

**NIKE, Inc.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(Unaudited)

| (Dollars in millions, except per share data) | THREE MONTHS ENDED |               |  | %<br>Change | SIX MONTHS ENDED |                 |  | %<br>Change |
|----------------------------------------------|--------------------|---------------|--|-------------|------------------|-----------------|--|-------------|
|                                              | 11/30/2018         | 11/30/2017    |  |             | 11/30/2018       | 11/30/2017      |  |             |
| Revenues                                     | \$ 9,374           | \$ 8,554      |  | 10%         | \$ 19,322        | \$ 17,624       |  | 10%         |
| Cost of sales                                | 5,269              | 4,876         |  | 8%          | 10,820           | 9,984           |  | 8%          |
| Gross profit                                 | 4,105              | 3,678         |  | 12%         | 8,502            | 7,640           |  | 11%         |
| Gross margin                                 | 43.8%              | 43.0%         |  |             | 44.0%            | 43.3%           |  |             |
| Demand creation expense                      | 910                | 877           |  | 4%          | 1,874            | 1,732           |  | 8%          |
| Operating overhead expense                   | 2,232              | 1,891         |  | 18%         | 4,331            | 3,892           |  | 11%         |
| Total selling and administrative expense     | 3,142              | 2,768         |  | 14%         | 6,205            | 5,624           |  | 10%         |
| % of revenues                                | 33.5%              | 32.4%         |  |             | 32.1%            | 31.9%           |  |             |
| Interest expense (income), net               | 14                 | 13            |  | —           | 25               | 29              |  | —           |
| Other (income) expense, net                  | (48)               | 18            |  | —           | 5                | 36              |  | —           |
| Income before income taxes                   | 997                | 879           |  | 13%         | 2,267            | 1,951           |  | 16%         |
| Income tax expense                           | 150                | 112           |  | 34%         | 328              | 234             |  | 40%         |
| Effective tax rate                           | 15.0%              | 12.7%         |  |             | 14.5%            | 12.0%           |  |             |
| <b>NET INCOME</b>                            | <b>\$ 847</b>      | <b>\$ 767</b> |  | <b>10%</b>  | <b>\$ 1,939</b>  | <b>\$ 1,717</b> |  | <b>13%</b>  |
| Earnings per common share:                   |                    |               |  |             |                  |                 |  |             |
| Basic                                        | \$ 0.54            | \$ 0.47       |  | 15%         | \$ 1.22          | \$ 1.05         |  | 16%         |
| Diluted                                      | \$ 0.52            | \$ 0.46       |  | 13%         | \$ 1.19          | \$ 1.03         |  | 16%         |
| Weighted average common shares outstanding:  |                    |               |  |             |                  |                 |  |             |
| Basic                                        | 1,581.4            | 1,627.0       |  |             | 1,587.7          | 1,633.1         |  |             |
| Diluted                                      | 1,620.7            | 1,660.9       |  |             | 1,627.2          | 1,669.1         |  |             |
| Dividends declared per common share          | \$ 0.22            | \$ 0.20       |  |             | \$ 0.42          | \$ 0.38         |  |             |

**NIKE, Inc.**  
**CONSOLIDATED BALANCE SHEETS**  
*(Unaudited)*

| <i>(Dollars in millions)</i>                      | November 30,<br>2018 | November 30,<br>2017 | % Change   |
|---------------------------------------------------|----------------------|----------------------|------------|
| <b>ASSETS</b>                                     |                      |                      |            |
| Current assets:                                   |                      |                      |            |
| Cash and equivalents                              | \$ 3,423             | \$ 4,304             | -20%       |
| Short-term investments                            | 618                  | 2,085                | -70%       |
| Accounts receivable, net                          | 4,346                | 3,613                | 20%        |
| Inventories                                       | 5,388                | 5,326                | 1%         |
| Prepaid expenses and other current assets         | 1,791                | 1,254                | 43%        |
| Total current assets                              | 15,566               | 16,582               | -6%        |
| Property, plant and equipment, net                | 4,588                | 4,117                | 11%        |
| Identifiable intangible assets, net               | 284                  | 282                  | 1%         |
| Goodwill                                          | 154                  | 139                  | 11%        |
| Deferred income taxes and other assets            | 2,085                | 2,935                | -29%       |
| <b>TOTAL ASSETS</b>                               | <b>\$ 22,677</b>     | <b>\$ 24,055</b>     | <b>-6%</b> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>       |                      |                      |            |
| Current liabilities:                              |                      |                      |            |
| Current portion of long-term debt                 | \$ 6                 | \$ 10                | -40%       |
| Notes payable                                     | 9                    | 1,229                | -99%       |
| Accounts payable                                  | 2,574                | 2,141                | 20%        |
| Accrued liabilities                               | 4,478                | 3,278                | 37%        |
| Income taxes payable                              | 211                  | 92                   | 129%       |
| Total current liabilities                         | 7,278                | 6,750                | 8%         |
| Long-term debt                                    | 3,466                | 3,472                | 0%         |
| Deferred income taxes and other liabilities       | 3,204                | 2,075                | 54%        |
| Redeemable preferred stock                        | —                    | —                    | —          |
| Shareholders' equity                              | 8,729                | 11,758               | -26%       |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b> | <b>\$ 22,677</b>     | <b>\$ 24,055</b>     | <b>-6%</b> |

