

NIKE INC

FORM 8-K (Current report filing)

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

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 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): March 17, 2004

NIKE, INC.

(Exact Name of Registrant as Specified in Charter)

Oregon	1-10635	93-0584541
_____ (State of Incorporation)	_____ (Commission File Number)	_____ (I.R.S. Employer Identification No.)

One Bowerman Drive
Beaverton, Oregon 97005-6453

(Address of Principal Executive Offices)

(503) 671-6453

(Registrant's telephone number, including area code)

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 (See General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act

(17 CFR 230.425)

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

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

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

Item 2.02 Results of Operations and Financial Condition

Today NIKE, Inc. issued a press release disclosing financial results for the fiscal quarter ended February 28, 2005. The text of the release is furnished herewith as Exhibit 99.

(c) Exhibits.

Item 9.01 Financial Statements and Exhibits

The following exhibit is furnished with this Form 8-K:

99. Press Release dated March 17, 2005

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.

NIKE, Inc.
(Registrant)

Date: March 17, 2005

/s/ Donald W. Blair

By: Donald W. Blair
Chief Financial Officer

FOR IMMEDIATE RELEASE

INVESTOR CONTACT: MEDIA CONTACT:

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**NIKE, INC. REPORTS THIRD QUARTER EARNINGS
PER SHARE UP 36 PERCENT;
WORLDWIDE FUTURES ORDERS INCREASE 9.6 PERCENT**

Highlights:

- Record third quarter earnings per diluted share increased 36 percent to \$1.01 versus \$0.74 per diluted share a year ago
- Highest third quarter revenues, up 14 percent to \$3.3 billion
- Gross margin improved 2.0 points to 44.1 percent
- Worldwide futures orders increased 9.6 percent

Beaverton, OR (March 17, 2005) -- NIKE, Inc. (NYSE:NKE) today reported revenues and earnings for the Company's third quarter ended February 28, 2005. Third quarter revenues increased 14 percent to \$3.3 billion, versus \$2.9 billion for the same period last year. Third quarter net income totaled \$273.4 million, or \$1.01 per diluted share, compared to \$200.3 million, or \$0.74 per diluted share in the prior year.

"Today's results mark another terrific quarter for Nike, Inc.," said William D. Perez, Nike, Inc. President and Chief Executive Officer. "This was our sixth consecutive quarter of double-digit revenue and earnings per share growth. These consistently strong results were driven by excellent performance across geographies and brands, coupled with favorable trends in foreign exchange rates. In addition to another strong quarter for our U.S. business, emerging international markets such as China, Russia and Brazil produced significant growth. While the core Nike Brand fueled the majority of our growth, Nike Golf, Converse and Cole Haan were also major contributors to our positive results."*

Futures Orders

The Company reported worldwide futures orders for athletic footwear and apparel, scheduled for delivery from March 2005 through July 2005, totaling \$5.2 billion, 9.6 percent higher than such orders reported for the same period last year. Approximately one point of this growth was due to changes in currency exchange rates.*

By region, futures orders for the U.S. were up nine percent; Europe increased seven percent; Asia Pacific grew 14 percent; and the Americas increased 22 percent. In Europe, two points of the increase were due to currency exchange rates. Currency exchange rates contributed to the growth in Asia Pacific and the Americas by approximately two points and one point, respectively.*

Perez continued, "Global consumer demand for Nike brand footwear and apparel continues to be strong, as evidenced by the growth in futures orders. Demand in the U.S. market remains particularly robust, as Nike product innovation continues to drive the trend toward performance footwear and apparel in this market."*

Regional Highlights

U.S.

During the third quarter, U.S. revenues increased nine percent to \$1.3 billion versus \$1.2 billion for the third quarter of fiscal 2004. U.S. athletic footwear revenues increased 10 percent to \$849.6 million. Apparel revenues increased five percent to \$345.8 million. Equipment revenues increased 12 percent to \$72.8 million. U.S. pre-tax income increased 10 percent to \$259.5 million.

EMEA

Revenues for the Europe, Middle East and Africa region grew 18 percent to \$1.0 billion, up from \$878.6 million for the same period last year. Nine points of this growth were the result of changes in currency exchange rates. Footwear revenues increased 14 percent to \$615.3 million, apparel revenues increased 24 percent to \$351.3 million and equipment revenues increased 18 percent to \$67.3 million. Pre-tax income rose 28 percent to \$219.3 million.

