SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)
[X] Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended March 2, 2002 or

[ ] Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _________ to __________

Commission File Number 0-20184

THE FINISH LINE, INC.
(Exact name of registrant as specified in its charter)

Delaware	35-1537210
(State of Incorporation)	(I.R.S. Employer ID No.)
3308 N. Mitthoeffer Road, Indianapolis, Indiana	46235

Registrant's telephone number, including area code: (317) 899-1022

Securities registered pursuant to Section 12(b) of the Act:

(Title of Each Class)	(Name of each exchange on which registered)
None	None

Securities registered pursuant to Section 12(g) of the Act:
Class A Common Stock, $.01 par value

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

Yes X No __

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this form 10-K. [X]

The aggregate market value of the voting stock held by non-affiliates of the Registrant as of April 26, 2002 was approximately $355,261,000, which was based on the last sale price reported for such date by NASDAQ.

The number of shares of the Registrant's Common Stock outstanding on April 26, 2002 was:

Class A Common Stock: 20,078,995
Class B Common Stock: 4,350,810

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Proxy Statement dated June 18, 2002 for the Annual Meeting of Stockholders to be held on July 18, 2002 (hereinafter referred to as the "2002 Proxy Statement") are incorporated into Part III.

Portions of the Registrant's Annual Report to Stockholders for the fiscal year ended March 2, 2002, (hereinafter referred to as the "2002 Annual Report to Stockholders") are incorporated into Parts II and IV.

PART I

Item 1 - Business

General

The Finish Line, Inc. together with its wholly owned subsidiary Spike's Holding, Inc. (the "Company" or "Finish Line") is one of the largest mall-based specialty retailers of brand name athletic, outdoor and lifestyle footwear, activewear and accessories in the United States. As of May 4, 2002, the Company operated 449 stores in 43 states. A Finish Line store generally carries a large selection of men's, women's and children's athletic and lifestyle shoes, as well as a broad assortment of activewear and accessories. Brand names offered by the Company include Nike, adidas, Reebok, New Balance, K-Swiss, And 1, Timberland, Asics, Saucony, Converse and Skechers.

The Company attempts to distinguish itself from other athletic footwear specialty retailers through larger mall-based store formats. Finish Line stores average 6,001 square feet, and the Company's stores opened during fiscal 2002 averaged approximately 4,555 square feet. The Company's strategy is to create an exciting and entertaining retail environment by continually updating store designs, and to operate a larger store size, which permits greater product depth and merchandising flexibility. Since activewear and accessories generally carry higher gross margins than footwear, Finish Line devotes a greater percentage of its sales area to these products than typical athletic footwear specialty stores. Activewear and accessories accounted for approximately 18% of the Company's net sales in fiscal 2002.

The Company's principal executive offices are located at 3308 N. Mitthoeffer Road, Indianapolis, Indiana 46235, and its telephone number is (317) 899-1022.

Operating Strategies

Finish Line seeks to be a leading specialty retailer of athletic footwear and activewear in the markets it serves. To achieve this, the Company has developed the following elements to its business strategy:

Emphasis on Customer Service and Convenience. The Company is committed to making the shopping experience at Finish Line rewarding and enjoyable, and seeks to achieve this objective by providing convenient mall-based locations with highly functional store designs, offering competitive prices on brand name products, maintaining optimal in-stock levels of merchandise and employing knowledgeable and courteous sales associates.

Inventory Management. The Company stresses effective replenishment and distribution to each store. The Company's advanced information and distribution systems enable it to track inventory in each store by stockkeeping unit (SKU) on a daily basis, giving Finish Line flexibility to merchandise its products effectively. In addition, these systems allow the Company to respond promptly to changing customer preferences and to maintain optimal inventory levels in each store. The Company's inventory management system features automatic replenishment driven by point-of-sale (POS) data capture and a highly automated distribution center, which enables Finish Line to ship merchandise to each store every third day.

Product Diversity; Broad Demographic Appeal. Finish Line stocks its stores with a combination of the newest high profile and brand name merchandise, unique products manufactured exclusively for the Company, as well as promotional and opportunistic purchases of other brand name merchandise. Product diversity, in combination with the Company's store formats and commitment to customer service, is intended to attract a broad demographic cross-section of customers.

Expansion Strategies

The Company's objective is to continue its store expansion program by introducing Finish Line stores into new markets as well as increasing its visibility in previously established markets.

New Store Openings. Since the Company's initial public offering in June 1992, Finish Line has expanded from 104 stores to 449 stores at May 4, 2002. The Company opened 27 new stores in fiscal 2002 and intends to open approximately 30 new stores in fiscal 2003. Total square footage increased 2% in fiscal 2002 over the prior year as a result of the Company's continued expansion.

For fiscal 2003 the Company plans to increase its total square footage open by approximately 3% to 5% (30 new stores). Almost all of this square footage growth will result from the continued emphasis on smaller traditional stores averaging approximately 5,000 square feet. The Company expects that its new stores will be in both new and existing geographic markets.

Store Format. The Company has added both small and larger stores to its chain over the past five years. This strategy allows for greater flexibility based on market factors when considering a new store. The Company believes this strategy improves its ability to compete against both mall-based and non-mall-based athletic retailers, and in conjunction, the Company has developed two store formats:

Traditional Format Concept - The Company as of May 4, 2002 operates 410 traditional format stores which are less than 10,000 square feet in size. They typically are stocked with 600-700 footwear styles and 10,000+ shoes. While the average size of all traditional concept stores is 5,201 square feet, traditional concept stores opened in fiscal 2002 averaged 4,555 square feet.

Larger Format Concept - The Company as of May 4, 2002 operates 39 larger format stores which are more than 10,000 square feet in size. They are typically stocked with 1,000 - 1,300 footwear styles and 20,000 - 30,000+ shoes. This format offers Finish Line the opportunity to establish a dominant presence in the best major malls throughout the country. The Company did not open any larger format stores during fiscal year 2002 due to slower sales of activewear and does not expect to open any larger format stores in 2003.

Commitment to Continually Strengthen Infrastructure. Over the last several years, Finish Line has made a number of strategic infrastructure investments, including enhancements to its management, store operations, and distribution and information systems. Significant management additions and organizational changes include recruiting additional management professionals with significant industry experience, as well as centralizing the supervision of the footwear and activewear/accessories departments to improve communication and coordination between the two areas. In addition, staffs in both departments have been increased to allow the buyers and merchandisers to focus more time and attention on specific product categories.

The Company has also invested in management information systems and the distribution center by implementing Electronic Data Interchange (EDI) and radio frequency (RF) technologies in inventory management/distribution areas. Both technologies are designed to improve the efficiency of inventory management as well as response time and in-stock position.

Merchandise

The following table sets forth the percentage of net sales attributable to the categories of footwear, activewear and related accessories during the periods indicated. These percentages fluctuate substantially during the different consumer buying seasons. To take advantage of this seasonality, the Company's stores have been designed to allow for a shift in emphasis in the merchandise mix between footwear and activewear/accessory items.

	Year Ended		
Category	March 2, 2002	March 3, 2001	Feb. 26, 2000

Footwear	82%	80%	77%
Activewear/Accessories	18%	20%	23%
Total	100%	100%	100%

All merchandising decisions, including merchandise mix, pricing, promotions and markdowns, are made at the corporate headquarters. The store manager and district manager, along with management at the Company's headquarters, review the merchandise mix to adapt to permanent or temporary changes or trends in the marketplace.

The Company adopted a more aggressive strategy in selling aged inventory during fiscal 2001, which allowed the Company to reconfigure merchandise assortments to place greater emphasis on better performing fresher merchandise. This has lead to improved inventory turns and merchandise product margins.

The Company's activewear/accessories sales have been negatively affected by a fashion shift from branded apparel and more recently by a transition to new merchandising strategies. As a result, activewear/accessories have decreased as a percent of total sales from 32% at March 1, 1997 to 18% at March 2, 2002. The Company believes that activewear/accessories sales will represent 18-20% of total sales in fiscal 2003.

Footwear

Finish Line's distinctive shoe wall is stocked with the latest in athletic, casual and outdoor footwear that the industry has to offer, including: Nike, adidas, Reebok, Timberland, And 1, K-Swiss, New Balance, Asics, Converse, Fila, Skechers and many others. To make shopping easier for customers, footwear is categorized into definable sections including: basketball, cross-training, running, fitness, tennis, cleated, golf, outdoor, casual and lifestyle. Most categories are available in men's, women's and children's styles.

Activewear/Accessories

Many of the same companies, that supply Finish Line with quality footwear, also supply activewear, including products made by Nike, adidas and Reebok. Additional suppliers include And 1, along with outdoor activewear from Columbia and Timberland. Many vendors offer footwear, activewear and accessories in "collections". Categories of activewear consist of jackets, caps, tops, pants, shorts, windwear, running wear, warm-ups, fleece, fitness wear and sport-casual wear. In addition, the Company carries licensed apparel and caps which has gained strength this past year. Among the accessories offered by the Company are socks, athletic bags, backpacks, sunglasses, watches and shoe-care products.

The Company's apparel sales continued to perform poorly during fiscal 2002 and were even further negatively affected by managements transition to new merchandising strategies undertaken by a new apparel buying team, however, during the fourth quarter of fiscal 2002, the Company reported a positive apparel/accessory comparable sales gain for the first time in fifteen quarters. The Company is working closely with the branded apparel vendors to continue this positive sales trend and has been developing new private label product offerings to provide more competitive introductory price points in key product categories. In March 2002, the Company launched its new private brand apparel line, Finish Line Blue Label. The Finish Line Blue Label brand is targeted toward the recently defined marketing edit point of a young, college-aged consumer who is "action addicted".

Marketing

The Company attempts to reach its target audience by using a multifaceted approach to marketing and advertising on national, regional and local levels. The Company utilizes television, direct mail, consumer print, outdoor, and the internet in its marketing efforts.

The Company also takes advantage of advertising and promotional assistance from many of its suppliers. This assistance takes the form of cooperative advertising programs, in-store sales incentives, point-of-purchase materials, product training for employees and other programs. Total advertising expense for fiscal 2002 and fiscal 2001 was 1.6% of net sales, after deducting co-op reimbursements, for both years, respectively. These percentages fluctuate substantially during the different consumer buying seasons. The Company also believes that it benefits from the multimillion dollar advertising campaigns of its key suppliers, such as Nike, adidas, and Reebok.

The Company also uses in-store contests, promotions and event sponsorships, as well as a comprehensive public relations effort to further market the Company.

Purchasing and Distribution

Finish Line's footwear purchasing is coordinated through a centralized merchandising department under the direction of an Executive Vice President-Chief Merchandising Officer. The buying and merchandise departments are comprised of approximately 45 people. The footwear and activewear/accessories divisions consist of a Vice-President-Footwear, a Vice-President-Apparel, divisional merchandise managers, multiple buyers and associate buyers. Both buying divisions are supported by a planning and merchandising division, which consists of planners, merchandisers and administrative assistants.

The Company believes that its ability to buy in large quantities directly from suppliers enables it to obtain favorable pricing and trade terms. Currently, the Company purchases product from approximately 140 suppliers and manufacturers of athletic and fashion products, the largest of which (Nike) accounted for approximately 56% and 53% of total purchases in fiscal 2002 and fiscal 2001, respectively. The Company purchased approximately 78% of total merchandise in both fiscal 2002 and fiscal 2001, respectively, from its five largest suppliers. The Company and its vendors use EDI technology to streamline purchasing and distribution operations.

The Company has implemented warehouse management computer software for distribution center processing that features RF technology. This system has helped improve productivity and accuracy as well as reduce the time it takes to send merchandise to stores. The Company believes this innovative technology will continue to improve its operations as well as allow for real-time tracking of inventory within the distribution center and in transit to the stores.

Nearly all of the Company's merchandise is shipped directly from suppliers to the distribution center, where the Company processes and ships it by contract and common carriers to its stores. Each day shipments are made to one-third of the Company's stores. In any three-week period, each store will receive five shipments. A shipment is normally received one to four days from the date that the order is filled depending on the store's distance from the distribution center. Historically, the Company maintains approximately two-thirds of a month's supply of merchandise at the distribution center and in turnout to the stores.

Management Information System

The Company has a computerized management information system, which includes a local area network of computers at corporate headquarters used by management to support decision-making along with PC-based POS computers at the stores. Store computers are connected via frame relay to computers at corporate headquarters. A perpetual inventory system permits corporate management to review daily each store's inventory by department, class and SKU. This system includes an automated replenishment system that allows the Company to replace faster-selling items more quickly. Store associates are able to use the WAN and perpetual inventory system to locate and sell merchandise that can then be fulfilled from another store. Other functions in the system include accounting, distribution, inventory tracking and control.

