

NIKE INC

FORM 8-K (Current report filing)

Filed 07/24/96 for the Period Ending 07/09/96

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 8-K (Unscheduled Material Events)

Filed 7/24/1996 For Period Ending 7/9/1996

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 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) July 9, 1996

NIKE, INC.

(Exact name of registrant as specified in its charter)

Oregon	1-10635	93-0584541
(State of incorporation)	(Commission File	(IRS Employer
No.)	Number)	Identification

One Bowerman Drive, Beaverton, Oregon 97005-6453
(Address of principal executive offices) (Zip Code)

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

Item 5. OTHER EVENTS

The Registrant issued the following press release on July 9, 1996:

Beaverton, OR (July 9, 1996) -- NIKE, Inc. (NYSE:NKE) today reported record revenues and earnings for the Company's fourth quarter and fiscal year ended May 31, 1996. Fourth quarter net income totaled \$156.4 million, or \$1.06 per share, compared to \$113.4 million, or \$0.78 per share in the fourth quarter last year. Fourth quarter revenues were \$1.92 billion, up 36 percent compared to \$1.41 billion last year.

For the fiscal year ended May 31, 1996, net income grew to a record \$553.2 million or \$3.77 per share, increases of 38 and 39 percent respectively, compared to \$399.7 million or \$2.72 per share in fiscal 1995. Full year revenues totaled a record \$6.47 billion compared to \$4.76 billion last year, an increase of 36 percent.

The Company also reported worldwide futures orders for athletic footwear and apparel scheduled for delivery between June and November 1996 total a record \$3.93 billion, 55 percent higher than such orders for the same period last year. Had the U.S. dollar remained constant at year-ago levels, worldwide futures orders would have increased 57 percent. This significant increase in worldwide orders for the period is due both to continued growth of NIKE core business and a change in the mix of futures and "at once" shipments as NIKE futures programs become more established on a global basis, particularly in apparel. *

NIKE Chairman Philip H. Knight stated, "This past year has been one of expansive growth for the NIKE brand. The 99 percent increase in sales of U.S. athletic apparel is testament to the powerful brand equity we've created. U.S. footwear, a segment where some questioned our capacity to gain additional market share, grew by 20 percent.

"Outside the U.S., our growth was stronger and more equally balanced, as international footwear grew 35 percent while apparel increased 38 percent for the year. We are starting to see the benefits of our investment spending outside the U.S. as we balance the power of the global NIKE brand with our localized sports marketing efforts.

"In the fourth quarter, U.S. athletic footwear and apparel revenues topped \$1 billion for the first time ever in a quarter. In U.S. footwear, the top revenue category was women's fitness which grew 57 percent in the quarter. The women's sport category grew 77 percent in the quarter while men's training was up 67 percent. The running market continues to show renewed strength, with sales of men's running up 56 percent in the

fourth quarter.

"The depth of NIKE's brand strength can best be seen in our U.S. apparel business, where revenues increased 117 percent in the fourth quarter. Our U.S. apparel futures orders remain extremely strong, driven by outstanding product and retailers' increasing use of our apparel futures program. This broad-based acceptance of NIKE apparel validates our belief that we will be the dominant player in the U.S. athletic apparel market in fiscal 1997.*

"Outside the U.S., there is great parity in our growth, with each of our three regions -- Europe, Asia Pacific and the Americas -- showing revenue increases of over 30 percent for the fourth quarter and the full year.

"The NIKE brand has excellent momentum going into fiscal 1997, as evidenced by our record futures orders. In U.S. footwear, our two largest categories showed particular strength with men's basketball up 48 percent and women's fitness up 67 percent. The balanced growth can also be seen in men's running where U.S. footwear futures orders increased 110 percent."*

In the fourth quarter, U.S. athletic footwear and apparel revenues totaled \$1.02 billion, an increase of 44 percent. International athletic footwear and apparel revenues increased 35 percent to \$768.7 million. Revenues from other brands, which include Bauer (formerly Canstar Sports), Cole Haan, Tetra Plastics and Sports Specialties, decreased 1 percent to \$132.9 million.

Consolidated gross margins for the quarter were 39.6 percent compared to 40.1 percent last year. Selling and administrative expenses were 25.4 percent of fourth quarter revenues, compared with 26.2 percent last year. NIKE's balance sheet remained very strong. The current ratio at May 31, 1996, was 1.9 to 1. Cash and short-term investments totaled \$262.1 million. Total U.S. footwear inventory units ended the quarter essentially flat compared to February 29, 1996 and up 17 percent from May 31, 1995.

For the full fiscal year, U.S. athletic footwear and apparel revenues increased 32 percent to \$3.62 billion. U.S. athletic footwear grew 20 percent to \$2.77 billion while U.S. apparel rose to \$842.5 million, an increase of 99 percent.

