

NIKE, Inc.
CONSOLIDATED STATEMENTS OF INCOME

<i>(Dollars in millions, except per share data)</i>	THREE MONTHS ENDED		%
	8/31/2015	8/31/2014	Change
Revenues	\$ 8,414	\$ 7,982	5%
Cost of sales	4,419	4,261	4%
Gross profit	3,995	3,721	7%
<i>Gross margin</i>	<i>47.5%</i>	<i>46.6%</i>	
Demand creation expense	832	897	-7%
Operating overhead expense	1,745	1,583	10%
Total selling and administrative expense	2,577	2,480	4%
<i>% of revenue</i>	<i>30.6%</i>	<i>31.1%</i>	
Interest expense (income), net	4	9	-
Other (income) expense, net	(31)	3	-
Income before income taxes	1,445	1,229	18%
Income tax expense	266	267	0%
<i>Effective tax rate</i>	<i>18.4%</i>	<i>21.7%</i>	
NET INCOME	\$ 1,179	\$ 962	23%
Earnings per common share:			
Basic	\$ 1.38	\$ 1.11	24%
Diluted	\$ 1.34	\$ 1.09	23%
Weighted average common shares outstanding:			
Basic	854.5	864.9	
Diluted	877.3	886.2	
Dividends declared per common share	\$ 0.28	\$ 0.24	

NIKE, Inc.

CONSOLIDATED BALANCE SHEETS

<i>(Dollars in millions)</i>	August 31, 2015	August 31, 2014	% Change
ASSETS			
Current assets:			
Cash and equivalents	\$ 3,246	\$ 2,303	41%
Short-term investments	2,162	2,276	-5%
Accounts receivable, net	3,288	3,587	-8%
Inventories	4,414	4,030	10%
Deferred income taxes	377	348	8%
Prepaid expenses and other current assets	1,751	996	76%
Total current assets	15,238	13,540	13%
Property, plant and equipment, net	3,112	2,895	7%
Identifiable intangible assets, net	281	282	0%
Goodwill	131	131	0%
Deferred income taxes and other assets	2,004	1,673	20%
TOTAL ASSETS	\$ 20,766	\$ 18,521	12%
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt	\$ 106	\$ 6	1,667%
Notes payable	23	146	-84%
Accounts payable	1,933	1,970	-2%
Accrued liabilities	3,139	2,441	29%
Income taxes payable	75	250	-70%
Total current liabilities	5,276	4,813	10%
Long-term debt	1,079	1,195	-10%
Deferred income taxes and other liabilities	1,517	1,408	8%
Redeemable preferred stock	-	-	-
Shareholders' equity	12,894	11,105	16%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 20,766	\$ 18,521	12%

NIKE, Inc.

DIVISIONAL REVENUES

	THREE MONTHS ENDED		%	% Change	% Change Excluding Currency Changes ²
(Dollars in millions)	8/31/2015	8/31/2014 ¹			
North America					
Footwear	\$ 2,366	\$ 2,183	8%		9%
Apparel	1,247	1,104	13%		13%
Equipment	186	226	-18%		-17%
Total	3,799	3,513	8%		9%
Western Europe					
Footwear	1,128	1,127	0%		19%
Apparel	434	497	-13%		3%
Equipment	79	89	-11%		4%
Total	1,641	1,713	-4%		14%
Central & Eastern Europe					
Footwear	238	223	7%		32%
Apparel	133	135	-1%		22%
Equipment	30	35	-14%		7%
Total	401	393	2%		26%
Greater China					
Footwear	599	440	36%		36%
Apparel	246	202	22%		22%
Equipment	41	37	11%		11%
Total	886	679	30%		30%
Japan					
Footwear	122	100	22%		47%
Apparel	43	46	-7%		12%
Equipment	14	14	0%		27%
Total	179	160	12%		35%
Emerging Markets					
Footwear	670	628	7%		23%
Apparel	238	252	-6%		9%
Equipment	58	54	7%		24%
Total	966	934	3%		19%
Global Brand Divisions ³	26	29	-10%		5%
Total NIKE Brand	7,898	7,421	6%		15%
Converse	555	575	-3%		3%
Corporate ⁴	(39)	(14)	-		-
Total NIKE, Inc. Revenues	\$ 8,414	\$ 7,982	5%		14%
Total NIKE Brand					
Footwear	\$ 5,123	\$ 4,701	9%		18%
Apparel	2,341	2,236	5%		12%
Equipment	408	455	-10%		-3%
Global Brand Divisions ³	26	29	-10%		5%

¹ Certain prior year amounts have been reclassified to conform to fiscal 2016 presentation. These changes had no impact on previously reported results of operations or shareholders' equity.

² Fiscal 2016 results have been restated using fiscal 2015 exchange rates for the comparative period to enhance the visibility of the underlying business trends excluding the impact of translation arising from foreign currency exchange rate fluctuations.

³ Global Brand Divisions revenues are primarily attributable to NIKE Brand licensing businesses that are not part of a geographic operating segment.

⁴ Corporate revenues primarily consist of foreign currency hedge gains and losses related to revenues generated by entities within the NIKE Brand geographic operating segments and Converse but managed through our central foreign exchange risk management program.