Store Operations

The Company's Executive Vice President - Store Operations, Senior Vice President-Store Personnel and regional and district managers visit the stores regularly to review the implementation of Company plans and policies, monitor operations, and review inventories and the presentation of merchandise. Accounting and general financial functions for the stores are conducted at corporate headquarters. Each store has a store manager or co-managers that are responsible for supervision and overall operations, one or more assistant managers and additional full and part-time sales associates.

Regional, district and store managers receive a fixed salary and are eligible for bonuses, based primarily on sales, payroll and shrinkage performance goals of the stores for which they are responsible. All assistant store managers and sales associates are paid on an hourly basis.

Real Estate

As of May 4, 2002, Finish Line operated 449 stores in 43 states. With the exception of five strip-center stores, all Finish Line stores are located in enclosed shopping malls. The typical store format has a sales floor, which includes a try-on area, and a display area where each style of footwear carried in the store is displayed by category (e.g., basketball, tennis, running), and an adjacent stock room where the footwear inventory is maintained. Sales floors in all stores represent approximately 65% to 75% of the total space.

Finish Line believes that its ability to obtain attractive, high traffic store locations, such as enclosed malls, to be a critical element of its business and a key factor in its future growth and profitability. In determining new store locations, management evaluates market areas, in-mall locations, "anchor" stores, consumer traffic, mall sales per square foot, competition and occupancy, construction and other costs associated with opening a store. The Company believes that the number of desirable store sites likely to be available in the future will permit it to implement its growth strategy in total square footage.

Finish Line leases all of its stores. Initial lease terms of the stores generally range from five to ten years in duration without renewal options, although some of the stores are subject to leases for five years with one or more renewal options. The leases generally provide for a fixed minimum rental plus a percentage of sales in excess of a specified amount.

Based upon expenditures for fiscal 2002, the Company estimates that the cash requirements during fiscal 2003 for opening a traditional new store (averaging approximately 5,000 square feet) will approximate $500,000. This estimate includes $325,000 for fixtures, equipment, leasehold improvements and pre-opening expenses plus $275,000 ($175,000 net of payables) in inventory investment.

Competition

The Company's business is highly competitive. Many of the products the Company sells are sold in department stores, national and regional full-line sporting goods stores, athletic footwear specialty stores, athletic footwear superstores, discount stores, traditional shoe stores mass merchandisers, and internet e-tailers. Some of the Company's primary competitors are large national and/or regional chains that have substantially greater financial and other resources than Finish Line. Among the Company's competition are stores that are owned by major suppliers to the Company. To a lesser extent, the Company competes with mail order and local sporting goods and athletic specialty stores. In many cases, the Company's stores are located in enclosed malls or shopping centers in which one or more competitors also operate. Typically, the leases, which the Company enters into, do not restrict the opening of stores by competitors.

The Company attempts to differentiate itself from its competition by operating larger, more attractive, well-stocked stores in high retail traffic areas, with competitive prices and knowledgeable and courteous customer service. The Company attempts to keeps its prices competitive with athletic specialty and sporting goods stores in each trade area, including competitors that are not necessarily located inside the mall. The Company believes it accomplishes this by effectively mixing high profile and brand name merchandise with promotional and opportunistic purchases of other brand name merchandise and by controlling expenses, especially administrative and overhead expenses, with small, efficient departments throughout the organization.

Seasonal Business

The Company's business follows a seasonal pattern, peaking over a total of approximately 12 weeks during the late summer (late July through early September) and holiday (Thanksgiving through Christmas) periods. During the fiscal years ended March 2, 2002, and March 3, 2001 these periods accounted for approximately 33% of the Company's annual sales.

Employees

As of May 4, 2002, the Company employed 9,148 persons, 2,419 of whom were full-time and 6,729 of whom were part-time. Of this total, 508 were employed at the Company's Indianapolis, Indiana corporate headquarters and distribution center and 35 were employed as regional and district managers. Additional part-time employees are typically hired during the back-to-school and holiday seasons. None of the Company's employees are represented by a union and employee relations are generally considered good.

Retirement Plan

For the plan year ended December 31, 2001, the Company contributed cash in the amount of $1,088,000 to the Company's Profit Sharing Plan. While no assurances can be given that it will continue to do so in the future, the Company has in the past purchased on the open market its Class A Common Stock and later contributed it in lieu of cash to the Company's Profit Sharing Plan. The Company made no such contributions of stock during fiscal 2002.

During 2001 the Company amended and restated the plan to add a 401(K) feature whereby the Company matches 100 percent of employee contributions to the plan up to three percent of the employee's wages. The Company contributed matching funds of approximately $739,000 in fiscal 2002.

Trademarks

The Company has registered in the United States Patent and Trademark Office several trademarks relating to its business. The Company believes its trademark and service mark registrations are valid, and it intends to be vigilant with regard to infringing or diluting uses by other parties, and to enforce vigorously its rights in its trademarks and service marks.

Item 2 - PROPERTIES

In November 1991, the Company moved into its existing corporate headquarters and distribution center located on 16 acres in Indianapolis, Indiana. The facility, which is owned by the Company, was designed and constructed to the Company's specifications and includes automated conveyor and storage rack systems designed to reduce labor costs, increase efficiency in processing merchandise and enhance space productivity. In 1992, the Company purchased an additional 17 adjacent acres, thus bringing the total size of the headquarters property to 33 acres. The facility currently includes 46,000 square feet of office space and 256,000 square feet of warehouse space. In fiscal 2003, the Company plans to commence a 275,000 square foot addition to the office and distribution center in Indianapolis, Indiana. The Company believes the 33 acres will permit the headquarters and distribution center to be expanded to an aggregate of approximately 675,000 square feet through the expansion of the existing building and construction of additional buildings.

Store Locations

At May 4, 2002, the Company operated 449 stores in 43 states. With the exception of five strip center stores, all Finish Line stores are located in enclosed shopping malls. The following table sets forth information concerning the Company's stores.

STATE	TOTAL	STATE	TOTAL
Alabama	3	Missouri	11
Arizona	9	Nebraska	4
Arkansas	4	Nevada	1
California	11	New Hampshire	4
Colorado	8	New Jersey	10
Connecticut	4	New Mexico	1
Delaware	1	New York	24
Florida	21	North Carolina	17
Georgia	17	North Dakota	2
Idaho	1	Ohio	38
Illinois	34	Oklahoma	7
Indiana	24	Oregon	2
Iowa	8	Pennsylvania	27
Kansas	8	South Carolina	5
Kentucky	8	South Dakota	1
Louisiana	4	Tennessee	14
Maine	1	Texas	33
Maryland	16	Vermont	1
Massachusetts	7	Virginia	17
Michigan	20	Washington	5
Mississippi	2	West Virginia	5
		Wisconsin	9
		Total	449

The Company leases all of its stores. Initial lease terms for the Company's stores generally range from five to ten years in duration without renewal options, although some of the stores are subject to leases for five years with one of more renewal options. The leases generally provide for a fixed minimum rental plus a percentage of sales in excess of a specified amount.

Forward - Looking Statements and Risk Factors

This Annual Report on Form 10-K and the documents incorporated by reference contain statements, which constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Except for the historical information contained herein, the matters discussed in the Form 10-K and the documents incorporated by reference are forward looking statements that involve risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to: changing consumer preferences; the Company's inability to successfully market its footwear, apparel, accessories and other merchandise; price, product and other competition from other retailers (including internet and direct manufacturer sales); the unavailability of products; the inability to locate and obtain favorable lease terms for the Company's stores; the loss of key employees, general economic conditions and adverse factors impacting the retail athletic industry; management of growth, and the other risks detailed in the Company's Securities and Exchange Commission filings. The Company undertakes no obligation to release publicly the results of any revisions to these forward looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Item 3 - LEGAL PROCEEDINGS

The Company is from time to time, involved in certain legal proceedings in the ordinary course of conducting its business. Management believes there are no pending legal proceedings in which the Company is currently involved which will have a material adverse effect on the Company's financial position.

Item 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

Item 5 - MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The information required by this item is incorporated herein by reference to page 43 and the inside back cover of the 2002 Annual Report to Stockholders filed as Exhibit 13 to this Annual Report on Form 10-K.

Item 6 - SELECTED FINANCIAL DATA

The information required by this item is incorporated herein by reference to page 24 of the 2002 Annual Report to Stockholders filed as Exhibit 13 to this Annual Report on Form 10-K.

Item 7 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information required by this item is incorporated herein by reference to pages 25 through 31 of the 2002 Annual Report to Stockholders filed as Exhibit 13 to this Annual Report on Form 10-K.

Item 7A - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information required by this item is incorporated by reference to page 31 of the 2002 Annual Report to Stockholders filed as Exhibit 13 to this Annual Report on Form 10-K.

Item 8 - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this item is incorporated herein by reference to page 26 and pages 32 through 42 of the 2002 Annual Report to Stockholders filed as Exhibit 13 to this Annual Report on Form 10-K.

Item 9 - CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There were no disagreements between the Registrant and its independent auditors on matters of accounting principles or practices.

PART III

Item 10 - DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required by this item is incorporated herein by reference to the Sections entitled "Election of Directors--Nominees", and "Management--Executive Officers and Directors" in the 2002 Proxy Statement to be filed within 120 days of March 2, 2002, the Company's most recent fiscal year end.

Item 11 - EXECUTIVE COMPENSATION

The information required by this item is incorporated herein by reference to the Section entitled "Executive Compensation" in the 2002 Proxy Statement to be filed within 120 days of March 2, 2002, the Company's most recent fiscal year end.

Item 12 - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this item is incorporated herein by reference to the Section entitled "Securities Ownership of Certain Beneficial Owners and Management" in the 2002 Proxy Statement to be filed within 120 days of March 2, 2002, the Company's most recent fiscal year end.

Item 13 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this item is incorporated herein by reference to the Sections entitled "Certain Transactions" and "Compensation Committee Interlocks and Insider Participation" in the 2002 Proxy Statement to be filed within 120 days of March 2, 2002, the Company's most recent fiscal year end.

PART IV

Item 14 - EXHIBITS, FINANCIAL STATEMENTS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) 1. The following financial statements of The Finish Line, Inc. and the report of independent auditors included in the 2002 Annual Report to Stockholders are incorporated herein by reference:

Report of Independent Auditors
Consolidated Balance Sheets as of March 2, 2002 and March 3, 2001.
Consolidated Statements of Income for the years ended March 2, 2002, March 3, 2001, and February 26, 2000.
Consolidated Statements of Changes in Stockholders' Equity for the years ended March 2, 2002, March 3, 2001 and February 26, 2000.
Consolidated Statements of Cash Flows for the years ended March 2, 2002, March 3, 2001 and February 26, 2000.
Notes to Consolidated Financial Statements - March 2, 2002.

2. The Financial Statement Schedule of The Finish Line, Inc. is listed in Item 14(d).

(b) Reports on Form 8-K

None.

(c) Exhibits

Exhibit Number	Description
3.1.1	Restated Certificate of Incorporation of The Finish Line, Inc.(1)
3.1.2	Certificate of Amendment to the Restated Certificate of Incorporation of The Finish Line, Inc.(1)
3.2	Bylaws of The Finish Line, Inc. as amended and restated.(1)
4.1	1992 Employee Stock Incentive Plan of The Finish Line, Inc., as amended and restated.(2)
10.6.2	Form of Incentive Stock Option Agreement pursuant to the 1992 Employee Stock Incentive Plan.(1)
10.6.3	Form of Non-Qualified Stock Option Agreement pursuant to the 1992 Employee Stock Incentive Plan.(1)
10.7	Form of Indemnity Agreement between The Finish Line Inc. and each of its Directors or Executive Officers.(1)
10.18	Amended and Restated Tax Indemnification Agreement.(3)

10.26	Revolving Credit Agreement among Spike's Holding, Inc., and The Finish Line, Inc. dated May 4, 1997.(4)
10.28	Finish Line, Inc. Non-Employee Director Stock Option Plan, as amended and restated.(5)
10.29	Amendment to Revolving Credit Agreement among Spike's Holding, Inc.,

and The Finish Line, Inc. dated May 4, 1997.(6)

10.30 Credit Agreement among The Finish Line, Inc. the Lenders Signatory Thereto and National City Bank of Indiana, as Agent, dated September 20, 2000.(7)

10.31 First Amendment to Credit Agreement among The Finish Line, Inc., the Lendors Signatory, Thereto and National City Bank of Indiana, as Agent, dated March 16, 2001.(8)

10.32 The Finish Line, Inc. Profit Sharing and 401(k) Plan Nonstandardized Adoption Agreement Prototype Cash or Deferred Profit Sharing Plan and Trust/Custodial Account sponsored by National City Bank.(8)

13 Annual Report to Stockholders for the year ended March 2, 2002.

21 Subsidiaries of The Finish Line, Inc.

23 Consent of Ernst & Young LLP (independent auditors).

(1) Previously filed as a like numbered exhibit to the Registrant's Registration Statement on Form S-1 and amendments thereto (File No. 33-47247) and incorporated herein by reference.

