

Financial Highlights as of 05/31/2004**Financial Summary (In USD as of 05/31/2004)**

Total Revenue	12,253,100,000
EBITDA	1,826,800,000
Net Income	945,600,000
Total Assets	7,891,600,000
Current Assets	5,512,000,000
Total Liabilities	3,109,900,000
Current Liabilities	2,009,000,000
Long Term Debt	682,400,000
Stockholders' Equity	4,781,700,000

Profitability Ratios

Return on Equity (%)	19.78
Return on Assets (%)	11.98
Return on Investment	215.27
Gross Margin	42.86
EBITDA of Revenue (%)	14.70
Operating Margin (%)	12.65
Pre-Tax Margin	11.83
Net Profit Margin (%)	7.72
Effective Tax Rate (%)	34.79

Liquidity Indicators

Quick Ratio	1.75
Current Ratio	2.74
Working Capital/Total Assets	0.44

Debt Management

Current Liabilities/Equity	0.42
Total Debt to Equity	0.14
Long Term Debt to Assets	0.09

Asset Management

Revenues/Total Assets	1.55
Revenues/Working Capital	3.50
Interest Coverage	59.00

Stock Price and Valuation (Data as of 12/10/2004)

Market Cap (mil)	13,832
Shares Outstanding (000's)	172,319
52-Week Range	64.06 – 87.52
7-Day Average Closing Price	86.74
30-Day Average Closing Price	85.65
200-Day Average Closing Price	76.92
Dividend Per Share (TTM)	0.74

PE Ratio	21.46
Earnings Per Share (TTM)	3.74
Last Price	87
Last Day Range	87 – 88.40

As Reported Annual Income Statement	05/31/2004	05/31/2003	05/31/2002	05/31/2001	05/31/2000
Currency	USD	USD	USD	USD	USD
Auditor Status	Not Qualified	Not Qualified	Not Qualified	Not Qualified	Not Qualified
Consolidated	Yes	Yes	Yes	Yes	Yes
Scale	Thousands	Thousands	Thousands	Thousands	Thousands
Revenues	12,253,100	10,697,000	9,893,000	9,488,800	8,995,100
Cost of sales	7,001,400	6,313,600	6,004,700	5,784,900	5,403,800
Gross margin	5,251,700	4,383,400	–	–	–
Selling & administrative expense	3,702,000	3,137,600	2,820,400	2,689,700	2,606,400
Interest expense, net	25,000	42,900	47,600	58,700	45,000
Other income (expense), net	(74,700)	(79,900)	(3,000)	(34,200)	(23,200)
Restructuring charge	–	–	–	(100)	(2,500)
Total costs & expenses	–	–	8,875,700	8,567,400	8,075,900
Income before income taxes – United States	607,700	444,800	511,200	470,700	530,400
Income before income taxes – Foreign	842,300	678,200	506,100	450,700	388,800
Income (loss) before income taxes	1,450,000	1,123,000	1,017,300	921,400	919,200
Current provision for income taxes–federal	185,300	125,600	156,500	158,500	205,000
Current provision for income taxes–state	43,300	33,600	32,000	31,600	30,600
Current provision for income taxes–foreign	266,800	190,000	147,700	76,200	58,800
Total current provision for income taxes	495,400	349,200	336,200	266,300	294,400
Deferred prov (benefit) for income tax–federal	3,900	11,300	(3,300)	64,200	32,700
Deferred prov (benefit) for income taxes–state	2,400	8,600	3,300	2,600	1,600
Deferred prov (benefit) for income tax–foreign	2,700	13,800	12,800	(1,400)	11,400
Total deferred prov (benef) for income taxes	9,000	33,700	12,800	65,400	45,700
Income taxes	504,400	382,900	349,000	331,700	340,100
Income (loss) before accounting changes	945,600	740,100	668,300	–	–
Effect of accounting changes	–	(266,100)	(5,000) ¹	–	–
Net income (loss)	945,600	474,000	663,300	589,700	579,100
	263,200	264,500	267,700	270,000	275,700

