

# NIKE, Inc.

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED NOVEMBER 30, 2011 (In millions, except per share data)

| INCOME STATEMENT                                   | QUARTER ENDED |              |       | YEAR TO DATE ENDED |              |       |
|----------------------------------------------------|---------------|--------------|-------|--------------------|--------------|-------|
|                                                    | 11/30/2011    | 11/30/2010   | % Chg | 11/30/2011         | 11/30/2010   | % Chg |
| Revenues                                           | \$ 5,731      | \$ 4,842     | 18%   | \$ 11,812          | \$ 10,017    | 18%   |
| Cost of sales                                      | 3,281         | 2,649        | 24%   | 6,669              | 5,390        | 24%   |
| Gross profit                                       | 2,450         | 2,193        | 12%   | 5,143              | 4,627        | 11%   |
| <b>Gross margin</b>                                | <b>42.7%</b>  | <b>45.3%</b> |       | <b>43.5%</b>       | <b>46.2%</b> |       |
| Demand creation expense                            | 644           | 574          | 12%   | 1,336              | 1,253        | 7%    |
| Operating overhead expense                         | 1,176         | 1,037        | 13%   | 2,307              | 2,031        | 14%   |
| Total selling and administrative expense           | 1,820         | 1,611        | 13%   | 3,643              | 3,284        | 11%   |
| <b>% of revenue</b>                                | <b>31.8%</b>  | <b>33.3%</b> |       | <b>30.8%</b>       | <b>32.8%</b> |       |
| Other expense (income), net                        | 9             | (28)         | -     | 27                 | (21)         | -     |
| Interest expense, net                              | 3             | 1            | -     | 3                  | -            | -     |
| Income before income taxes                         | 618           | 609          | 1%    | 1,470              | 1,364        | 8%    |
| Income taxes                                       | 149           | 152          | -2%   | 356                | 348          | 2%    |
| <b>Effective tax rate</b>                          | <b>24.1%</b>  | <b>25.0%</b> |       | <b>24.2%</b>       | <b>25.5%</b> |       |
| Net income                                         | \$ 469        | \$ 457       | 3%    | \$ 1,114           | \$ 1,016     | 10%   |
| Diluted EPS                                        | \$1.00        | \$0.94       | 6%    | \$2.36             | \$2.08       | 13%   |
| Basic EPS                                          | \$1.02        | \$0.96       | 6%    | \$2.41             | \$2.12       | 14%   |
| <b>Weighted Average Common Shares Outstanding:</b> |               |              |       |                    |              |       |
| Diluted                                            | 468.5         | 487.6        |       | 471.5              | 488.4        |       |
| Basic                                              | 459.2         | 477.9        |       | 462.1              | 478.8        |       |
| Dividends declared                                 | \$0.36        | \$0.31       |       | \$0.67             | \$0.58       |       |

# NIKE, Inc.

## BALANCE SHEET

11/30/2011

11/30/2010

% Change

(In millions)

### ASSETS

#### Current assets:

|                                           |    |       |    |       |      |
|-------------------------------------------|----|-------|----|-------|------|
| Cash and equivalents                      | \$ | 1,929 | \$ | 1,768 | 9%   |
| Short-term investments                    |    | 1,436 |    | 3,021 | -52% |
| Accounts receivable, net                  |    | 3,103 |    | 2,792 | 11%  |
| Inventories                               |    | 3,164 |    | 2,348 | 35%  |
| Deferred income taxes                     |    | 298   |    | 267   | 12%  |
| Prepaid expenses and other current assets |    | 795   |    | 720   | 10%  |

#### Total current assets

10,725 10,916 -2%

#### Property, plant and equipment

|                                    |  |       |  |       |    |
|------------------------------------|--|-------|--|-------|----|
| Property, plant and equipment      |  | 5,064 |  | 4,641 | 9% |
| Less accumulated depreciation      |  | 2,887 |  | 2,638 | 9% |
| Property, plant and equipment, net |  | 2,177 |  | 2,003 | 9% |

