICAS REGION			
FOOTWEAR	103.1	93.0	11%
APPAREL	39.4	38.6	2%
EQUIPMENT	11.2	10.7	5%
TOTAL AMERICAS	153.7	142.3	8%
	2,769.4	2,602.1	6%
OTHER	255.5	194.2	32%
TOTAL REVENUES	\$3,024.9	\$2,796.3	8%
	=====	=====	

The previous discussion includes disclosure of "pre-tax income" for our operating segments. We have reported pre-tax income for each of our operating segments in accordance with Statement of Financial Accounting Standard No. 131, "Disclosures about Segments of an Enterprise and Related Information." As discussed in Note 7 - Operating Segments in the attached Notes to Consolidated Financial Statements, certain corporate costs are not included in pre-tax income of our operating segments.

Worldwide futures and advance orders for our footwear and apparel scheduled for delivery from September 2003 to January 2004 were 10.5% higher than such orders reported in the comparable period of fiscal 2003. Three points of this reported increase were due to changes in currency exchange rates versus the same period last year. In addition, approximately four to five points of this growth can be attributed to an earlier start of the spring season for footwear sales in Europe. As always, the reported futures orders growth is not necessarily indicative of our expectation of revenue growth during this period. This is because the mix of orders can shift between advance/futures and at-once orders. In addition, exchange rate fluctuations as well as differing levels of order cancellations can cause differences in the comparisons between futures orders and actual revenues. Moreover, a significant portion of our revenues is not derived from futures orders, including wholesale sales of equipment, U.S. licensed team apparel, Bauer NIKE Hockey, Cole Haan, NIKE Golf, Hurley, and retail sales across all brands.

Liquidity and Capital Resources

Cash provided by operations was \$350.7 million in the first quarter of fiscal 2004, compared to \$174.1 million in the first quarter of fiscal 2003. Our primary source of operating cash flow in the current quarter was net income of \$261.2 million. The year-over-year increase in cash provided by operations was due primarily to changes in our investment in working capital. In the first quarter of fiscal 2003, our net investment in working capital increased by \$102.7 million, reducing cash flow from operations for that quarter. In the first quarter of fiscal 2004, our net investment in working capital decreased by \$13.4 million, increasing cash flow for the quarter.

Total cash used by investing activities during the current quarter was \$42.3 million, compared to \$50.1 million in the prior year period. Investing activities are consistent with the prior year and primarily reflect capital expenditures in computer equipment and software to support both normal business operations as well as our supply chain initiative, and continued investment in NIKE-owned retail stores.

Net cash provided by financing activities for the first quarter was \$49.5 million versus net cash used of \$249.2 million in the first quarter of fiscal 2003. During the current quarter, the principal drivers of cash provided by financing activities were an increase in notes payable from the issuance of commercial paper, partially offset by share repurchases. In the prior year, decreases in notes payable, and share repurchases were the major uses of cash for financing activities.

The share repurchases were part of a \$1 billion share repurchase program that began in fiscal 2001. In the current quarter, we purchased approximately 1.7 million shares of NIKE's Class B common stock for \$89.5 million. To date under the program, we have purchased 14.0 million shares for \$675.2 million. We expect to continue to fund this program from operating cash flow. The timing and the amount of shares purchased will be dictated by our capital needs and stock market conditions.

As a result of the above, our cash balance increased by \$363.8 million during the quarter as we prepared to fund our acquisition of Converse Inc., which was completed on September 4, 2003 for approximately \$305 million.

No amounts are currently outstanding under our committed credit facilities. The terms of our facilities have not changed from those described in our Form 10-K as of May 31, 2003.

Liquidity is also provided by our commercial paper program, under which there was \$124.8 million outstanding at August 31, 2003 and no amount outstanding at May 31, 2003.

Our long-term senior unsecured debt ratings remain at A and A2 from Standard and Poor's Corporation (S&P) and Moody's Investor Services (Moody's), respectively. Our short-term debt ratings remain at A1 and P1 from S&P and Moody's, respectively.

We currently believe that cash generated by operations, together with access to external sources of funds as described above, will be sufficient to meet our operating and capital needs in the foreseeable future.

Dividends declared per share of common stock for the first quarter of fiscal 2004 were \$0.14 per share.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes from the information previously reported under Item 7A of the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 2003.

Item 4. CONTROLS AND PROCEDURES

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

The Company carries out a variety of on-going procedures, under the supervision and with the participation of the Company's management, including the Chief Executive Officer and the Company's Chief Financial Officer, to evaluate the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on the foregoing, as of August 31, 2003 the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective at the reasonable assurance level.

There has been no change in the Company's internal controls over financial reporting during the Company's most recent fiscal quarter that has materially affected, or is reasonable likely to materially affect, the Company's internal controls over financial reporting.

Special Note Regarding Forward-Looking Statements and Analyst Reports

Certain written and oral statements, other than purely historical information including estimates, projections, statements relating to NIKE's business plans, objectives and expected operating results, and the assumptions upon which those statements are based, 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 and Section 21E of the Securities Exchange Act of 1934. 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; difficulties in anticipating or forecasting changes in consumer preferences, consumer demand for NIKE products, and the various market factors described above; difficulties in implementing, operating, and maintaining NIKE's increasingly complex information systems and controls, including, without limitation, the systems related to demand and supply planning, and inventory control; 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 and inventories; the size, timing and mix of purchases of NIKE's products; 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, exchange rate fluctuations, import duties, tariffs, quotas and political and economic 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 affect 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. Thus, 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

Except as described below, there have been no material changes from the information previously reported under Item 4 of the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 2003.

