

NIKE INC

FORM 8-K (Current report filing)

Filed 09/28/09 for the Period Ending 09/28/09

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

UNITED STATES
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):

September 28, 2009

NIKE, Inc.

(Exact name of registrant as specified in charter)

OREGON

(State or other jurisdiction
of incorporation)

1-10635

(Commission
File Number)

93-0584541

(IRS Employer
Identification No.)

ONE BOWERMAN DRIVE
BEAVERTON, OR

(Address of principal executive offices)

97005-6453

(Zip Code)

Registrant's telephone number, including area code:

(503)671-6453

NO CHANGE

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01 Other Events

NIKE Brand Operating Segments

As previously announced, in the third quarter of fiscal 2009 NIKE, Inc. (the "Company") initiated a reorganization of the NIKE brand into a new model consisting of six geographies. Beginning in the first quarter of fiscal 2010, the Company's new reportable operating segments for the NIKE brand are: North America, Western Europe, Central/Eastern Europe, Greater China, Japan, and Emerging Markets.

The following list contains major countries in each geography. Some countries have been excluded due to their relatively small revenue contribution:

<u>I. North America</u> <ul style="list-style-type: none">• Canada• United States	<ul style="list-style-type: none">• Norway• Portugal• Spain• Sweden• Switzerland• United Kingdom	<ul style="list-style-type: none">• Poland• Russia• Slovakia• Slovenia• South Africa*• Turkey	<u>VI. Emerging Markets</u> <ul style="list-style-type: none">• Argentina• Australia• Brazil• Chile• India• Indonesia• Korea• Malaysia• Mexico• New Zealand• Philippines• Singapore• Thailand
<u>II. Western Europe</u> <ul style="list-style-type: none">• Austria• Belgium• Denmark• Finland• France• Germany• Ireland• Italy• Netherlands	<u>III. Central/Eastern Europe</u> <ul style="list-style-type: none">• Croatia• Czech Republic• Greece• Hungary• Israel	<u>IV. Greater China</u> <ul style="list-style-type: none">• China• Hong Kong• Taiwan	
		<u>V. Japan</u>	

* South Africa will remain part of the Central/Eastern Europe operating segment through fiscal 2011. South Africa will become part of the Emerging Markets operating segment in the first quarter of fiscal year 2012.

Prior to this reorganization, the Company's reportable operating segments for the NIKE brand were comprised of four regional business units:

<u>I. United States</u>	<ul style="list-style-type: none">• Ireland• Israel• Italy• Netherlands	<ul style="list-style-type: none">• South Africa• United Kingdom	<ul style="list-style-type: none">• Philippines• Singapore• Taiwan• Thailand
<u>II. Europe, Middle East and Africa ("EMEA")</u> <ul style="list-style-type: none">• Austria• Belgium• Czech Republic• Croatia• Denmark• Finland• France• Germany• Greece• Hungary	<ul style="list-style-type: none">• Norway• Poland• Portugal• Russia• Slovakia• Slovenia• Spain• Sweden• Switzerland• Turkey	<u>III. Asia Pacific</u> <ul style="list-style-type: none">• Australia• China• Japan• Hong Kong• India• Indonesia• Korea• Malaysia• New Zealand	<u>IV. Americas</u> <ul style="list-style-type: none">• Argentina• Brazil• Canada• Chile• Mexico

Change of Primary Financial Measure

Effective June 1, 2009, the primary financial measure used by the Company to evaluate performance of individual operating segments is Earnings Before Interest and Taxes ("EBIT") which represents net income before interest income, net and income taxes. Previously, the Company evaluated performance of individual operating segments based on income before income taxes (previously referred to as "Pre-tax Income"). Financial information has been restated to conform to the new primary financial measure used by the Company.

Unaudited, Reclassified Operating Segment Data

The Company is filing this Current Report on Form 8-K to reclassify historical segment information in accordance with the Company's current segment structure and to reflect the change in the primary financial measure used by the Company to evaluate performance of individual operating segments as discussed above.

Exhibits 99.1 and 99.2 to this Current Report on Form 8-K provide a summary of the effects of the above reclassification of historical segment information on the Company's historical segment results.

