



Take a moment to consider a world record. It is a paradox. Unapproachable yet inevitable. The key to its attainment is strength, not just of muscle but of conviction, a belief in your own mastery of circumstance. This is the nature of power. It is our inspiration.

Highlights: Inside Front Cover

To Our Shareholders: Page 2

Global Performance: Page 14

Financial History: Page 25

Management Discussion and Analysis: Page 26

Financial Statements: Page 29

Directors and Officers: Page 42

Financial Highlights

(in thousands, except per share data)

	1993	1992	% Change
<i>Year Ended May 31:</i>			
Revenues	\$3,930,984	\$3,405,211	15.4%
Gross profit	1,543,991	1,316,122	17.3
Gross profit %	39.3%	38.7%	
Net income	365,016	329,218	10.9
Net income per common share	4.74	4.30	10.2
Return on equity	24.5%	27.8%	
Stock price at May 31	72 1/2	58	25.0

Select Quarterly Financial Data (unaudited)

(in thousands, except per share data)

	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter	
	1993	1992	1993	1992	1993	1992	1993	1992
Revenues	\$1,099,862	\$947,161	\$875,839	\$743,417	\$972,024	\$867,019	\$983,279	\$847,614
Gross profit	433,199	366,575	346,235	287,979	375,981	334,446	388,576	327,122
Gross profit %	39.4%	38.7%	39.5%	38.7%	38.7%	38.6%	39.5%	38.6%
Net income	122,593	114,437	76,045	61,535	89,471	82,517	76,907	70,729
Net income per common share	1.60	1.50	.98	.80	1.16	1.08	1.00	.92
Dividends declared per common share	.15	.14	.20	.15	.20	.15	.20	.15
Price range of common stock								
High	73 1/4	50	90 1/4	62 1/2	90	77 1/2	79 1/2	74 1/2
Low	55	35 1/2	71 3/4	47 1/4	64 1/2	57 1/4	69 1/4	56 1/4

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o our shareholders: We had our sixth consecutive record year in Fiscal '93, but as we go to press, no one is interested in that. How do you write an annual report when all anyone is interested in is the annum that hasn't occurred yet?

So let's sum up the year of this report thusly: Fiscal '93: Great job. End of discussion.

What people want to know about is (1) NIKE's position in the perceived "collapse of consumer brands," and (2) why our earnings for '94 are likely to grow at a slower pace than our own target of 15 percent.

FROM MY VIEW—WHICH IS REALLY NO MORE SOPHISTICATED than any other consumer's—the reported decline of consumer brands in the '90s was triggered by panic on the part of Phillip Morris. It reduced the price on its Marlboro brand 40% to fight the growing market share of house brand cigarettes.

Well, they could reduce their price 100% and it wouldn't affect me.

On the other hand, I drink Coca Cola, not Coca Select.

But then the Marlboro move was mimicked, although not to the same degree, by others, including Kimberly Clark in diapers and Kellogg in breakfast cereals.

So Wall Street extrapolates that trend to all athletic footwear and apparel, but (are you ready for this?) different consumer products industries are...different.

Athletic shoes and clothes—especially shoes—are not commodities. Try this: run a marathon, or even a mile, in a pair of \$19.95 Wal-Mart specials. That will end that discussion.

BRANDS ARE POWERFUL WHEN THEY COMMUNICATE underlying value. In our industry, and probably in

other consumer products, consumers will not trade down if there is value and quality in the high end. Ergo, I am glad we sell sports and fitness products, not cigarettes.

I am also glad that we sell sports and fitness products, not fashion products. Grunge fashion is making headlines this year, and with it the casual shoes that are part of that look. NIKE has certain shoes in its Outdoor line which compete with some of these items. In those areas where we don't compete, into which the brand does not naturally flow, we will give up that business. We will not stretch the brand beyond its natural limits and will not worry about those lost sales or next year's fashion.

But then NIKE itself says earnings coming up "won't be so hot." Well, yes, if measured by our own previously mentioned goal of 15 percent per year, which we never said would be a straight, smooth line.

I am reminded of one of the several pieces of wisdom from Warren Buffett's Chairman's letter this year: "What counts for most people in investing is not how much they know, but rather how realistically they define what they don't know."

IN THE YEAR COMING UP WE'RE HITTING A SERIES OF BUMPS

1. The current economic atmosphere in Western Europe is the worst in the 13 years we have been doing business there. Some say it is the worst since World War II.

2. Into that environment we install the continent's first real "futures" program, like the one we have in the U.S. It gives much better long-run inventory control for us, and for the retailer as well, once it is understood. Although it is very difficult timing, we are forging ahead, as we are convinced it will improve the long-term profitability of this company and of cooperating retailers.

3. While all this is going on we hit the "billion dollar management bump," similar to what we had in the U.S. in



Mary Lou Fernandez: The queen of dreams

1986. Between 1985 and 1986 NIKE's total revenues grew from \$270 million to \$1.1 billion. At that point we had succeeded in outgrowing internal systems and support capabilities, and to some extent, management talent. Between 1985 and 1987 we made significant investments in both areas which put us in position to grow as we

have since—to nearly \$4 billion in six years.

Since 1987, our European revenues have grown from \$191 million to \$1.1 billion, and we find ourselves in a similar position. This time though, we saw it coming sooner, and began taking action well over a year ago to build systems and people to get beyond the bump more quickly. You should start seeing those benefits within one year.

4. In the U.S., retailers viewed a good Christmas as an upturn in consumer buying, which did not materialize in the spring. The result is slightly higher inventory levels at retail and softer futures orders for holiday. This can be

overcome quickly with a great back-to-school selling season which, as we write this at the end of June, we believe we are going to have.

In spite of these hurdles we do think we will have a better year in '94 than in '93, it just will not be 15 percent better.

THE TWO MAIN GOALS FOR THIS FISCAL YEAR ARE QUALITATIVE. First, we must get the whole international division positioned so it can resume faster growth once the underlying economies improve.

Second, we need to keep the growth, albeit single-digit growth, going for the NIKE brand in the U.S.

If we do those two things—and I think we will—you will see a much improved outlook for earnings in this space next year.

We believe it so strongly we announced on July 8 approval from the Board for a \$450 million stock repurchase program to be implemented when and if the common stock trades at low levels.

This is written before comments on the repurchase program have come in, but I expect varied adjectives: "overdue," "not big enough," "too big," "not applied aggressively enough," etc. But one thing is for sure: belief.

I WILL MAKE A COUPLE OF OTHER OBSERVATIONS FOR THE reader: NIKE continues to be an undervalued global power brand. You cannot go around the world without

seeing it. You cannot turn on your television without seeing it.

Consider the last year: Jordan and Barkley battled it out in a hugely dramatic NBA Final. So did other NIKE athletes: Pippen and Majerle, Grant and Chambers, BJ and Dumas. I had said that if Phoenix and Chicago played in the Final, I would retire. I lied. That was too much fun.

Mary Joe Fernandez staged the greatest comeback in the history of women's tennis at the French Open and debuted in her new NIKE ad campaign the same weekend.

Bo Jackson came back. With a new hip and a blast to right field.

"NIKE continues to be an undervalued global power brand. You cannot go around the world without seeing it. You cannot turn on your television without seeing it."

Kenyan runners left all other competitors awestruck at the World Cross

Country Championships in Spain, sweeping all four team titles. For the senior men, it was their 8th straight team title. For the senior women, their 4th straight. For the junior men, their 6th and for the junior women, their 4th in five years. And we think a three-peat is a big deal.

Jim Courier captured the Australian Open again with great tennis and even greater guts. This is the nerdy kid in the tube socks in the ad?

Barry Bonds stopped in San Francisco on his way to Cooperstown.

Quincy Watts and Gail Devers burst onto the scene in Barcelona, becoming international heroes. Just ask any kid in Europe who has seen Don Quincy sing opera. Or look at the cover of this report.

Michael Johnson and Sergei Bubka came back with a vengeance after Barcelona.

Mark Allen captured his 4th straight Ironman title and his 10th Nice Triathlon.

Troy Aikman took the surprising Dallas Cowboys to a Super Bowl Championship in front of a worldwide audience of 750 million.

And in the coming year, the most poetic of all soccer teams, Brazil, will make its World Cup effort in front of one billion people.

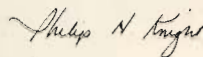
The link between these events? People around the globe have a passion for these athletes, and these athletes wear NIKE. That's global branding.

Thanks to them and all the others who give flesh and emotion to earnings per share.

But more than that, no other company in the world can tie these powerful human assets to superior products, public relations, advertising, design, retail presentation, distribution and selling talent like NIKE can.

NIKE is a better power company than Con Edison. And another appropriate Buffet-ism: We cannot attain our objectives smoothly, but if you can put up with the volatility, there is a ton of upside growth potential in the common stock.

Management understands that it is its job to fulfill that potential. And it is committed to doing so.



PHILIP H. KNIGHT

CHAIRMAN OF THE BOARD

AND CHIEF EXECUTIVE OFFICER

A nos actionnaires:
Pour la sixième fois consécutive, l'année fiscale — 1993 — s'est révélée un record, mais qui cela intéresse-t-il à l'heure où nous mettons sous presse, quand tout le monde veut connaître les perspectives pour l'année à venir? Dans un tel contexte il devient bien difficile d'écrire un rapport annuel.

C'est pourquoi je vais être très bref. L'année fiscale 93 est une excellente année! Point final.

Ce que tous vos désirs savent c'est: premièrement — la position qu'occupe NIKE en pleine période ressentie comme celle de l'effondrement des marques de consommation et deuxièmement pourquoi la croissance de nos bénéfices sera, selon toute probabilité, inférieure à notre objectif de 15%.

ANALYSEZ CELA DE MON POINT DE VUE — QUI NE DIFFERE PAS beaucoup de celui du consommateur moyen — la prévision du déclin des marques de consommation dans les années 90 dont il est question, trouve son origine dans la panique ressentie par Marlboro. Cette marque a réduit ses prix de 40% pour lutter contre la croissance de la part du marché prise par les marques de cigarettes non marquées.

Je peux vous dire que pour ma part Marlboro peut réduire ses prix de 100%, je n'en serai pas plus inquiet.

Après tout je continue à boire du Coca Cola et non pas du Coola Select!

Mais la démarche de Marlboro a été imitée, bien que dans une mesure différente, par d'autres grandes entreprises y compris Kimberly Clark pour ses linges et Kellogg pour les petits déjeuner de céréales.

Wall Street en a ensuite déduit que cette tendance s'appliquait aussi aux chaussures et équipements d'athlétisme, mais — et j'espère ici que vous me lisez bien — les différentes entreprises de produits de consommation se... différentes, et ce qui s'applique à l'une n'est pas nécessairement valable pour l'autre puisqu'elles sont différentes.

Les chaussures et vêtements d'athlétisme — en particulier les chaussures — ne sont pas de simples produits. Essayez de courir un marathon — voire même un kilomètre — chaussé d'une paire de Wal-Mart Spicers à moins de 20 dollars et vous comprendrez ce que je veux dire!

LES MARQUES SONT PUISSANTES ET S'IMPOSENT LORSQUE LES COMMUNIQUENT des valeurs sous-jacentes. Dans notre industrie, et cela s'applique probablement aussi à d'autres produits de consommation, il n'y aura pas de diminution du nombre des consommateurs tant que le produit fini comportera certaine valeur et restera un produit de qualité. Je suis donc très heureux que nos ventes des articles de sport et de fitness et non pas des cigarettes.

Je suis d'ailleurs aussi heureux que nos ventes des articles de sport et de fitness et non pas des articles de mode. Cette année est caractérisée par la mode facile et décontractée, une mode rappelant un peu le look d'avant guerre en Europe. Avec ce nouveau look, les jeunes portent des chaussures sportives. Dans sa ligne Outdoor,

NIKE compte des chaussures qui concurrencent certains des articles caractéristiques de cette mode. Dans les domaines où nous ne concurrençons pas, dans lesquels la marque ne s'insinue pas naturellement, nous abandonnons les affaires. Nous ne voulons pas étendre la marque en dehors de ses limites naturelles et ne devons pas nous inquiéter de ces ventes manquantes ni de ce qui sera à la mode l'année suivante.

Et pourtant c'est NIKE qui déclare que les gains à venir ne seront pas aussi importants. C'est vrai, du moins si on les calcule par rapport à notre objectif de 15% dont je parlais tout à l'heure, mais dont on n'a jamais dit qu'il serait constant, sans plus ni moins.

Je me souviens d'une des quelques sages phrases tirées de la lettre du Président de Warren Buffet cette année: "ce qui compte pour la plupart des personnes qui investissent, ce n'est pas tellement ce qu'ils savent, mais bien de définir de manière réaliste la quantité de choses qu'ils ne savent pas."

DANS L'ANNÉE QUI S'ANNONCE, NOUS ALLONS être confrontés à différents facteurs d'influence:

1. En Europe occidentale, la conjoncture n'a jamais été aussi mauvaise qu'actuellement, depuis 13 ans que nous opérons sur ces marchés. Certains même déclarent qu'elle n'a jamais été aussi mauvaise depuis la seconde guerre mondiale.