**NIKE, Inc.**  
**DIVISIONAL REVENUES**  
(Unaudited)

| <i>(Dollars in millions)</i>              | <b>THREE MONTHS ENDED</b> |                   | <b>%</b>      | <b>% Change</b>                                       | <b>SIX MONTHS ENDED</b> |                   | <b>%</b>      | <b>% Change</b>                                       |
|-------------------------------------------|---------------------------|-------------------|---------------|-------------------------------------------------------|-------------------------|-------------------|---------------|-------------------------------------------------------|
|                                           | <b>11/30/2018</b>         | <b>11/30/2017</b> | <b>Change</b> | <b>Excluding<br/>Currency<br/>Changes<sup>1</sup></b> | <b>11/30/2018</b>       | <b>11/30/2017</b> | <b>Change</b> | <b>Excluding<br/>Currency<br/>Changes<sup>1</sup></b> |
| <b>North America</b>                      |                           |                   |               |                                                       |                         |                   |               |                                                       |
| Footwear                                  | \$ 2,245                  | \$ 2,070          | 8%            | 9%                                                    | \$ 4,800                | \$ 4,504          | 7%            | 7%                                                    |
| Apparel                                   | 1,405                     | 1,279             | 10%           | 10%                                                   | 2,812                   | 2,578             | 9%            | 9%                                                    |
| Equipment                                 | 132                       | 136               | -3%           | -3%                                                   | 315                     | 327               | -4%           | -4%                                                   |
| Total                                     | 3,782                     | 3,485             | 9%            | 9%                                                    | 7,927                   | 7,409             | 7%            | 7%                                                    |
| <b>Europe, Middle East &amp; Africa</b>   |                           |                   |               |                                                       |                         |                   |               |                                                       |
| Footwear                                  | 1,419                     | 1,290             | 10%           | 15%                                                   | 3,061                   | 2,761             | 11%           | 12%                                                   |
| Apparel                                   | 794                       | 743               | 7%            | 12%                                                   | 1,624                   | 1,486             | 9%            | 11%                                                   |
| Equipment                                 | 100                       | 100               | 0%            | 5%                                                    | 235                     | 230               | 2%            | 4%                                                    |
| Total                                     | 2,313                     | 2,133             | 8%            | 14%                                                   | 4,920                   | 4,477             | 10%           | 11%                                                   |
| <b>Greater China</b>                      |                           |                   |               |                                                       |                         |                   |               |                                                       |
| Footwear                                  | 1,022                     | 793               | 29%           | 33%                                                   | 1,980                   | 1,554             | 27%           | 28%                                                   |
| Apparel                                   | 490                       | 397               | 23%           | 28%                                                   | 870                     | 706               | 23%           | 24%                                                   |
| Equipment                                 | 32                        | 32                | 0%            | 5%                                                    | 73                      | 70                | 4%            | 3%                                                    |
| Total                                     | 1,544                     | 1,222             | 26%           | 31%                                                   | 2,923                   | 2,330             | 25%           | 26%                                                   |
| <b>Asia Pacific &amp; Latin America</b>   |                           |                   |               |                                                       |                         |                   |               |                                                       |
| Footwear                                  | 879                       | 873               | 1%            | 14%                                                   | 1,760                   | 1,700             | 4%            | 14%                                                   |
| Apparel                                   | 360                       | 342               | 5%            | 17%                                                   | 692                     | 643               | 8%            | 18%                                                   |
| Equipment                                 | 59                        | 58                | 2%            | 17%                                                   | 116                     | 119               | -3%           | 7%                                                    |
| Total                                     | 1,298                     | 1,273             | 2%            | 15%                                                   | 2,568                   | 2,462             | 4%            | 15%                                                   |
| <b>Global Brand Divisions<sup>2</sup></b> | <b>9</b>                  | <b>23</b>         | <b>-61%</b>   | <b>-62%</b>                                           | <b>25</b>               | <b>43</b>         | <b>-42%</b>   | <b>-45%</b>                                           |
| <b>TOTAL NIKE BRAND</b>                   | <b>8,946</b>              | <b>8,136</b>      | <b>10%</b>    | <b>14%</b>                                            | <b>18,363</b>           | <b>16,721</b>     | <b>10%</b>    | <b>12%</b>                                            |
| Converse                                  | 425                       | 408               | 4%            | 6%                                                    | 952                     | 891               | 7%            | 7%                                                    |
| Corporate <sup>3</sup>                    | 3                         | 10                | —             | —                                                     | 7                       | 12                | —             | —                                                     |
| <b>TOTAL NIKE, INC.<br/>REVENUES</b>      | <b>\$ 9,374</b>           | <b>\$ 8,554</b>   | <b>10%</b>    | <b>14%</b>                                            | <b>\$ 19,322</b>        | <b>\$ 17,624</b>  | <b>10%</b>    | <b>11%</b>                                            |
| <b>TOTAL NIKE BRAND</b>                   |                           |                   |               |                                                       |                         |                   |               |                                                       |
| Footwear                                  | \$ 5,565                  | \$ 5,026          | 11%           | 15%                                                   | \$ 11,601               | \$ 10,519         | 10%           | 12%                                                   |
| Apparel                                   | 3,049                     | 2,761             | 10%           | 14%                                                   | 5,998                   | 5,413             | 11%           | 13%                                                   |
| Equipment                                 | 323                       | 326               | -1%           | 4%                                                    | 739                     | 746               | -1%           | 1%                                                    |
| Global Brand Divisions <sup>2</sup>       | 9                         | 23                | -61%          | -62%                                                  | 25                      | 43                | -42%          | -45%                                                  |
| <b>TOTAL NIKE BRAND<br/>REVENUES</b>      | <b>\$ 8,946</b>           | <b>\$ 8,136</b>   | <b>10%</b>    | <b>14%</b>                                            | <b>\$ 18,363</b>        | <b>\$ 16,721</b>  | <b>10%</b>    | <b>12%</b>                                            |