(2) Previously filed as a like numbered exhibit to the Registrant's Registration Statement on Form S-8 (File No. 333-62063) and incorporated herein by reference.

(3) Previously filed as a like numbered exhibit to the Registrant's Quarterly Report on Form 10-Q (File No. 0-20184) for the quarter ended May 31, 1994 and incorporated herein by reference.

(4) Previously filed as a like numbered exhibit to the Registrants' Quarterly Report on Form 10Q (File No. 0-20184) for the quarter ended August 30, 1997 and incorporated herein by reference.

(5) Previously filed as a like numbered exhibit to the Registrant's Annual Report on Form 10-K (File No. 0-20184) for the year ended February 27, 1999 and incorporated herein by reference.

(6) Previously filed as a like numbered exhibit to the Registrants' Quarterly Report on Form 10Q (File No. 0-20184) for the quarter ended November 27, 1999 and incorporated herein by reference.

(7) Previously filed as a like numbered exhibit to the Registrant's Quarterly Report on Form 10-Q (File No. 0-20184) for the quarter ended November 25, 2000 and incorporated herein by reference.

(8) Previously filed as a like numbered exhibit to the Registrant's Annual report on Form 10-K (File No. 0-20184) for the year ended March 3, 2001 and incorporated herein by reference.

(d) Financial Statement Schedule	Page
Schedule II -- Valuation and Qualifying Accounts	17

All supporting schedules other than the above have been omitted because they are not required or the information to be set forth therein is included in the financial statements or in the notes thereto.

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE FINISH LINE, INC.

Date: May 15, 2002 By: /s/ Kevin S. Wampler,

Kevin S. Wampler, Senior Vice President, Chief Accounting Officer,
(Principal Financial and Accounting Officer)

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature to this Annual Report on Form 10-K appears below hereby constitutes and appoints Alan H. Cohen and Steven J. Schneider as such person's true and lawful attorney-in-fact and agent with full power of substitution for such person and in such person's name, place and stead, in any and all capacities, to sign and to file with the Securities and Exchange Commission, any and all amendments to this Annual Report on Form 10-K, with exhibits thereto and other documents in connection therewith, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as such person might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or any substitute therefore, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: May 15, 2002	/s/ Alan H. Cohen Alan H. Cohen, Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)
Date: May 15, 2002	/s/ David I. Klapper David I. Klapper, Senior Executive Vice President, and Director
Date: May 15, 2002	/s/ Larry J. Sablosky Larry J. Sablosky, Senior Executive Vice President and Director
Date: May 15, 2002	/s/ Jonathan K. Layne Jonathan K. Layne, Director
Date: May 15, 2002	/s/ Jeffrey H. Smulyan Jeffrey H. Smulyan, Director
Date: May 15, 2002	/s/ Stephen Goldsmith Stephen Goldsmith, Director
Date: May 15, 2002	/s/ Bill Kirkendall Bill Kirkendall, Director

INDEX TO FINANCIAL STATEMENT SCHEDULE

THE FINISH LINE, INC.

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
(Dollars in thousands)

COL A	COL B	COL C		COL D	COL E
		Additions			
Description	Balance at Beg. of Period	Charged to Costs and Expense	Charged to Other Accounts-Describe	Deductions-Describe	Balance at End of Period
Year ended February 26, 2000:					
Deducted from asset account:					
Reserve for inventory obsolescence	$ 3,300	$ 1,000	--	--	$ 4,300
Total	$ 3,300	$ 1,000	$ 0	$ 0	$ 4,300
Year ended March 3, 2001:					
Deducted from asset account:					
Reserve for inventory obsolescence	$ 4,300	$ 7,575	--	--	$11,875
Total	$ 4,300	$ 7,575	$ 0	$ 0	$11,875
Year ended March 2, 2002:					
Deducted from asset account:					
Reserve for inventory obsolescence	$ 11,875	$ --	--	$ (9,518)	$ 2,357
Total	$ 11,875	$ 0	$ 0	$ (9,518)	$ 2,357

Exhibit Index

Exhibit Number	Description
13	Annual Report to Stockholders for the year ended March 2, 2002
21	Subsidiaries of The Finish Line, Inc.
23	Consent of Ernst & Young LLP (independent auditors).

[LOGO]

SPORT.LIFE.STYLE

FINL>> 2002 FINISH LINE ANNUAL REPORT

OUR MISSION

FINISH LINE WILL PROVIDE THE BEST SELECTION OF SPORT INSPIRED FOOTWEAR, APPAREL AND ACCESSORIES TO FIT THE FAST CULTURE OF ACTION ADDICTED INDIVIDUALS

449 STORES NATIONWIDE

[MAP]

Finish Line, Inc. is a leading athletic retailer specializing in brand name footwear, apparel, and accessories. Finish Line began operations in 1976 in Indianapolis, Indiana, and at fiscal year-end 2002 served customers in 43 states through 449 stores and online. In every single Finish Line you'll find an outstanding selection of product built for Sport.Life.Style.

ALABAMA	Brandon	Forsyth	Manhattan	Detroit
Birmingham	Clearwater	Gurnee	Olathe	Flint
Dothan	Crystal River	Joliet	Overland Park	Fort Gratiot
Montgomery	Daytona Beach	Lincolnwood	Salina	Grandville
ARIZONA	Ft. Myers	Lombard	Topeka	Harper Woods
Chandler	Jacksonville	Marion	Wichita	Holland
Mesa	Lakeland	Matteson	KENTUCKY	Lansing
Phoenix	Naples	Moline	Ashland	Midland
Scottsdale	Ocoee	Niles	Bowling Green	Monroe
Sierra Vista	Orange Park	North Riverside	Florence	Muskegon
Tucson	Orlando	Orland Park	Lexington	Portage
ARKANSAS	Panama City	Peoria	Louisville	

Saginaw

Fayetteville	Pensacola	Peru	Paducah	Taylor
Fort Smith	Port Richey	Rockford	LOUISIANA	Traverse City
Little Rock	Sanford	Schaumburg	Alexandria	Waterford
N. Little Rock	St. Petersburg	Skokie	Bossier City	MISSISSIPPI
CALIFORNIA	Tallahassee	Springfield	Lake Charles	Ridgeland
Cerritos	Tampa	Sterling	Monroe	Tupelo
Culver City	GEORGIA	Vernon Hills	MAINE	MISSOURI
Fairfield	Alpharetta	West Dundee	Bangor	Cape Girardeau
Los Angeles	Athens	INDIANA	MARYLAND	Chesterfield
Mission Viejo	Atlanta	Anderson	Baltimore	Florissant
Montclair	Augusta	Bloomington	Bethesda	Independence
Montebello	Buford	Carmel	Columbia	Joplin
National City	Decatur	Elkhart	Cumberland	Kansas City
Northridge	Douglasville	Evansville	Forestville	Springfield
Roseville	Duluth	Fort Wayne	Frederick	St. Ann
Salinas	Kennesaw	Greenwood	Glen Burnie	St. Louis
San Diego	Lithonia	Indianapolis	Hagerstown	St. Peters
Stockton	Macon	Kokomo	Laurel	NEBRASKA
West Covina	Morrow	Lafayette	Owings Mills	Lincoln
Westminster	Savannah	Marion	Salisbury	Omaha
COLORADO	Union City	Merrillville	Towson	NEVADA
Boulder	IDAHO	Michigan City	Waldorf	Las Vegas
Broomfield	Boise	Mishawaka	MASSACHUSETTS	NEW HAMPSHIRE
Colorado Springs	ILLINOIS	Muncie	Brockton	Concord
Denver	Alton	Richmond	Hanover	Manchester
Fort Collins	Aurora	South Bend	Holyoke	Newington
Greeley	Bloomingdale	Terre Haute	Leominster	Salem
Littleton	Bloomington	IOWA	North Attleboro	NEW JERSEY
CONNECTICUT	Bourbonnais	Cedar Rapids	Saugus	Deptford
Meriden	Calumet City	Coralville	Taunton	Eatontown
Trumbull	Carbondale	Davenport	MICHIGAN	Freehold
Waterbury	Champaign	Des Moines	Adrian	Jersey City
Waterford	Chicago	Dubuque	Auburn Hills	Lawrenceville
DELAWARE	Chicago Ridge	Sioux City	Battle Creek	Paramus
Wilmington	Danville	West Des Moines	Bay City	Phillipsburg
FLORIDA	Evergreen Park	KANSAS	Benton Harbor	Rockaway
Altamonte Springs	Fairview Heights	Hutchinson	Burton	Vineland
Voorhees	Cincinnati	Pennsdale	Sherman	
NEW MEXICO	Cleveland	Philadelphia	Sugar Land	
Albuquerque	Columbus	Pittsburgh	The Woodlands	

NEW YORK
Albany
Bay Shore
Blasdell
Buffalo
Clay
DeWitt
Horseheads
Ithaca
Lakewood
Massapequa
Middletown
Nanuet
Niagara Falls
Poughkeepsie
Rochester
Saratoga Springs
Schenectady
Staten Island
Syracuse
Victor
Williamsville
NORTH CAROLINA
Asheville
Burlington
Cary
Charlotte
Concord
Durham
Gastonia
Greensboro
Hickory
High Point
Pineville
Raleigh
Rocky Mount
Wilmington
Winston-Salem
NORTH DAKOTA
Bismarck
Grand Forks
OHIO
Akron
Ashtabula
Beaver Creek
Canton
Dayton
Dublin
Elyria
Findlay
Franklin
Heath
Lancaster
Lima
Mansfield
Marion
Mentor
N. Olmsted
New Philadelphia
Niles
Parma
Piqua
Reynoldsburg
Richmond Heights
Sandusky
Springfield
St. Clairsville
Toledo
OKLAHOMA
Midwest City
Norman
Oklahoma City
Tulsa
OREGON
Portland
PENNSYLVANIA
Altoona
Bensalem
Bloomsburg
Butler
Camp Hill
Chambersburg
Erie
Exton
Greensburg
Hanover
Indiana
Johnstown
Lancaster
Media
Monaca
North Wales
Plymouth Meeting
Scranton
Uniontown
Washington
West Mifflin
York
SOUTH CAROLINA
Charleston
Columbia
Greenville
N. Charleston
SOUTH DAKOTA
Sioux Falls
TENNESSEE
Antioch
Chattanooga
Clarksville
Franklin
Goodlettsville
Johnson City
Memphis
Nashville
TEXAS
Abilene
Amarillo
Arlington
Austin
Beaumont
Cedar Park
Dallas/Fort Worth
El Paso
Frisco
Houston
Humble
Hurst
Irving
Katy
Killeen
Laredo
Longview
Mesquite
Midland
Plano
Richardson
San Angelo
San Antonio
Tyler
Waco
Wichita Falls
VERMONT
Burlington
VIRGINIA
Alexandria
Chesapeake
Christiansburg
Colonial Heights
Danville
Dulles
Fredericksburg
Glen Allen
Harrisonburg
Lynchburg
Newport News
Norfolk
Richmond
Roanoke
Springfield
Virginia Beach
Winchester
WASHINGTON
Bellingham
Seattle
Spokane
Tacoma
WEST VIRGINIA
Barboursville
Bridgeport
Charleston
Martinsburg
Morgantown
WISCONSIN
Brookfield
Green Bay
Greendale
Janesville
Madison
Milwaukee
Racine
Wauwatosa

2002 FINANCIAL HIGHLIGHTS

[LOGO]

(Dollars in thousands, except per share data)	Fiscal 2002	Fiscal 2001	Fiscal 2000
Net sales	$ 701,426	$ 663,906	$ 585,963
Operating income	27,215	4,975	23,185
Operating income as a % of net sales	3.9%	0.8%	4.0%
Net income	18,448	3,745	15,607
Net income as a % of net sales	2.6%	0.6%	2.7%
Diluted earnings per share	$ .75	$ .15	$ .62
Number of stores open at end of period	449	436	409
Total retail square footage at end of period	2,694,380	2,653,886	2,478,930
Average store size	6,001	6,087	6,061
Total assets	$ 328,347	$ 308,868	$ 289,095
Cash and marketable securities	77,853	51,935	24,481
Total debt	--	--	--
Total stockholders' equity	243,954	226,747	222,392

The Company's fiscal year ends on the Saturday nearest the end of February. As used in this Report, "fiscal 1998," "fiscal 1999," "fiscal 2000," "fiscal 2001" and "fiscal 2002" refer to the Company's fiscal years ended February 28, 1998; February 27, 1999; February 26, 2000; March 3, 2001 and March 2, 2002 respectively. "Fiscal 2003" and "fiscal 2004" refer to the Company's fiscal years ended March 1, 2003 and February 28, 2004, respectively.