2. C'est dans ce contexte que nous implantons réellement sur le continent notre premier programme "futures", similaire à celui que nous connaissons aux Etats-Unis. Ce programme nous permet un bien meilleur contrôle de l'inventaire à long terme, mais aussi aux détaillants, une fois qu'ils ont compris le programme. Bien que le moment ne soit pas des mieux choisis, nous allons de l'avant, parce que nous sommes convaincus que ce plan améliorera la rentabilité à long terme aussi bien de

la société que des détaillants coopérateurs.

3. Alors que tout ceci est en cours, nous atteignons la borne du milliard de dollars, dont la gestion nous met dans une situation difficile, similaire à celle que nous avons rencontrée aux Etats-Unis en 1986. Entre 1985 et 1986, le revenu total de NIKE était passé de 270 millions de dollars à 1,1 milliard de dollars. A ce point nous avions dépassé nos capacités internes et de support et, dans une certaine mesure, nos talents de gestion. Entre 1985 et 1987 nous avons réalisé d'importants investissements dans deux domaines qui nous ont placés dans une position de croissance. Et croissance il y a eu puisque en 6 ans nous avons presque atteint 4 milliards de dollars.

Depuis 1987, nos revenus Européens ont augmenté pour passer de 191 millions à 1,1 milliard de dollars, et nous nous trouvons dans la même situation qu'aux Etats-Unis en 1986. Cette fois cependant, nous avons plus rapidement réagi et avons commencé il y a plus d'un an à élaborer des systèmes et à former notre personnel afin de passer plus rapidement de l'autre côté de l'obstacle. Vous devez comprendre à en voir les bénéfices d'ici un an.

4. Aux Etats-Unis, les détaillants ont connu une bonne période de Noël avec une reprise de la vente aux consommateurs, ce qui ne s'est pas concrétisé au printemps. Il en a résulté des niveaux

d'inventaire chez les détaillants légèrement plus élevés et des commandes futures moins conséquentes pour les vacances. Ceci peut être rapidement résolu avec une excellente saison de vente lors de la rentrée scolaire, ce qui, au moment où nous écrivons ces mots (fin juin), nous le croyons, se concrétisera.

Malgré tous ces obstacles, nous pensons que l'année qui nous attend sera meilleure que 1993, mais ne nous permettra pas d'atteindre un mieux de 15%.

LES DEUX PRINCIPAUX OBJECTIFS DE CETTE ANNEE FISCALE SONT d'ordre qualitatif. D'abord nous devons positionner l'ensemble de la division internationale afin qu'elle puisse retrouver ses taux de croissance des dernières années dès que l'économie se rétablira.

Et deuxièmement, il nous faut, aux Etats-Unis, maintenir le taux de croissance de la marque NIKE, quoique celui-ci ne soit que d'un seul chiffre.

Si nous réussissons sur les deux fronts, et je pense que nous réussissons, vous nous donnerez l'an prochain de meilleures perspectives de rentabilité.

Nous sommes tellement convaincus de ce que nous avançons ici, que nous avons annoncé le 8 juillet, l'approbation par le Conseil d'Administration d'un programme de rachat de 450 millions de dollars d'actions. Ce programme devra entrer en vigueur quand et si les actions ordinaires s'échangent un prix faible.

Tout ceci est écrit avant que nous ne soyons parvenus les remarques sur le programme de rachat, mais je m'attends à des commentaires variés du genre: "cela s'est fait attendre", "ce n'est pas assez important", "le montant est trop élevé", "ce n'est pas assez agressif", etc. Mais une chose est sûre: tout le monde a foi!

Je désire profiter de l'occasion pour faire quelques remarques à l'adresse du lecteur:

L'image de marque totale de NIKE continue d'être sous-estimée. Vous ne pouvez aller nulle part dans le monde sans la voir. Impossible d'allumer la télévision sans la voir.

Il vous suffit en effet de faire un retour en arrière sur l'année écoulée: Jordan et Barkley se sont affrontés dans la finale très spectaculaire de la NBA. D'autres athlètes NIKE ont fait de même: Pippen et Majumder, Grant et Chambers, BJ et Dumas. J'avais dit que si Phoenix et Chicago arrivaient en finale, je prendrais ma retraite. J'ai menti. C'était beaucoup trop drôle.

Mary Jo Fernandez a effectué le plus grand comeback dans l'histoire du tennis féminin à l'Open de Roland-Garros et débauché sa nouvelle campagne NIKE le week-end même.

C'est en pleine forme que Bo Jackson a fait sa rentrée sur le terrain de base-ball équipé d'une nouvelle hanche et après avoir

redragé les batteries.

Les coureurs Kenyan ont laissé tous les autres athlètes sur place au championnat mondial de cross country en Espagne, raflant les quatre titres par équipe. Pour les seniors masculins, c'était le 8ème titre consécutif par équipe. Pour les seniors féminins, le quatrième titre d'affilée. Pour les juniors, hommes, le 6ème titre et pour les femmes, le 4ème titre en cinq ans. Et l'on croyait qu'un triplé, c'était déjà énorme!

Jim Courier s'est emparé une fois de plus du titre de l'Open D'Australie avec un excellent tennis et beaucoup de courage. Le gamin de la pub nous a bien montré son talent!

Barry Bonds s'est arrêté à San Francisco sur la route pour Cooperstown.

Quincy Watts et Gail Devers ont remporté un succès éclatant sur la scène de Barcelone, devenant de véritables héros internationaux. Il suffit de demander à n'importe quel gosse européen qui a vu Don Quixote chanter l'opéra. Ou alors, regardez la page de couverture de ce rapport.

Michael Johnson et Sergei Bubka ont pris leur revanche après Barcelone.

Pour la quatrième fois de suite, Mark Allen s'est emparé du titre d'Innonan et du 12ème titre au triathlon à Nice.

Troy Aikman a emmené les étonnants Dallas Cowboys dans un championnat de Super Bowl qui s'est déroulé devant une audience mondiale de 750 millions de personnes.

Et l'année prochaine, le onze de football le plus poétique, le Brésil, déploiera,

lors de la coupe mondiale, ses efforts devant un milliard de téléspectateurs.

Quel est le lien entre tous ces événements? Les gens dans le monde entier ont une véritable passion pour ces athlètes, et ces athlètes portent nos chaussures NIKE. Voilà ce que nous entendons par marque totale!

Merci à eux et à tous ceux qui prêtent leurs muscles et fournissent de l'émotion pour faire monter les gains par leur action.

Mais mieux encore, aucune autre société dans le monde ne peut lier ces puissantes ressources humaines à des produits supérieurs, des relations publiques, des campagnes de publicité, des concepts, des présentations dans les magasins de détail, et des talents de distribution et de vente, comme le fait NIKE.

NIKE a plus d'énergie et de puissance que Ken Edison. Malgré tout, comme le disait une fois de plus Buffer, il y a encore un potentiel de croissance à exploiter, il nous suffit de pousser dans nos ressources communes.

La direction sait que c'est son travail de satisfaire ce potentiel. Et elle s'engage à le faire!

Philip H. Knight

PHILIP H. KNIGHT
PRÉSIDENT DU CONSEIL D'ADMINISTRATION
ET PRÉSIDENT DIRECTEUR GÉNÉRAL



Jim Courier, La Force de l'Engagement

"L'Image de marque totale de NIKE continue d'être sous-estimée. Vous ne pouvez aller nulle part dans le monde sans la voir. Impossible d'allumer la télévision sans la voir."

An unsere Aktionäre:
Das Geschäftsjahr 1993 ist wiederum das sechste Erfolgsjahr hintereinander. Obwohl es jetzt veröffentlicht wird, ist niemand mehr so recht daran interessiert. Wie schreibt man eigentlich ein Jahresbericht, wenn das ganze Interesse schon auf das kommende Jahr ausgerichtet ist?

Also fassen wir den Jahresbericht mal folgendermaßen zusammen: Geschäftsjahr 1993: Großartige Arbeit. Punktum.

Die Leute interessieren vor allem folgendes: 1. Die Stellung NIKES beim spärlichen Zusammenbruch auf dem Konsumgütermarkt, 2. Warum unsere Gewinne 1994 wahrscheinlich geringer ausfallen, als das von uns angestrebte 15%-Ziel.

SCHAUEN WIR UNS DAS MAL AN:

Meiner Meinung nach, und die unterscheidet sich nicht wesentlich von der eines normalen Verbrauchers, würde der beschriebene Rückgang auf dem Markenartikelmarkt in den 90er Jahren durch Panikmache seitens Marktanwender ausgelöst. Marlboro senkte seine Preise um 40%, um dem wachsenden Marktanteil der No-Name-Zigaretten entgegenzuwirken.

Meinewegen könnten sie ihre Preise um 100% senken, das stört mich nicht.

Auf der anderen Seite trinke ich Coca Cola und nicht Coola Select.

Wenn auch nicht im selben Maße, so folgten dem Beispiel von Marlboro doch Kimberly Clark, aus der Windelbranche und Kellogg, aus der Frühstückproduktbranche.

Wall Street überträgt diesen Trend auf alle Sportschuhe und die Sportbekleidung, und ... jetzt hören Sie sich das mal an! ... Andere Verbrauchermärkte ... sind ... eben anders.

Sportschuhe und Sportbekleidung — besonders die Schuhe — sind keine Warengüter. Versuchen Sie es mal: Laufen Sie einen Marathon — oder nur eine Meile — in einem Paar Wal-Mart Specials für \$19.95. Das nimmt einem jeden Zweifel.

MARKENARTIKEL SIND BESONDERS WIRKUNGSVOLL, WENN SIE MIT DEN zugrundeliegenden Werten in Verbindung stehen. Bei unserem Industriezweig und wahrscheinlich auch bei anderen Produkten wird der Verbraucher die Ware niemals geringerschätzen, wenn das Preis/Leistungsverhältnis gegeben ist. Wo daher bin ich sehr froh, daß wir Sport & Fitnessprodukte verkaufen und keine Zigaretten.

Ich freue mich auch darüber, daß wir Sport & Fitnessprodukte und keine Modeprodukte verkaufen. Billige Mode macht dieses Jahr Schlagzeilen und damit eher die Freizeitschulbekleidung. NIKIE steht mit einigen seiner Outdoorschuhe im Wettbewerb mit jenen Billiganbietern. Fließt unser Produkt nicht auf natürliche Art und Weise in gewisse Linien ein, und wir merken, daß wir nicht wettbewerbsfähig sind, produzieren wir eben nicht weiter. Wir lassen unsere Produkte in ihren natürlichen Grenzen und machen uns keine weiteren Gedanken über den Verkaufslust oder über die Mode des kommenden Jahres.

Aber NIKIE hat selbst festgestellt, daß die Gewinne "nicht so toll sein werden." Aber gut, wir haben niemals behauptet, daß das von

uns gesteckte Ziel von 15% einfach und problemlos zu erreichen sei.

Mir fällt dabei ein weiser Spruch aus Warren Buffets Chairmans Brief von diesem Jahr ein: Um zu investieren, ist für die meisten nicht wichtig, wieviel sie wissen, sondern, wie realistisch sie einschätzen können, wieviel sie nicht wissen.

IM KOMMENDEN JAHR MÜSSEN WIR EINIGE HÜRDEN NEHMEN:

1. In den 13 Jahren, in denen wir in Westeuropa auf dem Markt sind, ist die momentane Wirtschaftslage die schlechteste. Einige sagen die schlechteste überhaupt seit dem Zweiten Weltkrieg.

2. In dieser Situation versuchen wir, dem Beispiel der USA folgend, das erste realistische "Futures"-Programm für Europa einzurichten. Ist es erst einmal verstanden, liefert es uns und dem Einzelhändler eine längerfristige Bestandsaufnahme. Und obwohl die wirtschaftliche Lage schwierig ist, setzen wir alles daran, dieses Programm durchzusetzen, weil wir davon überzeugt sind, daß es langfristig gesehen die Rentabilität für uns und unsere Partner verbessert.

3. Bei all diesen Unternehmungen nehmen wir die "Milliarden Dollar Management"-Hürde, ähnlich wie 1986 in den USA. NIKES Gesamtumsatz stieg zwischen 1980 und 1986 von 270 Millionen Dollar auf 1,1 Milliarden. Zu dem Zeitpunkt vergrößerten sich die betriebsinternen Systeme, die unterstützende Logistik und, bis zu einem gewissen Grade, auch das Potential des Managements. Zwischen 1985 und 1987 tätigten wir bedeutende Investitionen auf beiden Gebieten, was uns zu dem Wachstum verhalf, das wir seitdem haben — nämlich fast 4 Milliarden Dollar in sechs Jahren.

Seit 1987 ist unser europäischer Umsatz von \$191 Millionen auf \$1,1 Milliarden gestiegen, und wir befinden uns wieder einmal in einer ähnlichen Situation. Dieses Mal waren wir jedoch vorausschauender und haben bereits vor einem Jahr begonnen, ein System aufzubauen, das den Leuten schneller über die Konjunkturlaute hinweghilft. Die positiven Auswirkungen dieses Systems werden sich innerhalb eines Jahres abzeichnen.

