

NIKE INC
Form 10-Q
January 07, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended November 30, 2008
Commission file number - 001-10635

NIKE, Inc.

(Exact name of registrant as specified in its charter)

OREGON
(State or other jurisdiction of
incorporation or organization)

93-0584541
(I.R.S. Employer
Identification No.)

One Bowerman Drive, Beaverton, Oregon 97005-6453

(Address of principal executive offices) (Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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Shares of Common Stock outstanding as of November 30, 2008 were:

	Class	
A		96,077,844
	Class	
B		387,995,766
		484,073,610

PART 1 - FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

NIKE, Inc.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	November 30, 2008	May 31, 2008
(in millions)		
ASSETS		
Current assets:		
Cash and equivalents	\$ 1,721.5	\$ 2,133.9
Short-term investments	1,008.0	642.2
Accounts receivable, net	2,737.2	2,795.3
Inventories (Note 2)	2,419.1	2,438.4
Deferred income taxes (Note 6)	89.7	227.2
Prepaid expenses and other current assets	947.9	602.3
Total current assets	8,923.4	8,839.3
Property, plant and equipment	4,109.4	4,103.0
Less accumulated depreciation	2,208.5	2,211.9
Property, plant and equipment, net	1,900.9	1,891.1
Identifiable intangible assets, net (Note 3)	650.2	743.1
Goodwill (Note 3)	376.8	448.8
Deferred income taxes and other long-term assets (Note 6)	783.4	520.4
Total assets	\$ 12,634.7	\$ 12,442.7
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 32.4	\$ 6.3
Notes payable	316.0	177.7
Accounts payable	1,124.1	1,287.6
Accrued liabilities (Note 4)	1,499.7	1,761.9
Income taxes payable (Note 6)	117.4	88.0
Total current liabilities	3,089.6	3,321.5
Long-term debt	445.5	441.1
Deferred income taxes and other long-term liabilities (Note 6)	983.1	854.5
Commitments and contingencies (Note 11)	--	--
Redeemable preferred stock	0.3	0.3
Shareholders' equity:		
Common stock at stated value:		

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Class A convertible- 96.1 and 96.8 million shares outstanding	0.1	0.1
Class B - 388.0 and 394.3 million shares outstanding	2.7	2.7
Capital in excess of stated value	2,751.9	2,497.8
Accumulated other comprehensive income (Note 7)	252.8	251.4
Retained earnings	5,108.7	5,073.3
Total shareholders' equity	8,116.2	7,825.3
Total liabilities and shareholders' equity	\$ 12,634.7	\$ 12,442.7

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

NIKE, Inc.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended November 30,		Six Months Ended November 30,	
	2008	2007	2008	2007
(in millions, except per share data)				
Revenues	\$ 4,590.1	\$ 4,339.5	\$ 10,022.3	\$ 8,994.6
Cost of sales	2,540.1	2,418.4	5,410.2	4,986.5
Gross Margin	2,050.0	1,921.1	4,612.1	4,008.1
Selling and administrative expense	1,546.8	1,429.5	3,403.2	2,864.2
Interest income, net	5.0	23.1	15.1	47.7
Other income (expense), net	12.4	0.9	10.8	(5.7)
Income before income taxes	520.6	515.6	1,234.8	1,185.9