

NIKE, Inc.
CONSOLIDATED STATEMENTS OF INCOME

For the period ended May 31, 2014

	THREE MONTHS ENDED			%	TWELVE MONTHS ENDED			%
<i>(Dollars in millions, except per share data)</i>	5/31/2014	5/31/2013 ¹		Change	5/31/2014	5/31/2013 ¹		Change
Income from continuing operations:								
Revenues	\$ 7,425	\$ 6,697		11%	\$ 27,799	\$ 25,313		10%
Cost of sales	4,040	3,757		8%	15,353	14,279		8%
Gross profit	3,385	2,940		15%	12,446	11,034		13%
Gross margin	45.6%	43.9%			44.8%	43.6%		
Demand creation expense	876	642		36%	3,031	2,745		10%
Operating overhead expense	1,572	1,387		13%	5,735	5,051		14%
Total selling and administrative expense	2,448	2,029		21%	8,766	7,796		12%
% of revenue	33.0%	30.3%			31.5%	30.8%		
Interest expense (income), net	8	3		-	33	(3)		-
Other expense (income), net	17	13		-	103	(15)		-
Income before income taxes	912	895		2%	3,544	3,256		9%
Income taxes	214	205		4%	851	805		6%
Effective tax rate	23.5%	22.9%			24.0%	24.7%		
NET INCOME FROM CONTINUING OPERATIONS	698	690		1%	2,693	2,451		10%
NET (LOSS) INCOME FROM DISCONTINUED OPERATIONS	-	(28)		-	-	21		-
NET INCOME	\$ 698	\$ 662		5%	\$ 2,693	\$ 2,472		9%
Earnings per share from continuing operations:								
Basic earnings per common share	\$ 0.80	\$ 0.77		4%	\$ 3.05	\$ 2.74		11%
Diluted earnings per common share	\$ 0.78	\$ 0.76		3%	\$ 2.97	\$ 2.68		11%
Earnings per share from discontinued operations:								
Basic earnings per common share	\$ -	\$ (0.03)		-	\$ -	\$ 0.02		-
Diluted earnings per common share	\$ -	\$ (0.03)		-	\$ -	\$ 0.02		-
Weighted average common shares outstanding:								
Basic	873.7	892.6			883.4	897.3		
Diluted	895.2	913.4			905.8	916.4		
Dividends declared per common share	\$ 0.24	\$ 0.21			\$ 0.93	\$ 0.81		

¹ Prior year amounts have been revised to properly expense internally developed patent and trademark costs as incurred.

NIKE, Inc.
CONSOLIDATED BALANCE SHEETS
As of May 31, 2014

<i>(Dollars in millions)</i>	May 31, 2014	May 31, 2013 ¹	% Change
ASSETS			
Current assets:			
Cash and equivalents	\$ 2,220	\$ 3,337	-33%
Short-term investments	2,922	2,628	11%
Accounts receivable, net	3,434	3,117	10%
Inventories	3,947	3,484	13%
Deferred income taxes	355	308	15%
Prepaid expenses and other current assets	818	756	8%
Assets of discontinued operations	-	-	-
Total current assets	13,696	13,630	0%
Property, plant and equipment	6,220	5,500	13%
Less accumulated depreciation	3,386	3,048	11%
Property, plant and equipment, net	2,834	2,452	16%
Identifiable intangible assets, net	282	289	-2%
Goodwill	131	131	0%
Deferred income taxes and other assets	1,651	1,043	58%
TOTAL ASSETS	\$ 18,594	\$ 17,545	6%
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt	\$ 7	\$ 57	-88%
Notes payable	167	98	70%
Accounts payable	1,930	1,669	16%
Accrued liabilities	2,491	2,036	22%
Income taxes payable	432	84	414%
Liabilities of discontinued operations	-	18	-
Total current liabilities	5,027	3,962	27%
Long-term debt	1,199	1,210	-1%
Deferred income taxes and other liabilities	1,544	1,292	20%
Redeemable preferred stock	-	-	-
Shareholders' equity	10,824	11,081	-2%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 18,594	\$ 17,545	6%

¹ Prior year amounts have been revised to recognize certain inventories held at third parties and to properly expense internally developed patent and trademark costs as incurred.