Asia Pacific

Revenues in the Asia Pacific region grew 18 percent to \$472.8 million compared to \$402.2 million a year ago. Five points of this growth were the result of changes in currency exchange rates. Footwear revenues were up 11 percent to \$237.9 million, apparel revenues increased 25 percent to \$188.3 million and equipment grew 23 percent to \$46.6 million. Pre-tax income was up 16 percent to \$100.4 million.

Americas

Revenues in the Americas region increased 10 percent to \$143.7 million, an improvement from \$131.1 million in the third quarter of fiscal 2004. Currency exchange rates resulted in a three-percentage point increase in this growth rate. Footwear revenues were up 13 percent to \$99.6 million, apparel revenues decreased five percent to \$33.5 million and equipment improved 34 percent to \$10.6 million. Pre-tax income grew 49 percent to \$23.2 million.

Other Revenues

Other revenues, which include Converse Inc., NIKE Golf, Bauer NIKE Hockey Inc., Cole Haan, Hurley International LLC and Exeter Brands Group LLC, grew 20 percent to \$389.6 million from \$325.1 million last year. Pre-tax income increased 724 percent to \$23.9 million.

Income Statement Review

Gross margins were 44.1 percent compared to 42.1 percent last year. Selling and administrative expenses were 31.3 percent of third quarter revenues, compared to 30.7 percent last year. The effective tax rate for the third quarter was 33.9 percent.

Balance Sheet Review

At quarter end, global inventories stood at \$1.7 billion, an increase of four percent from February 29, 2004. Cash and short-term investments were \$1.6 billion at the end of the quarter, compared to \$914.7 million last year.

Share Repurchase

During the quarter, the Company purchased a total of 2,302,000 shares for approximately \$199.8 million in conjunction with the Company's four-year, \$1.5 billion share repurchase program that was approved by the Board of Directors in June 2004. To date, the Company has repurchased a total of 5,070,900 shares under this program.

NIKE, Inc. based in Beaverton, Oregon is the world's leading designer, marketer and distributor of authentic athletic footwear, apparel, equipment and accessories for a wide variety of sports and fitness activities. Wholly owned Nike subsidiaries include Converse Inc., which designs, markets and distributes athletic footwear, apparel and accessories; Bauer NIKE Hockey Inc., a leading designer and distributor of hockey equipment; Cole Haan, a leading designer and marketer of luxury shoes, handbags, accessories and coats; Hurley International LLC, which designs, markets and distributes action sports and youth lifestyle footwear, apparel and accessories and Exeter Brands Group LLC, which designs and markets athletic footwear and apparel for the value retail channel.

NIKE's earnings releases and other financial information are available on the Internet at www.NikeBiz.com/invest.

* The marked paragraphs contain 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 changes in futures orders that are not necessarily indicative of changes in total revenues for subsequent periods due to the mix of futures and "at once" orders, which may vary significantly from quarter to quarter.

(Tables Follow)

NIKE, INC. CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED FEBRUARY 28, 2005

INCOME STATEMENT	(In millions, except per share data)			YEAR-TO-DATE ENDING		
	QUARTER ENDING 02/28/2005	02/29/2004	%Chg	02/28/2005	02/29/2004	%Chg
Revenues	\$3,308.2	\$2,904.0	14%	\$10,018.3	\$8,766.0	14%
Cost of Sales	1,849.4	1,682.1	10%	5,585.6	5,043.0	11%
Gross Profit	1,458.8	1,221.9	19%	4,432.7	3,723.0	19%
	44.1 %	42.1 %		44.2 %	42.5 %	
SG&A	1,035.7	892.0	16%	3,082.5	2,664.1	16%
	31.3 %	30.7 %		30.8 %	30.4 %	
Interest Expense, net	(0.1)	5.5	-	8.4	21.1	(60%)
Other	9.8	17.2	(43%)	19.9	55.3	(64%)
Income before income taxes	413.4	307.2	35%	1,321.9	982.5	35%
Income Taxes	140.0	106.9	31%	459.8	341.9	34%
	33.9 %	34.8 %		34.8 %	34.8 %	

Net Income	\$273.4	\$200.3	36%	\$862.1	\$640.6	35%
Diluted EPS	\$1.01	\$0.74	36%	\$3.18	\$2.38	34%
Basic EPS	\$1.04	\$0.76	37%	\$3.28	\$2.43	35%

Weighted Average Common Shares Outstanding:

Diluted	271.7	271.1		270.9	269.3
Basic	263.3	263.5		263.1	263.2
Dividend Declared	\$0.25	\$0.20		\$0.70	\$0.54