<sup>1</sup> The percent change has been calculated using actual exchange rates in use during the comparative prior year period to enhance the visibility of the underlying business trends by excluding the impact of translation arising from foreign currency exchange rate fluctuations, which is considered a non-GAAP financial measure.

<sup>2</sup> Global Brand Divisions revenues are primarily attributable to NIKE Brand licensing businesses that are not part of a geographic operating segment.

<sup>3</sup> Corporate revenues consist primarily 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 the Company's central foreign exchange risk management program.

**NIKE, Inc.**  
**EARNINGS BEFORE INTEREST AND TAXES<sup>1</sup>**  
*(Unaudited)*

|                                                            | THREE MONTHS ENDED |               |            | % | SIX MONTHS ENDED |                 |            | % |
|------------------------------------------------------------|--------------------|---------------|------------|---|------------------|-----------------|------------|---|
| <i>(Dollars in millions)</i>                               | 11/30/2018         | 11/30/2017    | Change     |   | 11/30/2018       | 11/30/2017      | Change     |   |
| North America                                              | \$ 884             | \$ 783        | 13%        |   | \$ 1,961         | \$ 1,785        | 10%        |   |
| Europe, Middle East & Africa                               | 450                | 337           | 34%        |   | 951              | 788             | 21%        |   |
| Greater China                                              | 561                | 378           | 48%        |   | 1,063            | 772             | 38%        |   |
| Asia Pacific & Latin America                               | 321                | 291           | 10%        |   | 644              | 551             | 17%        |   |
| Global Brand Divisions <sup>2</sup>                        | (826)              | (602)         | -37%       |   | (1,644)          | (1,277)         | -29%       |   |
| <b>TOTAL NIKE BRAND</b>                                    | <b>1,390</b>       | <b>1,187</b>  | <b>17%</b> |   | <b>2,975</b>     | <b>2,619</b>    | <b>14%</b> |   |
| Converse                                                   | 44                 | 48            | -8%        |   | 142              | 137             | 4%         |   |
| Corporate <sup>3</sup>                                     | (423)              | (343)         | -23%       |   | (825)            | (776)           | -6%        |   |
| <b>TOTAL NIKE, INC. EARNINGS BEFORE INTEREST AND TAXES</b> | <b>1,011</b>       | <b>892</b>    | <b>13%</b> |   | <b>2,292</b>     | <b>1,980</b>    | <b>16%</b> |   |
| Interest expense (income), net                             | 14                 | 13            | —          |   | 25               | 29              | —          |   |
| <b>TOTAL NIKE, INC. INCOME BEFORE INCOME TAXES</b>         | <b>\$ 997</b>      | <b>\$ 879</b> | <b>13%</b> |   | <b>\$ 2,267</b>  | <b>\$ 1,951</b> | <b>16%</b> |   |

<sup>1</sup> 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 tax expense.

<sup>2</sup> 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.