The changes in the segment structure and primary financial measure discussed above, in this Current Report on Form 8-K, affect only the manner in which the results for the operating segments were previously reported. These reclassifications have no impact on the Company's previously reported consolidated statements of income, balance sheets, statements of cash flows and statements of shareholders' equity. The information in this Current Report on Form 8-K, including Exhibit 99.1 and 99.2, should be read in conjunction with the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 2009, which was filed with the Security and Exchange Commission on July 27, 2009.

Item 9.01(d). Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Schedule of Reclassified Operating Segment Data – Divisional Revenues (unaudited)
99.2	Schedule of Reclassified Operating Segment Data – Earnings Before Interest and Taxes (unaudited)

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 hereunto duly authorized.

Date: September 28, 2009

NIKE, INC.
(Registrant)

By: /s/ Donald W. Blair

Donald W. Blair
Chief Financial Officer

NIKE, INC.
Schedule of Reclassified Operating Segment Data - Divisional Revenues ^{1,2}
(Unaudited)

(Amounts in millions)	1st Quarter				2nd Quarter				3rd Quarter				4th Quarter				Full Year			
	FY09	FY08	Change	% Change Excluding Currency Changes ³	FY09	FY08	Change	% Change Excluding Currency Changes ³	FY09	FY08	Change	% Change Excluding Currency Changes ³	FY09	FY08	Change	% Change Excluding Currency Changes ³	FY09	FY08	Change	% Change Excluding Currency Changes ³
North America																				
Footwear	1,267.8	1,163.8	9%	9%	1,018.9	1,010.2	1%	1%	1,198.2	1,120.0	7%	8%	1,209.0	1,182.6	2%	3%	4,693.9	4,476.6	5%	5
Apparel	486.9	449.1	8%	8%	469.9	478.9	-2%	-2%	386.5	424.7	-9%	-8%	397.0	469.4	-15%	-14%	1,740.3	1,822.1	-4%	-4
Equipment	102.8	102.5	0%	0%	73.6	88.6	-17%	-17%	77.9	80.6	-3%	-6%	89.8	90.1	0%	0%	344.1	361.8	-5%	-5
Total	1,857.5	1,715.4	8%	8%	1,562.4	1,577.7	-1%	-1%	1,662.6	1,625.3	2%	3%	1,695.8	1,742.1	-3%	-2%	6,778.3	6,660.5	2%	2
Western Europe																				
Footwear	749.5	626.7	20%	4%	512.8	498.7	3%	0%	532.5	606.9	-12%	-2%	589.9	678.3	-13%	3%	2,384.7	2,410.6	-1%	1
Apparel	494.8	455.8	9%	-5%	379.8	365.3	4%	1%	302.4	371.0	-18%	-9%	285.7	392.6	-27%	-14%	1,462.7	1,584.7	-8%	-7
Equipment	104.7	94.4	11%	-3%	71.3	73.9	-4%	-6%	54.5	74.6	-27%	-18%	61.2	81.8	-25%	-11%	291.7	324.7	-10%	-9
Total	1,349.0	1,176.9	15%	0%	963.9	937.9	3%	0%	889.4	1,052.5	-15%	-6%	936.8	1,152.7	-19%	-4%	4,139.1	4,320.0	-4%	-2
Central and Eastern Europe																				
Footwear	233.0	165.2	41%	25%	175.5	147.9	19%	17%	161.2	178.0	-9%	5%	182.3	211.0	-14%	7%	752.0	702.1	7%	13
Apparel	154.9	111.1	39%	25%	141.8	120.6	18%	14%	112.7	128.4	-12%	-1%	98.2	138.5	-29%	-14%	507.6	498.6	2%	5
Equipment	41.9	27.9	50%	32%	25.0	21.2	18%	14%	22.6	27.6	-18%	-5%	24.1	31.8	-24%	-7%	113.6	108.5	5%	8
Total	429.8	304.2	41%	26%	342.3	289.7	18%	16%	296.5	334.0	-11%	2%	304.6	381.3	-20%	-2%	1,373.2	1,309.2	5%	9