4. In den USA verstand der Einzelhandel das gute Verbrauchergeschäft als konjunkturellen Aufschwung, der sich jedoch im Frühling nicht weiter bestätigte. Das Ergebnis war ein leicht gesteigertem Lagerbestand beim Einzelhandel und gemäßigtere kleine zukünftige Aufträge für die Urlaubssaison. Dieses kann man schnell durch eine Verkaufsaussage zu Schulbeginn in den Griff bekommen, und da wir jetzt schon Ende Juni haben, denke ich, daß sich dies auch bestätigen wird.

Trotz all dieser Hindernisse, glaube ich, daß 1994 besser als 1993 sein wird, es wird nur nicht um 15% besser.

DIE WICHTIGSTEN BEIDEN ZIELE FÜR DIESES BESCHAFTJAHRS SIND qualitativer Natur. Erstens müssen wir die gesamten internationalen Niederlassungen dahinbringen, daß sie die Wachstumsrate der vergangenen Jahre wieder erreichen. Das ist jedoch nur dann möglich, wenn sich die wirtschaftlichen Rahmenbedingungen verbessert haben.

Zweitens brauchen wir das Wachstum für Nikes Markenware in den USA, auch wenn es sich nur um eine einzige Stelle hinter dem Komma handelt.

Gehen wir diese beiden Punkte an — und ich denke, daß wir das tun — so werden sich weitaus verbesserte Gewinnperspektiven im nächsten Jahr zu dieser Zeit abzeichnen.

Wir glauben so stark daran, daß wir am 8. Juli die Genehmigung des Vorstands für ein "Warenrückkaufprogramm" in Höhe von 450 Millionen Dollar bekommen. Dieses Programm soll dann durchgeführt werden, wenn und falls der allgemeine Warenbestand niedrig umgeschlagen wird.

Dieser Bericht wurde geschrieben, bevor irgendwelche Kommentare über das "Rückkaufprogramm" abgegeben werden konnten, aber ich erwarte verschiedene Adjektive wie: "längst überfällig," "nicht groß genug," "zu groß," "nicht aggressiv genug angewendet," etc. Aber eines ist ganz sicher: Der Glaube daran.

Ich werde dem Leser eine Reihe anderer Beobachtungen mitteilen:

NIKE ist immer noch ein zu gering eingeschätzter weltweiter wichtiger Markenartikel. Überall auf der Welt sehen Sie NIKE. Wenn Sie nur den Fernseher einschalten sehen Sie NIKE.

Denken Sie nur an die großen Sportereignisse in diesem Jahr: Jordan und Barkley kämpfen es in einem großen dramatischen NBA Finale aus. Dem Beispiel

NIKE ist immer noch ein zu gering eingeschätzter weltweiter

wichtiger Markenartikel. Überall auf der Welt sehen Sie

NIKE. Wenn Sie den Fernseher einschalten sehen Sie NIKE.

Mannschaft der vierde. Für die Junioren der sechste, für die Juniorinnen der vierde in fünf Jahren. Und wir finden eine erneute Wiederholung einer vielfachen ...

Jim Courier gewann wieder einmal die Australian Open durch großartiges Tennisspielen und noch mehr Power. Ist dies der verträumte Junge mit den Röhrensocken aus der Werbung?

Barry Bonds machte Station in San Francisco auf seinem Weg nach Cooperstown.

Quincy Watts und Gail Devers wirbelten die Leichtathletik-Szene in Barcelona durcheinander und wurden internationale Helden. Fragen Sie jeden Jugendlichen in Europa, ob er Don Quixoy als Opernsänger gesehen hat. Oder schauen Sie einfach auf das Deckblatt dieses Berichts.

Michael Johnson und Sergei Bubka schauten nach den Spielen noch motivierter aus Barcelona zurück.

Mark Allen gewann das vierte Mal hintereinander den Ironman Triet und seinen zehnten Nizza Triathlon.

Troy Aikman führte die überraschten Dallas Cowboys zur Super Bowl Championship. 750 Millionen Zuschauer waren weltweit über TV live dabei.

Und im nächsten Jahr werden Brasilien Fußball-Athleten bei der WM in den USA eine Milliarde Zuschauer verzaubern.

Das Verbindungsstück zwischen all diesen Ereignissen? Die Menschen auf der ganzen Welt haben eine Leidenschaft für diese Sportler — und, diese Sportler tragen NIKE. Das ist ein weltweiter Markenartikel.

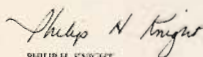
Dank an sie und all die anderen, die ihren Einsatz und

ihre Gefühle für das Wohl der Firma geben.

Aber darüber hinaus kann kein anderes Unternehmen dieses wirkungsvolle menschliche Vermögen für außergewöhnlich gute Produkte, Öffentlichkeitsarbeit, Werbung, Design, Einzelhandelsanstellung, Vertriebs- und Verkaufskanal so gut verbinden, wie NIKE es kann.

Und noch ein Anstoß: Wir können unsere Ziele nicht ohne Hände erreichen, aber wenn Sie mit der Leidenschaft umgehen können, liegt jede Menge Wachstumspotential in den Aktien.

Das Management versteht es als seine Aufgabe, dieses Potential mit vollem Engagement zu Ihren Gunsten umzusetzen.



PHILIP H. KNIGHT
GENERALDIREKTOR
UND PRÄSIDENT



Rajon Rondo/Nike

Anuestros accionistas: En el Ejercicio del 93 obtuvimos nuestro sexto récord consecutivo, pero al entrar en prensa, a nadie le interesa. ¿Cómo escribir un informe anual cuando todo lo que le interesa a la gente es el año que todavía no ha pasado?

Resumamos, pues, los resultados del presente año de la siguiente manera: El ejercicio del 93: ¡Excelente! Termina la discusión.

Lo que la gente quiere saber es (1) la posición de NIKE en lo que se percibe como el "colapso de los artículos de marca," y (2) por qué nuestras ganancias para el 94 van a crecer probablemente a un ritmo más lento que el 15% fijado como meta.

VEAMOSLO MÁS CERCA. EN MI OPINIÓN—QUE EN REALIDAD NO ES más sofisticada que la de cualquier otro consumidor—el descenso observado en los artículos de marca en la década de los 90, fue provocado por el pánico de Marlboro, que redujo sus precios en un 40% para luchar contra la creciente parte en el mercado de los cigarrillos marca de la casa.

Bueno, podrían reducir su precio en un 100% y a mí no me afectaría.

Por otra parte, yo tomo Coca Cola, y no Coca Select.

Pero luego, otros, como Kimberly Clark en los pañales y Kellogg en los cereales para el desayuno, imitaron el paso de Marlboro, aunque no en la misma medida.

Así que Wall Street extrapola esa tendencia hacia todo el calzado e indumentaria deportiva. Pero, —y no se asusten de lo que les voy a decir—las diferentes industrias de productos de consumo... son... diferentes.

El calzado y ropa deportiva—en especial el calzado—no son simples mercancías. Intente correr un maratón—o siquiera una milla—con zapatos Wal-Mart de US\$19,95, y se termina la discusión.

UNA MARCA ES FUERTE CUANDO SIGNIFICA UN VALOR GARANTIZADO. En nuestra industria, y probablemente también en otros productos de consumo, los consumidores no optarán por productos más baratos si los productos en el extremo superior tienen valor y calidad. Por lo tanto, me alegro de que vendamos productos de deporte y gimnasia y no cigarrillos.

También estoy contento de que vendamos productos de deporte y gimnasia y no artículos de moda. Este año, la ropa desahogada parece ser lo más sensacional, y el calzado informal forma parte de ella. NIKE tiene ciertos zapatos en su línea Outdoor, que compiten con algunos de esos artículos. En las áreas en las que no competimos, porque no encaja con nuestra marca, renunciaremos a ese mercado. No vamos a extender la marca más allá de sus límites naturales ni a preocuparnos por las ventas que perdamos así y tampoco por la moda del año que viene.

Pero luego NIKE misma dice que las ganancias para el año siguiente "no van a ser tan excelentes." Esto es verdad, si lo medimos por la meta del 15% anual que nosotros mismos mencionamos, y que nunca dijimos seguiría una línea recta y gradual.

Esto me hace recordar una de las varias muestras de sibilancia que

contenía este año la Carta del Presidente de Warren Buffet: Lo importante para la mayoría de la gente al invertir no es lo que saben, sino la realidad con que definen lo que saben.

EN EL AÑO ENTRANTE NOS VAMOS A TROPEZAR CON UNA SERIE DE obstáculos:

1. El ambiente económico actual en Europa Occidental es el peor de los 13 años que venimos haciendo negocios allí. Algunos incluso dicen que es el peor desde la Segunda Guerra Mundial.

2. Es en ese entorno donde estamos implementando el primer verdadero programa de futuros, como el que tenemos en Estados Unidos. Una vez entendido, este programa permite un control de existencias a largo plazo mucho mejor, tanto para nosotros, como para el detallista. Aunque es un momento muy difícil, seguimos adelante, ya que estamos convencidos de que hará mejorar la rentabilidad de esta compañía a largo plazo, así como de la del conjunto de detallistas.

3. Mientras todo esto está ocurriendo, tropezamos con el "obstráculo directivo de los mil millones de dólares," similar a lo que nos ocurrió en Estados Unidos en 1986. Entre 1980 y 1986 los ingresos totales de NIKE crecieron de US\$ 270 millones a US\$ 1.300 millones. En aquel momento habíamos crecido más allá del alcance de nuestros sistemas internos y capacidades de apoyo y en cierto modo también más que el talento directivo del que disponíamos. Entre 1985 y 1987 hicimos significativas inversiones en ambas áreas, y así pudimos crecer como crecimos desde aquel entonces—a casi US\$ 4 mil millones en seis años.

Desde 1987, nuestros ingresos europeos han aumentado de US\$ 101 millones a US\$ 1.100 millones, con lo que nos encontramos en una situación similar. Sin embargo, esta vez nos hemos dado cuenta antes y empezamos a tomar medidas hace más de un año para construir sistemas y formar a la gente a fin de poder salvar el obstáculo más rápidamente. Los beneficios empezarán a notarlos posiblemente dentro de un año.

4. En Estados Unidos, los detallistas vieron que el período navideño había sido bueno por el alza de los gastos de los consumidores, pero ésta no se materializó en la primavera. El resultado son unos niveles de existencias mayores entre los detallistas y unos pedidos de futuros más suaves para las vacaciones. Esta situación puede superarse rápidamente si la temporada de la vuelta al colegio resulta tan buena como promete ser ahora a finales de junio, cuando estamos escribiendo esto.

A pesar de estos obstáculos si pensamos que el 94 va a ser un año mejor que el 93, sólo que no será mejor en un 15%.

LAS DOS METAS PRINCIPALES PARA ESTE AÑO FISCAL SON CUALITATIVAS. En primer lugar debemos organizar toda nuestra división internacional para asegurar que cuando las economías individuales de las que depende hayan mejorado, se puedan lograr otra vez las tasas de crecimiento de los últimos años.

En segundo lugar, debemos mantener el crecimiento de la marca

NIKE en Estados Unidos, aunque sea un crecimiento de un sólo dígito.

Si hacemos estas dos cosas—y pienso que lo lograremos—verán cómo el año siguiente mejoran las perspectivas para las ganancias.

Estamos tan convencidos de ello que el 8 de julio anunciamos que la Junta Directiva había aprobado el programa "Buy Back" de US\$ 450 millones para volver a comprar las acciones en el caso de que las acciones comunes se vendieran a niveles más bajos.

Esto se ha escrito antes de recibir los comentarios sobre el programa, aunque me imagino que contendrán gran variedad de adjetivos como "atrasado," "no lo suficientemente grande," "demasiado grande," "no aplicado con suficiente agresividad," etc. Pero de todos modos significa una cosa: confianza.

Haré unas cuantas observaciones más para el lector:

NIKE es una marca de poder mundial, que sigue sin apreciarse debidamente. A cualquier parte del mundo que viajemos nos encontramos con ella. Si encendemos la televisión, también la vemos.

Veamos el año pasado: Jordan y Barkley se disputaron la victoria en una Final NBA inmensamente dramática. Lo mismo hicieron otros atletas de NIKE: Pippen y Majerle, Grant y Chambers, BJ y Dumas. Yo había dicho que si Phoenix y Chicago jugaban en la final, me jubilaría. Fue una mentira. Me gustó demasiado.

Mary Joe Fernández protagonizó el restablecimiento más maravilloso de la historia del tenis femenino durante el Campeonato del Open francés de Roland Garos y debutó en su nueva campaña publicitaria de NIKE el mismo fin de semana.

Bo Jackson regresó y con una nueva cadera se lanzó de lleno al béisbol.

Los corredores kenianos dejaron pasados a todos sus competidores durante el Campeonato Mundial de Cross Country en España, donde se llevaron los cuatro títulos para equipos. Para los hombres en la categoría de senior, fue su octavo título consecutivo como equipo. Para las mujeres en esa misma categoría, fue su cuarto título consecutivo. En la competición juvenil, los hombres obtuvieron su

sexto título consecutivo y las mujeres su cuarto en cinco años. Y a nosotros una victoria triple ya nos parece gran cosa...