<sup>3</sup> Corporate consists primarily 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. Return on Invested Capital Calculation (Unaudited)             |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
|---------------------------------------------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| (Dollars in millions)                                                     | Q1'14  | Q2'14  | Q3'14  | Q4'14  | Q1'15  | Q2'15  | Q3'15  | Q4'15  | Q1'16  | Q2'16  | Q3'16  | Q4'16  | Q1'17  | Q2'17  | Q3'17  | Q4'17  | Q1'18  | Q2'18  | Q3'18  | Q4'18  | Q1'19  | Q2'19  |
| Continuing operations:                                                    |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Revenues                                                                  | 6,971  | 6,431  | 6,972  | 7,425  | 7,982  | 7,380  | 7,460  | 7,779  | 8,414  | 7,686  | 8,032  | 8,244  | 9,061  | 8,180  | 8,432  | 8,677  | 9,070  | 8,554  | 8,984  | 9,789  | 9,948  | 9,374  |
| Operating expenses:                                                       |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Cost of sales                                                             | 3,839  | 3,605  | 3,869  | 4,040  | 4,261  | 4,053  | 4,034  | 4,186  | 4,419  | 4,185  | 4,343  | 4,458  | 4,938  | 4,564  | 4,682  | 4,854  | 5,108  | 4,876  | 5,046  | 5,411  | 5,551  | 5,269  |
| Selling and administrative expense                                        | 2,058  | 2,091  | 2,169  | 2,448  | 2,480  | 2,438  | 2,379  | 2,595  | 2,577  | 2,560  | 2,566  | 2,766  | 2,897  | 2,505  | 2,496  | 2,665  | 2,856  | 2,768  | 2,767  | 3,120  | 3,063  | 3,142  |
| Net operating profit                                                      | 1,074  | 735    | 934    | 937    | 1,241  | 889    | 1,047  | 998    | 1,418  | 941    | 1,123  | 1,020  | 1,226  | 1,111  | 1,254  | 1,158  | 1,106  | 910    | 1,171  | 1,258  | 1,334  | 963    |
| Other (income) expense, net                                               | 28     | 13     | 45     | 17     | 3      | 2      | (5)    | (58)   | (31)   | (34)   | (17)   | (58)   | (62)   | (18)   | (88)   | (28)   | 18     | 18     | (1)    | 31     | 53     | (48)   |
| Earnings before interest and taxes                                        | 1,046  | 722    | 889    | 920    | 1,238  | 887    | 1,052  | 1,056  | 1,449  | 975    | 1,140  | 1,078  | 1,288  | 1,129  | 1,342  | 1,186  | 1,088  | 892    | 1,172  | 1,227  | 1,281  | 1,011  |
| Tax rate                                                                  | 25.0%  | 25.2%  | 22.5%  | 23.5%  | 21.7%  | 25.4%  | 24.4%  | 17.8%  | 18.4%  | 19.1%  | 16.3%  | 21.2%  | 2.5%   | 24.4%  | 13.8%  | 13.7%  | 11.4%  | 12.7%  | 179.5% | 6.4%   | 14.0%  | 15.0%  |
| Taxes calculated                                                          | 262    | 182    | 200    | 216    | 269    | 225    | 256    | 188    | 267    | 186    | 186    | 228    | 32     | 276    | 185    | 162    | 124    | 113    | 2,104  | 79     | 179    | 152    |
| Trailing 4 quarters taxes <sup>1</sup>                                    | 853    | 845    | 850    | 860    | 867    | 910    | 966    | 938    | 936    | 897    | 827    | 867    | 632    | 722    | 721    | 655    | 747    | 584    | 2,503  | 2,420  | 2,475  | 2,514  |
| Earnings before interest and after taxes from continuing operations       | 784    | 540    | 689    | 704    | 969    | 662    | 796    | 868    | 1,182  | 789    | 954    | 850    | 1,256  | 853    | 1,157  | 1,024  | 964    | 779    | (932)  | 1,148  | 1,102  | 859    |
| Earnings before interest and after taxes from discontinued operations     | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      |