[GRAPH]

WE ARE

[PHOTOS OF FASHION MODELS PRESENTING PRODUCT AND STORE PICTURES APPEAR HERE]

SPORT.LIFE.STYLE

[PHOTOS OF FASHION MODELS PRESENTING PRODUCT APPEARS HERE]

[PHOTOS OF FASHION MODELS PRESENTING PRODUCT APPEARS HERE]

[PHOTO OF FASHION MODEL PRESENTING PRODUCT APPEARS HERE]

It's in our blood. Action. Performance. The game. It's where we live. At Finish Line, sport is the foundation for everything we do. It's reflected in our products. It's echoed in our stores. It's defined by our brands and our people. No matter how the game may change, we will be a part of it.

[LOGO]

[PHOTO OF FASHION MODEL PRESENTING PRODUCT APPEARS HERE]

[PHOTOS OF FASHION MODELS PRESENTING PRODUCT APPEARS HERE]

HERITAGE

PERFORMANCE

AUTHENTICITY

[PHOTO OF FASHION MODEL PRESENTING PRODUCT APPEARS HERE]

[PHOTO OF FASHION MODEL PRESENTING PRODUCT APPEARS HERE]

At Finish Line, it's about more than what happens between buzzers. It's what happens between sunrise and sunset. It's being there for a customer who is addicted to action. A customer who is fast, online, mobile, digital, energetic, and athletic. Someone who isn't waiting to be defined, but searches for definition.

[LOGO]

[PHOTO OF FASHION MODELS PRESENTING PRODUCT APPEARS HERE]

[PHOTOS OF FASHION MODELS PRESENTING PRODUCTS APPEAR HERE]

REAL

ACTION ADDICTED

FAST CULTURE

[PHOTO OF FASHION MODEL PRESENTING PRODUCT APPEARS HERE]

[PHOTO OF FASHION MODEL PRESENTING PRODUCT APPEARS HERE]

Our customer gets it. What's cool, what's not. They know what's real, and where to get it. Nobody brings it all together the way we can. It's about having the right stuff, having the best selection. It's color and cut, performance and point-of-view. It's about self-expression, and being true to yourself.

[LOGO]

[PHOTO OF FASHION MODEL PRESENTING PRODUCT APPEARS HERE]

[PHOTO OF FASHION MODEL PRESENTING PRODUCT APPEARS HERE]

[PHOTOS OF FASHION MODELS PRESENTING PRODUCT APPEARS HERE]

FASHIONABLE

FUSION OF INFLUENCE

INDIVIDUAL

[PHOTO OF FINISH LINE STORE FRONT APPEARS HERE]

Best selection goes far beyond the product on the wall. It's illustrated in a thorough understanding of our customer and reflected in the brands, styles, and colors we stock. We have to carry what they're looking for.

[LOGO]

Our buyers and merchandisers are out in front of the trends, creating a story that's unique to Finish Line. Product our customers are hungry for. Grounded in Sport. True to Life. Always in Style.

[PHOTO OF FINISH LINE STORE MEN'S SHOE WALL APPEARS HERE]

[PHOTO OF FINISH LINE STORE WOMEN'S SHOE WALL APPEARS HERE]

[PHOTOS OF FINISH LINE STORE PRESENTATIONS OF FOOTWEAR AND APPAREL]

RIGHT STYLES

MORE CHOICES

PERFECT FIT

[PHOTOS OF FINISH LINE STORE FRONTS AND STORE PRODUCT DISPLAYS]

2002 FINANCIALS

LETTER TO THE STOCKHOLDERS

[GRAPHIC]

As I look back at Fiscal 2002, it is clear to me that this was a pivotal year for Finish Line. We began the year with a plan to make changes that would position our Company for success in both the short and long term. As part of our repositioning plan, our goals were to reduce the amount of aged inventory, close under-performing stores, continue our footwear sales momentum, and make dramatic changes in our apparel program. I am happy to report that we accomplished these goals and are well positioned for future growth.

Financial Highlights of FY2002. The financial results of our repositioning plan were apparent in Fiscal 2002. For this year net sales were $701,426,000, an increase of 6% over last year. Comparable store net sales increased 4% (52 weeks vs. 52 weeks) versus a 1% comp gain last year.

During the year we maintained our sales momentum in footwear with a 7% increase in comparable sales and with strong growth in all three sectors of our business: men's, women's, and kids'. Additionally, for the first time in 15 quarters, our apparel/accessory business reported a positive comparable sales gain in the fourth quarter.

Net income for Fiscal 2002 was $18.4 million, or $.75 per diluted share, compared to net income of $3.7 million, or $.15 per diluted share, for Fiscal 2001. On a comparable basis (after excluding repositioning and last year's extra week) net income increased 23% over last year.

Keys to Success in FY2002. There were several factors that helped us achieve improved performance this past year. One was our persistent marketing focus on new products and key categories in our stores rather than leading with "price or sale" as our primary marketing message. Our core consumers responded positively to this positioning, allowing us to differentiate ourselves from our competition and to sell more new product at higher margins.

Additionally, our decision in Fiscal 2002 to reduce aged inventory had a dramatic effect on our performance and should continue to do so in years to come. During the year we reduced our aged inventory (product over one year old) from approximately 13% of our total inventory to the low single digits. By cleaning up our aged product, we have been able to increase sales with less inventory while increasing our product turns.

Another key to our success this past fiscal year was closing 13 under-performing stores, which has helped increase our profitability.

Positioned for Growth. During the year we made changes to strengthen our merchandise team, especially in the apparel category, to better position us for future growth. These changes included promotions from within as well as important new hires who have substantial apparel retailing backgrounds. These personnel changes were made without interrupting the positive momentum that has characterized our footwear business over the last few years.

One of the first steps taken by the new team was a renewed focus on our primary customer by defining a more specific product and marketing edit point. This edit point is directed at a young, college-aged consumer who is "action addicted." It is an aspirational target that younger kids emulate, and that our older, active consumers strive to maintain. We feel

these action addicted teens are more multicultural than past generations, are connected online, fear boredom, and are always on the move. They are redefining sport and fashion for their generation.

This focus became the foundation for creating our new private brand apparel line Finish Line Blue Label which launched in March 2002. It has also provided our buyers and vendors with a clearer vision of product that is relevant to our core consumer. This new leadership and vision have already produced improved results that we expect to continue in Fiscal 2003 and beyond.

Redefined Mission. Better understanding our core customer and current market trends, we rethought our Mission Statement taking into account this new aspirational target. We have decided to launch a new branding effort in Fiscal 2003 to communicate our new positioning to consumers and employees.

Our mission is to provide the best selection of sport inspired footwear, apparel and accessories to fit the fast culture of action addicted individuals.

We are confident this mission more clearly defines Finish Line and where we are headed. Our market research tells us that an important point-of-difference with our competitors is our greater product selection -- and we expect to enhance this in the future with even stronger and more compelling product and visual merchandising. "Best" selection does not necessarily mean the "most," but it does mean having the "right" selection in the right stores. Sport inspired product is also important to Finish Line. This is our heritage, and every product we carry should be grounded in athletics.

Apparel and accessories are an integral part of this mission as well. We know we have to increase our store productivity, and to achieve this we have to be more than just a great athletic footwear store. No other athletic specialty retailer in the mall can cross-merchandise all three categories (footwear, apparel, and accessories) under one roof like Finish Line.

Finally, we recognize that action addicted consumers create a very fast culture with fashion trends that can emerge overnight from any city in the country. We believe we have the flexibility and vision to remain ahead of these trends and to continue our sales momentum in the future.

Opportunities for FY2003. Finish Line is poised for growth in Fiscal 2003. We have strengthened our merchandising team, we have reduced the average age of our inventory, and we have taken our proprietary brand Finish Line Blue Label to market.

All these changes have further strengthened our successful relationships with key vendors. They appreciate our marketing approach to their products and brands and now better understand Finish Line's consumer and new edit point. This will be beneficial as we continue to develop exclusive product offerings with these partners and further distinguish ourselves from our competition.

As we enter into the new fiscal year, we are well positioned in the mall to gain market share in the women's and kids' categories. Our stores and shopping environment are appealing to women and kids, as well as men, and we intend to increase our focus on the women's and kids' businesses with enhanced and improved product offerings.

Throughout Fiscal 2003 we intend to fortify our new positioning and mission in the marketplace. Through an enhanced brand marketing campaign we have developed a consistent, relevant message that speaks to the action addicted consumer at all points of contact, including in-store, online, and in our advertising.

Fiscal 2002 was a successful transition year for Finish Line. I am confident that with the continued dedication and hard work of all Finish Line associates combined with our new consumer focus and merchandising strategies we will maintain this positive momentum into next year.

Sincerely,

/s/ Alan H. Cohen

Alan H. Cohen

President and CEO, Finish Line, Inc.

SELECTED FINANCIAL DATA

Year Ended: (In thousands, except per share and store operating data)	March 2, 2002	March 3, 2001	February 26, 2000	February 27, 1999	February 28, 1998
Income Statement Data:					
Net sales	$ 701,426	$ 663,906	$ 585,963	$ 522,623	$ 438,911
Cost of sales (including occupancy expenses)	508,533	491,527	423,505	373,170	303,809
Gross profit	192,893	172,379	162,458	149,453	135,102
Selling, general and administrative expenses	167,681	156,820	139,273	117,507	94,303
Repositioning and asset impairment charges (reversals)	(2,003)	10,584	--	--	--
Operating income	27,215	4,975	23,185	31,946	40,799
Interest income-- net	1,610	970	826	1,421	2,495
Income before income taxes	28,825	5,945	24,011	33,367	43,294
Income taxes	10,377	2,200	8,404	12,680	16,560
Net income	$ 18,448	$ 3,745	$ 15,607	$ 20,687	$ 26,734
Earnings Per Share Data:					
Basic earnings per share	$ .76	$ .15	$ .63	$ .81	$ 1.03
Diluted earnings per share	$ .75	$ .15	$ .62	$ .80	$ 1.02
Share Data(1):					
Weighted-average shares	24,312	24,458	24,848	25,541	25,963
Diluted weighted-average shares	24,683	24,663	25,039	25,833	26,317
Selected Store Operating Data:					
Number of stores:					
Opened during period	27	34	55	59	53
Closed during period	14	7	4	3	2
Open at end of period	449	436	409	358	302
Total square feet (2)	2,694,380	2,653,886	2,478,930	2,095,264	1,586,520
Average square feet per store (2)	6,001	6,087	6,061	5,853	5,253
Net sales per square foot for comparable stores (3)	$ 262	$ 256	$ 272	$ 310	$ 345
Increase (decrease) in comparable store net sales (4)	4.5%	1.3%	(2.6)%	(1.7)%	5.6%
Balance Sheet Data:					
Working capital	$ 153,846	$ 133,640	$ 124,898	$ 106,661	$ 120,822
Total assets	328,347	308,868	289,095	278,555	255,978
Total debt	--	--	--	--	--
Stockholders' equity	243,954	226,747	222,392	208,679	197,122

(1) Consists of weighted-average common and common equivalent shares outstanding for the period.
(2) Computed as of the end of each fiscal period.
(3) Calculated excluding sales for the 53rd week of fiscal 2001.
(4) Calculated using those stores that were open for the full current fiscal period and were also open for the full prior fiscal period.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Year Ended:	March 2, 2002	March 3, 2001	February 26, 2000
Income Statement Data:			
Net sales	100.0%	100.0%	100.0%
Cost of sales (including occupancy expenses)	72.5	74.0	72.3
Gross profit	27.5	26.0	27.7
Selling, general and administrative expenses	23.9	23.6	23.7
Repositioning and asset impairment charges (reversals)	(0.3)	1.6	--
Operating income	3.9	0.8	4.0
Interest income-net	0.2	0.1	0.1
Income before income taxes	4.1	0.9	4.1
Income taxes	1.5	0.3	1.4
Net income	2.6%	0.6%	2.7%

General. The following discussion and analysis should be read in conjunction with the information set forth under "Selected Financial Data" and the Consolidated Financial Statements and Notes thereto included elsewhere herein.

The table above sets forth operating data of the Company as a percentage of net sales for the periods indicated.