Greater China																				
Footwear	262.2	160.4	63%	49%	211.1	165.6	27%	17%	249.8	210.6	19%	12%	216.8	201.5	8%	5%	939.9	738.1	27%	20
Apparel	199.8	125.5	59%	45%	182.1	128.0	42%	31%	142.6	126.9	12%	6%	175.1	161.0	9%	6%	699.6	541.4	29%	21
Equipment	34.4	20.6	67%	53%	25.1	16.5	52%	40%	22.5	18.3	23%	17%	21.8	18.7	17%	15%	103.8	74.1	40%	32
Total	496.4	306.5	62%	48%	418.3	310.1	35%	24%	414.9	355.8	17%	10%	413.7	381.2	9%	6%	1,743.3	1,353.6	29%	21
Japan																				
Footwear	93.4	79.2	18%	3%	98.0	80.8	21%	11%	109.2	89.7	22%	2%	129.5	123.8	5%	-2%	430.1	373.5	15%	3
Apparel	72.2	58.8	23%	7%	108.5	95.4	14%	3%	95.4	82.1	16%	-3%	120.7	115.1	5%	-2%	396.8	351.4	13%	1
Equipment	20.8	21.2	-2%	-15%	20.7	18.1	14%	4%	25.5	25.1	2%	-15%	32.0	33.1	-3%	-10%	99.0	97.5	2%	-10
Total	186.4	159.2	17%	2%	227.2	194.3	17%	6%	230.1	196.9	17%	-2%	282.2	272.0	4%	-3%	925.9	822.4	13%	1
Emerging Markets																				
Footwear	296.1	247.0	20%	16%	329.7	275.2	20%	25%	230.9	248.8	-7%	15%	249.4	259.7	-4%	22%	1,106.1	1,030.7	7%	20
Apparel	117.6	93.5	26%	23%	134.4	121.5	11%	18%	90.1	101.8	-11%	13%	95.6	119.0	-20%	4%	437.7	435.8	0%	14
Equipment	44.1	39.6	11%	8%	47.4	43.4	9%	14%	34.1	41.9	-19%	3%	32.6	38.9	-16%	6%	158.2	163.8	-3%	8
Total	457.8	380.1	20%	17%	511.5	440.1	16%	22%	355.1	392.5	-10%	13%	377.6	417.6	-10%	16%	1,702.0	1,630.3	4%	17
Global Brand Divisions⁴	22.2	31.3	-29%	-31%	16.0	27.1	-41%	-38%	12.6	24.7	-49%	-38%	44.5	34.8	28%	52%	95.3	117.9	-19%	-9
Total NIKE Brand	4,799.1	4,073.6	18%	10%	4,041.6	3,776.9	7%	6%	3,861.2	3,981.7	-3%	2%	4,055.2	4,381.7	-7%	0%	16,757.1	16,213.9	3%	4
Other Businesses⁵	633.1	581.5	9%	8%	548.5	562.6	-3%	-2%	579.6	562.7	3%	5%	657.8	706.3	-7%	-3%	2,419.0	2,413.1	0%	2
Total NIKE, Inc. Revenues	5,432.2	4,655.1	17%	10%	4,590.1	4,339.5	6%	5%	4,440.8	4,544.4	-2%	2%	4,713.0	5,088.0	-7%	0%	19,176.1	18,627.0	3%	4
Total NIKE Brand																				
Footwear	2,902.0	2,442.3	19%	12%	2,346.0	2,178.4	8%	7%	2,481.8	2,454.0	1%	6%	2,576.9	2,656.9	-3%	5%	10,306.7	9,731.6	6%	7
Apparel	1,526.2	1,293.8	18%	9%	1,416.5	1,309.7	8%	6%	1,129.7	1,234.9	-9%	-4%	1,172.3	1,395.6	-16%	-9%	5,244.7	5,234.0	0%	0
Equipment	348.7	306.2	14%	6%	263.1	261.7	1%	-1%	237.1	268.1	-12%	-7%	261.5	294.4	-11%	-3%	1,110.4	1,130.4	-2%	-1
Global Brand Divisions ⁴	22.2	31.3	-29%	-31%	16.0	27.1	-41%	-38%	12.6	24.7	-49%	-38%	44.5	34.8	28%	52%	95.3	117.9	-19%	-9

¹ Reclassified operating segment data reflects changes in the Company's operating structure which became effective June 1, 2009.

² Certain prior year amounts have been reclassified to conform to fiscal year 2010 presentation. These changes had no impact on previously reported consolidated results of operations or shareholders' equity.

³ Fiscal 2009 results have been restated using fiscal 2008 exchange rates for the comparative period to enhance the visibility of the underlying business trends excluding the impact of foreign currency exchange rate fluctuations.

