NIKE, Inc.
CONSOLIDATED STATEMENTS OF INCOME

(Dollars in millions, except per share data)	THREE MONTHS ENDED 8/31/2014	8/31/2013[1]	% Change
Revenues	$ 7,982	$ 6,971	*15%*
Cost of sales	4,261	3,839	*11%*
Gross profit	3,721	3,132	*19%*
Gross margin	*46.6%*	*44.9%*	
Demand creation expense	897	731	*23%*
Operating overhead expense	1,583	1,327	*19%*
Total selling and administrative expense	2,480	2,058	*21%*
% of revenue	*31.1%*	*29.5%*	
Interest expense (income), net	9	8	-
Other expense (income), net	3	28	-
Income before income taxes	1,229	1,038	*18%*
Income taxes	267	259	*3%*
Effective tax rate	*21.7%*	*25.0%*	
NET INCOME	**$ 962**	**$ 779**	***23%***
Earnings per common share:			
Basic	$ 1.11	$ 0.88	*26%*
Diluted	$ 1.09	$ 0.86	*27%*
Weighted average common shares outstanding:			
Basic	864.9	889.4	
Diluted	886.2	910.7	
Dividends declared per common share	$ 0.24	$ 0.21	

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

NIKE, Inc.
CONSOLIDATED BALANCE SHEETS

(Dollars in millions)	August 31, 2014	August 31, 2013[1]	% Change
ASSETS			
Current assets:			
Cash and equivalents	$ 2,303	$ 2,661	-13%
Short-term investments	2,276	2,917	-22%
Accounts receivable, net	3,587	3,207	12%
Inventories	4,030	3,521	14%
Deferred income taxes	348	308	13%
Prepaid expenses and other current assets	996	947	5%
Total current assets	13,540	13,561	0%
Property, plant and equipment	6,371	5,684	12%
Less accumulated depreciation	3,476	3,127	11%
Property, plant and equipment, net	2,895	2,557	13%
Identifiable intangible assets, net	282	288	-2%
Goodwill	131	131	0%
Deferred income taxes and other assets	1,673	1,094	53%
TOTAL ASSETS	**$ 18,521**	**$ 17,631**	**5%**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt	$ 6	$ 57	-89%
Notes payable	146	94	55%
Accounts payable	1,970	1,576	25%
Accrued liabilities	2,441	1,962	24%
Income taxes payable	250	195	28%
Liabilities of discontinued operations	-	12	-
Total current liabilities	4,813	3,896	24%
Long-term debt	1,195	1,207	-1%
Deferred income taxes and other liabilities	1,408	1,322	7%
Redeemable preferred stock	-	-	-
Shareholders' equity	11,105	11,206	-1%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 18,521**	**$ 17,631**	**5%**

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

NIKE, Inc.
DIVISIONAL REVENUES

(Dollars in millions)	THREE MONTHS ENDED 8/31/2014	8/31/2013	% Change	% Change Excluding Currency Changes [1]
North America				
Footwear	$ 2,183	$ 1,904	15%	15%
Apparel	1,105	1,009	10%	10%
Equipment	225	222	1%	1%
Total	3,513	3,135	12%	12%
Western Europe				
Footwear	1,127	829	36%	29%
Apparel	498	399	25%	18%
Equipment	89	73	22%	17%
Total	1,714	1,301	32%	25%
Central & Eastern Europe				
Footwear	223	193	16%	17%
Apparel	134	139	-4%	-1%
Equipment	35	34	3%	7%
Total	392	366	7%	9%
Greater China				
Footwear	440	341	29%	31%
Apparel	202	197	3%	4%
Equipment	37	36	3%	4%
Total	679	574	18%	20%
Japan				
Footwear	100	88	14%	17%
Apparel	46	53	-13%	-10%
Equipment	14	17	-18%	-19%
Total	160	158	1%	4%
Emerging Markets				
Footwear	628	624	1%	7%
Apparel	252	226	12%	18%
Equipment	54	52	4%	14%
Total	934	902	4%	10%
Global Brand Divisions[2]	29	32	-9%	-17%
Total NIKE Brand	7,421	6,468	15%	15%
Converse	575	494	16%	16%
Corporate[3]	(14)	9	-	-
Total NIKE, Inc. Revenues	$ 7,982	$ 6,971	15%	15%
Total NIKE Brand				
Footwear	$ 4,701	$ 3,979	18%	18%
Apparel	2,237	2,023	11%	11%
Equipment	454	434	5%	5%
Global Brand Divisions[2]	29	32	-9%	-17%

[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]

(Dollars in millions)	THREE MONTHS ENDED 8/31/2014	8/31/2013[2]	% Change
North America	$ 970	$ 813	19%
Western Europe	404	265	52%
Central & Eastern Europe	68	81	-16%
Greater China	218	170	28%
Japan	11	24	-54%
Emerging Markets	156	210	-26%
Global Brand Divisions[3]	(533)	(466)	-14%
TOTAL NIKE BRAND	**1,294**	**1,097**	**18%**
Converse	186	169	10%
Corporate[4]	(242)	(220)	-10%
TOTAL EARNINGS BEFORE INTEREST AND TAXES	**$ 1,238**	**$ 1,046**	**18%**

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

[3] 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.

[4] 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 GEOGRAPHY[1]

As of August 31, 2014

	Reported Futures Orders	Excluding Currency Changes [2]
North America	15%	15%
Western Europe	17%	20%
Central & Eastern Europe	11%	17%
Greater China	5%	6%
Japan	-5%	0%
Emerging Markets	3%	9%
Total NIKE Brand Reported Futures	11%	14%

[1] Futures orders by geography and in total for NIKE Brand athletic footwear and apparel scheduled for delivery from September 2014 through January 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, DTC operation sales 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

(Dollars in millions)		THREE MONTHS ENDED 8/31/2014	8/31/2013[1]
Cash provided by operations		$ 588	$ 618
Cash provided (used) by investing activities		280	(694)
Excluding:	Purchases of investments	1,296	1,417
	Sales and maturities of investments	(1,836)	(1,068)
	Investments in reverse repurchase agreements	-	100
Less: Adjusted cash used by investing activities		(260)	(245)
FREE CASH FLOW		**$ 328**	**$ 373**

Note: Cash used by financing activities was $882 million and $592 million during the three months ended August 31, 2014 and August 31, 2013, respectively. The effect of exchange rate changes on cash was a source of cash of $97 million and a use of cash of $8 million for the three months ended August 31, 2014 and August 31, 2013, respectively. The total net change in cash and equivalents was an increase of $83 million and a decrease of $676 million during the three months ended August 31, 2014 and August 31, 2013, respectively.

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

Nike, Inc. Return on Invested Capital Calculation[1]

(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
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
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
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
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
Other income (expense), net*	12	12	8	17	(7)	28	17	(5)	(18)	(9)	11	(38)	29	17	(17)	(13)	(28)	(13)	(45)	(17)	(3)
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
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%
Taxes calculated	168	115	164	162	196	152	184	179	207	150	209	193	214	190	195	206	262	182	200	216	269
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
Earnings before interest and after taxes from continuing operations	-	-	-	-	-	-	-	-	-	-	-	-	-	518	658	692	784	540	689	704	969
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
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**

	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
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
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
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
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
Income taxes payable	140	74	80	52	96	70	105	108	81	70	47	54	99	31	122	84	195	30	27	432	250
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
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
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
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**
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%**

* 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

	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
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
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
Notes payable	95	103	109	139	109	128	139	187	164	123	91	108	129	100	103	121	111	180	119	167	146
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
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

[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.