Weighted average shares
outstanding—basic

Weighted average shares outstanding—diluted	269,700	267,600	272,200	273,300	279,400
Year end shares outstanding	263,100	263,600	266,100	268,600	269,600
Earnings (loss) per share—cont opers—basic	3.59	2.8	2.5	—	—
Earnings (loss) per share—acctg change—basic	—	(1.01)	(0.02)	—	—
Net earnings (loss) per share—basic	3.59	1.79	2.48	2.18	2.1
Earnings (loss) per share—cont opers—diluted	3.51	2.77	2.46	—	—
Earnings (loss) per share—acctg change—dil	—	(1)	(0.02)	—	—
Net earnings (loss) per share—diluted	3.51	1.77	2.44	2.16	2.07
Dividends per common share	0.74	—	—	—	—
Total number of employees	24,667 ²	23,300 ²	22,700 ²	22,700 ²	21,800 ³
Class A common stockholders	21 ⁴	23 ⁵	26 ⁶	27 ⁷	28 ⁸
Class B common stockholders	19,069 ⁴	19,198 ⁵	19,200 ⁹	19,500 ¹⁰	20,000 ¹¹
Number of stockholders	19,090 ⁴	19,221 ⁵	19,226 ⁹	19,527 ¹⁰	20,028 ⁸
Depreciation & amortization	—	—	—	214,100	223,600

¹ Income taxes:\$3,000,000

² As is; Approximate

³ As is

⁴ As is; As of July 26, 2004

⁵ As is; As of July 25, 2003

⁶ As is; As of July 25, 2002

⁷ As is; As of June 25, 2001

⁸ As is; As of July 24, 2000

⁹ As is; Approximate; As of July 25, 2002

¹⁰ As is; Approximate; As of June 25, 2001

¹¹ As is; Approximate; As of July 24, 2000

As Reported Annual Balance Sheet	05/31/2004	05/31/2003	05/31/2002	05/31/2001	05/31/2000
Currency	USD	USD	USD	USD	USD
Auditor Status	Not Qualified	Not Qualified	Not Qualified	Not Qualified	Not Qualified
Consolidated	Yes	Yes	Yes	Yes	Yes
Scale	Thousands	Thousands	Thousands	Thousands	Thousands
Cash & equivalents	828,000	634,000	575,500	304,000	254,300
Short-term investments	400,800	—	—	—	—
Accounts receivable, gross	2,215,500	2,189,000	1,884,500	1,693,500	1,632,600

Mergent Online : NIKE, Inc. (United States) (NYS: NKE)