Jim Courier conquistó nuevamente el Campeonato del Open de Australia con un tenis fabuloso y con una valentía aún más fabulosa. ¿Es éste el chico sano y mal vestido que se presenta en el anuncio?

Barry Bonds partió en San Francisco de camino a Cooperstown. Quincy Watts y Gail Devers irrumpieron en el escenario en Barcelona y se convirtieron en héroes internacionales. No tiene más que preguntar a cualquier niño en Europa quién ha visto cantar una ópera a Don Quixy. O mire la cubierta de este informe.

Michael Johnson y Sergei Bubka regresaron con creces después de Barcelona.

Mark Allen conquistó su cuarto título consecutivo de Ironman y su décimo de triatlón en Niza.

Troy Aikman condujo a los sorprendentes Cowboys de Dallas hacia el Campeonato de Super Bowl, presentado por 750 millones de espectadores de todo el mundo.

Y el año que viene el equipo de fútbol más poético del Mundo, Brasil, actuará en la Copa Mundial frente a un público de mil millones de personas.

¿Cuál es la relación entre todos estos acontecimientos? En todo el mundo, la gente adora a estos atletas y estos atletas llevan ropa de NIKE. Eso es lo que se llama global branding.

Gracias a ellos y a todos los demás que hacen que las ganancias por acción sean más apasionantes.

Pero es más. Ninguna otra compañía en el mundo es tan experta como NIKE en

conectar estos poderosos factores humanos con productos de calidad superior, relaciones públicas, publicidad, diseño, presentación al consumidor, distribución y talento de venta.

NIKE es una compañía más energética que Con Edison.

Y otro Buffet-ismo apropiado: Aunque no podamos lograr nuestros objetivos así como así, si pueden conformarse con la volatilidad, hay un gran potencial de crecimiento para las acciones comunes.

La dirección entiende que es su tarea realizar ese potencial. Y está comprometida a hacerlo.

"NIKE es una marca de poder mundial, que sigue sin apreciarse dobladamente. A cualquier parte del mundo que viajemos nos encontramos con ella. Si encendemos la televisión, también la vemos."

Philip H. Knight
PHILIP H. KNIGHT
PRESIDENTE DE LA JUNTA DIRECTIVA
Y PRINCIPAL JEFE EJECUTIVO



Boyz n the Hood: El Poder de la Realidad



Over the last six years NIKE has set records in financial performance in the sports and fitness industry. In fiscal year 1993 the NIKE brand reached new levels of success around

the world driven by two principal forces: the soaring interest in sports,

Track and Field Championships where Sergei Bubka will try to set his 35th consecutive world record in the pole vault. Sports is on fire, and NIKE is fanning the flames.

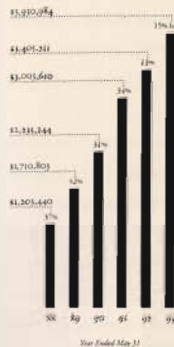
Never before has social energy been so focused on sports. Tearing down all barriers of culture and geography, sports has grown far beyond its existence as a simple diversion. Its unique combination of athletic excellence and egalitarian competition is attracting the world.

Michael Jordan had a global audience in leading the Chicago Bulls to their third straight championship, with MVP Charles Barkley equally dramatic in defeat. Stadiums hosting the 1994 World Cup are already selling out. In March fans from every continent converged on New Orleans to witness the NCAA Final Four Championship. Stuttgart, Germany, is hosting the 1993 World

THERE IS ONLY ONE LEADER. NOBODY EQUALS NIKE in connecting with this world of opportunity. Constant innovation keeps us at the tip of the product pyramid in traditional strength categories like basketball and cross-training, and allows us to establish new performance standards in areas of explosive growth, such as outdoor footwear and apparel, women's fitness and sports, fitness walking and the kids' market.

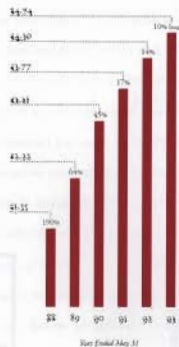
NIKE wields an unparalleled array of communication tools in conveying this excellence to worldwide markets: sponsorship of major sporting events, athlete and event promotions, constant internal and external reinforcement of our com-

Consolidated Revenues
(in thousands)



Since 1988, consolidated revenues have grown at an annual compounded rate of 27 percent, making NIKE the largest sports and fitness company in the world.

Earnings Per Common Share*



NIKE is the most profitable company in the sports and fitness industry. Earnings per share have grown at an annual compounded rate of 29 percent since 1988.

*Adjusted to reflect the 2-for-1 stock split paid October 5, 1990.

Cash Dividends Per Common Share*



NIKE pays the highest annual cash dividend in the industry and targets a payout ratio of 15 to 25 percent of annual earnings per share. Dividends have increased five years in a row at an annual compounded rate of 30 percent.

*Adjusted to reflect the 2-for-1 stock split paid October 5, 1990.

Total Investment Return vs. S&P 400*



\$1,000 invested in NIKE stock on May 31, 1987 would have been worth \$9,043 on May 31, 1993. A similar investment in the S&P 400 index would have been worth \$1,718.

*Returns measured as of each dividend.

mitment to innovation and athletes, advertising, strong relations with the investment community, and a unique presence at retail. As a global brand franchise, we focus on distinct, culturally relevant messages that reflect the mindset of sports and fitness enthusiasts everywhere. This focus has allowed NIKE to develop a consistent worldwide brand image. Whether it is the voice of network news or the urban street athlete, NIKE is spoken of as the technical and popular leader in sports and fitness. Authentic. Athletic. Innovative.

In contrast to the potential of the future stand today's challenging world economies. First affected in such a climate are consumers, who need greater assurances that their choices support their needs and interests. There are opportunities in such a transitional financial psychology. Because of their caution, consumers are gravitating toward quality, and quality is one of NIKE's great strengths. Teamed with our vision and dedication to long-term growth, NIKE quality redefines consumer caution as consumer awareness.

Despite the challenges of a fitful global economy, FY '93 was an exceptional year for NIKE. In the United States athletic footwear revenues grew 13 percent to \$2.0 billion compared to overall industry growth estimated at 4 to 6 percent. As a result, our U.S. market share climbed to approximately 33 percent, expanding our margin of leadership in the \$6.1 billion branded

athletic footwear market. Domestic footwear revenue growth accelerated throughout the year, increasing each quarter by 5 percent, 11 percent, 15 percent and 21 percent, respectively.

RETAIL RESPECT. NIKE'S FY '93 GROWTH REFLECTED A TURN-AROUND U.S. economy and increasing retailer optimism. *Sporting Goods Dealer* magazine (SGD) surveyed nearly 500 U.S. retailers asking them to rank suppliers on 12 critical



service and performance criteria, such as product quality and innovation, delivery, product profitability, pricing and terms, promotional support, responsiveness, return policies, packaging and point-of-purchase displays. NIKE placed first in all 12 categories for the fourth year in a row.

According to SGD, "NIKE's command performance no doubt stems from the Company's understanding that while perfection may be impossible, continuous improvement is crucial." No corrections required.

CRASH THE BOARDS. NIKE CONTINUES TO DOMINATE THE basketball scene in the United States with three powerful collections of product under the sub-brands of Force, Flight and Air Jordan. If each of these were an independent brand, they would rank first, second and fourth in the market respectively. Combined, they account for more than 60 percent of the U.S. branded basketball shoe market.

Every day basketball endears itself to new legions of fans around the world, with no sign of slowing down anytime in the near future. Participation at all levels by both men and women continues to increase, prompting NCAA Basketball to expand the women's tournament, as it did for men, from 48 teams to 64 for 1994.

STRENGTH IN NUMBERS. OUR WOMEN'S SPORTS AND FITNESS BUSINESS GREW 30 PERCENT TO more than \$400 million in 1993. What that means is that NIKE has muscled into the number-two position for the first time in history with 18 percent share of the women's market.

Additionally, NIKE produced its first-ever national TV ads targeted solely at women, the latest effort in a three-year campaign that has generated more than 200,000 phone calls, letters and even homemade videotapes. Critics call it the most effective communication effort designed for women.

Away from advertising, NIKE has forged exceptional relationships as the global partner of IDEA (International Association of Fitness Professionals) and Jazzercise®, bringing the message of health and fitness to aerobics professionals, the media and fitness enthusiasts around the world.

THE GREAT OUTDOORS. IT REPRESENTS WIDE OPEN OPPORTUNITY FOR NIKE AS A PIONEER in outdoor fitness. Being first to market in this category has definitely paid off, just as it did in 1987 when NIKE created cross-training, now the number-two category in the company and in the industry.

The acceptance of NIKE products by outdoor purists and casual outdoor athletes alike has spurred NIKE Outdoor to sales of more than \$130 million, close to a 100 percent increase over FY '92. We estimate sales could very well exceed \$200 million in FY '94. Outdoor footwear sales alone shored up 90 percent in FY '93. A major part of this success comes in the form of sport sandals, the hottest footwear segment today. Led by the Air Deschütz

U.S. Revenue
(in thousands)



NIKE'S U.S. revenues have grown at an annual compounded rate of 9 percent, or nearly \$400 million in the past two years. NIKE's market share has grown to 33 percent.

sandal, NIKE commands a 30 percent market share in branded sandals thanks to our ability to add performance and style to footwear previously relegated to the casual world.

KID NIKE. KIDS AROUND THE WORLD REPRESENT NOT ONLY great potential for revenue growth but also a great opportunity to employ NIKE strength for social benefit. On the product side, kids respond exceptionally well to NIKE's athlete imagery and high-energy graphic designs.

They view NIKE much the way they view Coke, Pepsi, McDonald's or Disney, forming a strong emotional connection based on kids' natural tendency toward play, irreverence and authenticity.

Domestic kids' footwear sales increased 18 percent to \$306 million in FY '93, giving NIKE the lead market share in kids athletic footwear. Add to that international footwear revenues of \$138 million and global apparel sales of \$94 million and the kids' business becomes a strong half-billion dollar enterprise for NIKE.

Kids are the athletes, consumers, leaders and employees of the future. NIKE believes in supporting them at every opportunity. We are particularly proud of our relationships with the Boys & Girls Clubs of America and with Children's Television Workshop, producers of *Ghostwriter*, a TV show created to promote literacy. Now in its second season, *Ghostwriter* is made possible by more than \$8 million in grants, part of a multi-year commitment from

NIKE's Just Do It Fund.

In June 1993 NIKE hosted leaders from government, education, industry and the private sector to launch the Kids' Movement, a program developed with the Boys & Girls Clubs of America in an effort to promote physical activity and fitness among young people. These are just two of the many public reinvestment opportunities NIKE pursues every year to help children grow, learn and be healthy.



NICE CLOTHES. AT \$714 MILLION NIKE'S FY '93 apparel revenues place us among the largest athletic apparel manufacturers. The world is responding to NIKE's innovative, technical focus that transcends fashion. The lead horse is a family of proprietary fabrics we call NIKE F.I.T.® The F.I.T. stands for Functional, Innovative Technology that sets new standards of excellence for moisture control, thermal insulation and protection from the elements. This technology was a major force in driving an increase of 12 percent in worldwide apparel sales across categories.

LICENSE TO THRIVE. ANOTHER MAJOR APPAREL STORY is headed for consumers this fall. The licensing arm of NIKE, Organized Team Sports, will successfully leverage unmatched NIKE brand loyalty among college football and basketball athletes and coaches. The result will be the steady integration of NIKE apparel into every aspect of

the game: practice uniforms, game day uniforms, and sideline apparel that also spin off into consumer goods.

This year look for Miami, Penn State, USC, Florida State, Duke, Michigan, UNLV, Seton Hall, Georgetown, North Carolina and Arizona wearing NIKE gear. In addition to creating significant opportunities for licensed product revenues, this on-field presence reinforces NIKE as the sports and fitness leader.

In footwear no company takes the field more often than NIKE. In college football last year, 21 of the top 25 teams wore NIKE shoes. This impact translates to a 48 percent market share at retail. In the pro ranks there will be players on every team wearing NIKE cleats. In major league baseball fully half the players are in NIKE shoes, generating a 50 percent market share at retail. In all of baseball and football, from high school through the pros, NIKE is the worldwide leader at 47 percent market share. Any sports magazine cover of *Life* magazine highlights the ubiquitous Swoosh, the world's best-known sports symbol.

OUT THERE FOR THE WORLD TO SEE. IT ALL COMES DOWN TO THE POINT OF SALE. WHAT impresses the consumer? What prompts the buying decision? There are no definitive answers to these questions. If there were, success at retail would be equally available to all. It's not. It's more available to NIKE. We command nearly 1 million square feet of retail space in the U.S. alone.

About 130,000 square feet of this space can be found in four NIKE TOWN stores around the United States. While NIKE has no intention of becoming a major retailer, NIKE TOWN stores help educate consumers about the breadth of NIKE. Additionally, their popularity proves the distinct advantages of innovative retail presentation, something that we are promoting with strategic retail partners, such as Foot Locker, Lady Foot Locker, Champs Sports, FootAction USA, and JC Penney.