#### Identifiable intangible assets, net

532 469 13%

#### Goodwill

201 192 5%

#### Deferred income taxes and other assets

930 884 5%

#### Total assets

\$ 14,565 \$ 14,464 1%

### LIABILITIES AND SHAREHOLDERS' EQUITY

#### Current liabilities:

|                                   |    |       |    |       |      |
|-----------------------------------|----|-------|----|-------|------|
| Current portion of long-term debt | \$ | 114   | \$ | 132   | -14% |
| Notes payable                     |    | 123   |    | 128   | -4%  |
| Accounts payable                  |    | 1,411 |    | 1,225 | 15%  |
| Accrued liabilities               |    | 1,834 |    | 1,685 | 9%   |
| Income taxes payable              |    | 81    |    | 78    | 4%   |

#### Total current liabilities

3,563 3,248 10%

#### Long-term debt

234 338 -31%

#### Deferred income taxes and other liabilities

925 929 0%

#### Redeemable preferred stock

- - -

#### Shareholders' equity

9,843 9,949 -1%

#### Total liabilities and shareholders' equity

\$ 14,565 \$ 14,464 1%

# NIKE, Inc.

| DIVISIONAL REVENUES <sup>1</sup>    | QUARTER ENDED |            |          |      | % Change<br>Excluding<br>Currency<br>Changes <sup>2</sup> | YEAR TO DATE ENDED |            |          | % Change<br>Excluding<br>Currency<br>Changes <sup>2</sup> |
|-------------------------------------|---------------|------------|----------|------|-----------------------------------------------------------|--------------------|------------|----------|-----------------------------------------------------------|
|                                     | 11/30/2011    | 11/30/2010 | % Change |      |                                                           | 11/30/2011         | 11/30/2010 | % Change |                                                           |
|                                     | (In millions) |            |          |      |                                                           | (In millions)      |            |          |                                                           |
| North America                       |               |            |          |      |                                                           |                    |            |          |                                                           |
| Footwear                            | \$ 1,306      | \$ 1,083   | 21%      | 20%  |                                                           | \$ 2,749           | \$ 2,372   | 16%      | 16%                                                       |
| Apparel                             | 661           | 538        | 23%      | 23%  |                                                           | 1,293              | 1,053      | 23%      | 23%                                                       |
| Equipment                           | 99            | 80         | 24%      | 27%  |                                                           | 224                | 179        | 25%      | 26%                                                       |
| Total                               | 2,066         | 1,701      | 21%      | 21%  |                                                           | 4,266              | 3,604      | 18%      | 18%                                                       |
| Western Europe                      |               |            |          |      |                                                           |                    |            |          |                                                           |
| Footwear                            | 538           | 502        | 7%       | 2%   |                                                           | 1,269              | 1,134      | 12%      | 2%                                                        |
| Apparel                             | 324           | 305        | 6%       | 1%   |                                                           | 740                | 682        | 9%       | -1%                                                       |
| Equipment                           | 53            | 46         | 15%      | 7%   |                                                           | 134                | 113        | 19%      | 7%                                                        |
| Total                               | 915           | 853        | 7%       | 2%   |                                                           | 2,143              | 1,929      | 11%      | 1%                                                        |
| Central & Eastern Europe            |               |            |          |      |                                                           |                    |            |          |                                                           |
| Footwear                            | 135           | 121        | 12%      | 14%  |                                                           | 315                | 270        | 17%      | 12%                                                       |
| Apparel                             | 111           | 88         | 26%      | 28%  |                                                           | 234                | 183        | 28%      | 24%                                                       |
| Equipment                           | 15            | 15         | 0%       | 4%   |                                                           | 46                 | 40         | 15%      | 10%                                                       |
| Total                               | 261           | 224        | 17%      | 19%  |                                                           | 595                | 493        | 21%      | 16%                                                       |
| Greater China                       |               |            |          |      |                                                           |                    |            |          |                                                           |
| Footwear                            | 353           | 264        | 34%      | 27%  |                                                           | 667                | 510        | 31%      | 24%                                                       |
| Apparel                             | 268           | 191        | 40%      | 34%  |                                                           | 445                | 373        | 19%      | 13%                                                       |
| Equipment                           | 29            | 27         | 7%       | 6%   |                                                           | 66                 | 59         | 12%      | 7%                                                        |
| Total                               | 650           | 482        | 35%      | 28%  |                                                           | 1,178              | 942        | 25%      | 19%                                                       |
| Japan                               |               |            |          |      |                                                           |                    |            |          |                                                           |
| Footwear                            | 99            | 93         | 6%       | -3%  |                                                           | 202                | 179        | 13%      | 2%                                                        |
| Apparel                             | 83            | 85         | -2%      | -11% |                                                           | 153                | 145        | 6%       | -4%                                                       |
| Equipment                           | 15            | 14         | 7%       | -10% |                                                           | 33                 | 31         | 6%       | -8%                                                       |
| Total                               | 197           | 192        | 3%       | -7%  |                                                           | 388                | 355        | 9%       | -1%                                                       |
| Emerging Markets                    |               |            |          |      |                                                           |                    |            |          |                                                           |
| Footwear                            | 660           | 521        | 27%      | 27%  |                                                           | 1,227              | 925        | 33%      | 28%                                                       |
| Apparel                             | 233           | 183        | 27%      | 27%  |                                                           | 415                | 332        | 25%      | 20%                                                       |
| Equipment                           | 55            | 51         | 8%       | 10%  |                                                           | 105                | 89         | 18%      | 15%                                                       |
| Total                               | 948           | 755        | 26%      | 26%  |                                                           | 1,747              | 1,346      | 30%      | 25%                                                       |
| Global Brand Divisions <sup>3</sup> | 25            | 24         | 4%       | 1%   |                                                           | 58                 | 45         | 29%      | 20%                                                       |
| Total NIKE Brand                    | 5,062         | 4,231      | 20%      | 18%  |                                                           | 10,375             | 8,714      | 19%      | 15%                                                       |
| Other Businesses <sup>4</sup>       | 673           | 639        | 5%       | 5%   |                                                           | 1,446              | 1,342      | 8%       | 7%                                                        |
| Corporate <sup>5</sup>              | (4)           | (28)       | 86%      | -    |                                                           | (9)                | (39)       | 77%      | -                                                         |
| Total NIKE, Inc. Revenues           | \$ 5,731      | \$ 4,842   | 18%      | 16%  |                                                           | \$ 11,812          | \$ 10,017  | 18%      | 14%                                                       |
| Total NIKE Brand                    |               |            |          |      |                                                           |                    |            |          |                                                           |
| Footwear                            | \$ 3,091      | \$ 2,584   | 20%      | 18%  |                                                           | \$ 6,429           | \$ 5,390   | 19%      | 15%                                                       |
| Apparel                             | 1,680         | 1,390      | 21%      | 18%  |                                                           | 3,280              | 2,768      | 18%      | 14%                                                       |
| Equipment                           | 266           | 233        | 14%      | 13%  |                                                           | 608                | 511        | 19%      | 14%                                                       |
| Global Brand Divisions <sup>3</sup> | 25            | 24         | 4%       | 1%   |                                                           | 58                 | 45         | 29%      | 20%                                                       |

