NIKE, Inc.

CONSOLIDATED STATEMENTS OF INCOME

FOR THE PERIOD ENDED AUGUST 31, 2012

(Dollars in millions, except per share data)

	QUARTER ENDED		
INCOME STATEMENT	**8/31/2012**	**8/31/2011**	**% Chg**
Revenues	$ 6,669	$ 6,081	*10%*
Cost of sales	3,766	3,388	*11%*
Gross profit	2,903	2,693	*8%*
Gross margin	***43.5%***	***44.3%***	
Demand creation expense	891	692	*29%*
Operating overhead expense	1,262	1,131	*12%*
Total selling and administrative expense	2,153	1,823	*18%*
% of revenue	***32.3%***	***30.0%***	
Other (income) expense, net	(29)	18	-
Interest (income) expense, net	(3)	-	-
Income before income taxes	782	852	*-8%*
Income taxes	215	207	*4%*
Effective tax rate	***27.5%***	***24.3%***	
Net income	$ 567	$ 645	*-12%*
Diluted EPS	$ 1.23	$1.36	*-10%*
Basic EPS	$ 1.25	$1.39	*-10%*
Weighted Average Common Shares Outstanding:			
Diluted	461.4	474.3	
Basic	452.8	465.0	
Dividends declared	$0.36	$0.31	

NIKE, Inc.

BALANCE SHEET	8/31/2012	8/31/2011	% Change
		(Dollars in millions)	
ASSETS			
Current assets:			
Cash and equivalents	$ 2,165	$ 1,608	35%
Short-term investments	1,102	2,092	-47%
Accounts receivable, net	3,431	3,279	5%
Inventories	3,411	3,107	10%
Deferred income taxes	282	315	-10%
Prepaid expenses and other current assets	745	638	17%
Total current assets	**11,136**	**11,039**	1%
Property, plant and equipment	5,359	5,034	6%
Less accumulated depreciation	3,068	2,868	7%
Property, plant and equipment, net	2,291	2,166	6%
Identifiable intangible assets, net	536	536	0%
Goodwill	202	204	-1%
Deferred income taxes and other assets	949	858	11%
Total assets	**$ 15,114**	**$ 14,803**	2%
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt	$ 9	$ 116	-92%
Notes payable	129	164	-21%
Accounts payable	1,551	1,421	9%
Accrued liabilities	1,974	1,968	0%
Income taxes payable	113	91	24%
Total current liabilities	**3,776**	**3,760**	0%
Long-term debt	226	238	-5%
Deferred income taxes and other liabilities	1,065	906	18%
Redeemable preferred stock	-	-	-
Shareholders' equity	10,047	9,899	1%
Total liabilities and shareholders' equity	**$ 15,114**	**$ 14,803**	2%

NIKE, Inc.

DIVISIONAL REVENUES[1]	QUARTER ENDED 8/31/2012	8/31/2011	% Change	% Change Excluding Currency Changes [2]
	(Dollars in millions)			
North America				
Footwear	$ 1,732	$ 1,444	20%	20%
Apparel	795	632	26%	26%
Equipment	179	124	44%	44%
Total	2,706	2,200	23%	23%
Western Europe				
Footwear	714	731	-2%	10%
Apparel	382	416	-8%	2%
Equipment	71	81	-12%	-4%
Total	1,167	1,228	-5%	6%
Central & Eastern Europe				
Footwear	178	180	-1%	12%
Apparel	134	123	9%	22%
Equipment	30	31	-3%	11%
Total	342	334	2%	16%
Greater China				
Footwear	356	314	13%	12%
Apparel	178	177	1%	-1%
Equipment	38	37	3%	0%
Total	572	528	8%	7%
Japan				
Footwear	106	103	3%	1%
Apparel	61	72	-15%	-15%
Equipment	16	19	-16%	-17%
Total	183	194	-6%	-7%
Emerging Markets				
Footwear	604	567	7%	20%
Apparel	211	182	16%	29%
Equipment	52	51	2%	16%
Total	867	800	8%	22%
Global Brand Divisions[3]	27	32	-16%	-7%
Total NIKE Brand	5,864	5,316	10%	16%
Other Businesses[4]	635	585	9%	9%
Businesses to be Divested[5]	195	188	4%	6%
Corporate[6]	(25)	(8)	-	-
Total NIKE, Inc. Revenues	$ 6,669	$ 6,081	10%	15%
Total NIKE Brand				
Footwear	$ 3,690	$ 3,339	11%	16%
Apparel	1,761	1,602	10%	15%
Equipment	386	343	13%	17%
Global Brand Divisions[3]	27	32	-16%	-7%