Our Concept Shop strategy builds teams with key retailers on a store-by-store basis.

European Revenues (in thousands)



In 1993 NIKE became the first U.S.-based company in the industry to surpass \$1 billion in European revenues, and achieve 20% market share.

For example, in April 1992 Macy's Union Square in San Francisco opened the first NIKE Concept Shop. This 2,000-square-foot NIKE "store within a store" has been consistently generating sales per square foot of approximately \$560—exceptional by retail standards. This success is leading us into new Concept Shop partnerships throughout FY '94 and FY '95. In addition, a smaller 500- to 1,000-square-foot format has been designed and installed at City Sports in Boston with great success and plans for expansion with other retail partners.

AND THEN THERE WAS... PERHAPS THE most powerful market trend at work in the U.S. is the consolidation of brands. Consumers and retailers are choosing to buy reliable products that deliver unequalled value. As a result, the number of brands demanded by consumers and stocked by retailers will continue to shrink. This is good news, because as a global brand franchise NIKE is unequalled in providing innovative products and services that drive and respond to consumer wants and needs. It is our brand strength that fosters consumer loyalty, and our quality that overcomes brand skepticism.

As significant as these U.S. opportunities are in athletic footwear and apparel, they pale compared to the potential for NIKE growth around the world. Obviously, the same strengths that bring NIKE success in the U.S. have direct application in global markets. By way of introduction, let's

look at one of NIKE's competitive advantages that loses nothing in translation—our athletes.

THE DEEPEST BENCH IN THE GAME. JORDAN AND BARKLEY. Altitude versus attitude in a basketball final that capped the best year for NIKE and for organized basketball. Few would argue that these two are the most colorful players in the game today. But that's just the beginning: David Robinson, who proved to be the dominant big man in the '92-'93 season. Alonzo Mourning, who led his Charlotte Hornets out of the expansion doldrums and into the playoffs for the first time in franchise history. Harold Miner, winner of the 1993 Slam Dunk competition. Detlef Schrempf, the first foreign-born player named to the All-Star team. All NIKE. And all playing pivotal roles in expanding the international passion for basketball that is still in its infancy.

But there is a lot more to life than basketball. Consider tennis. Jim Courier, four-time Grand Slam champion. Andre Agassi. John McEnroe. And Mary Joe Fernandez. Currently ranked sixth in the world, she began playing tennis at age three, won her first tournament at age six, and became the youngest person ever to win a U.S. Open match (14 years, 1 month). The most dramatic comeback in French Open history propelled her into the 1993 finals. She is a real lift for women's tennis and is on the verge of becoming a great endorser.



A young man named Cosmas N'Deti won the 1993 Boston Marathon. He is a member of the Kenyan national team, now sponsored by NIKE. The Kenyans have traditionally dominated all events from 800 meters and up. Combined with the USA's dominance in events 400 meters and below, NIKE athletes can expect to win 75 percent of the medals at major championships. Add Sergei Bubka and you're closer to 100 percent.

Our ever-increasing focus on soccer is supported by exceptional endorsement relationships with Germany's Borussia Dortmund team, France's Paris St. Germain, and a team of popular individual stars like Italy's top-ranked Paolo Maldini.

The first shoe ever distributed under the NIKE name was built for soccer players. Twenty years later, the world game continues to present exceptional opportunity for NIKE. It is by far the most popular sport on earth. In 1990 a global audience of more than 1 billion watched the World Cup final, about nine times the audience for that Super Bowl. In 1994 the World Cup comes to the United States led by the early favorite Brazilian team. The top 10 Brazilian players will be wearing and winning in NIKE shoes, watched on television by fans in more than 170 countries.

PERFORMANCE ON A GLOBAL SCALE. FUTURE-WORLD IDEAS FLOW OUT OF OUR ADVANCED Product Engineering site—in Taiwan. One of the hottest markets for NIKE products continues to boom—in Australia. A new NIKE-only retail shop has hundreds crowding the streets at 6 a.m.—in Shanghai. Air Jordan leads the charge with expanding NIKE retail partners like Foot Locker, Athlete's Foot and JC Penney—in Mexico.

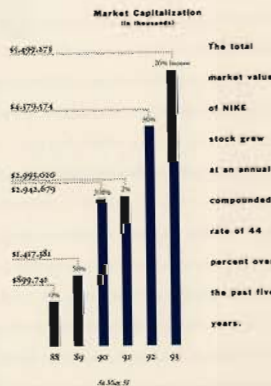
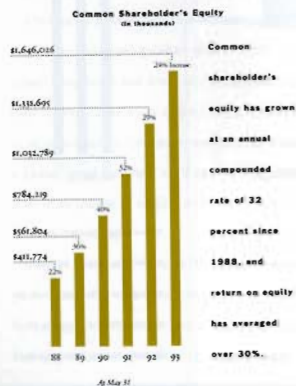
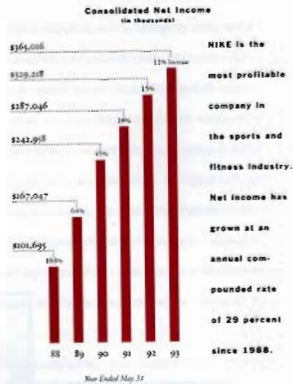
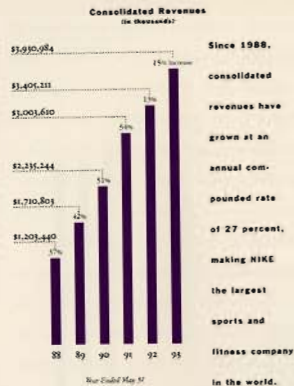
This is brand strength. In FY '93 European, Asian and Latin American markets generated increases of 24 percent to \$1.4 billion, or 36 percent of NIKE's worldwide revenues.

EXCELLENCE EUROPEAN. IN EUROPE NIKE SURPASSED \$1 BILLION IN REVENUES FOR THE FIRST time, capping a 5-year period of 36 percent compounded growth and accounting for

Asia/Pacific Revenues (in thousands)



Total revenues from the Asia/Pacific region have more than tripled in the past two years and have much greater potential ahead. NIKE's market share is currently 10%.



Financial History

(in thousands, except per share data and financial ratios)

	1993	1992	1991	1990	1989	1988
Year Ended May 31:						
Revenues	\$3,930,984	\$3,405,211	\$3,003,610	\$2,235,244	\$1,710,803	\$1,203,440
Gross profit	1,543,991	1,316,122	1,153,080	851,072	635,972	407,060
Gross profit %	39.3%	38.7%	38.4%	38.1%	37.2%	33.4%
Net income	365,016	329,218	287,046	242,958	167,047	101,695
Net income per common share	4.74	4.30	3.77	3.21	2.22	1.35
Average number of common and common equivalent shares	77,063	76,602	76,067	75,668	75,144	75,278
Cash dividends declared per common share	0.75	0.59	0.52	0.38	0.27	0.20
Cash flow from operations	265,292	435,838	11,122	127,075	169,441	19,019
Price range of common stock						
High	90 3/4	77 1/4	54 1/2	41 1/2	16 3/4	13 1/4
Low	55	35 1/4	26	19	11 1/4	7

At May 31:

Cash and equivalents	\$ 291,284	\$ 260,050	\$ 119,804	\$ 90,449	\$ 85,749	\$ 75,357
Inventories	592,986	471,202	586,594	309,476	222,924	198,470
Working capital	1,168,083	967,170	665,524	564,521	422,478	298,816
Total assets	2,187,463	1,872,861	1,708,430	1,094,552	825,410	709,095
Long-term debt	15,033	69,476	29,992	25,941	34,051	30,306
Redeemable Preferred Stock	300	300	300	300	300	300
Common shareholders' equity	1,646,026	1,331,695	1,032,789	784,219	561,804	411,774
Year-end stock price	72 1/2	58	39 1/4	39 1/4	19	12 1/4
Market capitalization at May 31	5,499,273	4,379,574	2,993,020	2,942,679	1,417,381	899,741

Financial Ratios:

Return on equity	24.5%	27.8%	31.6%	36.1%	34.5%	27.1%
Return on assets	18.0	18.4	20.5	25.3	21.8	16.7
Inventory turn	4.5	3.9	4.1	5.2	5.1	5.0
Current ratio at May 31	3.6	3.3	2.1	3.1	3.0	2.2
Price/Earnings ratio at May 31	15.3	13.5	10.5	12.2	8.6	9.0

Geographic Revenues:

U.S.	\$2,528,849	\$2,270,880	\$2,141,461	\$1,755,496	\$1,362,148	\$ 900,417
Europe	1,085,685	919,763	664,747	334,175	241,380	233,402
Asia/Pacific	178,193	75,732	56,238	29,332	32,027	21,058
Canada, Latin America, and other	138,257	138,836	141,164	116,141	75,248	48,263
Total Revenues	\$3,930,984	\$3,405,211	\$3,003,610	\$2,235,244	\$1,710,803	\$1,203,440

All per common share amounts have been adjusted to reflect the 2-for-1 stock split paid October 5, 1990. The Company's Class B Common Stock is listed on the New York and Pacific Exchanges and trades under the symbol NIKE. At May 31, 1993, there were approximately 75,000 shareholders.

Highlights

- In fiscal 1995, the Company set new records in revenues and net income for the sixth consecutive year.
- Consolidated revenues rose \$526 million to \$3.9 billion, an increase of 15% over the industry record \$3.4 billion set by the Company in 1992 and an increase of 31% over the 1991 record. During the six-year period, revenues have increased \$3.4 billion, or 348%.
- International revenues now represent 36% of consolidated revenues, growing \$268 million, or 24%, over 1992 and \$540 million, or 63%, over 1991. These revenues have increased \$1.2 billion, or 495%, during the six-year period.
- Consolidated net income increased \$36 million, or 11%, over 1992 and \$78 million, or 27%, over 1991. The six-year increase is \$329 million, or 917%.
- The Company surpassed the \$2 billion level in total assets for the first time during fiscal year 1993. The \$1 billion mark was achieved in 1990 and during the six year period referred to above, total assets have increased \$1.7 billion, or 327%.

Results of Operations

Increased revenues and improved gross margins were again a highlight of earnings growth in 1993, as they were in 1992. Despite a sluggish economy in the United States and abroad, the Company has been able to gain market share as a result of strong consumer demand and excellent customer service. The Company has continued to invest in international infrastructure in order to prepare for future growth, and accordingly, selling and administrative expenses have increased as a percentage of revenues. The Company expects to continue the aggressive marketing and infrastructure spending. However, until economies in the U.S. and Europe show sustained improvement, the Company does not expect to show growth rates experienced in previous years.

The 15% growth in 1993 revenues is attributable to growth in both domestic footwear and international footwear and apparel. Domestic footwear revenue growth of 13%, three times the rate of growth in the overall market, is attributable to a 10% increase in pairs shipped and 3% increase in average sales price per pair. International revenues continued to show strong growth with a 24% increase over 1992, composed of a \$182 million, or 21%, increase in international footwear revenues and an \$86 million, or 32%, increase in international apparel revenues. Increases in international revenues are a result of gains in market share, expansion of the international market for sports and fitness products, and the establishment of NIKE-owned operations in place of independent distributors in order to control all aspects of the business. The growth in 1992 revenues compared to 1991 of 15% was primarily attributable to an increase of 32% in international footwear and apparel revenues and a 4% increase in domestic footwear revenues. Other brands include Cole Haan[®], i.e., Tetra Plastics and newly acquired licensed headwear manufacturer Sports Specialties. The breakdown of revenues follows:

(In thousands)

Year Ended May 31	1993	% CHG	1992	% CHG	1991	% CHG
Domestic footwear	\$1,968,500	13%	\$1,744,200	4%	\$1,679,500	23%
Domestic apparel	360,500	(2)	168,500	13	326,700	23
Other brands	199,800	26	158,200	17	135,300	12
Total United States	2,528,800	11	2,270,900	6	2,141,500	22
International footwear	1,049,100	21	867,500	33	651,700	76
International apparel	353,100	32	266,800	27	210,400	91
Total International	1,402,200	24	1,134,300	32	862,100	80
Total NIKE	\$3,931,000	15%	\$3,405,200	13%	\$3,003,600	34%

Gross margin increased to 39.3% from 38.7% in fiscal 1992 and 38.4% in fiscal 1991. Continued gross margin improvement reflects a solid domestic inventory position resulting from strong inventory management and the Company's innovative advance order "futures" program. Strong consumer demand and internally controlled closeout distribution channels also contributed to improved margins.

International gross margins experienced a decline in fiscal 1993 due to poor European economies resulting in higher closeout sales. The Company continues to place strong emphasis on inventory management, foreign exchange risk, and production sourcing in order to maximize gross profit.