Full-year international athletic footwear and apparel revenues increased 36 percent to \$2.33 billion. International athletic footwear totaled \$1.68 billion, an increase of 35 percent while international apparel grew 38 percent to \$651.3 million. Revenues from other brands increased 68 percent to \$521.9 million. Excluding Bauer, revenues from other brands would have increased 16 percent.

Consolidated gross margins for 1996 were 39.6 percent of revenues compared to 39.8 percent last year. Selling and administrative expenses were 24.6 percent of revenues compared with 25.4 percent last year. Spending in absolute dollars increased \$378.9 million or 31 percent from last year. The Company's tax rate for the full year remained constant at 38.5 percent.

As of May 31, 1996 the Company had purchased a total of 5.1 million shares of NIKE's Class B Common Stock for approximately \$301.7 million in the open market in conjunction with the \$450 million, three-year share repurchase program approved in July 1993. During fiscal 1996, the Company purchased a total of 200,000 shares for approximately \$18.8 million. The Board of Directors voted to extend the existing share repurchase program until July 1, 1999.

NIKE, Inc., based in Beaverton, Oregon, is the world's leading designer and marketer of authentic athletic footwear, apparel and accessories for a wide variety of sports and fitness activities. Wholly-owned NIKE subsidiaries include Bauer, Inc., the world's leading manufacturer of hockey equipment; Cole Haan, which markets a line of high-quality men's and women's dress and casual shoes; and Sports Specialties, which markets a full line of licensed headwear. All per share data reflects the Company's 2-for-1 stock split which became effective October 30, 1995.

*The marked items are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially. These 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. Some forward-looking statements in this release concern futures orders which are not necessarily indicative of total revenues for subsequent periods due to the mix of futures and "at once" orders, which may vary significantly from quarter to quarter.

NIKE, INC.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED MAY 31, 1996
(In thousands, except per share data)

INCOME ENDING STATEMENT 5/31/95	QUARTER ENDING		Y-T-D
	5/31/96	5/31/95	5/31/96
Revenues	\$1,921,338	\$1,412,036	\$6,470,625
\$4,760,834			
Costs & Expenses			
Cost of Sales	1,161,402	846,398	3,906,746
2,865,280			
SG&A	487,787	370,282	1,588,612
1,209,760			
Interest Expense	8,499	9,253	39,498
24,208			
Other	9,706	5,514	36,679
11,722			
Total Costs	1,667,394	1,231,447	5,571,535
4,110,970			
Pre-tax Income	253,944	180,589	899,090
649,864			
Income Taxes	97,500	67,200	345,900
250,200			
Net Income	\$156,444	\$113,389	\$553,190
\$399,664			

Income Per Share	\$1.06	\$0.78	\$3.77
\$2.72			
Dividend	\$0.15	\$0.13	\$0.58
\$0.48			
Average Shares Outstanding	147,733	145,878	146,804
147,006			

ENDING	QUARTER ENDING		Y-T-D
	5/31/96	5/31/95	5/31/96
Divisional Revenues			
5/31/95			
U.S. Athletic Footwear	\$773,922	\$595,229	
\$2,772,532	\$2,309,359		
U.S. Athletic Apparel	245,729	113,216	
842,519	423,884		
Total U.S. Athletic	1,019,651	708,445	
3,615,051	2,733,243		
International Footwear	549,876	398,022	
1,682,313	1,244,286		
International Apparel	218,861	171,635	
651,346	472,685		
Total International	768,737	569,657	
2,333,659	1,716,971		
Other Brands	132,950	133,934	
521,915	310,620		
Total	\$1,921,338	\$1,412,036	
\$6,470,625	\$4,760,834		

QUARTER ENDING Y-T-D ENDING

Percentage Change 5/31/95	5/31/96	5/31/95	5/31/96
U.S. Athletic Footwear 24%	30%	39%	20%
U.S. Athletic Apparel 25%	117%	47%	99%
Total U.S. Athletic 24%	44%	40%	32%
International Footwear 25%	38%	28%	35%
International Apparel 32%	28%	29%	38%
Total International 27%	35%	29%	36%
Other Brands 38%	-1%	142%	68%
Total 26%	36%	41%	36%
BALANCE SHEET	5/31/96		5/31/95
ASSETS			
Cash & Investments	\$262,117		\$216,071
Accounts Receivable	1,346,125		1,053,237
Inventory	931,151		629,742
Deferred Taxes	93,120		72,657
Prepaid Expenses	94,427		74,221
Current Assets	2,726,940		2,045,928
Fixed Assets	1,047,705		891,213
Depreciation	404,246		336,334
Net Fixed Assets	643,459		554,879
Identifiable Intangible Assets and Goodwill	474,812		495,907
Other Assets	106,417		46,031
Total Assets	\$3,951,628		\$3,142,745
LIAB AND EQUITY			
Current Long-Term Debt	\$7,301		\$31,943
Payable to Banks	445,064		397,100
Accounts Payable	455,034		297,656
Accrued Liabilities	480,407		345,224
Income Taxes Payable	79,253		35,612
Current Liabilities	1,467,059		1,107,535
Long-term Debt	9,584		10,565
Non-current Deferred Tax	1,883		17,789
Other Long-Term Liabilities	41,402		41,867
Preferred Stock	300		300
Common Equity	2,431,400		1,964,689
Total Liab. & Equity	\$3,951,628		\$3,142,745

