

NIKE, Inc.
CONSOLIDATED STATEMENTS OF INCOME

<i>(Dollars in millions, except per share data)</i>	THREE MONTHS ENDED			SIX MONTHS ENDED		
	11/30/2014	11/30/2013 ¹	%	11/30/2014	11/30/2013 ¹	%
			Change			Change
Revenues	\$ 7,380	\$ 6,431	15%	\$ 15,362	\$ 13,402	15%
Cost of sales	4,053	3,605	12%	8,314	7,444	12%
Gross profit	3,327	2,826	18%	7,048	5,958	18%
<i>Gross margin</i>	45.1%	43.9%		45.9%	44.5%	
Demand creation expense	766	691	11%	1,663	1,422	17%
Operating overhead expense	1,672	1,400	19%	3,255	2,727	19%
Total selling and administrative expense	2,438	2,091	17%	4,918	4,149	19%
<i>% of revenue</i>	33.0%	32.5%		32.0%	31.0%	
Interest expense (income), net	9	8	-	18	16	-
Other expense (income), net	2	13	-	5	41	-
Income before income taxes	878	714	23%	2,107	1,752	20%
Income taxes	223	180	24%	490	439	12%
<i>Effective tax rate</i>	25.4%	25.2%		23.3%	25.1%	
NET INCOME	\$ 655	\$ 534	23%	\$ 1,617	\$ 1,313	23%
Earnings per common share:						
Basic	\$ 0.76	\$ 0.60	27%	\$ 1.87	\$ 1.48	26%
Diluted	\$ 0.74	\$ 0.59	25%	\$ 1.83	\$ 1.44	27%
Weighted average common shares outstanding:						
Basic	863.1	888.0		864.0	888.7	
Diluted	884.8	910.6		885.8	910.7	
Dividends declared per common share	\$ 0.28	\$ 0.24		\$ 0.52	\$ 0.45	

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

NIKE, Inc.
CONSOLIDATED BALANCE SHEETS

<i>(Dollars in millions)</i>	November 30, 2014	November 30, 2013 ¹	% Change
ASSETS			
Current assets:			
Cash and equivalents	\$ 2,273	\$ 2,086	9%
Short-term investments	2,440	3,101	-21%
Accounts receivable, net	3,457	3,208	8%
Inventories	4,150	3,742	11%
Deferred income taxes	334	315	6%
Prepaid expenses and other current assets	1,379	1,146	20%
Total current assets	14,033	13,598	3%
Property, plant and equipment	6,450	5,869	10%
Less accumulated depreciation	3,523	3,224	9%
Property, plant and equipment, net	2,927	2,645	11%
Identifiable intangible assets, net	281	287	-2%
Goodwill	131	131	0%
Deferred income taxes and other assets	1,795	1,110	62%
TOTAL ASSETS	\$ 19,167	\$ 17,771	8%
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt	\$ 110	\$ 7	1471%
Notes payable	93	150	-38%
Accounts payable	2,074	1,642	26%
Accrued liabilities	2,622	2,052	28%
Income taxes payable	38	30	27%
Total current liabilities	4,937	3,881	27%
Long-term debt	1,084	1,201	-10%
Deferred income taxes and other liabilities	1,446	1,424	2%
Redeemable preferred stock	-	-	-
Shareholders' equity	11,700	11,265	4%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 19,167	\$ 17,771	8%

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

NIKE, Inc.
DIVISIONAL REVENUES

<i>(Dollars in millions)</i>	THREE MONTHS ENDED			% Change Excluding Currency Changes ¹	SIX MONTHS ENDED			% Change Excluding Currency Changes ¹	
	11/30/2014	11/30/2013	% Change		11/30/2014	11/30/2013	% Change		
North America									
Footwear	\$ 1,925	\$ 1,627	18%	18%	\$ 4,108	\$ 3,531	16%	16%	
Apparel	1,131	986	15%	15%	2,236	1,995	12%	12%	
Equipment	185	188	-2%	-1%	410	410	0%	0%	
Total	3,241	2,801	16%	16%	6,754	5,936	14%	14%	
Western Europe									
Footwear	863	695	24%	26%	1,990	1,524	31%	28%	
Apparel	384	324	19%	20%	882	723	22%	19%	
Equipment	65	55	18%	18%	154	128	20%	17%	
Total	1,312	1,074	22%	24%	3,026	2,375	27%	25%	
Central & Eastern Europe									
Footwear	180	144	25%	32%	403	337	20%	24%	
Apparel	149	135	10%	19%	283	274	3%	9%	
Equipment	17	16	6%	18%	52	50	4%	10%	
Total	346	295	17%	25%	738	661	12%	16%	
Greater China									
Footwear	463	358	29%	30%	903	699	29%	30%	
Apparel	266	245	9%	9%	468	442	6%	7%	
Equipment	29	26	12%	12%	66	62	6%	7%	
Total	758	629	21%	21%	1,437	1,203	19%	20%	
Japan									
Footwear	108	101	7%	16%	208	189	10%	16%	
Apparel	75	89	-16%	-8%	121	142	-15%	-9%	
Equipment	16	20	-20%	-13%	30	37	-19%	-15%	
Total	199	210	-5%	3%	359	368	-2%	3%	
Emerging Markets									
Footwear	727	686	6%	15%	1,355	1,310	3%	11%	
Apparel	280	279	0%	8%	532	505	5%	13%	
Equipment	68	65	5%	8%	122	117	4%	11%	
Total	1,075	1,030	4%	13%	2,009	1,932	4%	11%	
Global Brand Divisions²									
	28	31	-10%	-7%	57	63	-10%	-12%	
Total NIKE Brand									
	6,959	6,070	15%	17%	14,380	12,538	15%	16%	
Converse	434	360	21%	24%	1,009	854	18%	19%	
Corporate ³	(13)	1	-	-	(27)	10	-	-	
Total NIKE, Inc. Revenues	\$ 7,380	\$ 6,431	15%	18%	\$ 15,362	\$ 13,402	15%	16%	
Total NIKE Brand									
Footwear	\$ 4,266	\$ 3,611	18%	21%	\$ 8,967	\$ 7,590	18%	19%	
Apparel	2,285	2,058	11%	13%	4,522	4,081	11%	12%	
Equipment	380	370	3%	5%	834	804	4%	5%	
Global Brand Divisions ²	28	31	-10%	-7%	57	63	-10%	-12%	