| Earnings before interest and after taxes                                  | 784    | 540    | 689    | 704    | 969    | 662    | 796    | 868    | 1,182  | 789    | 954    | 850    | 1,256  | 853    | 1,157  | 1,024  | 964    | 779    | (932)  | 1,148  | 1,102  | 859    |
| Trailing 4 quarters earnings before interest and after taxes <sup>1</sup> | 2,691  | 2,850  | 2,677  | 2,717  | 2,902  | 3,024  | 3,131  | 3,295  | 3,508  | 3,635  | 3,793  | 3,775  | 3,849  | 3,913  | 4,116  | 4,290  | 3,998  | 3,924  | 1,835  | 1,959  | 2,097  | 2,177  |
|                                                                           | Q1'14  | Q2'14  | Q3'14  | Q4'14  | Q1'15  | Q2'15  | Q3'15  | Q4'15  | Q1'16  | Q2'16  | Q3'16  | Q4'16  | Q1'17  | Q2'17  | Q3'17  | Q4'17  | Q1'18  | Q2'18  | Q3'18  | Q4'18  | Q1'19  | Q2'19  |
| Total assets                                                              | 17,582 | 17,724 | 17,703 | 18,594 | 18,521 | 19,167 | 20,541 | 21,600 | 20,766 | 22,583 | 20,987 | 21,396 | 21,156 | 22,652 | 23,152 | 23,259 | 23,647 | 24,055 | 22,552 | 22,536 | 22,483 | 22,677 |
| Less:                                                                     |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Cash and equivalents and short-term investments                           | 5,578  | 5,187  | 5,029  | 5,142  | 4,579  | 4,713  | 5,361  | 5,924  | 5,408  | 6,116  | 5,106  | 5,457  | 4,787  | 5,943  | 6,160  | 6,179  | 5,519  | 6,389  | 4,751  | 5,245  | 4,269  | 4,041  |
| Accounts payable                                                          | 1,559  | 1,612  | 1,480  | 1,930  | 1,970  | 2,074  | 1,821  | 2,131  | 1,933  | 1,915  | 1,714  | 2,191  | 2,088  | 2,033  | 1,938  | 2,048  | 2,116  | 2,141  | 1,961  | 2,279  | 2,333  | 2,574  |
| Accrued liabilities                                                       | 1,913  | 2,005  | 2,303  | 2,491  | 2,441  | 2,622  | 3,563  | 3,951  | 3,139  | 3,451  | 3,224  | 3,037  | 3,147  | 3,076  | 3,228  | 3,011  | 3,501  | 3,278  | 3,727  | 3,269  | 4,174  | 4,478  |
| Income taxes payable                                                      | 195    | 30     | 27     | 432    | 250    | 38     | 33     | 71     | 75     | 41     | 35     | 85     | 62     | 52     | 76     | 84     | 97     | 92     | 78     | 150    | 182    | 211    |
| Deferred income taxes and other liabilities                               | 1,322  | 1,424  | 1,515  | 1,544  | 1,408  | 1,446  | 1,505  | 1,480  | 1,517  | 1,600  | 1,659  | 1,770  | 1,635  | 1,631  | 1,687  | 1,907  | 2,126  | 2,075  | 3,518  | 3,216  | 3,316  | 3,204  |
| Liabilities of discontinued operations                                    | 12     | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      |
| Plus:                                                                     |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Net debt adjustment <sup>2</sup>                                          | 4,203  | 3,799  | 3,702  | 3,769  | 3,232  | 3,426  | 4,110  | 4,664  | 4,200  | 3,945  | 3,051  | 3,402  | 2,728  | 2,406  | 2,659  | 2,377  | 1,705  | 1,678  | 1,265  | 1,435  | 783    | 560    |
| Invested capital                                                          | 11,206 | 11,265 | 11,051 | 10,824 | 11,105 | 11,700 | 12,368 | 12,707 | 12,894 | 13,405 | 12,300 | 12,258 | 12,165 | 12,323 | 12,722 | 12,407 | 11,993 | 11,758 | 9,782  | 9,812  | 8,992  | 8,729  |
| Trailing 5 quarters average invested capital <sup>3</sup>                 | 10,563 | 10,819 | 11,040 | 11,085 | 11,090 | 11,189 | 11,410 | 11,741 | 12,155 | 12,615 | 12,735 | 12,713 | 12,604 | 12,490 | 12,354 | 12,375 | 12,322 | 12,241 | 11,732 | 11,150 | 10,467 | 9,815  |
| Return on invested capital <sup>4,5</sup>                                 | 25.5%  | 26.3%  | 24.2%  | 24.5%  | 26.2%  | 27.0%  | 27.4%  | 28.1%  | 28.9%  | 28.8%  | 29.8%  | 29.7%  | 30.5%  | 31.3%  | 33.3%  | 34.7%  | 32.4%  | 32.1%  | 15.6%  | 17.6%  | 20.0%  | 22.2%  |