NIKE, Inc.
DIVISIONAL REVENUES¹
For the period ended May 31, 2014

<i>(Dollars in millions)</i>	THREE MONTHS ENDED		%	% Change	Excluding	TWELVE MONTHS ENDED		%	% Change	Excluding
	5/31/2014	5/31/2013	Change	Currency	Changes²	5/31/2014	5/31/2013	Change	Currency	Changes²
North America										
Footwear	\$ 2,036	\$ 1,818	12%	12%		\$ 7,495	\$ 6,751	11%	11%	
Apparel	1,017	934	9%	9%		3,937	3,591	10%	10%	
Equipment	241	239	1%	1%		867	816	6%	6%	
Total	3,294	2,991	10%	10%		12,299	11,158	10%	10%	
Western Europe										
Footwear	884	699	26%	20%		3,299	2,657	24%	20%	
Apparel	366	290	26%	19%		1,427	1,289	11%	7%	
Equipment	62	63	-2%	-4%		253	247	2%	-1%	
Total	1,312	1,052	25%	18%		4,979	4,193	19%	14%	
Central & Eastern Europe										
Footwear	219	212	3%	8%		763	672	14%	15%	
Apparel	129	110	17%	25%		532	468	14%	17%	
Equipment	22	25	-12%	-7%		92	89	3%	7%	
Total	370	347	7%	12%		1,387	1,229	13%	15%	
Greater China										
Footwear	434	404	7%	6%		1,600	1,495	7%	5%	
Apparel	235	236	0%	-2%		876	844	4%	1%	
Equipment	33	38	-13%	-12%		126	139	-9%	-11%	
Total	702	678	4%	2%		2,602	2,478	5%	3%	
Japan										
Footwear	128	124	3%	12%		409	439	-7%	11%	
Apparel	75	90	-17%	-11%		276	337	-18%	-2%	
Equipment	23	30	-23%	-17%		86	100	-14%	2%	
Total	226	244	-7%	0%		771	876	-12%	5%	
Emerging Markets										
Footwear	701	673	4%	19%		2,642	2,621	1%	10%	
Apparel	313	249	26%	44%		1,061	962	10%	21%	
Equipment	66	72	-8%	8%		246	249	-1%	9%	
Total	1,080	994	9%	25%		3,949	3,832	3%	13%	
Global Brand Divisions³										
	36	31	16%	10%		125	115	9%	6%	
Total NIKE Brand										
	7,020	6,337	11%	13%		26,112	23,881	9%	11%	
Converse	410	354	16%	15%		1,684	1,449	16%	15%	
Corporate ⁴	(5)	6	-	-		3	(17)	-	-	
Total NIKE, Inc. Revenues From Continuing Operations										
	\$ 7,425	\$ 6,697	11%	13%		\$ 27,799	\$ 25,313	10%	11%	
Total NIKE Brand										
Footwear	\$ 4,402	\$ 3,930	12%	14%		\$ 16,208	\$ 14,635	11%	12%	
Apparel	2,135	1,909	12%	14%		8,109	7,491	8%	10%	
Equipment	447	467	-4%	-1%		1,670	1,640	2%	4%	
Global Brand Divisions ³	36	31	16%	10%		125	115	9%	6%	

¹ Certain prior year amounts have been reclassified to conform to fiscal year 2014 presentation. These changes had no impact on previously reported results of operations or shareholders' equity.

² Fiscal 2014 results have been restated using fiscal 2013 exchange rates for the comparative period to enhance the visibility of the underlying business trends excluding the impact of foreign currency exchange rate fluctuations.

³ Global Brand Divisions primarily represent NIKE Brand licensing businesses that are not part of a geographic operating segment.

⁴ Corporate revenues primarily consist of foreign currency revenue-related hedge gains and losses generated by entities within the NIKE Brand geographic operating segments and Converse through our centrally managed foreign exchange risk management program.

NIKE, Inc.