¹ Fiscal 2015 results have been restated using fiscal 2014 exchange rates for the comparative period to enhance the visibility of the underlying business trends excluding the impact of foreign currency exchange rate fluctuations.

² Global Brand Divisions primarily represent NIKE Brand licensing businesses that are not part of a geographic operating segment.

³ 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.
EARNINGS BEFORE INTEREST AND TAXES^{1,2}

<i>(Dollars in millions)</i>	THREE MONTHS ENDED			SIX MONTHS ENDED		
	11/30/2014	11/30/2013 ³	%	11/30/2014	11/30/2013 ³	%
North America	\$ 785	\$ 647	21%	\$ 1,755	\$ 1,460	20%
Western Europe	261	123	112%	665	388	71%
Central & Eastern Europe	57	48	19%	125	129	-3%
Greater China	258	197	31%	476	367	30%
Japan	29	47	-38%	40	71	-44%
Emerging Markets	236	243	-3%	392	453	-13%
Global Brand Divisions ⁴	(552)	(450)	-23%	(1,085)	(916)	-18%
TOTAL NIKE BRAND	1,074	855	26%	2,368	1,952	21%
Converse	88	100	-12%	274	269	2%
Corporate ⁵	(275)	(233)	-18%	(517)	(453)	-14%
TOTAL EARNINGS BEFORE INTEREST AND TAXES	\$ 887	\$ 722	23%	\$ 2,125	\$ 1,768	20%

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 2015 presentation. These changes had no impact on previously reported results of operations or shareholders' equity.

³ Prior year amounts have been revised to correctly 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 November 30, 2014

	Reported Futures Orders	Excluding Currency Changes ²
North America	13%	13%
Western Europe	4%	13%
Central & Eastern Europe	6%	18%
Greater China	12%	13%
Japan	-4%	3%
Emerging Markets	-3%	1%
Total NIKE Brand Reported Futures	7%	11%

¹ Futures orders by geography and in total for NIKE Brand footwear and apparel scheduled for delivery from December 2014 through April 2015, excluding NIKE Golf and Hurley.

The reported futures 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, changes in the mix of orders between 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 futures orders and actual revenues. Moreover, a portion of our revenue is not derived from futures orders, including sales of at-once and closeout NIKE Brand footwear and apparel, NIKE Brand equipment, sales from our DTC 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

<i>(Dollars in millions)</i>	SIX MONTHS ENDED	
	11/30/2014	11/30/2013¹
Cash provided by operations	\$ 1,235	\$ 948
Cash used by investing activities	(166)	(1,189)
Excluding: Purchases of investments	2,588	2,848
Sales and maturities of investments	(2,907)	(2,208)
Investments in reverse repurchase agreements	-	100
Less: Adjusted cash used by investing activities	(485)	(449)
FREE CASH FLOW	\$ 750	\$ 499

Note: Cash used by financing activities was \$1,304 million and \$997 million during the six months ended November 30, 2014 and November 30, 2013, respectively. The effect of exchange rate changes on cash was a source of cash of \$288 million and a use of cash of \$13 million for the six months ended November 30, 2014 and November 30, 2013, respectively. The total net change in cash and equivalents was an increase of \$53 million and a decrease of \$1,251 million during the six months ended November 30, 2014 and November 30, 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	Q1'15	Q2'15	
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	7,982	7,380	
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	4,261	4,053	
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	2,480	2,438	
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	1,241	889	
Other expense (income), net*	(12)	(12)	(8)	(17)	7	(28)	(17)	5	18	9	(11)	38	(29)	(17)	17	13	28	13	45	17	3	2	
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	1,238	887	
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%	21.7%	25.4%	
Taxes calculated	168	115	164	162	196	152	184	179	207	150	209	193	214	190	195	206	262	182	200	216	269	225	
Trailing 4 quarters taxes**	434	421	593	609	637	674	694	711	722	720	745	759	766	806	792	805	853	845	850	860	867	910	
Earnings before interest and after taxes from continuing operations	-	-	-	-	-	-	-	-	-	-	-	-	-	518	658	692	784	540	689	704	969	662	
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	969	662	
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	2,902	3,024	
	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	Q1'15	Q2'15	
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	18,521	19,167	
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	4,579	4,713	
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	1,970	2,074	
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	2,441	2,622	
Income taxes payable	140	74	80	52	96	70	105	108	81	70	47	54	99	31	122	84	195	30	27	432	250	38	
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	1,408	1,446	
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	3,232	3,426	
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	11,105	11,700	
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	11,090	11,189	
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%	26.2%	27.0%	

* 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	4,579	4,713
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	1,195	1,084
Notes payable	95	103	109	139	109	128	139	187	164	123	91	108	129	100	103	121	111	180	119	167	146	93
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	6	110
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	3,232	3,426

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