<sup>1</sup> Equals the sum of the current quarter and previous 3 quarters

<sup>2</sup> See calculation of Net debt adjustment below

<sup>3</sup> Equals the simple average of the current and previous 4 quarters

<sup>4</sup> Equals the trailing 4 quarters earnings before interest and after taxes divided by trailing 5 quarters average invested capital

<sup>5</sup> Includes the impact of the Tax Cuts and Jobs Act beginning in Q3 FY18. Excluding the impact of the Tax Cuts and Jobs Act, our adjusted return on invested capital would have been approximately 36% for the trailing twelve months as of Q2 FY19, which is a non-GAAP financial measure. This non-GAAP financial measure represents our estimate of the return on invested capital excluding the impact of the Tax Cuts and Jobs Act, primarily the transition tax and remeasurement of deferred income tax assets and liabilities. We believe this metric provides useful information to investors and reflects how management evaluates our business performance.

|                                                 |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|-------------------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Cash and equivalents and short-term investments | 5,578 | 5,187 | 5,029 | 5,142 | 4,579 | 4,713 | 5,361 | 5,924 | 5,408 | 6,116 | 5,106 | 5,457 | 4,787 | 5,943 | 6,160 | 6,179 | 5,519 | 6,389 | 4,751 | 5,245 | 4,269 | 4,041 |
| Less:                                           |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
| Long-term debt                                  | 1,207 | 1,201 | 1,201 | 1,199 | 1,195 | 1,084 | 1,082 | 1,079 | 1,079 | 2,067 | 2,048 | 2,010 | 1,993 | 3,473 | 3,472 | 3,471 | 3,472 | 3,472 | 3,469 | 3,468 | 3,467 | 3,466 |
| Notes payable                                   | 111   | 180   | 119   | 167   | 146   | 93    | 61    | 74    | 23    | 99    | -     | 1     | 22    | 20    | 23    | 325   | 335   | 1,229 | 11    | 336   | 13    | 9     |
| Current portion of long-term debt               | 57    | 7     | 7     | 7     | 6     | 110   | 108   | 107   | 106   | 5     | 7     | 44    | 44    | 44    | 6     | 6     | 7     | 10    | 6     | 6     | 6     | 6     |
| Net debt adjustment                             | 4,203 | 3,799 | 3,702 | 3,769 | 3,232 | 3,426 | 4,110 | 4,664 | 4,200 | 3,945 | 3,051 | 3,402 | 2,728 | 2,406 | 2,659 | 2,377 | 1,705 | 1,678 | 1,265 | 1,435 | 783   | 560   |