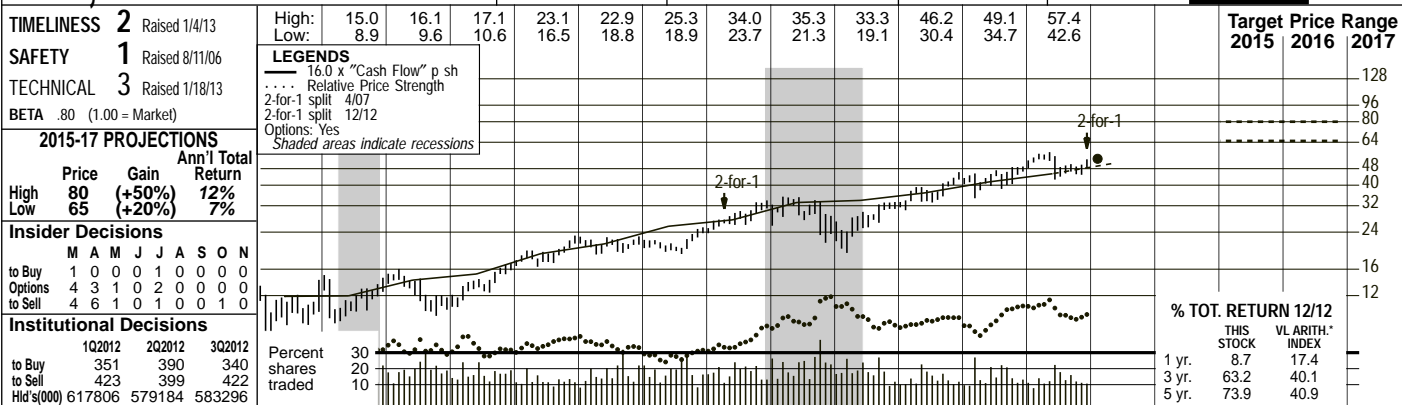


# NIKE, INC. 'B' NYSE-NKE

RECENT PRICE **53.48** P/E RATIO **20.2** (Trailing: 22.4 Median: 17.0) RELATIVE P/E RATIO **1.23** DIV'D YLD **1.6%**

**VALUE LINE**



Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Value Line Pub. LLC	15-17
Price	5.63	7.94	8.32	7.77	8.34	8.83	9.29	10.15	11.64	13.08	14.44	16.20	18.96	19.75	19.64	21.94	26.34	28.35	Sales per sh <sup>A</sup>	38.45
Gain	.57	.81	.58	.63	.74	.75	.89	.95	1.18	1.32	1.60	1.72	2.07	2.12	2.30	2.60	2.83	3.20	"Cash Flow" per sh	4.70
Return	.47	.67	.41	.42	.53	.54	.62	.69	.88	1.12	1.32	1.43	1.72	1.76	1.93	2.20	2.37	2.65	Earnings per sh <sup>AB</sup>	3.95
Options	.07	.09	.11	.12	.12	.12	.12	.14	.19	.24	.30	.36	.44	.49	.53	.60	.70	.81	Div's Decl'd per sh <sup>CA</sup>	1.20
Options to Buy	.19	.40	.44	.34	.39	.30	.27	.18	.20	.24	.32	.31	.46	.47	.35	.45	.65	.65	Cap'l Spending per sh	.70
Options to Sell	2.12	2.73	2.84	2.95	2.91	3.25	3.61	3.78	4.54	5.37	6.07	6.97	7.97	8.95	10.08	10.35	11.33	11.90	Book Value per sh	15.75
High	1149.0	1157.1	1148.0	1129.2	1078.4	1074.4	1064.4	1054.4	1052.4	1050.4	1036.0	1007.6	982.20	971.00	968.00	951.00	916.00	890.00	Common Shs Outst'g <sup>FG</sup>	835.00
Low	16.8	22.0	30.7	28.1	22.7	20.2	21.2	17.1	18.4	17.9	16.0	16.4	17.8	15.3	16.4	18.2	20.4	20.4	Avg Ann'l P/E Ratio	18.0
Options to Buy	1.05	1.27	1.60	1.60	1.48	1.04	1.16	.97	.97	.95	.86	.87	1.07	1.02	1.04	1.14	1.29	1.29	Relative P/E Ratio	1.20
Options to Sell	.9%	.6%	.9%	1.0%	1.0%	1.1%	.9%	1.1%	1.1%	1.2%	1.4%	1.5%	1.4%	1.8%	1.7%	1.5%	1.4%	1.4%	Avg Ann'l Div'd Yield	1.7%

**2015-17 PROJECTIONS**

Price	Gain	Ann'l Total Return
High 80	(+50%)	12%
Low 65	(+20%)	7%

**Insider Decisions**

Month	M	A	M	J	J	A	S	O	N
to Buy	1	0	0	0	1	0	0	0	0
Options	4	3	1	0	2	0	0	0	0
to Sell	4	6	1	0	1	0	0	0	0

**Institutional Decisions**

12/2012	2/2012	3/2012	
to Buy	351	390	340
to Sell	423	399	422
Hlds(000)	617806	579184	583296