SUPPLEMENTAL NIKE BRAND REVENUE DETAILS¹

For the period ended May 31, 2014

<i>(Dollars in millions)</i>	YEAR ENDED		%	% Change
	5/31/2014	5/31/2013	Change	Excluding Currency Changes ²
NIKE Brand Revenues by:				
Sales to Wholesale Customers	\$ 20,683	\$ 19,401	7%	8%
Sales Direct to Consumers	5,304	4,365	22%	22%
Global Brand Divisions	125	115	9%	6%
Total NIKE Brand Revenues	\$ 26,112	\$ 23,881	9%	11%
NIKE Brand Revenues on a Wholesale Equivalent Basis:³				
Sales to Wholesale Customers	\$ 20,683	\$ 19,401	7%	8%
Sales from our Wholesale Operations to Direct to Consumer Operations	3,107	2,499	24%	25%
Total NIKE Brand Wholesale Equivalent Revenues	\$ 23,790	\$ 21,900	9%	10%
NIKE Brand Wholesale Equivalent Revenues by:³				
Men's	\$ 14,001	\$ 13,073	7%	9%
Women's	4,971	4,494	11%	12%
Young Athletes'	3,737	3,251	15%	16%
Others ⁴	1,081	1,082	0%	1%
Total NIKE Brand Wholesale Equivalent Revenues	\$ 23,790	\$ 21,900	9%	10%
NIKE Brand Wholesale Equivalent Revenues by:³				
Running	\$ 4,623	\$ 4,274	8%	10%
Basketball	3,119	2,629	19%	19%
Football (Soccer)	2,270	1,930	18%	21%
Men's Training	2,479	2,391	4%	5%
Women's Training	1,149	1,067	8%	10%
Action Sports	738	683	8%	9%
Sportswear	5,877	5,569	6%	7%
Golf	789	792	0%	1%
Others ⁵	2,746	2,565	7%	8%
Total NIKE Brand Wholesale Equivalent Revenues	\$ 23,790	\$ 21,900	9%	10%

¹Certain prior year amounts have been reclassified to conform to fiscal year 2014 presentation. These changes had no impact on previously reported results of operations or shareholders' equity.

²Fiscal 2014 results have been restated using Fiscal 2013 exchange rates for the comparative period to enhance the visibility of the underlying business trends by excluding the impact of translation arising from foreign currency exchange rate fluctuations.

³References to NIKE Brand wholesale equivalent revenues are intended to provide context as to the total size of our NIKE Brand market footprint if we had no Direct to Consumer operations. NIKE Brand wholesale equivalent revenues consist of 1) sales to external wholesale customers, and 2) internal sales from our wholesale operations to our Direct to Consumer operations which are charged at prices that are comparable to prices charged to external wholesale customers.

⁴Others include all unisex products, equipment, and other products not allocated to Men's, Women's, and Young Athletes', as well as certain adjustments that are not allocated to products designated by Gender-Age.

⁵Others include all other categories and certain adjustments that are not allocated at the category level.

NIKE, Inc.
EARNINGS BEFORE INTEREST AND TAXES^{1,2}

For the period ended May 31, 2014

<i>(Dollars in millions)</i>	THREE MONTHS ENDED			%	TWELVE MONTHS ENDED			%
	5/31/2014	5/31/2013 ³	Change		5/31/2014	5/31/2013 ³	Change	
North America	\$ 887	\$ 778	14%		\$ 3,075	\$ 2,641	16%	
Western Europe	192	142	35%		855	643	33%	
Central & Eastern Europe	71	79	-10%		279	234	19%	
Greater China	215	243	-12%		816	813	0%	
Japan	39	47	-17%		131	139	-6%	
Emerging Markets	273	253	8%		955	988	-3%	
Global Brand Divisions ⁴	(560)	(466)	-20%		(2,021)	(1,746)	-16%	
TOTAL NIKE BRAND	1,117	1,076	4%		4,090	3,712	10%	
Converse	94	89	6%		496	425	17%	
Corporate ⁵	(291)	(267)	-9%		(1,009)	(884)	-14%	
TOTAL EARNINGS BEFORE INTEREST AND TAXES	\$ 920	\$ 898	2%		\$ 3,577	\$ 3,253	10%	

¹ The Company evaluates performance of individual operating segments based on earnings before interest and taxes (also commonly referred to as "EBIT"), which represents net income before interest expense (income), net, and income taxes.

² Certain prior year amounts have been reclassified to conform to fiscal year 2014 presentation. These changes had no impact on previously reported results of operations or shareholders' equity.

³ Prior year amounts have been revised to properly expense internally developed patent and trademark costs as incurred.

⁴ Global Brand Divisions primarily represent demand creation, operating overhead, information technology, and product creation and design expenses that are centrally managed for the NIKE Brand. Revenues for Global Brand Divisions are primarily attributable to NIKE Brand licensing businesses that are not part of a geographic operating segment.

⁵ Corporate consists of unallocated general and administrative expenses, which includes expenses associated with centrally managed departments, depreciation and amortization related to the Company's corporate headquarters, unallocated insurance and benefit programs, certain foreign currency gains and losses, including certain hedge gains and losses, corporate eliminations and other items.