Critical Accounting Policies. Management's discussion and analysis of financial condition and results of operations are based upon the consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires the Company to make estimates and judgements that affect the reported amounts of assets, liabilities, expenses and related disclosure of contingent assets and liabilities. On an ongoing basis, the Company evaluates these estimates, including those related to the valuation of inventory, the potential impairment of long-lived assets and the valuation of repositioning reserve. The Company bases the estimates on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Management believes the following critical accounting policies affect its more significant judgements and estimates used in preparation of its consolidated financial statements.

Valuation of Inventory. Merchandise inventories are valued at the lower of cost or market using a weighted-average cost method, which approximates the first-in, first-out method. The Company's valuation of inventory includes a markdown reserve for merchandise that will be sold below cost. The markdown reserves value is based upon historical information and assumptions about future demand and market conditions. It is possible that changes to the markdown reserve could be required in future periods due to changes in market conditions.

Impairment of Long-Lived Assets. The Company evaluates the recoverability of its long-lived assets in accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," which generally requires the Company to assess these assets for recoverability whenever events or changes in circumstance indicate that the carrying amounts of long-lived tangible assets may not be recoverable. The Company considers historical performances and future estimated results in its evaluation of potential impairment and then compares the carrying amount of the asset to the estimated non-discounted future cash

Quarter Ended: (Dollars in thousands, except per share data)	June 2, 2001		September 1, 2001		December 1, 2001		March 2, 2002	
Net sales	$ 160,825	100.0%	$ 196,776	100.0%	$ 142,266	100.0%	$ 201,559	100.0%
Cost of sales (including occupancy expenses)	120,370	74.9	137,922	70.1	107,297	75.4	142,944	70.9
Gross profit	40,455	25.1	58,854	29.9	34,969	24.6	58,615	29.1
Selling, general and administrative expenses	39,796	24.7	43,494	22.1	38,748	27.3	45,643	22.7
Repositioning and asset impairment charges (reversals) - net	(660)	(.4)	--	--	(549)	(.4)	(794)	(.4)
Operating income (loss)	1,319	.8	15,360	7.8	(3,230)	(2.3)	13,766	(6.8)
Interest income - net	480	.3	458	.2	387	.3	285	.2
Income (loss) before income taxes	1,799	1.1	15,818	8.0	(2,843)	(2.0)	14,051	7.0
Income taxes (benefit)	648	.4	5,694	2.9	(1,023)	(.7)	5,058	2.5
Net income (loss)	$ 1,151	.7%	$ 10,124	5.1%	$ (1,820)	(1.3) %	$ 8,993	4.5%
Basic earnings (loss) per share	$ .05		$ .41		$ (.08)		$ .37	
Diluted earnings (loss) per share	$ .05		$ .41		$ (.07)		$ .36	

Quarter Ended: (Dollars in thousands, except per share data)	May 27, 2000		August 26, 2000		November 25, 2000		March 3, 2001	
Net sales	$ 146,657	100.0%	$ 190,542	100.0%	$ 134,503	100.0%	$ 192,204	100.0%
Cost of sales (including occupancy expenses)	106,013	72.3	137,296	72.1	101,378	75.4	146,840	76.4
Gross profit	40,644	27.7	53,246	27.9	33,125	24.6	45,364	23.6
Selling, general and administrative expenses	34,846	23.8	42,207	22.1	37,404	27.8	42,363	22.0
Repositioning and asset impairment charges	--	--	--	--	--	--	10,584	5.5
Operating income (loss)	5,798	3.9	11,039	5.8	(4,279)	(3.2)	(7,583)	(3.9)
Interest income - net	223	.2	169	.1	328	.2	250	.1
Income (loss) before income taxes	6,021	4.1	11,208	5.9	(3,951)	(3.0)	(7,333)	(3.8)
Income taxes (benefit)	2,228	1.5	4,147	2.2	(1,462)	(1.1)	(2,713)	(1.4)
Net income (loss)	$ 3,793	2.6%	$ 7,061	3.7%	$ (2,489)	(1.9)%	$ (4,620)	(2.4)%
Basic earnings (loss) per share	$ .16		$ .29		$ (.10)		$ (.19)	
Diluted earnings (loss) per share	$ .15		$ .29		$ (.10)		$ (.19)	

[GRAPHIC]

flows expected to result from the use of the asset. If such assets are considered to be impaired, the impairment recognized is measured by comparing projected individual store discounted cash flows to the asset carrying values. The estimation of fair value is measured by discounting expected future cash flows at the discount rate the Company utilizes to evaluate potential investments. Actual results may differ from these estimates and as a result the estimation of fair values may be adjusted in the future.

Repositioning Plan Reserve. During fiscal 2001, the Company recorded reserves in connection with its repositioning plan. The remaining reserve at March 2, 2002 relating to lease obligations for planned store closings requires the use of estimates. Though the Company believes that these estimates accurately reflect the anticipated costs of the repositioning plan, actual results may differ.

Fiscal 2002 Compared to Fiscal 2001. Net sales for fiscal 2002 were $701.4 million, an increase of $37.5 million or 5.7% over fiscal 2001. Of this increase, $14.4 million was attributable to an increase from the 34 existing stores open only part of fiscal 2001, and $20.4 million was from an increase in the number of stores open during the period from 436 at the end of fiscal 2001 to 449 at the end of fiscal 2002. The balance of the increase in net sales was attributable to a comparable store net sales increase of 4.5% in fiscal 2002, which was partially offset by fiscal 2002 containing seven less days than fiscal 2001. Comparable net footwear sales increased 7.1% for fiscal 2002 while comparable net activewear and accessories sales decreased 6.1%. Activewear and accessories were negatively effected by the transition to new merchandise strategies undertaken by the new apparel buying team, however in the fourth quarter of 2002 comparable activewear and accessories sales increased 2.0%.

Gross profit, which includes product margin less store occupancy costs, for fiscal 2002 was $192.9 million. Excluding the net effect of non-recurring charges of $288,000 in fiscal 2002 and $9.2 million in fiscal 2001 included in cost of sales representing inventory writedowns associated with the repositioning plan, gross profit was $193.2 million in fiscal 2002 and $181.6 million in fiscal 2001. This was an increase of approximately $11.6 million or 6.4% over fiscal 2001, and an increase of approximately 0.2% as a percent of net sales. This 0.2% increase is due to a 0.3% increase in margin for product sold, partially offset by a 0.1% increase in occupancy costs as a percentage of net sales.

Selling, general and administrative expenses were $167.7 million, an increase of $10.9 million or 6.9% over fiscal 2001, and increased to 23.9% from 23.6% as a percentage of net sales. The dollar increase was primarily attributable to the operating costs related to the 27 additional stores opened during 2002. The increase as a percentage of net sales is a result of the fiscal 2001 benefiting from an extra week due to the 53-week retail calendar which added approximately $14.0 million in sales to fiscal 2001.

In March 2001, the Company approved a repositioning plan (the "Plan") and recorded pre-tax non-recurring repositioning and asset impairment charges totaling $19.8 million in connection with additional inventory markdowns, lease costs and asset impairment charges for 17 planned store closings, and asset impairment charges for 14 identified under-performing stores.

During 2002 the Company completed its repositioning plan related to aged inventory and recognized an additional $288,000 of expense related to inventory markdowns which was recorded as a component of cost of sales. The repositioning markdown reserve balance is zero as of March 2, 2002.

In connection with the store closings, the Company established a reserve for future lease payments after store closures of $3.8 million

all of which was included in accrued expenses at March 3, 2001. The accrued expense was reduced $2.4 million in fiscal 2002 which represented payments of $434,000 and a decrease in the expected future store closure obligation of $2.0 million, which was taken back into income as a change in estimate. The remaining reserve, which is $1.4 million at March 2, 2002, is reviewed periodically to determine its adequacy.

Net interest income for fiscal 2002 was $1.6 million compared to net interest income of $1.0 million for fiscal 2001. The increase was the result of increased levels of invested cash due to the Company's progress with the liquidation of aged inventory and fewer store openings in fiscal 2002.

Income tax expense was $10.4 million for fiscal 2002 compared to $2.2 million for fiscal 2001. The increase in the Company's provision for federal and state taxes in 2002 is due to the increased level of income before taxes slightly offset by a decrease in the effective tax rate to 36% for fiscal 2002 compared to 37% in fiscal 2001.

Net income increased 392.6% to $18.4 million for fiscal 2002 compared to $3.7 million for fiscal 2001. Diluted net income per share increased 400.0% to $.75 for fiscal 2002 compared to $.15 for fiscal 2001. Diluted weighted average shares outstanding were 24,683,000 and 24,663,000, for fiscal 2002 and 2001, respectively.

Fiscal 2001 Compared to Fiscal 2000. Net sales for fiscal 2001 were $663.9 million, an increase of $77.9 million or 13.3% over fiscal 2000. Of this increase, $33.9 million was attributable to an increase from the 55 existing stores open only part of fiscal 2000, and $26.7 million was from a 6.6% increase in the number of stores open during the period from 409 at the end of fiscal 2000 to 436 at the end of fiscal 2001. The balance of the increase in net sales was attributable to an approximate $14.0 million increase due to fiscal 2001 having seven additional days as compared to fiscal 2000 and a comparable store net sales increase of 1.3% in fiscal 2001. Comparable net footwear sales increased 4.9% for fiscal 2001 while comparable net activewear and accessories sales decreased 10.6%. Net sales per square foot decreased in fiscal 2001 to

$256 (on a comparable 52-week year basis) from $272 in fiscal 2000. Activewear and accessories continue to be negatively effected by a significant reduction in the average unit selling price. Net sales per square foot have been negatively impacted by the decrease in activewear sales.

Gross profit, which includes product margin less store occupancy costs, for fiscal 2001 was $172.4 million. Excluding the effect of non-recurring charges of $9.2 million in fiscal 2001 representing inventory writedowns associated with the repositioning plan discussed below, gross profit was $181.6 million, an increase of approximately $19.1 million or 11.8% over fiscal 2000, and a decrease of approximately 0.4% as a percent of net sales. Of this 0.4% decrease, 0.3% was due to a decrease in margin for product sold, 0.2% was due to an increase in occupancy costs as a percentage of net sales, partially offset by a decrease in inventory shrink of 0.1%.

Selling, general and administrative expenses were $156.8 million, an increase of $17.5 million or 12.6% over fiscal 2000, and decreased to 23.6% from 23.7% as a percentage of net sales. The dollar increase was primarily attributable to the operating costs related to the 34 additional stores opened during 2001. The decrease as a percentage of net sales is a result of the 53-week year in fiscal 2001 which added approximately $14.0 million in sales to the year.

In the fourth quarter of 2001, the Company approved a repositioning plan (the "Plan") designed to increase long-term profitability of its retail stores and generate long-term value for stockholders. As part of that plan the Company recorded pre-tax non-recurring repositioning and asset impairment charges totaling $19.8 million ($12.5 million after tax or $.51 per share) in connection with additional inventory markdowns, lease costs and

[GRAPHIC]

asset impairment charges for 17 planned store closings, and asset impairment charges for 14 identified under-performing stores.

The most significant component of the Plan included a more aggressive approach to reducing aged inventory by reconfiguring merchandise assortments to place greater emphasis on better performing fresher merchandise. The additional markdown reserve, which totaled $9.2 million, has been recorded as a component of cost of sales.

In connection with the store closings, the Company established a reserve for future lease payments after store closures of $3.8 million, all of which is included in accrued expenses at March 3, 2001. Costs were charged against this reserve as paid (expected to be primarily in 2002) and the reserve was reviewed periodically to determine its adequacy.

The Company recorded an asset impairment charge, pursuant to the requirements of SFAS No. 121, of $3.1 million related to the planned store closings. The fixed assets written off could not readily be used at other store locations nor was there a ready market outside the Company to determine fair value. The assets, consisting principally of fixtures and leasehold improvements, are expected to be discarded at the time of store closing. Accordingly, the asset impairment charge recorded represents the carrying value of the assets at the time of approval of the repositioning plan and depreciation of these assets was discontinued at that time. Operating results for the individual stores will be included in operations through the closing dates of the respective stores.

The Company also reviewed its under-performing stores for asset impairment charges. The asset impairment test was applied to all stores with negative contribution and cash flows. An asset impairment charge of $3.6 million was calculated as the difference between the carrying amount of the assets and each store's estimated future discounted cash flows.

Net interest income for fiscal 2001 was $1.0 million compared to net interest income of $.8 million for fiscal 2000. The increase was the result of increased levels of invested cash and marketable securities due to fewer store openings in fiscal 2001.

Income tax expense was $2.2 million for fiscal 2001 compared to $8.4 million for fiscal 2000. The decrease in the Company's provision for federal and state taxes in 2001 is due to the decreased level of income before taxes, slightly offset by an increase in the effective tax rate to 37% for fiscal 2001 from 35% in fiscal 2000.