Total selling and administrative expenses as a percentage of revenues were 23.5% in 1993 compared to 22.4% in 1992 and 22.1% in 1991. Increases over 1992 are primarily attributable to the Company's aggressive worldwide advertising campaigns along with increases in operations, most significantly in work force. Increases in 1992 expenses over 1991 were primarily attributable to higher operations, including increases in work force and facility-related (depreciation) costs. The Company expects to continue to invest in growth opportunities and therefore, expects selling and administrative expenses to increase as a percentage of revenues.

Consolidated interest expense decreased \$5 million from 1992 as a result of reduced average short-term borrowings and lower interest rates. Interest expense in 1992 increased \$3 million over 1991 due to increased long-term debt, reduced capitalized interest on construction of the Company's world headquarters, and interest accrued for a settlement of prior tax years, all of which were partially offset by reduced short-term borrowings resulting from the cash generated by operations and lower inventories. Cash generated by operations, primarily at the end of fiscal 1992, increased cash available for investments and increased interest income in fiscal years 1993 and 1992. Interest income is included in other income and separately disclosed in Note 10 to the Consolidated Financial Statements. During 1994, exclusive of the stock repurchase program discussed below, the Company expects average interest expense, along with average investment income, to approximate 1993 levels.

The Company's effective income tax rate increased to 38.6% from 36.9% in fiscal 1992 and 37.8% in fiscal 1991, reflecting the higher overall rate due to increases in state taxes, impact of foreign earnings, and other insignificant items. The Company will adopt Financial Accounting Standards Board (FASB) Statement 109 "Accounting for Income Taxes" during the first quarter of fiscal 1994. The anticipated impact of the cumulative effect of the change, as well as the impact on current earnings is not expected to be significant. See Note 10 to the Consolidated Financial Statements for further information. The current U.S. tax legislation, if enacted as proposed, would increase the Company's effective tax rate in fiscal 1994.

The results of international operations are impacted by movement of the U.S. dollar in comparison to foreign currencies. Generally, a stronger U.S. dollar will result in a lower translation in these consolidated statements of operating results than would a weaker U.S. dollar. During 1993, the Company experienced a weaker U.S. dollar in the first half of the year and a stronger U.S. dollar in the second half.

Worldwide orders for athletic footwear and apparel scheduled for delivery between June and November, 1993, are approximately \$1.6 billion, 1% lower than such orders booked in the comparable period of the prior year. These orders are not necessarily indicative of total revenues for subsequent periods because the mix of advance orders and "at once" shipments may vary significantly from quarter to quarter and year to year. Additionally, as international operations continue to shift to a greater emphasis on futures orders, this mix again may vary. Finally, exchange rate fluctuations can also cause differences in the comparisons.

The Company's international operations are subject to the usual risks of doing business abroad, such as the imposition of import quotas or anti-dumping duties. In this regard, most of the countries within the European Community (EC) have for some time maintained quotas restricting the importation of footwear manufactured in the People's Republic of China (PRC). Because some EC markets have remained open to imports from the PRC and because, once entered, such goods may freely be transported within the EC, such quotas have not greatly restricted the Company's ability to supply its EC markets with goods manufactured in the PRC. However, it is possible that the EC Commission may begin to allow individual Member States to restrict the importation of such footwear from other countries within the EC. As an alternative to national quotas and in consideration of the EC internal market objectives, the EC Commission is proposing the imposition of EC-wide quotas that would restrict the importation into the EC of footwear manufactured in the PRC. Such quotas would be applicable throughout all 12 of the Member States that comprise the EC. As of July 7, the date of this report, the matter was blocked because it is formally linked to a controversial plan by the EC Commission to change the EC voting rules with respect to anti-dumping cases and other trade-related matters. The Company is unable to predict (i) when such EC-wide quotas are likely to go into effect, (ii) to what extent, if any, technical athletic shoes would be covered by such quotas, (iii) the quota volume levels that would be applicable to its products, (iv) the method of quota allocation and (v) to what extent safeguard measures may be granted to individual Member States in the interim. The Company continues to closely monitor this situation and develop contingency plans. The Company believes that it is prepared to deal effectively with any such quotas that may arise and that any adverse impact would be of a short-term nature.

Liquidity and Capital Resources

The Company's financial position remains extremely strong at May 31, 1993, as a result of continued profitable operations. Working capital at May 31, 1993, increased \$201 million, or 21%, to exceed \$1 billion for the first time, resulting from higher inventories and accounts receivable partially offset by a \$50 million increase in the current portion of long-term debt. The Company's current ratio increased to 3.6 at May 31, 1993, from 3.3 at May 31, 1992.

Inventory levels have increased \$121 million since May 31, 1992, in response to anticipated increases in first quarter domestic footwear and apparel revenues. The Company does not anticipate inventory excesses to arise as a result of the reduced levels of futures orders for the first six months because production schedules have been adjusted in accordance with those orders. The \$72 million, or 12%, increase in accounts receivable over May 31, 1992, is proportionate to the 16% increase in record fourth quarter revenues.

Cash provided by operating activities was \$265 million in 1993 compared to \$436 million and \$11 million in 1992 and 1991, respectively. The decrease in the current year is a result of increased inventory levels, offset partially by increases in net income and non-cash charges. The 1992 increase was primarily a result of increased net income and non-cash charges, along with reduced inventories.

Additions to property, plant and equipment of \$97 million, \$106 million, and \$165 million in fiscal 1993, 1992 and 1991, respectively, are in response to the expansion plan of existing domestic headquarters and domestic and international warehouse facilities to satisfy increased capacity needs, along with investments in management information systems and new NIKE retail locations. Further expansion plans of domestic facilities are expected to level off in the future, however, capital expenditures for the consolidation of European apparel warehouse facilities will begin in fiscal 1994 with anticipated completion scheduled for 1995. Anticipated capital expenditures for fiscal 1994 approximate \$140 million, with funding expected to be provided primarily by operations. The Company has little invested in manufacturing plant and equipment because most of the manufacturing of NIKE products is done on a contract basis through independent factories, primarily overseas.

Additional investing activities in 1993 included the acquisition of Sports Specialties, which designs and markets licensed headwear, for a net cash amount of \$78 million.

Subsequent to year-end, the Company announced that the Executive Committee of its Board of Directors, acting within limits set by the Board, authorized a plan to repurchase a maximum of \$450 million of NIKE Class B Common Stock over a period of up to three years. The Company has engaged a broker-dealer to make purchases from time to time in the open market or through privately negotiated transactions. Funding is expected to come from a combination of operating cash flow and occasional short or medium-term borrowings. The timing and the amount of shares purchased will be dictated by working capital needs and stock market conditions.

Dividends per share of common stock for fiscal 1993 rose 27 percent over fiscal 1992 to \$.75 per share. Dividend declaration in all four quarters has been consistent since February 1984. Based upon current projected earnings and cash flow requirements, the Company anticipates continuing a dividend and reviewing it during the second quarter board meeting. The Company's policy continues to target an annual dividend in the range of 15% to 25% of trailing twelve month earnings.

The Company's commercial paper program, recently upgraded to A1 by Standard and Poor's Corporation and P1 by Moody's Investors Service, requires the support of committed and uncommitted lines of credit. No amounts were outstanding under this program at May 31, 1993 and 1992. Additionally, no amounts were outstanding at May 31, 1993 and 1992, under a committed \$300 million multiple option credit facility. See Note 4 of the Consolidated Financial Statements for further details concerning the Company's short-term borrowings. NIKE's debt to equity ratio continued to strengthen with ratios of .3:1, .4:1 and .7:1 at May 31, 1993, 1992 and 1991, respectively.

Management believes that funds generated by operations, together with currently available resources, will adequately finance anticipated fiscal 1994 expenditures, with the potential exception of the stock repurchase program discussed above.

Financial Reporting

Management of NIKE, Inc. is responsible for the information and representations contained in this report. The financial statements have been prepared in conformity with the generally accepted accounting principles we considered appropriate in the circumstances and include some amounts based on our best estimates and judgments. Other financial information in this report is consistent with these financial statements.

The Company's accounting systems include controls designed to reasonably assure that assets are safeguarded from unauthorized use or disposition and which provide for the preparation of financial statements in conformity with generally accepted accounting principles. These systems are supplemented by the selection and training of qualified financial personnel and an organizational structure providing for appropriate segregation of duties.

An Internal Audit department reviews the results of its work with the Audit Committee of the Board of Directors, presently consisting of three outside directors of the Company. The Audit Committee is responsible for recommending to the Board of Directors the appointment of the independent accountants and reviews with the independent accountants, management and the internal audit staff, the scope and the results of the annual examination, the effectiveness of the accounting control system and other matters relating to the financial affairs of the Company as they deem appropriate. The independent accountants and the internal auditors have full access to the Committee, with and without the presence of management, to discuss any appropriate matters.

Report of Independent Accountants

Portland, Oregon

July 7, 1993

To the Board of Directors and
Shareholders of NIKE, Inc.

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of income, of cash flows and of shareholders' equity present fairly, in all material respects, the financial position of NIKE, Inc. and its subsidiaries at May 31, 1993 and 1992, and the results of their operations and their cash flows for each of the three years in the period ended May 31, 1993, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Price Waterhouse

NIKE, Inc. Consolidated Statement of Income

(in thousands, except per share data)

Year Ended May 31,	1993	1992	1991
Revenues	\$3,930,984	\$3,405,211	\$3,003,610
Costs and expenses:			
Cost of sales	2,386,993	2,089,089	1,850,530
Selling and administrative	922,261	761,498	664,061
Interest (Notes 3, 4 and 5)	25,739	30,665	27,316
Other expense (income) (Notes 9 and 10)	1,475	2,141	(43)
	1,336,468	2,883,393	2,541,864
Income before income taxes	594,516	521,818	461,746
Income taxes (Note 6)	229,300	192,600	174,700
Net income	\$ 365,216	\$ 329,218	\$ 287,046
Net income per common share (Note 1)	\$ 4.74	\$ 4.30	\$ 3.77
Average number of common and common equivalent shares (Note 1)	77,063	76,602	76,067

The accompanying notes to consolidated financial statements are an integral part of this statement.

NIKE, Inc. Consolidated Balance Sheet

(in thousands)

May 31,	1993	1992
Assets		
Current Assets:		
Cash and equivalents	\$ 291,284	\$ 260,050
Accounts receivable, less allowance for doubtful accounts of \$19,447 and \$20,046	667,547	596,018
Inventories (Note 2)	592,986	471,202
Deferred income taxes (Note 6)	26,378	27,511
Prepaid expenses	42,452	32,977
Total current assets	1,620,647	1,387,758
Property, plant and equipment (Notes 3 and 5)	571,032	497,795
Less accumulated depreciation	193,037	151,758
	377,995	346,037
Goodwill (Note 1)	157,894	110,363
Other assets	30,927	28,703
	\$2,187,463	\$1,872,861

Liabilities and Shareholders' Equity

Current Liabilities:		
Current portion of long-term debt (Note 5)	\$ 52,985	\$ 3,652
Notes payable (Note 4)	108,165	105,696
Accounts payable (Note 4)	135,701	134,729
Accrued liabilities	138,363	134,089
Income taxes payable	17,150	42,422
Total current liabilities	452,364	420,588
Long-term debt (Notes 5 and 12)	12,033	69,475
Non-current deferred income taxes (Note 6)	29,966	27,074
Other non-current liabilities (Note 1)	43,578	23,228
Commitments and contingencies (Note 11)	—	—
Redeemable Preferred Stock (Note 7)	300	300
Shareholders' equity (Note 8):		
Common Stock as stated value:		
Class A convertible—26,691 and 26,919 shares outstanding	159	161
Class B—49,161 and 48,591 shares outstanding	2,720	2,715
Capital in excess of stated value	108,451	93,799
Foreign currency translation adjustment	(7,790)	686
Retained earnings	1,544,486	1,254,353
	1,646,026	1,331,695
	\$2,187,463	\$1,872,861

The accompanying notes to consolidated financial statements are an integral part of this statement.