NIKE, Inc.
NIKE BRAND REPORTED FUTURES GROWTH BY GEOGRAPHY¹
As of May 31, 2014

	Reported Futures Orders	Excluding Currency Changes ²
North America	11%	11%
Western Europe	25%	22%
Central & Eastern Europe	10%	14%
Greater China	6%	6%
Japan	-6%	0%
Emerging Markets	2%	9%
Total NIKE Brand Reported Futures	11%	12%

¹ Futures orders by geography and in total for NIKE Brand athletic footwear and apparel scheduled for delivery from June 2014 through November 2014, excluding NIKE Golf and Hurley.

The reported futures and advance orders growth is not necessarily indicative of our expectation of revenue growth during this period. This is due to year-over-year changes in shipment timing and because the mix of orders can shift between advance/futures and at-once orders and the fulfillment of certain orders may fall outside of the schedule noted above. In addition, exchange rate fluctuations as well as differing levels of order cancellations, discounts and returns can cause differences in the comparisons between advance/futures orders and actual revenues. Moreover, a significant portion of our revenue is not derived from futures and advance orders, including at-once and close-out sales of NIKE Brand footwear and apparel, sales of NIKE Brand equipment, sales from certain of our Direct to Consumer operations, and sales from Converse, NIKE Golf and Hurley.

² Reported futures have been restated using prior year exchange rates to enhance the visibility of the underlying business trends excluding the impact of foreign currency exchange rate fluctuations.

NIKE, Inc.

FREE CASH FLOW CALCULATION

For the period ended May 31, 2014

<i>(Dollars in millions)</i>	YEAR ENDED	
	5/31/2014	5/31/2013 ¹
Cash provided by operations	\$ 3,003	\$ 2,968
Cash used by investing activities	(1,207)	(940)
Excluding: Purchases of investments	5,386	4,133
Sales and maturities of investments	(5,058)	(2,993)
Proceeds from divestitures	-	(786)
Less: Adjusted cash used by investing activities	(879)	(586)
FREE CASH FLOW	\$ 2,124	\$ 2,382

Note: Cash used by financing activities was \$2,914 million and \$1,045 million during the twelve months ended May 31, 2014 and May 31, 2013, respectively. The effect of exchange rate changes on cash was a source of cash of \$1 million and \$100 million for the twelve months ended May 31, 2014 and May 31, 2013, respectively. The total net change in cash and equivalents was a decrease of \$1,117 million and an increase of \$1,083 million during the twelve months ended May 31, 2014 and May 31, 2013, respectively.

¹ Prior year amounts have been revised to correct immaterial misstatements.