Net income decreased 76.0% to $3.7 million for fiscal 2001 compared to $15.6 million for fiscal 2000. Diluted net income per share decreased 75.8% to $.15 for fiscal 2001 compared to $.62 for fiscal 2000. Diluted weighted average shares outstanding were 24,663,000 and 25,039,000, for fiscal 2001 and 2000, respectively.

Quarterly Comparisons. The Company's merchandise is marketed during all seasons, with the highest volume of merchandise sold during the second and fourth fiscal quarters as a result of back-to-school and holiday shopping. The third fiscal quarter has traditionally had the lowest volume of merchandise sold and the lowest results of operations.

The table on page 26 sets forth quarterly operating data of the Company, including such data as a percentage of net sales, for fiscal 2002 and fiscal 2001. This quarterly information is unaudited but, in management's opinion, reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the information for the periods presented.

Liquidity and Capital Resources. The Company finances the opening of new stores and the resulting increase in inventory requirements principally from operating cash flow and cash on hand. Net cash provided by operations was $39.8 million, $44.9 million

and $12.1 million respectively, for fiscal 2002, 2001 and 2000. At March 2, 2002, the Company had cash and cash equivalents of $74.5 million and an additional $3.3 million in marketable securities. Cash equivalents are primarily invested in taxable instruments with maturities of one to twenty-eight days. Marketable securities represent securities that range in maturity from 90 days to three years and are primarily invested in tax exempt municipal obligations. Marketable securities are classified as available-for-sale and are available to support current operations.

Merchandise inventories were $141.9 million at March 2, 2002 compared to $145.5 million at March 3, 2001. On a per square foot basis, merchandise inventories at March 2, 2002 decreased 4.0% compared to March 3, 2001. The company believes current inventory levels are appropriate, based on the industry environment.

The Company has an unsecured committed Credit Agreement (the "Facility") with a syndicate of commercial banks in the amount of $60 million, which expires on September 20, 2003. The Company periodically reviews its ongoing credit needs with its syndicate of commercial banks and currently expects to be able to renew or renegotiate the Facility prior to its expiration for an additional period beyond the current maturity date of September 20, 2003. The interest rate on the Facility is, at the Company's election, either a negotiated rate approximating the federal funds effective rate plus 1.5% (this rate is available on the first $5 million of borrowings), the bank's LIBOR Rate plus 1.0%, or the bank's prime commercial lending rate. The margin percentage added to the LIBOR Rate is subject to adjustment quarterly based on the leverage ratio (as defined). At March 2, 2002, there were no borrowings outstanding under the Facility.

The Facility contains restrictive covenants which limit, among other things, mergers and acquisitions, redemptions of common stock, and payment of dividends. In addition, the Company must maintain a minimum leverage ratio (as defined) and minimum consolidated tangible net worth (as defined). The Company is also subject to a liquidity test and an annual capital expenditure limitation. The Company was in compliance with all such covenants at March 2, 2002.

Capital expenditures were $13.6 million and $16.4 million for fiscal 2002 and 2001, respectively. Expenditures in 2002 were primarily for the build-out of 27 stores that were opened during fiscal 2002, the remodeling of five existing stores and various corporate projects.

Expenditures in 2001 were primarily for the build-out of 34 stores that were opened in fiscal 2001, the remodeling of 13 existing stores and various corporate projects.

Additionally, $12-15 million is for an addition of 275,000 square feet to the corporate office and distribution center. The Company anticipates that total capital expenditures for fiscal 2003 will be approximately $30-35 million. Of this amount, $18-20 million is primarily for the build-out of approximately 30 new stores, the remodeling of 15-20 existing stores, and various corporate projects. Additionally, $12-15 million is for an addition of 275,000 square feet to the corporate office and distribution center. The Company estimates that its cash requirement to open a traditional format new store (averaging approximately 5,000 square feet) to be $500,000 (net of construction allowance). These requirements for a traditional store include approximately $325,000 for fixtures, equipment, and leasehold improvements and $275,000 ($175,000 net of payables) in new store inventory.

During fiscal 2001, the Company contributed 165,000 shares of Finish Line Class A Common Stock to the Company's retirement plan for its employees. The Company had purchased the shares in fiscal 1999 at an aggregate cost of $1.5 million.

Effective September 2, 1998, the Board of Directors approved a stock repurchase program. The Company was authorized to purchase on the open market or in privately negotiated transactions,

[GRAPHIC]

through December 31, 1999, up to 2.6 million shares of the Company's Class A Common Stock outstanding. Effective December 28, 1999, the Board of Directors extended the stock repurchase program through December 31, 2000 at which time it expired. Effective January 18, 2001 the Board of Directors approved a new stock repurchase program, through which the Company is authorized to purchase on the open market or in privately negotiated transactions through February 28, 2004, up to 2.5 million shares of the Company's Class A Common Stock outstanding. As of March 2, 2002, the Company holds 2,083,665 shares of its Class A Common Stock purchased on the open market at an average price of $7.96 per share for an aggregate purchase amount of $16.6 million, and has 2,097,300 shares available to repurchase under the January 2001 program. The treasury shares may be issued upon the exercise of employee stock options or for other corporate purposes.

Management believes that cash on hand, operating cash flow and borrowings under the Company's existing Facility will be sufficient to complete the Company's fiscal 2003 store expansion program and to satisfy the Company's other capital requirements through fiscal 2003.

Market Risk. The Company is exposed to changes in interest rates primarily from its investments in available-for-sale marketable securities. The Company does not use interest rate derivative instruments to manage exposure to interest rate changes. A hypothetical 100 basis point increase in interest rates would adversely effect the net fair value of marketable securities by $45,000 at March 2, 2002.

Effects of Inflation. As the costs of inventory and other expenses of the Company have increased, the Company has generally been able to increase its selling prices. In periods of high inflation, increased build-out and other costs could adversely affect the Company's expansion plans.

CONSOLIDATED BALANCE SHEETS

	March 2,	March 3,		March 2,	March 3,

(in thousands)	2002	2001
Assets		
Current Assets		
Cash and cash equivalents	$ 74,510	$ 45,422
Marketable securities	3,343	6,513
Accounts receivable	2,221	3,476
Merchandise inventories	141,878	145,503
Other	7,673	7,233
Total current assets	229,625	208,147
Property and Equipment		
Land	315	315
Building	10,767	10,486
Leasehold improvements	97,724	91,657
Furniture, fixtures, and equipment	45,685	41,515
Construction in progress	2,801	2,849
	157,292	146,822
Less accumulated depreciation	66,554	52,348
	90,738	94,474
Other Assets		
Deferred income taxes	7,984	6,247
Total assets	$328,347	$308,868

(in thousands)	2002	2001
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	$ 50,908	$ 53,450
Employee compensation	7,768	6,640
Accrued property and sales tax	4,036	3,914
Deferred income taxes	2,922	906
Other liabilities and accrued expenses	10,145	9,597
Total current liabilities	75,779	74,507
Long-term deferred rent payments	8,614	7,614
Stockholders' Equity		
Preferred stock, $.01 par value;		
1,000 shares authorized; none issued	--	--
Common stock, $.01 par value		
Class A:		
Shares authorized--30,000		
Shares issued		
(2002-22,045; 2001-20,022)		
Shares outstanding		
(2002-19,961; 2001-18,181)	220	200
Class B:		
Shares authorized--12,000		
Shares issued and outstanding		
(2002-4,351; 2001-6,268)	44	63
Additional paid-in capital	123,559	122,748
Retained earnings	136,705	118,257
Accumulated other		
comprehensive income	22	12
Treasury stock		
(2002-2,084; 2001-1,841)	(16,596)	(14,533)
Total stockholders' equity	243,954	226,747
Total liabilities and stockholders' equity	$328,347	$308,868

See accompanying notes.

CONSOLIDATED STATEMENTS OF INCOME

Year Ended: (in thousands, except per share amounts)	March 2, 2002	March 3, 2001	February 26, 2000
Net sales	$ 701,426	$ 663,906	$ 585,963
Cost of sales (including occupancy expenses)	508,533	491,527	423,505
Gross profit	192,893	172,379	162,458
Selling, general and administrative expenses	167,681	156,820	139,273
Repositioning and asset impairment charges (reversals)	(2,003)	10,584	--
Operating income	27,215	4,975	23,185
Interest income-net	1,610	970	826
Income before income taxes	28,825	5,945	24,011
Income taxes	10,377	2,200	8,404
Net income	$ 18,448	$ 3,745	$ 15,607
Basic earnings per share	$ .76	$ .15	$ .63
Diluted earnings per share	$ .75	$ .15	$ .62

See accompanying notes.

CONSOLIDATED STATEMENTS OF CASH FLOW

(in thousands) Year Ended:	March 2, 2002	March 3, 2001	February 26, 2000
Operating activities			

Net income	$18,448	$ 3,745	$ 15,607
Adjustments to reconcile net income to net cash provided by operating activities:			
Repositioning and asset impairment charges (reversals)	(2,003)	10,584	--
Depreciation	16,318	16,391	14,369
Contribution of treasury stock to retirement plan	--	1,758	682
Loss on sale of available-for-sale marketable securities	--	--	19
Deferred income taxes	279	(7,157)	5,292
Loss on disposal of property and equipment	60	247	354
Changes in operating assets and liabilities:			
Accounts receivable	1,255	6,079	(2,604)
Merchandise inventories	3,625	3,476	(13,676)
Other current assets	(440)	(5,760)	(232)
Other assets	--	209	39
Accounts payable	(2,542)	11,262	(8,484)
Employee compensation	1,128	2,003	(388)
Other liabilities and accrued expenses	2,673	779	89
Deferred rent payments	1,000	1,257	1,015
Net cash provided by operating activities	39,801	44,873	12,082
Investing activities			
Purchases of property and equipment	(13,641)	(16,413)	(26,274)
Proceeds from disposals of property and equipment	999	142	366
Proceeds from sale of available-for-sale marketable securities	3,181	4,960	4,154
Proceeds from maturity of held-to-maturity marketable securities	--	--	2,155
Net cash used in investing activities	(9,461)	(11,311)	(19,599)
Financing activities			
Proceeds from short-term debt	--	48,305	84,800
Principal payments on short-term debt	--	(48,305)	(84,800)
Proceeds and tax benefits from exercise of stock options	2,280	192	317
Purchase of treasury stock	(3,532)	(1,393)	(2,852)
Net cash used in financing activities	(1,252)	(1,201)	(2,535)
Net increase (decrease) in cash and cash equivalents	29,088	32,361	(10,052)
Cash and cash equivalents at beginning of year	45,422	13,061	23,113
Cash and cash equivalents at end of year	$74,510	$45,422	$ 13,061

See accompanying notes.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

[GRAPHIC]

	Number of Shares			Amount		Additional		Accumulated Other
(in thousands)	Class A	Class B	Treasury	Class A	Class B	Paid-In Capital	Retained Earnings	Comprehensive Loss
Balance at February 27, 1999	17,598	7,244	1,363	$190	$ 72	$121,954	$ 98,905	-
Comprehensive income:								
Net income for 2000							15,607	
Other comprehensive income - Net unrealized loss on available-for-sale securities, net of tax benefit of $22								(41)
Total comprehensive income								
Conversion of Class B Common Stock to Class A Common Stock	976	(976)		9	(9)			
Non-qualified Class A Common Stock options exercised	51			1		316		
Treasury Stock purchased	(472)		472					
Contribution of Treasury Stock to profit sharing plan	50		(50)			(1)		
Balance at February 26, 2000	18,203	6,268	1,785	200	63	122,269	114,512	(41)
Comprehensive income:								
Net income for 2001							3,745	
Other comprehensive income - Net unrealized gain on available-for-sale securities, net of tax expense of $30								53
Total comprehensive income								
Non-qualified Class A Common Stock options exercised	34					192		
Treasury Stock purchased	(221)		221					
Contribution of Treasury Stock to profit sharing plan	165		(165)			287		
Balance at March 3, 2001	18,181	6,268	1,841	200	63	122,748	118,257	12

Comprehensive income:								
Net income for 2002							18,448	
Other comprehensive income - Net unrealized gain on available-for-sale securities, net of tax expense of $6								10
Total comprehensive income								
Non-qualified Class A Common Stock options exercised	266		(160)	1		811		
Treasury Stock purchased	(403)		403					
Conversion of Class B Common Stock to Class A Common Stock	1,917	(1,917)		19	(19)			
Balance at March 2, 2002	19,961	4,351	2,084	$220	$ 44	$123,559	$136,705	$ 22

(in thousands)	Treasury Stock	Totals
Balance at February 27, 1999	$(12,442)	$208,679
Comprehensive income:		
Net income for 2000		15,607
Other comprehensive income - Net unrealized loss on available-for-sale securities, net of tax benefit of $22		(41)
Total comprehensive income		15,566
Conversion of Class B Common Stock to Class A Common Stock		-
Non-qualified Class A Common Stock options exercised		317
Treasury Stock purchased	(2,852)	(2,852)
Contribution of Treasury Stock to profit sharing plan	683	682
Balance at February 26, 2000	(14,611)	222,392
Comprehensive income:		
Net income for 2001		3,745
Other comprehensive income - Net unrealized gain on available-for-sale securities, net of tax expense of $30		53
Total comprehensive income		3,798
Non-qualified Class A Common Stock options exercised		192
Treasury Stock purchased	(1,393)	(1,393)
Contribution of Treasury Stock to profit sharing plan	1,471	1,758
Balance at March 3, 2001	(14,533)	226,747
Comprehensive income:		
Net income for 2002		18,448
Other comprehensive income - Net unrealized gain on available-for-sale securities, net of tax expense of $6		10
Total comprehensive income		18,458
Non-qualified Class A Common Stock options exercised	1,469	2,281
Treasury Stock purchased	(3,532)	(3,532)
Conversion of Class B Common Stock to Class A Common Stock		-
Balance at March 2, 2002	$(16,596)	$243,954

See accompanying notes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies

Basis of Presentation. The consolidated financial statements include the accounts of The Finish Line, Inc. and its wholly-owned subsidiary Spike's Holding, Inc. (collectively the "Company"). All significant intercompany transactions and balances have been eliminated. Throughout these notes to the financial statements, the fiscal years ended March 2, 2002, March 3, 2001 and February 26, 2000 are referred to as 2002, 2001 and 2000, respectively.