**CAPITAL STRUCTURE as of 11/30/12**

Item	2011	2012	11/30/12
Cash Assets	4538	3757	3525
Receivables	3138	3280	3188
Inventory (LIFO)	2715	3350	3318
Other	906	1144	1404
Current Assets	11297	11531	11435
Accts Payable	1469	1588	1519
Debt Due	387	157	158
Other	2102	2120	2122
Current Liab.	3958	3865	3799

**Leases, Uncapitalized Annual rentals \$408 mill. No Defined Benefit Pension Plan**

**Preferred Stock Less than \$1 mill. Preferred Dividend Less than \$1 mill.**

**Common Stock 895,711,770 shares (179.8 mill. Class A shares; 715.9 mill. Class B shares.)**

**MARKET CAP: \$48.0 billion (Large Cap)**

**ANNUAL RATES**

Rate	Past 10 Yrs	Past 5 Yrs	Est'd '10-'12	Est'd '15-'17
change (per sh)	10.0%	9.0%	11.0%	13.0%
Sales	12.5%	11.0%	13.0%	13.0%
"Cash Flow"	14.5%	11.0%	13.0%	13.0%
Earnings	17.5%	15.5%	14.5%	14.5%
Dividends	12.5%	11.5%	8.5%	8.5%
Book Value				

**NIKE shares split two for one.** The split was in the form of a 100% stock dividend that was paid on December 24th. **The board also raised the cash dividend.** The quarterly payout was increased by three pennies, or 17%, to \$0.21, on a post-split basis. This marks the 11th year in a row the company has increased its annual dividend, over which time the dividend has increased by a factor of almost seven. (Investors should note the quarterly dividend was paid on December 26th, and the next payout will likely be made in early April.)

**The shoe maker reported solid results in the second quarter (years end May 31st).** Revenues from continuing operations rose 7%, to \$6.0 billion, thanks to strong demand for NIKE's brands. Excluding currency changes, the top line would have grown by 10%. Adjusted earnings were up 11%, to \$0.57 a share, owing to better SG&A leverage and a lower share count, which more than offset a slightly higher tax rate and a modestly lower gross margin. (The company recently sold its Umbro brand and is in the process of divesting its Cole Haan line, which led to a

nonrecurring loss of \$0.08 a share in the November period. In addition, year-over-year comparisons will be done on an adjusted basis, but we will not restate prior-year results to reflect the sales.) **We have added a nickel to our fiscal 2013 share-earnings estimate.** Top-line growth should remain good in almost every geography and product category, thanks to robust demand and better pricing. However, foreign exchange headwinds will likely continue mitigating revenue gains to a degree. We expect SG&A costs to keep improving relative to sales, and we look for materials expenses to continue easing. This should put more upward pressure on the EBITDA margin than we previously called for and ultimately lead to higher profits this fiscal year. **Top-quality, timely NKE shares are up roughly 15% since our last Issue.** Investors have been snapping up this stock in droves following the better-than-expected November-quarter performance. Moreover, we still think the stock has a decent amount of room to run, but note the dividend yield leaves a lot to be desired.

**QUARTERLY SALES (\$ mill.)<sup>A</sup>**

Fiscal Year Ends	Aug.31	Nov.30	Feb.28	May 31	Full Fiscal Year
2009	5432	4590	4440	4713	19176
2010	4798	4405	4733	5076	19014
2011	5175	4842	5079	5766	20862
2012	6081	5731	5846	6470	24128
2013	6474	5955	6221	6600	25250

**EARNINGS PER SHARE<sup>AB</sup>**

Fiscal Year Ends	Aug.31	Nov.30	Feb.28	May 31	Full Fiscal Year
2009	.52	.40	.50	.35	1.76
2010	.52	.38	.51	.53	1.93
2011	.57	.47	.54	.62	2.20
2012	.68	.50	.60	.59	2.37
2013	.63	.57	.67	.78	2.65

**QUARTERLY DIVIDENDS PAID<sup>CA</sup>**

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.125	.125	.125	.125	.50
2010	.135	.135	.135	.29 <sup>D</sup>	.70
2011	.155	.155	.155	.155	.47
2012	.18	.18	.18	.39 <sup>E</sup>	.93
2013					

**employees (including retail and part-time employees). Officers & directors own 74.8% of Class A and 16.6% of Class B shares; FMR, 5.1% of Class B; BlackRock, 5.0% of Class B (9/12 proxy). Chairman: Philip H. Knight. President & CEO: Mark G. Parker. Incorporated: OR. Address: One Bowerman Drive, Beaverton, OR 97005. Telephone: 503-671-6453. Internet: www.nikeinc.com.**

**Erik A. Antonson**  
February 1, 2013

(A) Fiscal years end May 31st. (B) Diluted earnings. Excludes nonrecurring: '98, (14¢); '99, (5¢); '03, (50¢); '07, 4¢; '08, 15¢; '09, (25¢); '13, (16¢). Quarterly EPS may not sum due to rounding. Next earnings report due late March. (C) Dividends historically paid in early January, April, July, and October. (D) Reinvestment plan available. (E) Includes 15.5¢ dividend paid December 30th. (F) Includes 21¢ dividend paid December 26th. (G) In millions, adjusted for splits. (H) Each share of Class A is convertible to one share of Class B.

Company's Financial Strength	A++
Stock's Price Stability	90
Price Growth Persistence	95
Earnings Predictability	95

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