NIKE, Inc.
EARNINGS BEFORE INTEREST AND TAXES¹

<i>(Dollars in millions)</i>	THREE MONTHS ENDED		%
	8/31/2015	8/31/2014²	Change
North America	\$ 1,042	\$ 970	7%
Western Europe	485	404	20%
Central & Eastern Europe	98	69	42%
Greater China	330	218	51%
Japan	36	11	227%
Emerging Markets	258	156	65%
Global Brand Divisions ³	(624)	(534)	-17%
TOTAL NIKE BRAND	1,625	1,294	26%
Converse	147	186	-21%
Corporate ⁴	(323)	(242)	-33%
TOTAL EARNINGS BEFORE INTEREST AND TAXES	\$ 1,449	\$ 1,238	17%

¹ The Company evaluates performance of individual operating segments based on earnings before interest and taxes (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 2016 presentation. These changes had no impact on previously reported results of operations or shareholders' equity.

³ Global Brand Divisions primarily represent demand creation, operating overhead 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 largely of unallocated general and administrative expenses, including expenses associated with centrally managed departments; depreciation and amortization related to the Company's corporate headquarters; unallocated insurance, benefit and compensation programs, including stock-based compensation; and certain foreign currency gains and losses, including certain hedge gains and losses.

NIKE, Inc.
NIKE BRAND REPORTED FUTURES GROWTH BY GEOGRAPHY¹
As of August 31, 2015

	Reported Futures Orders	Excluding Currency Changes ²
North America	14%	15%
Western Europe	6%	22%
Central & Eastern Europe	-3%	16%
Greater China	22%	27%
Japan	12%	26%
Emerging Markets	-11%	6%
Total NIKE Brand Reported Futures	9%	17%

¹ Futures orders for NIKE Brand footwear and apparel scheduled for delivery from September 2015 through January 2016. The U.S. Dollar futures orders amount is calculated based upon our internal forecast of the currency exchange rates under which our revenues will be translated during this period.

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 because 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, sales of 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 for the comparative period to enhance the visibility of the underlying business trends excluding the impact of foreign currency exchange rate fluctuations.

Nike, Inc. Return on Invested Capital Calculation (Dollars in millions)																					
	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	Q3'15	Q4'15	Q1'16
Continuing operations:																					
Revenues	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	7,460	7,779	8,414
Operating expenses:																					
Cost of sales	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	4,034	4,186	4,419
Selling and administrative expense*	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	2,379	2,595	2,577
Restructuring charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Goodwill impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible and other asset impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net operating profit	759	581	687	778	867	628	755	776	747	691	870	911	1,074	735	934	937	1,241	889	1,047	998	1,418
Other (income) expense, net*	7	(28)	(17)	5	18	9	(11)	38	(29)	(17)	17	13	28	13	45	17	3	2	(5)	(58)	(31)
Earnings before interest and taxes	752	609	704	773	849	619	766	738	776	708	853	898	1,046	722	889	920	1,238	887	1,052	1,056	1,449
Tax rate	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%	24.4%	17.8%	18.4%
Taxes calculated	196	152	184	179	207	150	209	193	214	190	195	206	262	182	200	216	269	225	256	188	267
Trailing 4 quarters taxes**	637	674	694	711	722	720	745	759	766	806	792	805	853	845	850	860	867	910	966	938	936
Earnings before interest and after taxes from continuing operations	-	-	-	-	-	-	-	-	-	518	658	692	784	540	689	704	969	662	796	868	1,182
Earnings before interest and after taxes from discontinued operations	-	-	-	-	-	-	-	-	-	(137)	204	(28)	-	-	-	-	-	-	-	-	-
Earnings before interest and after taxes	556	457	520	594	642	469	557	545	562	381	862	664	784	540	689	704	969	662	796	868	1,182
Trailing 4 quarters earnings before interest and after taxes**	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	3,131	3,295	3,508
	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	Q3'15	Q4'15	Q1'16
Total NIKE Inc. assets	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	20,541	21,600	20,766
Less:																					
Cash and equivalents and short-term investments	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	5,361	5,924	5,408
Accounts payable	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	1,821	2,131	1,933
Accrued liabilities	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	3,563	3,951	3,139
Income taxes payable	96	70	105	108	81	70	47	54	99	31	122	84	195	30	27	432	250	38	33	71	75
Deferred income taxes and other liabilities	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	1,505	1,480	1,517
Liabilities of discontinued operations	-	-	-	-	-	-	-	-	-	198	62	18	12	-	-	-	-	-	-	-	-
Plus:																					
Net debt adjustment*****	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	4,110	4,664	4,200
Invested capital	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	12,368	12,707	12,894
Trailing 5 quarters invested capital***	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	11,410	11,741	12,155
Return on invested capital****	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%	27.4%	28.1%	28.9%
* 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	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	5,361	5,924	5,408
Less:																					
Long-term debt	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	1,082	1,079	1,079
Notes payable	109	128	139	187	164	123	91	108	129	100	103	121	111	180	119	167	146	93	61	74	23
Current portion of long-term debt	132	132	198	200	116	114	49	49	9	58	57	57	57	7	7	7	6	110	108	107	106
Net debt adjustment	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	4,110	4,664	4,200