<sup>1</sup> Certain prior year amounts have been reclassified to conform to fiscal year 2012 presentation. These changes had no impact on previously reported results of operations or shareholders' equity.

<sup>2</sup> Fiscal 2012 results have been restated using fiscal 2011 exchange rates for the comparative period to enhance the visibility of the underlying business trends excluding the impact of foreign currency exchange rate fluctuations.

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

<sup>4</sup> Other businesses represent activities of Cole Haan, Converse, Hurley, NIKE Golf and Umbro.

<sup>5</sup> 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 <sup>1,2</sup>       | QUARTER ENDED |            | % Chg | YEAR TO DATE ENDED |            | % Chg |
|---------------------------------------------------------|---------------|------------|-------|--------------------|------------|-------|
|                                                         | 11/30/2011    | 11/30/2010 |       | 11/30/2011         | 11/30/2010 |       |
|                                                         | (In millions) |            |       | (In millions)      |            |       |
| North America                                           | \$ 418        | \$ 356     | 17%   | \$ 952             | \$ 799     | 19%   |
| Western Europe                                          | 92            | 142        | -35%  | 315                | 425        | -26%  |
| Central & Eastern Europe                                | 33            | 48         | -31%  | 103                | 118        | -13%  |
| Greater China                                           | 220           | 174        | 26%   | 391                | 338        | 16%   |
| Japan                                                   | 35            | 36         | -3%   | 69                 | 63         | 10%   |
| Emerging Markets                                        | 247           | 194        | 27%   | 437                | 318        | 37%   |
| Global Brand Divisions <sup>3</sup>                     | (273)         | (221)      | -24%  | (534)              | (466)      | -15%  |
| Total NIKE Brand                                        | 772           | 729        | 6%    | 1,733              | 1,595      | 9%    |
| Other Businesses <sup>4</sup>                           | 57            | 59         | -3%   | 143                | 168        | -15%  |
| Corporate <sup>5</sup>                                  | (208)         | (178)      | -17%  | (403)              | (399)      | -1%   |
| Total earnings before interest and taxes <sup>1,2</sup> | \$ 621        | \$ 610     | 2%    | \$ 1,473           | \$ 1,364   | 8%    |

<sup>1</sup> 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 (income) expense, net, and income taxes.