The Company uses a "Retail" calendar. The Company's fiscal year ends on the Saturday closest to the last day of February and included 52 weeks in 2002, 53 weeks in 2001 and 52 weeks in 2000.

Nature of Operations. Finish Line is a specialty retailer of men's, women's and children's brand-name athletic, outdoor and lifestyle footwear, activewear and accessories. The Company manages its business on the basis of one reportable segment. Finish Line stores average approximately 6,001 square feet in size and are primarily located in enclosed malls throughout most of the United States.

In 2002, the Company purchased approximately 78% of its merchandise from its five largest suppliers. The largest supplier, Nike, accounted for approximately 56%, 53% and 49% of merchandise purchases in 2002, 2001 and 2000 respectively.

Use of Estimates. Preparation of the financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Earnings Per Share. Earnings per share are calculated based on the weighted-average number of outstanding common shares. Diluted earnings per share are calculated based on the weighted-average number of outstanding common shares, plus the effect of dilutive stock options. All per-share amounts, unless otherwise noted, are presented on a diluted basis, that is, based on the weighted-average number of outstanding common shares and the effect of all potentially dilutive common shares (primarily unexercised stock options).

Revenue Recognition. Revenues from retail sales are recognized at the time the customer receives the merchandise.

Cash and Cash Equivalents. Cash and cash equivalents include all highly liquid investments with a maturity date of three months or less when purchased.

Merchandise Inventories. Merchandise inventories are valued at the lower of cost or market using a weighted-average cost method, which approximates the first-in, first-out method.

Property and Equipment. Property and equipment are stated at cost. Depreciation and amortization are generally provided using the straight-line method over the estimated useful lives of the assets, or where applicable, the terms of the respective leases, whichever is shorter.

Impairment of Long-Lived Assets. The Company accounts for long-lived assets in accordance with the provisions of Statement of Financial Accounting Standards ("SFAS") No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-lived Assets to Be Disposed Of." The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is determined by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment recognized is measured by comparing projected individual store discounted cash flows to the asset carrying values.

Store Opening and Closing Costs. Store opening costs and other non-capitalized expenditures incurred prior to opening new retail stores are expensed as incurred. In the event a store is closed before its lease has expired, the estimated post-closing lease obligation, less sublease rental income, is provided for when a decision to close the store is made.

[GRAPHIC]

Deferred Rent Payments. The Company is a party to various lease agreements which require scheduled rent increases over the noncancelable lease term. Rent expense for such leases is recognized on a straight-line basis over the related lease term. The difference between rent based upon scheduled monthly payments and rent expense recognized on a straight-line basis is recorded as deferred rent payments.

Advertising. The Company generally expenses the cost of advertising as incurred. Advertising expense net of co-op credits for the years ended 2002, 2001 and 2000 amounted to $11,158,000, $10,203,000 and $9,203,000 respectively.

Financial Instruments. Financial instruments consist of cash and cash equivalents, accounts receivable, marketable securities and accounts payable. The carrying value of cash and cash equivalents, accounts receivable, and accounts payable approximate fair value. The fair value of marketable securities is determined on the basis of market quotes by brokers and is disclosed in Note 2.

The Company classifies its marketable securities in one of three categories: trading, available-for-sale, or held-to-maturity. Held-to-maturity securities are those securities which the Company has the positive intent and ability to hold until maturity. Marketable securities not included in trading or held-to-maturity are classified as available-for-sale.

Management determines the appropriate classification of marketable securities at the time of purchase and reevaluates such designations as of each balance sheet date. Available-for-sale securities are carried at fair value with unrealized gains and losses recorded as a separate component of accumulated other comprehensive income. The Company has no held-to-maturity or trading securities at March 2, 2002 or March 3, 2001.

At March 2, 2002 and March 3, 2001, the Company had not invested in, nor did it have, any derivative financial instruments.

2. Marketable Securities

The following is a summary of available-for-sale marketable securities:

(in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
March 2, 2002 municipal obligations	$ 3,307	$ 43	$ (7)	$ 3,343
March 3, 2001 municipal obligations	$ 6,493	$ 46	$ (26)	$ 6,513

The amortized cost and estimated fair value of marketable securities at March 2, 2002 by contractual maturity are shown below. Expected maturities may differ from contractual maturities because the issuers of the securities may have the right to prepay obligations without prepayment penalties.

(in thousands)	Amortized Cost	Estimated Fair Value
Due in one year or less	$ 2,807	$ 2,825
Due after one year through two years	500	518
	$ 3,307	$ 3,343

In January 2000, the Company sold $2,155,000 of investments that were previously classified as held-to-maturity. The Company's decision was based on increased borrowing costs in comparison to the rate of return on the investments. At that time, the Company also transferred all remaining investments from held-to-maturity to available-for-sale. The amortized cost transferred was $14,001,000 and the net unrealized loss on these investments at the date of transfer was $69,000.

3. Debt Agreement

The Company has an unsecured committed Credit Agreement (the "Facility") with a syndicate of commercial banks in the amount of $60,000,000, which expires on September 20, 2003. At March 2, 2002, there were no borrowings outstanding under the Facility. Letters of credit amounting to $2,571,000 relating to purchase commitments were outstanding at March 2, 2002.

The Facility contains restrictive covenants which limit, among other things, mergers, acquisitions, redemptions of common stock, and payment of dividends. In addition, the Company must maintain a minimum leverage ratio (as defined) and minimum consolidated tangible net worth (as defined). The Company is also subject to a liquidity test and an annual capital expenditure limitation. The Company was in compliance with all restrictive covenants of the debt agreement in effect at March 2, 2002.

The interest rate on the Facility is, at the Company's election, either a negotiated rate approximating the federal funds effective rate plus 1.5% (this rate is available on the first $5,000,000 of borrowings), the bank's LIBOR Rate plus 1.0% or the bank's prime commercial lending rate. The margin percentage added to the LIBOR Rate is subject to adjustment quarterly based on the leverage ratio (as defined). Interest expense, which approximated interest paid, for 2002, 2001 and 2000 was $0, $26,000 and $185,000 respectively. The Company pays a commitment fee on the unused portion of the Facility at an effective annual rate of .25%.

4. Leases

The Company leases retail stores under noncancelable operating leases which generally have lease terms ranging from five to ten years. Most of these lease arrangements do not provide for renewal periods. Many of the leases contain contingent rental provisions computed on the basis of store sales. In addition to rent payments,these leases generally require the Company to pay real estate taxes, insurance, maintenance, and other costs. The components of rent expense incurred under these leases are as follows:

(in thousands)	2002	2001	2000
Base Rent	$ 53,819	$ 50,341	$ 44,211
Deferred Rent	1,000	1,257	1,014
Contingent Rent	2,088	2,299	1,628
Rent Expense	$ 56,907	$ 53,897	$ 46,853

A schedule of future base rent payments by fiscal year for signed operating leases at March 2, 2002 with initial or remaining non-cancelable terms of one year or more is as follows:

(in thousands)	
2003	$ 55,728
2004	54,202
2005	50,922
2006	47,943
2007	44,982
Thereafter	119,629
	$373,406

This schedule of future base rent payments includes lease commitments for four new stores and four remodels which were not open as of March 2, 2002.

[GRAPHIC]

5. Income Taxes

The components of income taxes are as follows:

(in thousands)	2002	2001	2000
Currently payable:			
Federal	$ 9,553	$ 8,342	$ 2,756
State	562	1,015	356
	10,115	9,357	3,112
Deferred:			
Federal	247	(6,411)	4,687
State	15	(777)	605
	262	(7,157)	5,292
	$ 10,377	$ 2,200	$ 8,404

Deferred income taxes reflect the net tax effects of temporary differences between the amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows:

(in thousands)	March 2, 2002	March 3, 2001
Deferred tax assets:		
Rent accrual	$ 3,794	$ 4,225
Property and equipment	4,651	3,372
Uniform capitalization	1,268	1,132
Vacation accrual	716	579
Other	142	231
Total deferred tax assets	10,571	9,539
Deferred tax liability - Inventory	(5,509)	(4,198)
Net deferred tax asset	$ 5,062	$ 5,341

The effective income tax rate varies from the statutory federal income tax rate for 2002, 2001 and 2000 due to the following:

	2002	2001	2000
Tax at statutory federal income tax rate	35.0 %	35.0 %	35.0 %
State income taxes, net of federal benefit	2.6 %	2.6 %	2.6 %
Tax exempt interest	(0.4)%	(5.9)%	(4.3)%

Other	(1.2)%	5.3 %	1.7 %
	36.0 %	37.0 %	35.0 %

Payments of income taxes for 2002, 2001 and 2000 were $8,257,000, $5,678,000 and $4,751,000 respectively.

6. Retirement Plan

The Company sponsors a defined contribution profit sharing plan which covers substantially all employees who have completed one year of service. Contributions to this plan are discretionary and are allocated to employees as a percentage of each covered employee's wages. During 2001 the Company amended and restated the plan to add a 401(k) feature whereby the Company matches 100 percent of employee contributions to the plan up to three percent of an employee's wages. The Company's total expense for the plan in 2002, 2001 and 2000 amounted to $1,603,000, $1,036,000 and $1,626,000 respectively.

7. Stock Options

The Board of Directors has reserved 3,500,000 shares of Class A Common Stock for issuance upon exercise of options or other awards under the option plan. Stock options have been granted to directors, officers and other key employees. Generally, options outstanding under the plans are exercisable at a price equal to the fair market value on the date of grant, vest over four years and expire ten years after the date of grant.

The Company has elected to follow Accounting Principles Board Opinion (APB) No 25, "Accounting for Stock Issued to Employees" and related interpretations in accounting for its stock options. Under APB No. 25, if the exercise price of the Company's employee stock options equals the market price of the underlying stock on the date of grant, no compensation expense is recognized.

During February 2002, the Company awarded 105,000 options at a price equal to $1.00 which cliff vest after four years and expire ten years after the date of grant. Total compensation expense recognized for these option awards was $33,000 for 2002 and will approximate $402,000 in 2003.

SFAS No. 123, "Accounting for Stock-Based Compensation," requires presentation of pro forma information as if the Company had accounted for its employee stock options granted subsequent to December 31, 1994, under the fair value method. For purposes of pro forma disclosure, the estimated fair value of the options is amortized to expense over the vesting period.