Allowance for doubtful accounts	95,300	87,900	77,400	72,100	65,400
Accounts receivable, net	2,120,200	2,101,100	1,807,100	1,621,400	1,567,200
Finished goods	1,609,700	1,484,100	1,348,200	1,399,400	1,416,600
Work-in-progress	10,600	15,200	13,000	15,100	17,300
Raw materials	13,300	15,600	12,600	9,600	12,100
Inventories	1,633,600	1,514,900	1,373,800	1,424,100	1,446,000
Deferred income taxes	165,000	163,700	140,800	113,300	111,500
Income taxes receivable	–	–	–	–	2,200
Prepaid expenses & other current assets	364,400	266,200	260,500	–	–
Prepaid expenses	–	–	–	162,500	215,200
Total current assets	5,512,000	4,679,900	4,157,700	3,625,300	3,596,400
Land	179,500	191,100	178,300	177,200	180,600
Buildings	813,600	785,000	739,900	695,400	503,400
Machinery & equipment	1,608,600	1,538,700	1,356,900	1,117,300	981,900
Leasehold improvements	470,200	433,400	394,200	391,900	279,600
Construction in process	60,400	40,600	72,400	171,000	448,300
Gross property, plant & equipment	3,132,300	2,988,800	2,741,700	2,552,800	2,393,800
Less: accumulated depreciation	1,545,400	1,368,000	1,127,200	934,000	810,400
Property, plant & equipment, net	1,586,900	1,620,800	1,614,500	1,618,800	1,583,400
Identifiable intangible assets, net	366,300	118,200	–	–	–
Goodwill	135,400	65,600	–	–	–
Identifiable intangible assets & goodwill	–	–	437,800	397,300	410,900
Deferred income taxes & other assets	291,000	229,400	233,000	178,200	266,200
Total assets	7,891,600	6,713,900	6,443,000	5,819,600	5,856,900
Current portion of long-term debt	6,600	205,700	55,300	5,400	50,100
Notes payable	146,000	75,400	425,200	855,300	924,200
Accounts payable	763,800	572,700	504,400	432,000	543,800
Accrued fair value of derivatives	141,300	313,100	–	–	–
Accrued compensation & benefits	339,000	254,900	–	–	–
Accrued tax	87,500	79,000	–	–	–
Accrued endorser compensation	86,900	70,200	–	–	–
Accrued dividends payable	52,600	–	–	–	–
Other accrued expenses	267,100	337,000	–	–	–
Accrued liabilities	974,400	1,054,200	768,300	472,100	621,900
Income taxes payable	118,200	107,200	83,000	21,900	–
Total current liabilities	2,009,000	2,015,200	1,836,200	1,786,700	2,140,000
Corporate bond payable	494,900	565,500	448,000	–	–
Japanese yen note	190,800	190,100	181,400	191,000	219,800
Medium-term notes	–	–	50,000	249,700	299,600
Other long-term debt	3,300	1,700	1,800	600	1,000
Total long-term debt	689,000	757,300	681,200	441,300	520,400
Less current maturities	6,600	205,700	55,300	5,400	50,100
Long-term debt	682,400	551,600	625,900	435,900	470,300

Mergent Online : NIKE, Inc. (United States) (NYS: NKE)

Deferred income taxes & other liabilities	418,200	156,100	141,600	102,200	110,300
Redeemable preferred stock	300	300	300	300	300
Class A convertible common stock	100	200	200	200	200
Class B common stock	2,700	2,600	2,600	2,600	2,600
Capital in excess of stated value	887,800	589,000	538,700	459,400	369,000
Unearned stock compensation	5,500	600	5,100	9,900	11,700
Cumul translation adjustment & other income	4,700	(22,800)	(150,200)	–	–
Net deferred gain (loss) on hedge derivatives	(91,000)	(216,900)	(42,200)	–	–
Accumulated other comprehensive income (loss)	(86,300)	(239,700)	(192,400)	(152,100)	(111,100)
Retained earnings	3,982,900	3,639,200	3,495,000	3,194,300	2,887,000
Total shareholders' equity	4,781,700	3,990,700	3,839,000	3,494,500	3,136,000

As Reported Annual Cash Flow	05/31/2004	05/31/2003	05/31/2002	05/31/2001	05/31/2000
Currency	USD	USD	USD	USD	USD
Auditor Status	Not Qualified	Not Qualified	Not Qualified	Not Qualified	Not Qualified
Consolidated	Yes	Yes	Yes	Yes	Yes
Scale	Thousands	Thousands	Thousands	Thousands	Thousands
Net income (loss)	945,600	474,000	663,300	589,700	579,100
Cumulative effect of accounting change	–	266,100	–	–	–
Depreciation	252,100	239,300	223,500	197,400	188,000
Deferred income taxes	19,000	50,400	15,200	79,800	36,800
Amortization	–	23,200	53,100	16,700	35,600
Amort & oth income charges not affecting cash	58,300	–	–	–	–
Income tax benef fr exercise of stock options	47,200	12,500	13,900	32,400	–
Accounts receivable	82,500	(136,300)	(135,200)	(141,400)	(27,100)
Inventories	(55,900)	(102,800)	55,400	(16,700)	(275,400)
Prepays & other current assets	(103,500)	60,900	16,900	78,000	65,600
Accounts pay, accruals & income tax pay	269,100	30,100	175,400	(179,400)	157,300
Net cash flows from operating activities	1,514,400	917,400	1,081,500	656,500	759,900
Purchase of short-term investments	(400,800)	–	–	–	–
Additions to property, plant & equipment	(213,900)	(185,900)	(282,800)	(317,600)	(419,900)
Disposals of property, plant & equipment	11,600	14,800	15,600	12,700	25,300
Decrease (increase) in other assets	(53,400)	(46,300)	(39,100)	(42,500)	(51,300)
Increase (decrease) in other liabilities	(900)	1,800	3,500	5,100	5,900
Acquisition of subs-net assets acquired	(289,100)	–	–	–	–
Net cash flows from investing activities	(946,500)	(215,600)	(302,800)	(342,300)	(440,000)
Proceeds from long-term debt issuance	153,800	90,400	329,900	–	100