[1] Certain prior year amounts have been reclassified to conform to fiscal year 2013 presentation. These changes had no impact on previously reported results of operations or shareholders' equity.

[2] Fiscal 2013 results have been restated using fiscal 2012 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] Other businesses represent activities of Converse, Hurley, and NIKE Golf.

[5] Businesses to be Divested represent the operating results for Cole Haan and Umbro, which the Company intends to divest, along with the costs for executing these divestitures.

[6] Corporate revenues primarily consist of intercompany revenue eliminations and foreign currency revenue-related hedge gains and losses generated by entities within the NIKE Brand geographic operating segments and certain Other Businesses through our centrally managed foreign exchange risk management program.

NIKE, Inc.

EARNINGS BEFORE INTEREST AND TAXES[1,2]	QUARTER ENDED 8/31/2012	8/31/2011	% Chg
	(Dollars in millions)		
North America	$ 630	$ 539	17%
Western Europe	214	223	-4%
Central & Eastern Europe	61	70	-13%
Greater China	164	171	-4%
Japan	24	34	-29%
Emerging Markets	223	190	17%
Global Brand Divisions[3]	(375)	(266)	-41%
Total NIKE Brand	941	961	-2%
Other Businesses[4]	121	104	16%
Businesses to be Divested[5]	(18)	(18)	0%
Corporate[6]	(265)	(195)	-36%
Total Earnings Before Interest and Taxes[1,2]	$ 779	$ 852	-9%

[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, net, and income taxes.

[2] Certain prior year amounts have been reclassified to conform to fiscal year 2013 presentation. These changes had no impact on previously reported results of operations or shareholders' equity.

[3] Global Brand Divisions primarily represent NIKE Brand licensing businesses that are not part of a geographic operating segment and general and administrative expenses that are centrally managed for the Nike Brand.

[4] Other Businesses represent activities of Converse, Hurley, and NIKE Golf.

[5] Businesses to be Divested represent the operating results for Cole Haan and Umbro, which the Company intends to divest, along with the costs for executing these divestitures.

[6] 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.

SUPPLEMENTAL EBIT DETAILS FOR BUSINESSES TO BE DIVESTED - COLE HAAN AND UMBRO [1]	QUARTER ENDED 8/31/2012	8/31/2011	% Chg
	(Dollars in millions)		
Revenues	$ 195	$ 188	*4%*
Cost of sales	120	113	*6%*
Gross profit	75	75	*0%*
Gross margin	***38.5%***	***39.9%***	
Selling and administrative expense	95	93	*2%*
% of revenue	***48.7%***	***49.5%***	
Other (income) expense, net	(2)	-	-
Earnings before interest and taxes	$ (18)	$ (18)	*0%*

[1] The Company evaluates performance of individual businesses based on earnings before interest and taxes (also commonly referred to as “EBIT”), which represents net income before interest expense, net, and income taxes.

NIKE, Inc.