Under the fair value method, the Company's net income and earnings per share would have been as follows:

(in thousands)	2002	2001	2000
Net income			
As reported	$18,448	$3,745	$15,607
Pro forma	17,177	2,190	14,154
Diluted earnings per share			
As reported	$ .75	$ .15	$ .62
Pro forma	.71	.09	.58

The estimated weighted-average fair value of the individual options granted during 2002, 2001 and 2000 was $9.46, $6.35 and $4.20 respectively, on the date of grant. The fair values for all years were determined using a Black-Scholes option-pricing model with the following assumptions:

	2002	2001	2000
Dividend yield	0 %	0 %	0 %

Volatility	75.7 %	78.0 %	77.9 %
Risk-free interest rate	5.14 %	6.20 %	6.58 %
Expected life	7 years	7 years	7 years

A reconciliation of the Company's stock option activity and related information is as follows:

	Number of Options	Weighted-Average Exercise Price
February 27, 1999	1,587,316	$ 10.81
Granted	439,300	5.52
Exercised	(50,751)	3.92
Canceled	(166,825)	12.73
February 26, 2000	1,809,040	$ 9.55
Granted	12,000	8.38
Exercised	(34,200)	4.24
Canceled	(76,105)	10.64
March 3, 2001	1,710,735	$ 9.59
Granted	1,020,450	10.76
Exercised	(265,765)	5.40
Canceled	(191,810)	11.74
March 2, 2002	2,273,610	$ 10.43

[GRAPHIC]

The following table summarizes information concerning outstanding and exercisable options at March 2, 2002:

Range of Exercise Prices	Number Outstanding	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Number Exercisable	Weighted-Average Exercise Price
$1-$5	317,625	5.5	3.03	212,625	4.03
$5-$10	1,053,510	8.0	7.46	271,900	7.78
$10-$15	292,975	6.1	13.51	273,975	13.65
$15-$25	609,500	8.4	17.94	181,150	21.57

Options exercisable were 946,650; 950,375 and 721,192 at fiscal year end 2002, 2001 and 2000, respectively.

8. Earnings Per Share

The following is a reconciliation of the numerators and denominators used in computing earnings per share:

(in thousands, except per share amounts)	2002	2001	2000
Income available to common stockholders	$18,448	$ 3,745	$15,607

Basic earnings per share:			
Weighted-average number of common shares outstanding	24,312	24,458	24,848
Basic earnings per share	$ .76	$ .15	$ .63
Diluted earnings per share:			
Weighted-average number of common shares outstanding	24,312	24,458	24,848
Stock options	371	205	191
Diluted weighted-average number of common shares outstanding	24,683	24,663	25,039
Diluted earnings per share	$ .75	$ .15	$ .62

9. Common Stock

At March 2, 2002, shares of the Company's stock outstanding consisted of Class A and Class B Common Stock. Class A and Class B Common Stock have identical rights with respect to dividends and liquidation preference. However, Class A and Class B Common Stock differ with respect to voting rights, convertibility and transferability.

Holders of Class A Common Stock are entitled to one vote for each share held of record, and holders of Class B Common Stock are entitled to ten votes for each share held of record. The Class A Common Stock and the Class B Common Stock vote together as a single class on all matters submitted to a vote of stockholders (including the election of directors), except that, in the case of a proposed amendment to the Company's Restated Certificate of Incorporation that would alter the powers, preferences or special rights of either Class A Common Stock or the Class B Common Stock, the class of Common Stock to be altered shall vote on the amendment as a separate class. Shares of Class A and Class B Common Stock do not have cumulative voting rights.

While shares of Class A Common Stock are not convertible into any other series or class of the Company's securities, each share of Class B Common Stock is freely convertible into one share of Class A Common Stock at the option of the Class B Stockholders.

Shares of Class B Common Stock may not be transferred to third parties (except for transfer to certain family members of the holders and in other limited circumstances). All of the shares of Class B Common Stock are held by the founding stockholders and their family members.

The Company's Board of Directors approved a stock repurchase program in which the Company was authorized to purchase on the open market or in privately negotiated transactions, through December 31, 2000, up to 2,600,000 shares of Class A Common Stock outstanding. Effective January 18, 2001, the Board of Directors approved a new stock repurchase program. The Company is

authorized to purchase on the open market or in privately negotiated transactions through February 28, 2004, up to 2,500,000 shares of the Company's Class A Common Stock outstanding. As of March 2, 2002, the Company holds as treasury shares 2,083,665 shares of its Class A Common Stock at an average price of $7.96 per share for an aggregate purchase amount of $16,596,000, and has 2,097,300 shares available to repurchase under the January, 2001 plan. The treasury shares may be issued upon the exercise of employee stock options or for other corporate purposes.

10. Repositioning and Asset Impairment Charges

In the fourth quarter of 2001, the Company approved a repositioning plan (the "Plan"). As part of that Plan, the Company recorded pre-tax non-recurring repositioning and asset impairment charges totaling $19,809,000 in connection with additional inventory markdowns, lease costs and asset impairment charges for 17 planned store closings, and asset impairment charges for 14 identified under-performing stores.

The most significant component of the Plan included a more aggressive approach to reducing aged inventory by reconfiguring merchandise assortments to place greater emphasis on better performing fresher merchandise. The additional markdown reserve, which totaled $9,225,000, was recorded as a component of cost of sales in 2001. During 2002 the Company completed its repositioning plan related to aged inventory and recognized an additional $288,000 of expense related to inventory markdowns which was recorded as a component of cost of sales in 2001. The repositioning markdown reserve balance is zero as of March 2, 2002.

In connection with the store closings, the Company established in 2001 a reserve for future lease payments after store closures of $3,806,000, all of which was included in accrued expenses at March 3, 2001. During 2002, the accrued expense was reduced $2,437,000 which represented payments of $434,000 and a decrease in the expected future lease store closure obligation of $2,003,000. The reserve balance at March 2, 2002 is $1,369,000. Costs will be charged against this reserve as incurred and the reserve will be reviewed periodically to determine its adequacy.

The Company recorded an asset impairment charge in 2001 pursuant to the requirements of SFAS No. 121, of $3,140,000 related to the planned store closings. The fixed assets written off could not readily be used at other store locations nor was there a ready market outside the Company to determine fair value. The assets, consisting principally of fixtures and leasehold improvements, were discarded at the time of store closing. Accordingly, the asset impairment charge recorded represented the carrying value of the assets at the time of approval of the repositioning plan and depreciation of these assets was discontinued at that time. Operating results for the individual stores are included in operations through the closing dates of the respective stores.

In 2001 the Company also reviewed its under-performing stores for asset impairment charges. The asset impairment test was applied to all stores with negative contribution and cash flows. An asset impairment charge in 2001 of $3,638,000 was calculated as the difference between the carrying amount of the assets and each store's estimated future discounted cash flows.

REPORT OF INDEPENDENT AUDITORS

[GRAPHIC]

THE BOARD OF DIRECTORS AND STOCKHOLDERS OF THE FINISH LINE, INC.

We have audited the accompanying consolidated balance sheets of The Finish Line, Inc. as of March 2, 2002 and March 3, 2001, and the related consolidated statements of income, cash flows, and changes in stockholders' equity for each of the three years in the period ended March 2, 2002. 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 in accordance with auditing standards generally accepted in the United States. Those standards 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Finish Line, Inc. at March 2, 2002 and March 3, 2001, and the consolidated results of their operations and their cash flows for each of the three years in the period ended March 2, 2002, in conformity with accounting principles generally accepted in the United States.

(SGD) Ernst & Young, LLP

Fort Wayne, Indiana
March 21, 2002

MARKET PRICE OF COMMON STOCK

Quarter Ended	Fiscal 2002		Fiscal 2001	
	High	Low	High	Low
May	$ 10.61	$ 5.88	$ 11.63	$ 5.50
August	12.71	8.92	9.13	5.63
November	13.10	8.55	9.00	6.50
February	17.55	12.45	8.88	4.75

The Class A Common Stock has traded on the Nasdaq National Market under the symbol FINL since the Company became a public entity in June 1992. Since its initial public offering in June 1992, the Company has not declared any cash dividends and does not anticipate paying any cash dividends in the foreseeable future. See Management's Discussion and Analysis and Note 3 of Notes to Consolidated Financial Statements for restrictions on the Company's ability to pay dividends.

SENIOR OFFICERS AND DIRECTORS

Name	Age	Position	Officer or Director Since
Alan H. Cohen	55	Chairman of the Board of Directors President and Chief Executive Officer	1976
David I. Klapper (3)	53	Senior Executive Vice President, Director	1976
Larry J. Sablosky	53	Senior Executive Vice President, Director	1982
Steven J. Schneider	46	Executive Vice President--COO, CFO and Asst. Secretary	1989
Glenn S. Lyon	51	Executive Vice President--Chief Merchandising Officer	2001
Gary D. Cohen	49	Executive Vice President--General Counsel and Secretary	1997
Donald E. Courtney	47	Executive Vice President--CIO and Distribution	1989
George S. Sanders	44	Executive Vice President--Real Estate and Store Development	1994
Michael L. Marchetti	51	Executive Vice President--Store Operations	1995
Kevin S. Wampler	39	Senior Vice President--Chief Accounting Officer and Asst. Secretary	1997
Robert A. Edwards	39	Senior Vice President--Distribution	1997
Kevin G. Flynn	38	Senior Vice President--Marketing	1997
James B. Davis	39	Senior Vice President--Real Estate	1997
Joseph L. Gravitt	42	Senior Vice President--Store Personnel	1998
Roger C. Underwood	32	Senior Vice President--Information Systems	2000
Jonathan K. Layne (2)(3)(4)	48	Director	1992
Jeffrey H. Smulyan (1)(2)(5)	54	Director	1992
Stephen Goldsmith (1)(6)	55	Director	1999
Bill Kirkendall (1)(7)	48	Director	2001

(1) Member of the Audit Committee
(2) Member of the Compensation and Stock Option Committee
(3) Member of the Finance Committee
(4) Mr. Layne is a partner in the law firm of Gibson, Dunn & Crutcher LLP
(5) Mr. Smulyan is Chairman of the Board and President of Emmis Communications Corporation
(6) Mr. Goldsmith is a partner in the law firm of Baker & Daniels LLP

(7) Mr. Kirkendall is Chief Executive Officer and President of Orlimar Golf Company

Transfer Agent and Registrar:
American Stock Transfer & Trust Co.
Shareholder Services
40 Wall Street
New York, NY 10005

Stock Market Information:
The Company's Class A Common Stock is traded on the NASDAQ National Market under the symbol FINL. As of April 12, 2002, the approximate number of holders of record of Class A Common Stock was 291. The Company believes that the number of beneficial holders of its Class A Common Stock was in excess of 500 as of that date. On April 12, 2002, the closing price for the Company's Class A Common Stock, as reported by NASDAQ was $18.74.

Financial Reports:
A copy of Form 10-K, the Company's annual report to the Securities and Exchange Commission, for the current period can be obtained without charge by writing to:

The Finish Line, Inc.
Attn: Chief Financial Officer
3308 N. Mitthoeffer Road
Indianapolis, IN 46235
Internet Address: www.finishline.com

Certain statements contained in this Annual Report regard matters that are not historical facts and are forward looking statements (as such term is defined in the rules promulgated pursuant to the Securities Act of 1933, as amended). Because such forward looking statements contain risks and uncertainties, actual results may differ materially from those expressed in or implied by such forward looking statements. Factors that could cause actual results to differ materially include, but are not limited to: changing consumer preferences; the Company's inability to successfully market its footwear, apparel, accessories and other merchandise; price, product and other competition from other retailers (including internet and direct manufacturer sales); the unavailability of products; the inability to locate and obtain favorable lease terms for the Company's stores; the loss of key employees, general economic conditions and adverse factors impacting the retail athletic industry; management of growth, and the other risks detailed in the Company's Securities and Exchange Commission filings. The Company undertakes no obligation to release publicly the results of any revisions to these forward looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Finish Line
3308 North Mitthoeffer Road [LOGO]
Indianapolis, Indiana 46235

WWW.FINISHLINE.COM

EXHIBIT 21

SUBSIDIARIES OF THE FINISH LINE, INC.

Subsidiary	State of Incorporation	Percentage of Ownership
Spike's Holding, Inc.	Delaware	100%

EXHIBIT 23

[LETTERHEAD OF ERNST & YOUNG LLP]

Consent of Independent Auditors

We consent to the incorporation by reference in this Annual Report (Form 10-K) of The Finish Line, Inc. of our report dated March 21, 2002, included in the 2002 Annual Report to Stockholders of The Finish Line, Inc.

Our audits also included the financial statement schedule of The Finish Line, Inc. listed in Item 14(d). This schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also consent to the incorporation by reference in the Registration Statements (Form S-8 Nos. 33-95720, 33-51392 and 333-62063) pertaining to The Finish Line, Inc. 1992 Employee Stock Incentive Plan and the Registration Statement (Form S-8 No. 33-84590) pertaining to The Finish Line, Inc. Non-Employee Director Stock Option Plan of our report dated March 21, 2002 with respect to the consolidated financial statements incorporated by reference in the Annual Report (Form 10K) for the year ended March 2, 2002, and our report included in the preceding paragraph with respect to the financial statement schedule in the Annual Report (Form 10-K) of The Finish Line, Inc.

Ernst & Young LLP

Fort Wayne, Indiana
May 15, 2002