⁴ Global Brand Divisions revenues primarily represent revenues from NIKE Brand licensing businesses that are not part of a geographic operating segment.

⁵ Other businesses represent activities of Cole Haan, Converse, Exeter Brands Group (whose primary business was the Starter brand business which was sold on December 17, 2007), Hurley, NIKE Bauer Hockey (through April 16, 2008), NIKE Golf, and Umbro (beginning March 3, 2008).

NIKE, INC.
Schedule of Reclassified Operating Segment Data - Earnings Before Interest and Taxes ^{1, 2, 3}
(Unaudited)

(Amounts in millions)	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			Full Year		
	FY09	FY08	% Change	FY09	FY08	% Change	FY09	FY08	% Change	FY09	FY08	% Change	FY09	FY08	% Change
North America	\$ 373.6	\$ 360.3	4%	\$ 265.7	\$ 320.7	-17%	\$ 388.1	\$ 364.8	6%	\$ 401.9	\$ 414.6	-3%	\$ 1,429.3	\$ 1,460.4	-2%
Western Europe	323.0	298.7	8%	183.7	162.6	13%	199.6	236.7	-16%	232.8	224.5	4%	939.1	922.5	2%
Central and Eastern Europe	126.8	80.8	57%	100.3	69.0	45%	95.0	97.1	-2%	93.0	111.5	-17%	415.1	358.4	16%
Greater China	138.8	100.2	39%	135.5	100.5	35%	145.3	121.8	19%	155.6	108.2	44%	575.2	430.7	34%
Japan	37.9	38.1	-1%	55.2	47.4	16%	47.3	34.6	37%	65.0	58.8	11%	205.4	178.9	15%
Emerging Markets	72.9	76.6	-5%	121.2	91.5	32%	70.7	76.5	-8%	77.8	62.0	25%	342.6	306.6	12%
Global Brand Divisions ⁴	(198.7)	(163.7)	-21%	(177.3)	(176.3)	-1%	(224.2)	(187.5)	-20%	(211.3)	(209.3)	-1%	(811.5)	(736.8)	-10%
Total NIKE Brand	874.3	791.0	11%	684.3	615.4	11%	721.8	744.0	-3%	814.8	770.3	6%	3,095.2	2,920.7	6%
Other Businesses ⁵	86.6	93.0	-7%	21.3	69.4	-69%	(342.9)	103.4	-432%	42.4	92.8	-54%	(192.6)	358.6	-154%
Corporate Expense ⁶	(256.8)	(238.3)	-8%	(190.0)	(192.3)	1%	(140.5)	(197.4)	29%	(368.3)	(225.5)	-63%	(955.6)	(853.5)	-12%
Total earnings before interest and taxes ^{1, 2, 3}	\$ 704.1	\$ 645.7	9%	\$ 515.6	\$ 492.5	5%	\$ 238.4	\$ 650.0	-63%	\$ 488.9	\$ 637.6	-23%	\$ 1,947.0	\$ 2,425.8	-20%

¹ Reclassified operating segment data reflects changes in the Company's operating structure which became effective June 1, 2009.

² The Company evaluates performance of individual operating segments based on earnings before interest and taxes, which represents net income before interest income, net and income taxes.

³ Certain prior year amounts have been reclassified to conform to fiscal year 2010 presentation. These include the reclassification of certain selling and administrative expenses from the Company's geographic operating segments and Corporate Expense to Global Brand Divisions to reflect the Company's current operating structure. These changes had no impact on previously reported consolidated results of operations or shareholders' equity.

⁴ Global Brand Divisions primarily represent NIKE Brand licensing businesses that are not part of a geographic operating segment and general and administrative expenses that are centrally managed for the NIKE Brand.

⁵ Other Businesses represents activities of Cole Haan, Converse, Exeter Brands Group (whose primary business was the Starter brand business which was sold December 17, 2007), Hurley, NIKE Bauer Hockey (through April 16, 2008), NIKE Golf, and Umbro (beginning March 3, 2008).

⁶ Corporate Expense primarily consists of unallocated general and administrative expenses, which includes expenses associated with centrally managed departments, depreciation and amortization related to the Company's corporate headquarters, unallocated insurance and benefit programs, foreign currency gains and losses, including hedge gains and losses, corporate eliminations and other items.