

Nike earnings rise, bullish on China

NEW YORK - Nike reported higher second-quarter earnings on Tuesday behind increased sales in key markets, including China, and said it was making progress in cutting inventory in North America.



Nike chief financial officer Andy Campion said the sports giant is in the process of addressing excess supplies and that the key North America region should return to profit-margin growth in the next six months ([AFP Photo/Getty Images](#))

Executives gave an upbeat outlook on China, where sales jumped 12 percent to \$1.1 billion.

Net income for the quarter ending November 30 rose seven percent to \$842 million. Sales rose six percent to \$8.2 billion.

Participation in the Shanghai marathon was 38,000 and nearly four times that many tried to sign up, said Nike brand president Trevor Edwards.

"It's still early days in unlocking the growth," Edwards said.

Executives also touted running shoe launches, a new flagship store in New York and a Michael Jordan-oriented shop in Paris.

Analysts have expressed worry about Nike's profit outlook in North America due to excessive supply of athletics goods apparent in deep discounts in US stores this holiday season.

Gross profit margins contracted company-wide in the second quarter.

Nike chief financial officer Andy Campion said the sports giant is in the process of addressing excess supplies and that the key North America region should return to profit-margin growth in the next six months.

"You will see evidence of the progress that we've made returning North America to pull market" or a market of strong demand, Campion said.

Shares of Nike rose 1.6 percent to \$52.60 in after-hours trade.

Source: AFP

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