

JULY 25, 2014

TO OUR SHAREHOLDERS,

NIKE's success is grounded in our ability to stay true to our mission. By bringing inspiration and innovation to every athlete, NIKE has grown from selling running shoes out of the back of a Plymouth Valiant into the world's leading athletic footwear and apparel company. We've done this by continuously looking for new ways to unlock NIKE's potential.

Just like the athletes we serve, NIKE is relentlessly focused on striving toward our full potential... by delivering break-through innovation in our products and services... by reaching new levels of sustainability as we enhance product performance... by developing deeper, more meaningful connections with our consumers... and by presenting our products in compelling experiences at retail. All of this helps us grow our business and deliver long-term value for our shareholders.

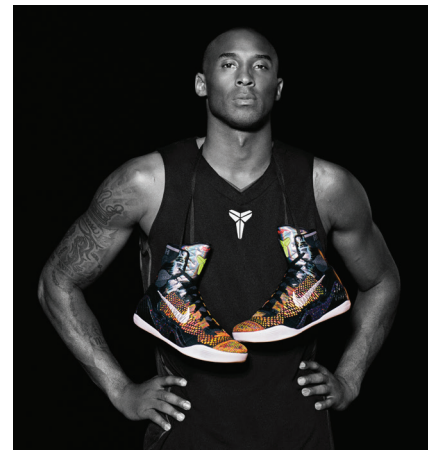
In fiscal year 2014, our focus on reaching toward our full potential drove great results across the business. Revenues grew 10% to \$27.8 billion. Gross margin increased 120 basis points, despite a rising cost environment. And diluted earnings per share grew 11% to \$2.97, outpacing revenue growth even in the face of significant currency headwinds throughout the year.

I take pride in our capacity to deliver results like these. And what is even more gratifying is that I am confident we will continue to deliver results like these in the future.

LEAD WITH INNOVATION

Much has changed in sports - and the business of sports - since NIKE was founded in 1972. But one thing that hasn't changed is our passion for serving athletes by developing products and services that help them reach their full potential. Our unmatched ability to innovate is how we turn insights from athletes and consumers into amazing products and services that no one else can deliver, and this past year was no exception.

- Together with Kobe in Los Angeles, we introduced the KOBE 9 Elite, extending the benefits of our NIKE Flyknit technology to Basketball;



KOBE 9 Elite

Our first basketball shoe with the revolutionary NIKE Flyknit technology, specially designed for one of the greatest players in the game. NIKE innovation at its finest.

- At the Sochi Winter Games, we leveraged significant advances from several categories to deliver high-performance apparel, such as the lightweight hockey Game Jersey with NIKE Flywire and the NIKE Aeroloft 800 Summit Jacket with unmatched warmth and breathability;
- At the Super Bowl in New York City, we launched the NIKE Vapor Carbon 2014 Elite Cleat, our first cleat to take advantage of the game-changing possibilities of 3-D printing;
- At the world's premier track meet – the Prefontaine Classic in Eugene, Oregon – NIKE athletes Ayanleh Souleiman, Galen Rupp and Shannon Rowbury set new U.S. records and world's best times in our performance racing footwear; and
- Leading up to the World Cup in Brazil, we launched 10 team kits that achieved new milestones in performance and sustainability. And we changed the game with ground-breaking boots, starting with the Hypervenom and Tiempo V. We then introduced the revolutionary Magista and Mercurial Superfly, which extended the benefits of NIKE Flyknit to the football pitch. This unmatched level of innovation was clearly evident on the field; at the start of the tournament we had more World Cup players in our boots than all other brands combined.

The products we launched this year were the culmination of an intense period of creativity for us. But make no mistake, there's much more in the pipeline. In fact, this is the pace of innovation that you should expect from us. As I look at the current environment, the ability to deliver truly revolutionary innovation is greater than at any time in history. The talent and creativity of our team at NIKE is magnified by our ability to build strategic partnerships in areas that are seeing tremendous advancements – both inside and outside of our industry.