Mergent Online : NIKE, Inc. (United States) (NYS: NKE)

Reductions in lg–tm debt incl current portion	(206,600)	(55,900)	(80,300)	(50,300)	(1,800)
Increase (decrease) in notes payable	(300)	(349,800)	(431,500)	(68,900)	505,100
Proc fr exercise of stk opts & other stk iss	253,600	44,200	59,500	56,000	23,900
Repurchase of stock	(419,800)	(196,300)	(226,900)	(157,000)	(646,300)
Dividends–common & preferred	(179,200)	(137,800)	(128,900)	(129,700)	(133,100)
Net cash flows from financing activities	(398,500)	(605,200)	(478,200)	(349,900)	(252,100)
Effect of exchange rate changes	24,600	(38,100)	(29,000)	85,400	(11,600)
Net increase (decrease) in cash & equivalents	194,000	58,500	271,500	49,700	56,200
Cash & equivalents, beginning of year	634,000	575,500	304,000	254,300	198,100
Cash & equivalents, end of year	828,000	634,000	575,500	304,000	254,300
Interest expense paid, net	37,800	38,900	54,200	68,500	45,000
Income taxes paid	418,600	330,200	262,000	173,100	221,100
Assump–lg–tm debt to acq prop, plant & equip	–	–	–	–	108,900

Profitability Ratios	05/31/2004	05/31/2003	05/31/2002	05/31/2001	05/31/2000
Return on Equity (%)	19.78	18.55	17.41	16.88	18.47
Return on Assets (%)	11.98	11.02	10.37	10.13	9.89
Return on Investment	215.27	162.3	168.59	223.41	203.8
Gross Margin	0.043	0.041	0.039	0.039	0.04
EBITDA of Revenue (%)	14.7	14.1	13.59	12.94	13.44
Operating Margin (%)	12.65	11.65	10.79	10.69	10.95
Pre–Tax Margin	11.83	10.5	10.28	9.71	10.22
Net Profit Margin (%)	7.72	4.43	6.7	6.21	6.44
Effective Tax Rate (%)	34.79	34.1	34.31	36	37

Liquidity Indicators	05/31/2004	05/31/2003	05/31/2002	05/31/2001	05/31/2000
Quick Ratio	1.75	1.44	1.37	1.14	0.9
Current Ratio	2.74	2.32	2.26	2.03	1.68
Working Capital/Total Assets	0.44	0.4	0.36	0.32	0.25

Debt Management	05/31/2004	05/31/2003	05/31/2002	05/31/2001	05/31/2000
Current Liabilities/Equity	0.42	0.5	0.48	0.51	0.68
Total Debt to Equity	0.14	0.19	0.18	0.13	0.17
Long Term Debt to Assets	0.09	0.08	0.1	0.07	0.08

Asset Management	05/31/2004	05/31/2003	05/31/2002	05/31/2001	05/31/2000
Revenues/Total Assets	1.55	1.59	1.54	1.63	1.54

Mergent Online : NIKE, Inc. (United States) (NYS: NKE)

Revenues/Working Capital	3.5	4.01	4.26	5.16	6.18
Interest Coverage	59	27.18	22.37	16.7	21.43