Nike, Inc. Return on Invested Capital Calculation¹

(Dollars in millions)	Q1'10	Q2'10	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11	Q4'11	Q1'12	Q2'12	Q3'12	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14
Continuing operations:																				
Revenues	4,799	4,405	4,733	5,077	5,175	4,842	5,079	5,766	6,081	5,731	5,846	6,470	6,669	5,955	6,187	6,697	6,971	6,431	6,972	7,425
Operating expenses:																				
Cost of sales	2,583	2,445	2,515	2,671	2,741	2,649	2,752	3,212	3,388	3,281	3,285	3,703	3,766	3,425	3,451	3,757	3,839	3,605	3,869	4,040
Selling and administrative expense*	1,547	1,481	1,566	1,741	1,675	1,612	1,640	1,776	1,826	1,822	1,806	1,991	2,156	1,839	1,866	2,029	2,058	2,091	2,169	2,448
Restructuring charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Goodwill impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible and other asset impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net operating profit	669	479	652	665	759	581	687	778	867	628	755	776	747	691	870	911	1,074	735	934	937
Other income (expense), net*	12	12	8	17	(7)	28	17	(5)	(18)	(9)	11	(38)	29	17	(17)	(13)	(28)	(13)	(45)	(17)
Earnings before interest and taxes	681	491	660	682	752	609	704	773	849	619	766	738	776	708	853	898	1,046	722	889	920
Tax rate	24.7%	23.5%	24.9%	23.7%	26.0%	25.0%	26.1%	23.1%	24.4%	24.2%	27.3%	26.2%	27.6%	26.8%	22.8%	22.9%	25.0%	25.2%	22.5%	23.5%
Taxes calculated	168	115	164	162	196	152	184	179	207	150	209	193	214	190	195	206	262	182	200	216
Trailing 4 quarters taxes**	434	421	593	609	637	674	694	711	722	720	745	759	766	806	792	805	853	845	850	860
Earnings before interest and after taxes from continuing operations	-	-	-	-	-	-	-	-	-	-	-	-	-	518	658	692	784	540	689	704
Earnings before interest and after taxes from discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-	(137)	204	(28)	-	-	-	-
Earnings before interest and after taxes	513	376	496	520	556	457	520	594	642	469	557	545	562	381	862	664	784	540	689	704
Trailing 4 quarters earnings before interest and after taxes**	1,485	1,476	1,726	1,905	1,948	2,029	2,053	2,127	2,213	2,225	2,262	2,213	2,133	2,045	2,350	2,469	2,691	2,850	2,677	2,717
	Q1'10	Q2'10	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11	Q4'11	Q1'12	Q2'12	Q3'12	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14
Total NIKE Inc. assets	13,150	13,315	13,530	14,382	14,000	14,412	14,423	14,958	14,740	14,499	14,724	15,419	15,035	15,090	15,530	17,545	17,582	17,724	17,703	18,594
Less:																				
Cash and equivalents and short-term investments	3,630	4,010	4,039	5,146	4,688	4,789	4,465	4,538	3,700	3,365	3,197	3,757	3,267	3,525	4,042	5,965	5,578	5,187	5,029	5,142
Accounts payable	962	1,008	994	1,255	1,101	1,225	1,147	1,469	1,421	1,411	1,298	1,588	1,551	1,519	1,241	1,646	1,559	1,612	1,480	1,930
Accrued liabilities	1,643	1,598	1,648	1,915	1,696	1,685	1,745	2,004	1,968	1,834	1,913	2,082	1,974	1,879	1,899	2,036	1,913	2,005	2,303	2,491
Income taxes payable	140	74	80	52	96	70	105	108	81	70	47	54	99	31	122	84	195	30	27	432
Deferred income taxes and other liabilities	804	876	848	855	907	929	958	921	906	925	979	991	1,065	1,188	1,287	1,292	1,322	1,424	1,515	1,544
Liabilities of discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-	198	62	18	12	-	-	-
Plus:																				
Net debt adjustment*****	3,085	3,439	3,470	4,554	4,105	4,191	3,852	3,875	3,182	2,894	2,828	3,372	2,903	3,197	3,721	4,577	4,203	3,799	3,702	3,769
Invested capital	9,056	9,188	9,391	9,713	9,617	9,905	9,855	9,793	9,846	9,788	10,118	10,319	9,982	9,947	10,598	11,081	11,206	11,265	11,051	10,824
Trailing 5 quarters invested capital***	8,524	8,761	8,964	9,202	9,393	9,563	9,696	9,777	9,803	9,837	9,880	9,973	10,011	10,031	10,193	10,385	10,563	10,819	11,040	11,085
Return on invested capital****	17.4%	16.8%	19.3%	20.7%	20.7%	21.2%	21.2%	21.8%	22.6%	22.6%	22.9%	22.2%	21.3%	20.4%	23.1%	23.8%	25.5%	26.3%	24.2%	24.5%

* Reclassifications have been made to conform to current-year presentation

** Equals the sum of the current quarter and previous three quarters

*** Equals the simple average of the current and previous four quarters

**** Equals the trailing 4 quarters earnings before interest and after taxes divided by trailing 5 quarters average invested capital

***** See calculation of Net debt adjustment below

Cash and equivalents and short-term investments	3,630	4,010	4,039	5,146	4,688	4,789	4,465	4,538	3,700	3,365	3,197	3,757	3,267	3,525	4,042	5,965	5,578	5,187	5,029	5,142
Less:																				
Long-term debt	443	460	452	446	342	338	276	276	238	234	229	228	226	170	161	1,210	1,207	1,201	1,201	1,199
Notes payable	95	103	109	139	109	128	139	187	164	123	91	108	129	100	103	121	111	180	119	167
Current portion of long-term debt	7	8	8	7	132	132	198	200	116	114	49	49	9	58	57	57	57	7	7	7
Net debt adjustment	3,085	3,439	3,470	4,554	4,105	4,191	3,852	3,875	3,182	2,894	2,828	3,372	2,903	3,197	3,721	4,577	4,203	3,799	3,702	3,769

¹ Prior year amounts have been revised to recognize certain inventories held at third parties and to properly expense internally developed patent and trademark costs as incurred.