Galen Rupp

The Oregon native breaks the tape at the Prefontaine Classic and sets a new U.S. record in the 10,000 meter. NIKE continues to lead with innovation in the Running category, inspired by the world's best athletes.

We know innovation is a long-term growth driver and that is why we have been so focused on extending our investments in this area. And we're seeing clear returns on these investments. By accelerating the pace of innovation, we drove competitive separation across our industry.

FOCUS ON THE CONSUMER

We unlock potential by focusing on the consumer. We know we need to remain nimble to meet the changing needs and expectations of those we serve globally. To truly understand what consumers want and need, we must earn our relationship with them every day. Increasingly this relationship is one-to-one through the lens of each consumer's sport.

This is why our Category Offense is such a powerful competitive advantage, which was clearly evident across our business in FY14. A few highlights:

- For the last decade we've heard our opportunities in North America were tapped out. Our results prove otherwise. In North America, where the Category Offense has been in place the longest, revenues grew at a double-digit pace for the fourth year in a row, growing by more than \$4.5 billion over that time period to surpass \$12 billion in FY14. Our profitability in North America also hit record highs.
- In Western Europe, where we restructured the business two years ago to align our teams against the biggest growth opportunities, we saw revenues surge 19% to nearly \$5 billion for the year with growth across all key categories and nearly every territory.
- We had one overarching goal for Greater China in FY14: reset the marketplace for growth. While there is still work to do, we made great progress and are on track to achieve our goal of returning this market to sustainable, double-digit revenue growth long-term. We remain confident that we have the right plan in place to achieve our objectives in this growth geography.
- In our own NIKE Brand Direct-to-Consumer business – where we have been investing to create compelling retail destinations that complement our wholesale business, both in-store and online – we saw revenues grow 22% to over \$5 billion for the year.
- Our Women's business grew at a faster rate than our Men's business in FY14, reaching nearly \$5 billion of wholesale equivalent revenues for the year, as elevated product assortment across key categories and new compelling retail environments clearly demonstrated NIKE's ability to understand our consumers' needs.



These results underscore our confidence that the Category Offense will drive profitable growth in other key markets and businesses, such as Emerging Markets, Apparel and Young Athletes. And we continue to see opportunities to extend our leadership position in areas such as Running, Basketball and Football. By continuing to focus more sharply on the consumer, we've improved our ability to deliver innovative products, deeper brand connections and compelling retail experiences. The result is an expansion of our ability to drive profitable, sustainable growth for our shareholders.

BUILD A THRIVING DIGITAL ECOSYSTEM

We live in a digital world. Our consumers expect NIKE to be as digitally connected as they are. They demand more real-time, personalized feedback on their performance. They want easy access to products and services that will help them improve. And they want to be a part of a community where they can share and compare information, find performance tips and motivate each other.

That's why the expansion of our digital ecosystem continues to be one of my top priorities going into fiscal 2015 and beyond. This ecosystem starts with the most advanced digital tools to measure, motivate and inspire. Delivered with the soul of sport, this will be the digital platform for lifetime consumer relationships. Our goal is to grow the NIKE+ community from tens of millions to hundreds of millions of members.

But our digital ecosystem goes beyond the digital services we provide. It also includes how we create an ongoing, two-way dialogue with consumers, which provides insights that drive our innovation, strengthens consumer connections to our brands and creates a platform for consumers to interact with each other.

The final element of our digital ecosystem is our e-commerce business. We know when consumers shop online, they want a seamless, premium experience. To provide this experience, we have made significant investments in infrastructure, capabilities and geographic expansion. Our efforts are clearly paying off: our online business grew over 40% in FY14, with the growth rate accelerating every quarter through the year.

Digital's potential is enormous. It is changing how we conduct our business, tell our stories and engage consumers. It's a rapidly changing landscape and a big part of our future.