NIKE, Inc.		
BALANCE SHEET*	02/28/2005	02/29/2004
ASSETS		
Cash & Equivalents	\$1,222.5	\$914.7
Short-term Investments	418.3	--
Accounts Receivable	2,304.9	2,017.9
Inventory	1,727.0	1,667.6
Deferred Taxes	170.5	218.5
Prepaid Expenses and Other Current Assets	355.5	435.6
Current Assets	6,198.7	5,254.3
Fixed Assets	3,305.5	3,213.4
Depreciation	1,680.0	1,576.5
Net Fixed Assets	1,625.5	1,636.9
Identifiable Intangible Assets and Goodwill	538.6	500.7
Other Assets	289.3	292.6
Total Assets	\$8,652.1	\$7,684.5
LIAB AND EQUITY		
Current Long-Term Debt	\$6.4	\$6.2
Payable to Banks	101.3	165.2
Accounts Payable	684.2	567.0
Accrued Liabilities	1,091.4	1,024.0
Income Taxes Payable	182.7	194.1
Current Liabilities	2,066.0	1,956.5
Long-term Debt	691.4	694.3
Def Inc Taxes & Oth Liab	467.3	470.2
Preferred Stock	0.3	0.3
Common Equity	5,427.1	4,563.2
Total Liab. & Equity	\$8,652.1	\$7,684.5

*Certain prior year amounts have been reclassified to conform to fiscal year 2005 presentation. These changes had no impact on previously reported results of operations or shareholders' equity.

NIKE, INC	QUARTER ENDING			YEAR-TO-DATE ENDING		
Divisional Revenues*	02/28/2005	02/29/2004	%Chg	02/28/2005	02/29/2004	%Chg
U.S. Region						
Footwear	\$849.6	\$772.8	10%	\$2,451.0	\$2,219.2	10%
Apparel	345.8	329.3	5%	1,121.8	1,074.1	4%
Equipment	72.8	64.9	12%	229.1	205.7	11%
Total	1,268.2	1,167.0	9%	3,801.9	3,499.0	9%
EMEA Region						
Footwear	615.3	537.7	14%	1,810.4	1,600.2	13%
Apparel	351.3	284.1	24%	1,131.0	950.9	19%
Equipment	67.3	56.8	18%	211.5	186.9	13%
Total	1,033.9	878.6	18%	3,152.9	2,738.0	15%
Asia Pacific Region						
Footwear	237.9	214.2	11%	693.1	622.6	11%

Apparel	188.3	150.1	25%	544.9	437.9	24%
Equipment	46.6	37.9	23%	124.3	101.7	22%
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Total	472.8	402.2	18%	1,362.3	1,162.2	17%
Americas Region						
Footwear	99.6	88.0	13%	344.2	294.5	17%
Apparel	33.5	35.2	(5%)	115.9	115.1	1%
Equipment	10.6	7.9	34%	34.6	26.9	29%
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Total	143.7	131.1	10%	494.7	436.5	13%
	2,918.6	2,578.9	13%	8,811.8	7,835.7	12%
Other	389.6	325.1	20%	1,206.5	930.3	30%
Total NIKE Inc. Revenues	\$3,308.2	\$2,904.0	14%	\$10,018.3	\$8,766.0	14%

*Certain prior year amounts have been reclassified to conform to fiscal year 2005 presentation. These changes had no impact on previously reported results of operations or shareholders' equity.

NIKE, INC

Pre-tax Income ¹	QUARTER ENDING			YEAR-TO-DATE ENDING		
	02/28/05	02/29/04*	%Chg	02/28/05	02/29/04*	%Chg
U.S. Region	\$ 259.5	\$ 236.2	10%	\$ 814.0	\$ 722.0	13%
EMEA Region	219.3	171.4	28%	663.3	512.4	29%
Asia Pacific Region	100.4	86.7	16%	275.8	261.2	6%
Americas Region	23.2	15.6	49%	88.4	71.1	24%
Other	23.9	2.9	724%	85.0	5.3	1504%
Corporate ²	(212.9)	(205.6)	(4%)	(604.6)	(589.5)	(3%)
Total Pre-tax Income ¹	\$ 413.4	\$ 307.2	35%	\$1,321.9	\$ 982.5	35%

1 The Company evaluates performance of individual operating segments based on pre-tax income. Total pre-tax income equals Income before income taxes as shown on the Consolidated Income Statement.

2 "Corporate" represents items necessary to reconcile to total pre-tax income, which includes corporate costs that are not allocated to the operating segments for management reporting and intercompany eliminations for specific items in the Consolidated Income Statement.

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