NIKE, Inc. Consolidated Statement of Cash Flows
(in thousands)

Year Ended May 31,	1993	1992	1991
Cash provided (used) by operations:			
Net income	\$365,016	\$329,218	\$287,046
Income charges (credits) not affecting cash:			
Depreciation	60,593	47,665	34,473
Deferred income taxes and purchased tax benefits	4,310	8,222	(2,668)
Other non-current liabilities	19,847	9,992	4,769
Other, including amortization	12,951	9,355	5,626
Changes in certain working capital components:			
(Increase) decrease in inventory	(97,471)	115,392	(274,966)
Increase in accounts receivable	(62,538)	(74,430)	(119,958)
Increase in other current assets	(5,133)	(6,239)	(6,261)
(Decrease) increase in accounts payable, accrued liabilities and income taxes payable	(32,083)	(3,337)	83,061
Cash provided by operations	265,292	435,838	11,122
Cash provided (used) by investing activities:			
Additions to property, plant and equipment	(97,041)	(106,492)	(164,843)
Disposals of property, plant and equipment	5,006	4,065	1,730
Acquisition of subsidiaries:			
Goodwill	(52,003)	—	(31,482)
Net assets acquired	(25,858)	—	(6,081)
Additions to other non-current assets	(3,036)	(7,494)	(10,511)
Cash used by investing activities	(173,932)	(109,921)	(211,187)
Cash provided (used) by financing activities:			
Additions to long-term debt	1,536	45,901	5,149
Reductions in long-term debt including current portion	(5,817)	(3,467)	(9,974)
(Decrease) increase in notes payable	(2,017)	(194,668)	269,262
Proceeds from exercise of options	7,055	4,159	3,211
Dividends—common and preferred	(53,017)	(43,760)	(36,070)
Cash (used) provided by financing activities	(52,266)	(191,835)	231,578
Effect of exchange rate changes on cash	(8,866)	6,164	(2,158)
Net increase in cash and equivalents	31,234	140,246	29,355
Cash and equivalents, beginning of year	260,050	119,804	90,449
Cash and equivalents, end of year	\$291,284	\$260,050	\$119,804
Supplemental disclosure of cash flow information:			
Cash paid during the year for:			
Interest (net of amount capitalized)	\$ 20,800	\$ 29,200	\$ 27,200
Income taxes	235,200	184,100	159,900

The accompanying notes to consolidated financial statements are an integral part of this statement.
NIKE, Inc. Consolidated Statement of Shareholders' Equity
(in thousands)

	Common Stock				Capital In Excess of Stated Value	Foreign Currency Translation Adjustment	Retained Earnings	Total
	Class A		Class B					
	Shares	Amount	Shares	Amount				
Balance at May 31, 1990	14,051	\$168	23,455	\$2,706	\$ 78,582	\$ 1,055	\$ 701,728	\$ 784,219
Stock options exercised			276	2	6,099			6,101
Conversion to Class B Common Stock	(593)	(4)	395	4				
Two-for-one Stock Split October 5, 1992	13,780	—	23,754	—				
Translation of statements of foreign operations						(5,463)		(5,463)
Net income						287,046		287,046
Dividends on Redeemable Preferred Stock						(30)		(30)
Dividends on Common Stock						(39,084)		(39,084)
Balance at May 31, 1991	27,438	164	47,858	2,712	84,681	(4,428)	949,660	1,032,789
Stock options exercised			214	1	9,118			9,119
Conversion to Class B Common Stock	(519)	(3)	519	3				
Translation of statements of foreign operations						5,114		5,114
Net income						329,218		329,218
Dividends on Redeemable Preferred Stock						(30)		(30)
Dividends on Common Stock						(44,515)		(44,515)
Balance at May 31, 1992	26,919	161	48,591	2,716	93,799	686	1,234,333	1,331,695
Stock options exercised			342	2	14,652			14,654
Conversion to Class B Common Stock	(228)	(2)	228	2				
Translation of statements of foreign operations						(8,476)		(8,476)
Net income						365,016		365,016
Dividends on Redeemable Preferred Stock						(30)		(30)
Dividends on Common Stock						(56,833)		(56,833)
Balance at May 31, 1993	26,691	\$159	49,161	\$2,720	\$108,451	\$7,790	\$1,342,486	\$1,646,026

The accompanying notes to consolidated financial statements are an integral part of this statement.

Note 1 — Summary of significant accounting policies:**Basis of consolidation:**

The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany transactions and balances have been eliminated. To facilitate the timely preparation of the consolidated financial statements, the accounts of certain foreign operations have been consolidated for fiscal years ending in April.

Recognition of revenues:

Revenues recognized include sales plus fees earned on sales by licensees.

Advertising:

Advertising production costs are expensed the first time the advertisement is run. Media (TV and print) placement costs are expensed in the month the advertising appears.

Cash and equivalents:

Cash and equivalents represent cash and short-term, highly liquid investments with maturities of essentially three months or less.

Inventory valuation:

Inventories are stated at the lower of cost or market. Cost is determined using the last-in, first-out (LIFO) method for substantially all domestic inventories. Foreign inventories are valued on a first-in, first-out (FIFO) basis.

Property, plant and equipment and depreciation:

Property, plant and equipment are recorded at cost. Depreciation for financial reporting purposes is determined on a straight-line basis for buildings and leasehold improvements and principally on a declining balance basis for machinery and equipment, based upon estimated useful lives ranging from three to thirty-two years.

Goodwill:

At May 31, 1993 and 1992, the Company's excess of purchase cost over the fair value of net assets of businesses acquired was \$157,894,000 and \$110,363,000, respectively, net of amortization of \$21,962,000 and \$16,880,500, respectively. This excess is being amortized on a straight-line basis principally over twenty-five to forty years.

Other non-current liabilities:

Other non-current liabilities include amounts with settlement dates beyond one year, and are primarily composed of long-term deferred endorsement payments of \$38,328,000 and \$19,625,000 at May 31, 1993 and 1992, respectively. Deferred payments to endorsees relate to amounts due beyond contract termination, which are discounted at various interest rates and accrued over the contract period.

Endorsement contracts:

Accounting for endorsement contracts is based upon specific contract provisions. Generally, endorsement payments are expensed uniformly over the term of the contract after giving recognition to periodic performance compliance provisions of the contracts.

Foreign currency translation:

Assets and liabilities of foreign operations are translated into U.S. dollars at current exchange rates. Income and expense accounts are translated into U.S. dollars at average rates of exchange prevailing during the period. Adjustments resulting from translating foreign financial currency financial statements into U.S. dollars are taken directly to a separate component of shareholders' equity. Foreign currency transaction gains and losses are included in income.

Forward exchange contracts:

The Company enters into forward exchange contracts in order to reduce the impact of foreign currency fluctuations on primarily non-U.S. purchases of inventory. Gains or losses on these transactions are matched to inventory purchases and charged or credited to cost of sales as such inventory is sold.

Income taxes:

Deferred income taxes are recognized for timing differences between income for financial reporting purposes and taxable income. Income taxes are provided currently on financial statement earnings of foreign subsidiaries expected to be repatriated.

In February 1992, the Financial Accounting Standards Board (FASB) issued a new standard (FAS 109), "Accounting for Income Taxes." The new statement will change the Company's method of accounting for income taxes from the deferred method (APB11) to an asset and liability approach. The new approach requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. One of the principal differences from APB11 is the recognition of changes in tax rates and laws in income from continuing operations in the period in which the changes are enacted; whereas under the APB11 such changes were reflected over time, if at all. The Company will adopt this statement during the first quarter of fiscal 1994, as required by FAS 109, and will recognize the cumulative effect of the change in accounting principle in retained earnings of the earliest period in which the statement is adopted. The Company expects the financial impact of the adoption, including the cumulative effect and the effect on each of the years retroactively adjusted, will be immaterial to the consolidated financial statements.

Net income per common share:

Net income per common share is computed based on the weighted average number of common and common equivalent (stock option) shares outstanding for the periods reported.

Stock split:

On October 5, 1990, the Company issued additional shares in connection with a two-for-one stock split effected in the form of a 100% stock dividend on outstanding Class A and Class B common stock. The per common share amounts in the Consolidated Financial Statements and accompanying notes have been adjusted to reflect this stock split.

Reclassifications:

Certain prior year amounts have been reclassified to conform to the 1993 presentation. These changes had no impact on previously reported results of operations or shareholders' equity.

Note 2 — Inventories:

Inventories by major classification are as follows:

(in thousands)

May 31,	1993	1992
Finished goods	\$587,081	\$460,208
Work-in-process	3,951	8,541
Raw materials	1,954	2,453
	\$592,986	\$471,202

The excess of replacement cost over LIFO cost approximated \$22,542,000 at May 31, 1993 and \$16,852,000 at May 31, 1992. During 1992, certain inventory quantities were reduced resulting in liquidations, which were not material, of LIFO inventory quantities carried at different cost prevailing in prior years as compared with the cost of 1992 purchases.

Note 3—Property, plant and equipment:

Property, plant and equipment includes the following:

(in thousands)

May 31,	1993	1992
Land	\$ 50,851	\$ 47,612
Buildings	152,368	125,703
Machinery and equipment	296,680	254,329
Leasehold improvements	46,611	32,380
Construction in process	24,522	57,771
	571,032	497,795
Less accumulated depreciation	193,037	151,758
	\$377,995	\$346,037

Capitalized interest expense relating to construction of the Company's world headquarters and other projects was \$767,000, \$636,000 and \$3,444,000 for the fiscal years ended May 31, 1993, 1992 and 1991, respectively.

Note 4—Short-term borrowings and credit lines:

Notes payable to banks and interest-bearing accounts payable to Nissho Iwai American Corporation (NIAC) are summarized below:

(in thousands)	Banks					
	Domestic Operations		Foreign Operations		NIAC	
	Borrowings	Interest Rate	Borrowings	Interest Rate	Borrowings	Interest Rate
May 31, 1993	\$4,597	4 1/2%	\$103,568	8 3/4%	\$57,542	3 1/2%
May 31, 1992	\$4,874	4 3/4%	\$100,822	9 3/4%	\$53,300	4 3/4%

At May 31, 1993 and 1992, NIKE had no outstanding borrowings under its \$300 million unsecured multiple option facility with sixteen banks, which, effective June 1, 1993, was extended for one year. This agreement contains optional borrowing alternatives consisting of a committed revolving loan facility and a competitive bid facility. The interest rate charged on this agreement is determined by the borrowing option and under the committed revolving loan facility is either the Prime Rate or London Interbank Offered Rate (LIBOR) plus .30%. The agreement provides for annual fees of .15% of the total commitment. Under the agreement, the Company must maintain, among other things, certain minimum specified financial ratios and balances. Domestic subsidiaries had \$4,597,000 and \$4,874,000 outstanding at May 31, 1993, and May 31, 1992, respectively, under unsecured, uncommitted short-term credit agreements.

Ratings for the Company to issue commercial paper, which is required to be supported by committed and uncommitted lines of credit, were recently upgraded to A1 by Standard and Poor's Corporation and P1 by Moody's Investor Service. At May 31, 1993 and 1992, there were no balances outstanding under these arrangements.

The Company has outstanding loans at interest rates at various spreads above the banks' cost of funds for financing foreign operations. Certain of these loans can be secured by accounts receivable and inventory.

Accounts payable to NIAC are generally due up to 115 days after shipment from the foreign port. Interest on such accounts payable accrues at the ninety day LIBOR rate as of the beginning of the month of the invoice date, plus .30%.

Note 5—Long-term debt:

Long-term debt includes the following:

(in thousands)

May 31,	1993	1992
8.45% unsecured term loan, due July 1993	\$25,000	\$25,000
7.90% unsecured term loan, due June 1993	25,000	25,000
9.43% capital warehouse lease, payable in quarterly installments through 2007	9,628	12,349
Other	8,590	10,779
Total	68,018	73,128
Less current maturities	52,985	3,652
	\$15,033	\$69,476

The two \$25 million term loan agreements require, among other things, the maintenance of specified financial ratios and balances and contain limits on the amount of investments and sales of assets.

Amounts of long-term maturities in each of the five fiscal years 1994 through 1998 respectively, are \$52,985,000, \$4,420,000, \$1,455,000, \$1,746,000 and \$1,021,000.

Note 6—Income taxes:

Income before income taxes and the provision for income taxes are as follows:

(in thousands)

Year Ended May 31,	1993	1992	1991
Income before income taxes:			
United States	\$372,996	\$317,560	\$293,016
Foreign	221,520	204,258	168,730
	\$594,516	\$521,818	\$461,746
Provision for income taxes:			
Current:			
United States			
Federal	\$126,071	\$ 91,652	\$104,743
State	26,425	22,306	31,424
Foreign	74,866	68,337	50,174
	227,362	182,295	176,341
Deferred:			
United States			
Federal	1,741	11,030	(1,959)
State	1,229	200	(1,053)
Foreign	(832)	(925)	1,371
	2,138	10,305	(1,641)
	\$229,500	\$192,600	\$174,700

As of May 31, 1993, the Company has utilized all foreign tax credits.

The sources and amounts of the provision (credit) for deferred income taxes were as follows:

<i>(in thousands)</i>			
Year Ended May 31,	1993	1992	1991
Inventory adjustment to market	\$ 397	\$ 756	\$ (903)
Reserves and accrued liabilities	(724)	(845)	1,485
Tax basis adjustments to inventory	(1,213)	1,645	(5,311)
Purchased tax benefits	(858)	(693)	(553)
Deferred compensation	841	(485)	796
Undistributed earnings of foreign subsidiaries	4,304	10,799	5,825
Bad debts	(775)	(1,030)	(979)
Other, net	166	158	(1,999)
	\$2,138	\$10,305	\$(1,641)

A reconciliation from the U.S. statutory federal income tax rate to the effective income tax rate follows:

Year Ended May 31,	1993	1992	1991
U.S. Federal statutory rate	34.0%	34.0%	34.0%
State income taxes, net of federal benefit	3.3	3.0	3.0
Other, net	1.3	(.1)	.8
Effective income tax rate	38.6%	36.9%	37.8%

During 1982, the Company purchased future tax benefits for \$15,277,000. Tax benefits of \$6,421,000 in excess of the purchase price have been recognized as of May 31, 1993 and are classified in non-current deferred income taxes.