Unmatched Innovation

The unparalleled performance and arresting designs of the Hypervenom and Tiempo V, along with the revolutionary NIKE Flyknit technology in the Magista and Mercurial Superfly, drive unmatched innovation in the beautiful game.

WE WILL CARRY THIS MOMENTUM INTO THE FUTURE

As we head into FY15, we have tremendous momentum. When I look within and across our five brands, six geographies and eight key categories, I see tremendous untapped potential. This has never been as clear to me as it is today; there is absolutely no shortage of growth opportunities for NIKE. Our product pipeline is full of incredible innovations. Our brands have never been stronger, and we've never had greater competitive separation in the marketplace.

We will remain focused on our potential; obsessed with delivering world-class products and experiences for athletes and consumers; and fully committed to driving sustainable, profitable growth for you, our shareholders.

We will continue to show the world there is no limit to how far NIKE can go.

Thanks,



Mark Parker

President and Chief Executive Officer
NIKE, Inc.



Women's

The NIKE Training Club retail concept brings together premium products and services, illustrating how NIKE can meet the needs of our consumers to drive growth in Women's.

2014 SELECT FINANCIALS

NIKE, Inc. Revenue Performance

Fiscal Years 2010-2014

Five-year CAGR 8%*

Revenue in millions

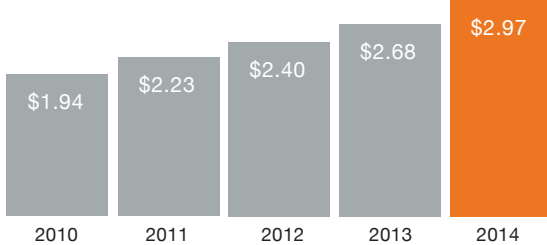


* 5-Year Compound Annual Growth Rate (CAGR) based on Fiscal Year 2009 Revenue of \$18,528 million. The revenue amounts presented reflect the results of our continuing operations.

NIKE, Inc. Earnings Per Share Performance*

Fiscal Years 2010-2014

Five-year CAGR 11%**

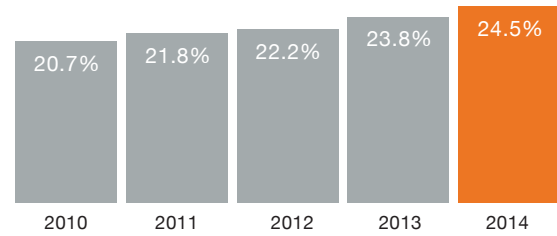


* Diluted EPS amounts presented reflect the results of our continuing operations. These amounts have been restated to reflect our two-for-one stock split on December 24, 2012 and are not directly comparable as they include non-recurring expenses and benefits such as impairment and restructuring charges and settlements. Prior year amounts have been revised to properly expense internally developed patent and trademark costs as incurred.

** 5-Year Compound Annual Growth Rate (CAGR) based on Fiscal Year 2009 diluted EPS of \$1.78.

NIKE, Inc. Return on Invested Capital*

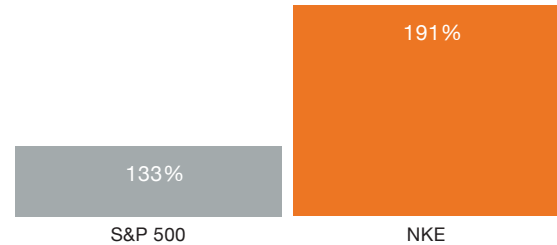
Fiscal Years 2010-2014



* Return on Invested Capital calculation is included in the quarterly earnings section of our investor relations website, <http://investors.nikeinc.com>, as one of our key financial metrics calculations. Please refer to this site for more detail on this calculation. 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.

Five-Year NIKE, Inc. Stock Performance vs. S&P 500*

Fiscal Years 2010-2014



* Performance of the S&P 500 and NIKE stock is calculated by comparing the total returns of each assuming the reinvestment of dividends over the time period of 5/31/2009 to 5/31/2014.