<sup>2</sup> Certain prior year amounts have been reclassified to conform to fiscal year 2012 presentation. These changes had no impact on previously reported results of operations or shareholders' equity.

<sup>3</sup> 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.

<sup>4</sup> Other businesses represent activities of Cole Haan, Converse, Hurley, NIKE Golf and Umbro.

<sup>5</sup> 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. Return on Invested Capital Calculation              |       |       |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
|----------------------------------------------------------------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| (In Millions)                                                  | Q1'07 | Q2'07 | Q3'07  | Q4'07  | 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  |
| Sales                                                          | 4,194 | 3,822 | 3,927  | 4,383  | 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  |
| Operating Expenses                                             |       |       |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Cost of Sales                                                  | 2,345 | 2,165 | 2,192  | 2,464  | 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  |
| SG&A*                                                          | 1,290 | 1,224 | 1,243  | 1,272  | 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  |
| Restructuring charges                                          | -     | -     | -      | -      | -      | -      | -      | -      | -      | -      | -      | 195    | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      |
| Goodwill Impairment                                            | -     | -     | -      | -      | -      | -      | -      | -      | -      | -      | 199    | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      |
| Intangible and Other Asset Impairment                          | -     | -     | -      | -      | -      | -      | -      | -      | -      | -      | 202    | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      |
|                                                                | -     | -     | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      |
| Net Operating Profit                                           | 559   | 433   | 492    | 647    | 652    | 492    | 644    | 645    | 706    | 503    | 196    | 455    | 670    | 481    | 655    | 668    | 761    | 582    | 690    | 782    | 870    | 630    |
| Other Income (Expense), net*                                   | 3     | -     | 10     | (12)   | (7)    | 1      | 5      | (8)    | (2)    | 12     | 43     | 34     | 12     | 12     | 8      | 17     | (7)    | 28     | 17     | (5)    | (18)   | (9)    |
| Earnings before Interest and Taxes                             | 562   | 433   | 502    | 635    | 645    | 493    | 649    | 637    | 704    | 515    | 239    | 489    | 682    | 493    | 663    | 685    | 754    | 610    | 707    | 777    | 852    | 621    |
| Tax Rate                                                       | 34.5% | 27.2% | 32.3%  | 33.5%  | 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%  |
| Taxes Calculated                                               | 194   | 118   | 162    | 213    | 97     | 149    | 199    | 155    | 201    | 128    | (9)    | 146    | 168    | 116    | 166    | 162    | 196    | 153    | 184    | 180    | 207    | 150    |
| Trailing 4 Quarters Taxes**                                    | 706   | 663   | 647    | 687    | 590    | 621    | 658    | 600    | 704    | 683    | 475    | 466    | 433    | 421    | 596    | 612    | 640    | 677    | 695    | 713    | 724    | 721    |
| Earnings before Interest and after Taxes                       | 368   | 315   | 340    | 422    | 548    | 344    | 450    | 482    | 503    | 387    | 248    | 343    | 514    | 377    | 497    | 523    | 558    | 457    | 523    | 597    | 645    | 471    |
| Trailing 4 Quarters Earnings before Interest and after Taxes** | 1,307 | 1,325 | 1,345  | 1,445  | 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  |
|                                                                | Q1'07 | Q2'07 | Q3'07  | Q4'07  | 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  |
| Total Assets                                                   | 9,571 | 9,822 | 10,219 | 10,688 | 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 |
| Less:                                                          |       |       |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Cash and Short-term Investments                                | 1,725 | 1,907 | 2,270  | 2,847  | 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  |
| Accounts Payable                                               | 868   | 880   | 801    | 1,040  | 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  |
| Accrued Liabilities                                            | 1,293 | 1,239 | 1,306  | 1,303  | 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  |
| Income Tax Payable                                             | 153   | 71    | 75     | 109    | 184    | 108    | 96     | 88     | 214    | 117    | 112    | 86     | 146    | 81     | 88     | 59     | 104    | 78     | 113    | 117    | 91     | 81     |
| Deferred Income Taxes and other Liabilities                    | 564   | 620   | 643    | 669    | 622    | 737    | 785    | 855    | 843    | 870    | 775    | 842    | 804    | 876    | 848    | 855    | 907    | 929    | 958    | 921    | 906    | 925    |
| Plus                                                           |       |       |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Net Debt adjustment*****                                       | 1,253 | 1,433 | 1,724  | 2,305  | 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  |
| Invested Capital                                               | 6,221 | 6,538 | 6,848  | 7,025  | 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  |
| Trailing 5 Quarters Invested Capital***                        | 6,163 | 6,278 | 6,431  | 6,584  | 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  |
| Return on Invested Capital****                                 | 21.2% | 21.1% | 20.9%  | 21.9%  | 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%  |