Note 7—Redeemable Preferred Stock:

Nissho Iwai American Corporation (NIAC) is the sole owner of the Company's authorized Redeemable Preferred Stock, \$1 par value, which is redeemable at the option of NIAC at par value aggregating \$300,000. A cumulative dividend of \$.10 per share is payable annually on May 31 and no dividends may be declared or paid on the Common Stock of the Company unless dividends on the Redeemable Preferred Stock have been declared and paid in full. There have been no changes in the Redeemable Preferred Stock in the three years ended May 31, 1993. As the holder of the Redeemable Preferred Stock, NIAC does not have general voting rights but does have the right to vote as a separate class on the sale of all or substantially all of the assets of the Company and its subsidiaries, on merger, consolidation, liquidation or dissolution of the Company or on the sale or assignment of the NIKE trademark for athletic footwear sold in the United States.

Note 8—Common Stock:

The authorized number of shares of Class A Common Stock no par value and Class B Common Stock no par value are 60,000,000 and 150,000,000, respectively, after reflecting the threefold increase approved by shareholders in September, 1990. The Company also effected a two-for-one stock split in the form of a 100% stock dividend on outstanding Class A and Class B Common Stock, paid October 5, 1990. Each share of Class A Common Stock is convertible into one share of Class B Common Stock. Voting rights of Class B Common Stock are limited in certain circumstances with respect to the election of directors.

The Company's Employee Incentive Compensation Plan (the "1980 Plan") was adopted in 1980 and expired on December 31, 1990. The 1980 Plan provided for the issuance of up to 3,360,000 shares of the Company's Class B Common Stock in connection with the exercise of stock options granted under such plan. No further grants will be made under the 1980 Plan.

In 1990, the Board of Directors adopted, and the shareholders approved, the NIKE, Inc. 1990 Stock Incentive Plan (the "1990 Plan").

The 1990 Plan provides for the issuance of up to 4,000,000 shares of Class B Common Stock in connection with stock options and other awards granted under such plan. The 1990 Plan authorizes the grant of incentive stock options, non-statutory stock options, stock appreciation rights, stock bonuses, and the sale of restricted stock. The exercise price for incentive stock options may not be less than the fair market value of the underlying shares on the date of grant. The exercise price for non-statutory stock options and stock appreciation rights, and the purchase price of restricted stock, may not be less than 75% of the fair market value of the underlying shares on the date of grant. No consideration will be paid for stock bonuses awarded under the 1990 Plan. The 1990 Plan is administered by a committee of the Board of Directors. The committee has the authority to determine the employees to whom awards will be made, the amount of the awards, and the other terms and conditions of the awards. As of May 31, 1993, the committee has granted substantially all non-statutory stock options at 100% of fair market value on the date of grant under the 1990 Plan.

The following summarizes the stock option transactions under the 1980 Plan and the 1990 Plan for the two fiscal years ended May 31, 1993:

	Shares (in thousands)	Option Price Per Share (\$)
Options outstanding May 31, 1991:		
Exercised	1,786	4.75 to 37.69
Surrendered	(187)	4.75 to 37.62
Granted	(5)	37.62
Options outstanding May 31, 1992:		
Exercised	1,955	4.75 to 65.38
Surrendered	(322)	4.75 to 65.50
Granted	491	56.25 to 82.13
Options outstanding May 31, 1993:	2,124	4.75 to 82.13
Options exercisable at May 31:		
1992	526	4.75 to 37.68
1993	665	4.75 to 65.38

In addition to the option plans discussed previously, the Company has several agreements outside of the plans with certain directors, endorses and employees. As of May 31, 1993, 988,000 options with exercise prices ranging from \$.417 per share to \$76.25 per share had been granted. The aggregate compensation expense related to these agreements is \$5,114,000 and is being amortized over vesting periods from October 1980 through August 1995. The outstanding agreements expire from February 1998 through September 2005.

The following summarizes transactions outside the option plans for the two years ended May 31, 1993:

	Shares (in thousands)	Option Price Per Share (\$)
Options outstanding May 31, 1991:		
Exercised	178	4.75 to 12.50
Surrendered	(53)	4.75 to 12.50
Granted	90	35.75 to 43.25
Options outstanding May 31, 1992:		
Exercised	235	4.75 to 43.25
Surrendered	(20)	4.75
Granted	50	56.25 to 76.25
Options outstanding May 31, 1993:	265	4.75 to 76.25
Options exercisable at May 31:		
1992	133	4.75 to 43.25
1993	156	4.75 to 43.25

Note 9—Benefit plans:

The Company has a profit sharing plan available to substantially all employees. The terms of the plan call for annual contributions by the Company as determined by the Board of Directors. Contributions of \$10,500,000, \$8,800,000 and \$7,800,000 to the plan are included in other expense in the consolidated financial statements for the years ended May 31, 1993, 1992 and 1991.

The Company has a voluntary 401(k) employee savings plan. The Company matches a portion of employee contributions, vesting that portion over 5 years. Company contributions to the savings plan were \$3,150,000, \$2,296,000 and \$1,548,000 for the years ended May 31, 1993, 1992 and 1991.

Note 10—Interest income:

Included in other income for the years ended May 31, 1993, 1992 and 1991 is interest income of \$15,377,000, \$11,892,000 and \$11,062,000, respectively.

Note 11—Commitments and contingencies:

The Company leases space for its offices, warehouses and retail stores under leases expiring from one to fifteen years after May 31, 1993. Rent expense aggregated \$33,935,000, \$23,935,000 and \$20,464,000 for the years ended May 31, 1993, 1992 and 1991, respectively. Amounts of minimum future annual rental commitments under non-cancellable operating leases in each of the five fiscal years 1994 through 1998 are \$25,476,000, \$22,423,000, \$20,364,000, \$18,431,000, \$15,587,000 and in aggregate \$194,794,000.

Lawsuits arise during the normal course of business. In the opinion of management, none of the pending lawsuits will result in a significant impact on the consolidated financial position.

Note 12—Fair value of financial instruments:

The Company estimates the fair value of its monetary assets and liabilities based upon the existing interest rates related to such assets and liabilities compared to the current market rates of interest for instruments of a similar nature and degree of risk. Cash and equivalents and notes payable to banks approximate fair value as reported in the balance sheet. The fair value of long-term debt is estimated using discounted cash flow analyses, based on the Company's incremental borrowing rates for similar types of borrowing arrangements. The fair value of the Company's long-term debt at May 31, 1993, is approximately \$13,389,000, compared to a carrying value \$13,033,000. The fair value of the Company's foreign currency exchange contracts (see Note 1) is estimated based generally on rates from quoted markets. The fair value of such contracts is \$3,705,000 less than the stated amount.

Note 13—Industry segment and operations by geographic areas:

The Company operates predominantly in one industry segment, that being the design, production and marketing of athletic and casual footwear, apparel and accessories. During 1993, 1992 and 1991, sales to one major customer amounted to 14%, 14% and 17% of total sales, respectively. Information about the Company's operations in the United States and international markets is presented below. Inter-geographic revenues and assets have been eliminated to arrive at the consolidated amounts. Expenses and assets not identifiable with the operations of a specific geographic segment have been listed separately:

(in thousands)

Year Ended May 31,	1993	1992	1991
Revenues from unrelated entities:			
United States	\$2,528,848	\$2,270,880	\$2,141,461
Europe	1,085,683	919,763	664,747
Other international	316,453	214,568	197,402
	\$3,930,984	\$3,405,211	\$3,003,610
Inter-geographic revenues:			
United States	\$ 5,583	\$ 7,265	\$ 9,111
Europe	—	—	—
Other international	9,350	9,076	11,892
	\$ 12,933	\$ 16,341	\$ 21,003
Total revenues:			
United States	\$2,532,431	\$2,278,145	\$2,150,572
Europe	1,085,683	919,763	664,747
Other international	325,803	223,644	209,294
Less inter-geographic revenues	(12,933)	(16,341)	(21,003)
	\$3,930,984	\$3,405,211	\$3,003,610
Operating income:			
United States	\$ 401,096	\$ 356,589	\$ 325,257
Europe	177,716	173,175	134,069
Other international	65,236	51,602	51,745
Less corporate, interest and other income (expense) and eliminations	(49,532)	(59,548)	(49,325)
	\$ 594,516	\$ 521,818	\$ 461,746
Assets:			
United States	\$1,347,507	\$1,095,180	\$1,156,091
Europe	429,660	453,794	370,104
Other international	128,080	79,862	94,212
Total identifiable assets	1,905,247	1,628,836	1,620,407
Corporate cash and eliminations	282,216	244,025	88,023
Total assets	\$2,187,463	\$1,872,861	\$1,708,430

Directors

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and Senior Vice President, NIKE, Inc.
Eugene, Oregon

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Partner—Bullivant, Houser, Bailey,
Pendergrass & Hoffman, Attorneys
Portland, Oregon

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Partner—Jaqua & Wheatley, P.C.,
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Eugene, Oregon

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energy consultants
Santa Fe, New Mexico

JOHN B. THOMPSON, JR. (1)
Head Basketball Coach,
Georgetown University
Washington D. C.

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(2) Member—Audit Committee
(3) Member—Personnel Committee
(4) Member—Finance Committee
(5) Member—Stock Option Committee

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CATHERINE B. TAYLOR
Beaverton, Oregon

Creative Directors

TINKER HATHFIELD
Product Design

GORDON THOMPSON III
Image Design

Locations

WORLD HEADQUARTERS
One Bowerman Drive
Beaverton, Oregon 97005-6453

UNITED STATES SALES AND DISTRIBUTION CENTERS

8400 Winchester Blvd.
Memphis, Tennessee 38125

9151 Shelby Dr.
Memphis, Tennessee 38118

27255 S. W. Boones Ferry Road
Wilsonville, Oregon 97070

150 Ocean Road
Greenland, New Hampshire 03840

EUROPEAN HEADQUARTERS

Marathon 7
1213 PD Hilversum
The Netherlands

CANADA SALES AND MARKETING OFFICE

NIKE Canada Ltd.
2445 Canoe Avenue
Coquitlam, British Columbia
Canada V3K 6A9

ASIA/PACIFIC HEADQUARTERS

Suite 1401-8, South Tower
World Financial Center
Harbor City, Canton Rd.,
Tsimshatsui, Kowloon
Hong Kong

LATIN AMERICA HEADQUARTERS

Portal Trade Center
Rua Luis Migliano, 1110-CJ, 403
05711 Sao Paulo, Brazil

NIKE, Inc. designs and markets a wide variety of athletic footwear, apparel and related items for competitive and recreational uses.

NIKE has attained its premier position in the industry through quality production, innovative products and aggressive marketing.



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Shareholders' Information

ANNUAL MEETING

We invite shareholders to attend our Annual Meeting on Monday, September 20, 1993, at 10:00 a.m., at NIKE World Headquarters, One Bowerman Drive, Beaverton, Oregon 97005-6453. A formal notice of the Annual Meeting, together with the proxy statement and proxy card, will be mailed to shareholders.

INDEPENDENT ACCOUNTANTS

Price Waterhouse
1215 S.W. Morrison, Suite 1800
Portland, Oregon 97204

REGISTRAR AND STOCK TRANSFER AGENT

First Chicago Trust Co. of New York
P.O. Box 2500
Jensen City, NJ 07303-2500
(201) 324-0498

PUBLICATIONS

Copies of the Company's Form 10-K or Form 12-Q reports filed with the Securities and Exchange Commission are available from the Company without charge. To request a fax copy, please call 1-800-764-6453 or write to NIKE's Investor Relations Department at the World Headquarters address above.

DIVIDEND PAYMENTS

Quarterly dividends on NIKE common stock, when declared by the Board of Directors, are paid on or about July 2, October 1, January 3, and April 1. The Company does not currently offer a dividend reinvestment program.

INVESTOR INQUIRIES

Securities analysts, investment managers and others seeking information about the Company should write or call NIKE's Investor Relations Department at the World Headquarters address, 1-800-422-6453.

OTHER SHAREHOLDER ASSISTANCE

Communications concerning shareholder address changes, stock transfers, changes of ownership, lost stock certificates, payment of dividends, dividend check replacements, duplicate mailings, or other account services should be directed to the Company's Registrar and Stock Transfer Agent at the address or telephone number above.

CORPORATE GIVING PROGRAM

NIKE'S JUST DO IT Fund supports unique educational programs for inner-city youth. Detailed information on the program may be obtained by calling (503) 671-3637 or writing to NIKE, Inc., JUST DO IT Fund, Attention: Public Affairs at the World Headquarters address.

NIKE VIDEO

NIKE would like you to have a look at the people and performance of the world's #1 sports and fitness company. If you would like to receive a copy of the video, please call 1-800-422-6453 or write to NIKE's Investor Relations Department at the World Headquarters address.

In the moment. The vision clears. The world adjoins. There is balance, but no peace. There is focus. The power of a thousand victories coiled into a single breath. Clarity, and with it this knowledge...nothing can stop you. Gail Devers, 100M Gold Medalist, 1992 Olympic Games.





NIKE, Inc. One Bowerman Drive Beaverton, Oregon 97005 Telephone: 503-671-6453