ITEM 5. OTHER EVENTS

Currently certain of the Company

As international operations report their results of operations on a one month lag which allows more time to compile results. The Company has taken steps to improve its internal reporting procedures that will allow for more timely reporting of these operations. Beginning in the first quarter of fiscal year 1997, the one

month lag will be eliminated and as a result, the May 1996 results of operations of these entities will be recorded to retained earnings in fiscal 1997. The following tables include adjusted quarterly data for fiscal 1996 and 1995 as if the change were already in effect.

Fiscal Year 1996

Three Months Ended

2/29/96		5/31/96		8/31/95	11/30/95
Adjusted	As Reported	As Reported	Adjusted	As Reported	As Reported
Revenues		Adjusted	As Reported	Adjusted	As Reported
\$1,356,758	\$1,491,611	\$1,614,649	\$1,582,039	\$1,700,020	\$1,443,027
				\$1,921,338	\$1,852,067
Costs & expenses:					
Costs of sales		967,522	1,013,379	875,446	
828,129	902,376	953,316	1,161,402	1,120,553	
Selling & administrative		359,525	369,043	358,583	
353,715	382,717	387,534	487,787	497,703	
Interest expense		11,377	11,251	7,984	
8,527	11,638	12,086	8,499	4,929	
Other (income)/					
expense, net		8,344	10,249	8,798	
7,375	9,831	11,429	9,706	11,455	
		1,346,768	1,403,922	1,250,811	
1,197,746	1,306,562	1,364,365	1,667,394	1,634,640	
Income before taxes		267,881	296,098	192,216	
159,012	185,049	217,674	253,944	217,427	
Income taxes		103,100	114,000	74,000	
61,200	71,300	83,800	97,500	83,700	
Net income		\$164,781	\$182,098	\$118,216	
\$97,812	\$113,749	\$133,874	\$156,444	\$133,727	
Net income per					
common share		\$1.13	\$1.25	\$0.80	
\$0.67	\$0.78	\$0.91	\$1.06	\$0.91	
Dividends declared					
per common share		\$0.125	\$0.125	\$0.15	
\$0.15	\$0.15	\$0.15	\$0.15	\$0.15	
Average number of common					
and common equivalent					
shares		145,852	145,852	146,994	
146,994	147,106	147,106	147,733	147,733	

Fiscal Year 1995

Three Months Ended

		As Reported	Adjusted	As Reported	Adjusted
Adjusted	As Reported	Adjusted	As Reported	Adjusted	As Reported
Revenues		\$1,170,355	\$1,253,532	\$1,053,746	\$
976,016	\$1,124,697	\$1,207,934	\$1,412,036	\$1,351,132	
Costs & expenses:					
Costs of sales		700,447	746,914	640,031	
599,385	678,404	720,548	846,398	816,768	
Selling & administrative		292,294	301,383	268,873	
255,960	278,311	283,508	370,282	373,482	
Interest expense		4,757	5,206	3,941	
4,360	6,257	6,006	9,253	9,565	
Other (income)/					
expense, net		(830)	1,162	1,662	
2,980	5,376	1,726	5,514	6,133	
		996,668	1,054,665	914,507	
862,685	968,348	1,011,788	1,231,447	1,205,948	
Income before taxes		173,687	198,867	139,239	
113,331	156,349	196,146	180,589	145,184	
Income taxes		67,700	77,500	54,300	
44,000	61,000	76,400	67,200	54,000	
Net income		\$105,987	\$121,367	\$ 84,939	
\$69,331	\$ 95,349	\$119,746	\$113,389	\$91,184	
Net income per					
common share		\$0.71	\$0.82	\$0.58	
\$0.47	\$0.65	\$0.81	\$0.78	\$0.63	
Dividends declared					
per common share		0.100	0.100	0.125	
0.125	0.125	0.125	0.125	0.125	
Average number of common					
and common equivalent					
shares		148,444	148,444	146,738	
146,738	146,964	146,964	145,878	145,878	

SIGNATURES

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

NIKE, Inc.
(Registrant)

Date: July 16, 1996

By /s/ Robert S. Falcone
Robert S. Falcone
Vice President and
Chief Financial Officer