NET INCOME AND DILUTED EPS RECONCILIATION EXCLUDING BUSINESSES TO BE DIVESTED[1]	QUARTER ENDED 8/31/2012	8/31/2011	% Chg
(In millions, except per share data)			
Net income, as reported	$ 567	$ 645	-12%
Subtract:			
Net Loss from Businesses to be Divested[2]	(19)	(15)	
Net income, excluding Businesses to be Divested	$ 586	$ 660	-11%
Diluted EPS, as reported	$ 1.23	$ 1.36	-10%
Subtract:			
Net Loss per share from Businesses to be Divested[2]	(0.04)	(0.03)	
Diluted EPS, excluding Businesses to be Divested	$ 1.27	$ 1.39	-9%
Diluted weighted average common shares outstanding	461.4	474.3	

[1] This schedule is intended to satisfy the quantitative reconciliation for non-GAAP financial measures in accordance with Regulation G of the Securities and Exchange Commission. In addition, this schedule is provided to enhance the visibility of the underlying business trends relating to the Company's on-going operations by excluding the results relating to the businesses the Company intends to divest.

[2] In the fourth quarter of fiscal 2012, the Company announced its intention to divest of its Cole Haan and Umbro businesses. Net loss from Businesses to be Divested represent the operating results for these two businesses, along with the costs for executing these divestitures.

NIKE, Inc.

NIKE BRAND REPORTED FUTURES GROWTH BY GEOGRAPHY[1]	Reported Futures Orders	Excluding Currency Changes [2]
North America	13%	13%
Western Europe	-1%	6%
Central & Eastern Europe	4%	7%
Greater China	-5%	-6%
Japan	5%	7%
Emerging Markets	9%	14%
Total NIKE Brand Reported Futures	6%	8%

[1] Futures orders by geography and in total for NIKE Brand athletic footwear and apparel scheduled for delivery from September 2012 through January 2013.

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 and discounts 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, sales from our Other Businesses, and Businesses to be Divested.

[2] Reported futures 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

(Dollars in millions)	QUARTER ENDED AUGUST 31, 2012	2011
Cash provided by operations	$ 535	$ 87
Cash provided by investing activities	221	317
Excluding: Purchases of investments	654	1,197
Sales and maturities of investments	(987)	(1,681)
Settlement of net investment hedges	-	22
Less: Adjusted cash used by investing activities	(112)	(145)
Free cash flow	**$ 423**	**$ (58)**

Note: Cash used by financing activities was $907 million and $744 million during the quarters ended August 31, 2012 and 2011, respectively. The effect of exchange rate changes on cash was a use of cash of $1 million and $7 million for quarters ended August 31, 2012 and 2011, respectively. The total net change in cash and equivalents was a decrease of $152 million and $347 million during the quarters ended August 31, 2012 and 2011, respectively.