\* 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   | 1,725 | 1,907 | 2,270 | 2,847 | 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 |
| Less:                             |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
| Long-Term Debt                    | 380   | 384   | 419   | 410   | 421   | 436   | 447   | 441   | 407   | 446   | 438   | 437   | 443   | 460   | 452   | 446   | 342   | 338   | 276   | 276   | 238   | 234   |
| Notes Payable                     | 61    | 59    | 96    | 101   | 140   | 120   | 206   | 178   | 220   | 316   | 331   | 343   | 95    | 103   | 109   | 139   | 109   | 128   | 139   | 187   | 164   | 123   |
| Current Portion of Long-Term Debt | 31    | 31    | 31    | 31    | 6     | 6     | 6     | 6     | 32    | 32    | 32    | 32    | 7     | 8     | 8     | 7     | 132   | 132   | 198   | 200   | 116   | 114   |
| Net Debt Adjustment               | 1,253 | 1,433 | 1,724 | 2,305 | 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 |

|                                       |
|---------------------------------------|
| Nike, Inc. Free Cash Flow Calculation |
|---------------------------------------|

|                                                  | FOR THE SIX MONTHS ENDED NOVEMBER 30, |               |
|--------------------------------------------------|---------------------------------------|---------------|
| (in millions)                                    | 2011                                  | 2010          |
| Cash provided by operations                      | \$ 597                                | \$ 647        |
| Cash provided (used) by investing activities     | 832                                   | (1,171)       |
| Excluding: Purchases of investments              | 1,523                                 | 3,363         |
| Sales and maturities of investments              | (2,658)                               | (2,399)       |
| Settlement of net investment hedges              | 8                                     | 12            |
| Less: Adjusted cash used by investing activities | (295)                                 | (195)         |
| <b>Free cash flow</b>                            | <b>\$ 302</b>                         | <b>\$ 452</b> |

Note: Cash used by financing activities was \$1,454 million and \$796 million during the six months ended November 30, 2011 and 2010, respectively. The effect of exchange rate changes on cash was a use of cash of \$1 million for the six months ended November 30, 2011 and a source of cash of \$9 million for the six months ended November 30, 2010. The total net change in cash and equivalents was a decrease of \$26 million and \$1,311 million during the six months ended November 30, 2011 and 2010, respectively.

# NIKE, Inc.

| <b>NIKE BRAND REPORTED FUTURES GROWTH BY GEOGRAPHY<sup>1</sup></b> | <b>Reported Futures<br/>Orders</b> | <b>Excluding Currency<br/>Changes<sup>2</sup></b> |
|--------------------------------------------------------------------|------------------------------------|---------------------------------------------------|
| North America                                                      | 16%                                | 16%                                               |
| Western Europe                                                     | 5%                                 | 4%                                                |
| Central & Eastern Europe                                           | 12%                                | 15%                                               |
| Greater China                                                      | 31%                                | 27%                                               |
| Japan                                                              | -5%                                | -8%                                               |
| Emerging Markets                                                   | 12%                                | 17%                                               |
| <b>Total NIKE Brand Reported Futures</b>                           | <b>13%</b>                         | <b>13%</b>                                        |

<sup>1</sup> Futures orders by geography and in total for NIKE Brand athletic footwear and apparel scheduled for delivery from December 2011 through April 2012.

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, and sales from our Other Businesses.

<sup>2</sup> 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.