On September 12, 2003 the Company settled the lawsuit, Kasky v. NIKE, Inc. et al., No. 994446, filed in 1998 in San Francisco County Superior Court. As part of the settlement, we agreed to make an additional contribution of \$1.5 million to the Washington, D.C. based Fair Labor Association for program operations and worker development programs focused on education and economic opportunity over the next three years. We also agreed to maintain existing funding of our after-hours worker education programs in footwear facilities and micro-loan programs at a minimum of \$500,000 over the next two years. The case has been dismissed with prejudice (which means the plaintiff cannot refile the action).

Item 4.

Submission of Matters to a Vote of Security Holders

The Company's annual meeting of shareholders was held on September 22, 2003. The shareholders elected for the ensuing year all of management's nominees for the Board of Directors, approved the amendment to the NIKE, Inc. 1990 Stock Incentive Plan, and ratified the appointment of PricewaterhouseCoopers LLP as independent accountants for fiscal 2004.

The voting results are as follows:

Election of Directors

	For	Votes Cast Withheld	Broker Non-Votes
Directors			
Elected by holders of Class A Common Stock:			
Thomas E. Clarke	97,386,687	3	-0-
Ralph D. DeNunzio	97,386,687	3	-0-
Richard K. Donahue	97,186,687	200,003	-0-
Delbert J. Hayes	97,386,687	3	-0-
Douglas G. Houser	97,386,687	3	-0-
Jeanne P. Jackson	97,386,687	3	-0-
Philip H. Knight	97,386,687	3	-0-
Charles W. Robinson	97,386,687	3	-0-
John R. Thompson, Jr.	97,186,687	200,003	-0-
Elected by holders of Class B Common Stock:			
Jill K. Conway	138,066,352	3,482,703	-0-
Alan B. Graf, Jr.	124,178,601	17,370,454	-0-
John E. Jaqua	132,097,292	9,451,763	-0-
A. Michael Spence	124,113,224	17,435,831	-0-

	For	Against	Abstain	Broker Non-Votes
Proposal 2 -				

Approval of the amendments
to the NIKE, Inc. 1990
Stock Incentive Plan:

Class A and Class B
Common Stock Voting
Together 153,849,747 65,362,232 1,376,452 -0-

Proposal 3 -
Ratify the appointment
of PricewaterhouseCoopers LLP
as independent accountants:

Class A and Class B
Common Stock Voting
Together 218,820,704 20,047,516 1,241,948 -0-

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 Credit Agreement dated as of November 17, 2000 among NIKE, Inc., Bank of America, N.A., individually and as Agent, and the other banks party thereto (incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 2000).

4.4 First Amendment to Credit Agreement dated as of November 16, 2001 (incorporated by reference from Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 2001).

4.5 Second Amendment to Credit Agreement dated as of November 15, 2002. (incorporated by reference from Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 2002).

12.1 Computation of Ratio of Earnings to Charges.

31.1 Rule 13(a)-14(a) Certification of Chief Executive Officer.

31.2 Rule 13(a)-14(a) Certification of Chief Financial Officer.

32.1 Section 1350 Certificate of Chief Executive Officer.

32.2 Section 1350 Certificate of Chief Financial Officer.

* Management contract or compensatory plan or arrangement.

(b) Reports on Form 8-K:

The following reports on Form 8-K were furnished during the fiscal quarter ending August 31, 2003:

June 26, 2003: Item 7. Financial Statements and Exhibits. Item 9 Regulation FD Disclosure (Information provided under Item 12. Results of Operations and Financial Condition). Fourth Quarter Earnings Release.

June 26, 2003: Item 7. Financial Statements and Exhibits. Item. 9 Regulation FD Disclosure (Information provided under Item 12. Results of Operations and Financial Condition). Transcript of Earnings Conference Call.

The following reports on Form 8-K were filed during the fiscal quarter ending August 31, 2003:

July 9, 2003: Item 5. Other Events. Press Release: NIKE, Inc. to Acquire Converse Inc.

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/ Donald W. Blair

*Donald W. Blair
Chief Financial Officer*

DATED: October 10, 2003

EXHIBIT 12.1**NIKE, INC.
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES**

	Three Months Ended August 31,	
	2003	2002
	(in millions)	
Net income (loss)	\$261.2	\$(48.9)
Income taxes	139.4	116.9
Cumulative effect of accounting change	--	266.1
	<hr/>	<hr/>
Income before income taxes and cumulative effect of accounting change	400.6	334.1
	<hr/>	<hr/>
Add fixed charges		
Interest expense (A)	10.9	10.9
Interest component of leases (B)	16.5	15.1
	<hr/>	<hr/>
Total fixed charges	27.4	26.0
	<hr/>	<hr/>
Earnings before income taxes and fixed charges (C)	\$428.0	\$359.7
	=====	=====
Ratio of earnings to total fixed charges	15.6	13.8
	=====	=====

(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.

EXHIBIT 31.1

Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Philip H. Knight, certify that:

1. I have reviewed this quarterly report on Form 10-Q of NIKE, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 10, 2003

Philip H. Knight Chief Executive Officer

EXHIBIT 31.2

Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Donald W. Blair, certify that:

1. I have reviewed this quarterly report on Form 10-Q of NIKE, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 10, 2003

Donald W. Blair Chief Financial Officer

EXHIBIT 32.1

Certification of Chief Executive Officer

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of NIKE, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended August 31, 2003 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 10, 2003

Philip H. Knight Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to NIKE, Inc. and will be retained by NIKE, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Certification of Chief Financial Officer

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of NIKE, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended August 31, 2003 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 10, 2003

Donald W. Blair Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to NIKE, Inc. and will be retained by NIKE, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

End of Filing

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