Nike, Inc. Return on Invested Capital Calculation

(Dollars in millions)	Q1'08	Q2'08	Q3'08	Q4'08	Q1'09	Q2'09	Q3'09	Q4'09	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
Sales	4,655	4,340	4,544	5,088	5,432	4,590	4,441	4,713	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
Operating Expenses																					
Cost of Sales	2,568	2,418	2,497	2,757	2,870	2,540	2,492	2,669	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
SG&A*	1,435	1,430	1,403	1,686	1,856	1,547	1,352	1,394	1,546	1,479	1,563	1,738	1,673	1,611	1,637	1,772	1,823	1,820	1,802	1,986	2,153
Restructuring charges	-	-	-	-	-	-	-	195	-	-	-	-	-	-	-	-	-	-	-	-	-
Goodwill Impairment	-	-	-	-	-	-	199	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible and Other Asset Impairment	-	-	-	-	-	-	202	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Profit	652	492	644	645	706	503	196	455	670	481	655	668	761	582	690	782	870	630	759	781	750
Other Income (Expense), net*	(7)	1	5	(8)	(2)	12	43	34	12	12	8	17	(7)	28	17	(5)	(18)	(9)	11	(38)	29
Earnings before Interest and Taxes	645	493	649	637	704	515	239	489	682	493	663	685	754	610	707	777	852	621	770	743	779
Tax Rate	15.0%	30.3%	30.6%	24.3%	28.5%	24.9%	-3.6%	29.8%	24.7%	23.5%	25.0%	23.6%	26.0%	25.0%	26.0%	23.2%	24.3%	24.1%	27.3%	26.1%	27.5%
Taxes Calculated	97	149	199	155	201	128	(9)	146	168	116	166	162	196	153	184	180	207	150	210	194	214
Trailing 4 Quarters Taxes**	590	621	658	600	704	683	475	466	433	421	596	612	640	677	695	713	724	721	747	761	768
Earnings before Interest and after Taxes	548	344	450	482	503	387	248	343	514	377	497	523	558	457	523	597	645	471	560	549	565
Trailing 4 Quarters Earnings before Interest and after Taxes**	**1,625**	**1,654**	**1,764**	**1,824**	**1,779**	**1,822**	**1,620**	**1,481**	**1,492**	**1,482**	**1,731**	**1,911**	**1,955**	**2,035**	**2,061**	**2,135**	**2,222**	**2,236**	**2,273**	**2,225**	**2,145**
	Q1'08	Q2'08	Q3'08	Q4'08	Q1'09	Q2'09	Q3'09	Q4'09	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
Total Assets	11,014	11,455	11,788	12,443	12,595	12,810	12,733	13,250	13,191	13,358	13,576	14,419	14,051	14,464	14,478	14,998	14,803	14,565	14,794	15,465	15,114
Less:																					
Cash and Short-term Investments	2,791	3,072	2,927	2,776	2,592	2,730	2,604	3,455	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
Accounts Payable	972	1,054	1,005	1,288	1,206	1,124	952	1,032	962	1,008	994	1,255	1,101	1,225	1,147	1,469	1,421	1,411	1,298	1,588	1,551
Accrued Liabilities	1,314	1,501	1,630	1,762	1,640	1,500	1,536	1,784	1,643	1,598	1,648	1,904	1,696	1,685	1,745	1,985	1,968	1,834	1,913	2,053	1,974
Income Tax Payable	184	108	96	88	214	117	112	86	146	81	88	59	104	78	113	117	91	81	59	67	113
Deferred Income Taxes and other Liabilities	622	737	785	855	843	870	775	842	804	876	848	855	907	929	958	921	906	925	979	991	1,065
Plus																					
Net Debt adjustment*****	2,224	2,510	2,268	2,151	1,933	1,936	1,803	2,643	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
Invested Capital	7,355	7,493	7,613	7,825	8,033	8,405	8,557	8,694	9,091	9,224	9,429	9,754	9,660	9,949	9,902	9,843	9,899	9,843	10,176	10,381	10,047
Trailing 5 Quarters Invested Capital***	**6,797**	**7,052**	**7,267**	**7,462**	**7,664**	**7,874**	**8,087**	**8,303**	**8,556**	**8,794**	**8,999**	**9,238**	**9,432**	**9,603**	**9,739**	**9,822**	**9,851**	**9,887**	**9,933**	**10,028**	**10,069**
Return on Invested Capital****	**23.9%**	**23.5%**	**24.3%**	**24.4%**	**23.2%**	**23.1%**	**20.0%**	**17.8%**	**17.4%**	**16.9%**	**19.2%**	**20.7%**	**20.7%**	**21.2%**	**21.2%**	**21.7%**	**22.6%**	**22.6%**	**22.9%**	**22.2%**	**21.3%**

* 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 Short-term Investments	2,791	3,072	2,927	2,776	2,592	2,730	2,604	3,455	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
Less:																					
Long-Term Debt	421	436	447	441	407	446	438	437	443	460	452	446	342	338	276	276	238	234	229	228	226
Notes Payable	140	120	206	178	220	316	331	343	95	103	109	139	109	128	139	187	164	123	91	108	129
Current Portion of Long-Term Debt	6	6	6	6	32	32	32	32	7	8	8	7	132	132	198	200	116	114	49	49	9
Net Debt Adjustment	2,224	2,510	2,268	2,151	1,933	1,936	1,803	2,643	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