NIKE, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MAY 31, 2011

(In millions, except per share data)

	QUARTER ENDED			YEAR TO DATE ENDED		
INCOME STATEMENT	**5/31/2011**	**5/31/2010**	**% Chg**	**5/31/2011**	**5/31/2010**	**% Chg**
Revenues	$ 5,766	$ 5,077	*14%*	$ 20,862	$ 19,014	*10%*
Cost of sales	3,212	2,671	*20%*	11,354	10,214	*11%*
Gross margin	2,554	2,406	*6%*	9,508	8,800	*8%*
	44.3%	***47.4%***		***45.6%***	***46.3%***	
Demand creation expense	617	666	*-7%*	2,448	2,356	*4%*
Operating overhead expense	1,155	1,072	*8%*	4,245	3,970	*7%*
Total selling and administrative expense	1,772	1,738	*2%*	6,693	6,326	*6%*
	30.7%	***34.2%***		***32.1%***	***33.3%***	
Other expense (income), net	5	(17)	-	(33)	(49)	*-33%*
Interest expense, net	4	2	*100%*	4	6	*-33%*
Income before income taxes	773	683	*13%*	2,844	2,517	*13%*
Income taxes	179	161	*11%*	711	610	*17%*
	23.2%	***23.6%***		***25.0%***	***24.2%***	
Net income	$ 594	$ 522	*14%*	$ 2,133	$ 1,907	*12%*
Diluted EPS	$1.24	$1.06	*17%*	$4.39	$3.86	*14%*
Basic EPS	$1.27	$1.08	*18%*	$4.48	$3.93	*14%*
Weighted Average Common Shares Outstanding:						
Diluted	478.7	493.9		485.7	493.9	
Basic	469.3	484.4		475.5	485.5	
Dividends declared	$0.31	$0.27		$1.20	$1.06	

NIKE, Inc.

BALANCE SHEET	5/31/2011	5/31/2010	% Change
	(In millions)		
ASSETS			
Current assets:			
Cash and equivalents	$ 1,955	$ 3,079	-37%
Short-term investments	2,583	2,067	25%
Accounts receivable, net	3,138	2,650	18%
Inventories	2,715	2,041	33%
Deferred income taxes	312	249	25%
Prepaid expenses and other current assets	594	873	-32%
Total current assets	**11,297**	**10,959**	3%
Property, plant and equipment	4,906	4,390	12%
Less accumulated depreciation	2,791	2,458	14%
Property, plant and equipment, net	2,115	1,932	9%
Identifiable intangible assets, net	487	467	4%
Goodwill	205	188	9%
Deferred income taxes and other assets	894	873	2%
Total assets	**$ 14,998**	**$ 14,419**	4%
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt	$ 200	$ 7	-
Notes payable	187	139	35%
Accounts payable	1,469	1,255	17%
Accrued liabilities	1,985	1,904	4%
Income taxes payable	117	59	98%
Total current liabilities	**3,958**	**3,364**	18%
Long-term debt	276	446	-38%
Deferred income taxes and other liabilities	921	855	8%
Redeemable preferred stock	-	-	-
Shareholders' equity	9,843	9,754	1%
Total liabilities and shareholders' equity	**$ 14,998**	**$ 14,419**	4%

NIKE, Inc.

DIVISIONAL REVENUES[1]	QUARTER ENDED 5/31/2011	5/31/2010	% Change	% Change Excluding Currency Changes[2]	YEAR TO DATE ENDED 5/31/2011	5/31/2010	% Change	% Change Excluding Currency Changes[2]
					(In millions)			
North America								
Footwear	$ 1,464	$ 1,224	20%	19%	$ 5,109	$ 4,610	11%	11%
Apparel	571	447	28%	28%	2,105	1,740	21%	21%
Equipment	104	89	17%	17%	364	346	5%	5%
Total	2,139	1,760	22%	21%	7,578	6,696	13%	13%
Western Europe								
Footwear	638	593	8%	4%	2,327	2,320	0%	7%
Apparel	311	309	1%	-4%	1,266	1,325	-4%	2%
Equipment	55	54	2%	-2%	217	247	-12%	-6%
Total	1,004	956	5%	1%	3,810	3,892	-2%	4%
Central and Eastern Europe								
Footwear	191	174	10%	8%	600	558	8%	11%
Apparel	85	95	-11%	-13%	356	354	1%	4%
Equipment	18	22	-18%	-23%	75	81	-7%	-5%
Total	294	291	1%	-1%	1,031	993	4%	7%
Greater China								
Footwear	321	246	30%	25%	1,164	953	22%	19%
Apparel	215	193	11%	7%	789	684	15%	13%
Equipment	28	26	8%	0%	107	105	2%	0%
Total	564	465	21%	16%	2,060	1,742	18%	16%
Japan								
Footwear	117	129	-9%	-19%	396	433	-9%	-16%
Apparel	79	106	-25%	-34%	302	357	-15%	-23%
Equipment	20	26	-23%	-27%	68	92	-26%	-32%
Total	216	261	-17%	-26%	766	882	-13%	-21%
Emerging Markets								
Footwear	524	379	38%	31%	1,897	1,458	30%	24%
Apparel	177	176	1%	-4%	657	577	14%	9%
Equipment	46	42	10%	5%	182	164	11%	6%
Total	747	597	25%	19%	2,736	2,199	24%	19%
Global Brand Divisions[3]	36	27	33%	33%	123	105	17%	21%
Total NIKE Brand	5,000	4,357	15%	12%	18,104	16,509	10%	10%
Other Businesses[4]	760	715	6%	5%	2,747	2,530	9%	8%
Corporate[5]	6	5	20%	0%	11	(25)	-	-
Total NIKE, Inc. Revenues	$ 5,766	$ 5,077	14%	11%	$ 20,862	$ 19,014	10%	10%
Total NIKE Brand								
Footwear	$ 3,255	$ 2,745	19%	16%	$ 11,493	$ 10,332	11%	11%
Apparel	1,438	1,326	8%	5%	5,475	5,037	9%	9%
Equipment	271	259	5%	2%	1,013	1,035	-2%	-2%
Global Brand Divisions[3]	36	27	33%	33%	123	105	17%	21%

[1] Certain prior year amounts have been reclassified to conform to fiscal year 2011 presentation. These changes had no impact on previously reported results of operations or shareholders' equity.

[2] Fiscal 2011 results have been restated using fiscal 2010 exchange rates for the comparative period to enhance the visibility of the underlying business trends excluding the impact of foreign currency exchange rate fluctuations.

[3] Global Brand Divisions primarily represent NIKE Brand licensing businesses that are not part of a geographic operating segment.

[4] Other businesses represent activities of Cole Haan, Converse, Hurley, NIKE Golf and Umbro.

[5] Corporate revenues primarily consist of foreign currency revenue-related hedge gains and losses generated by entities within the NIKE Brand geographic operating segments through our centrally managed foreign exchange risk management program and foreign currency gains and losses resulting from the difference between actual foreign currency rates and standard rates assigned to these entities, which are used to record any non-functional currency revenues into the entity's functional currency.

NIKE, Inc.

EARNINGS BEFORE INTEREST AND TAXES[1,2]	QUARTER ENDED 5/31/2011	QUARTER ENDED 5/31/2010	% Chg	YEAR TO DATE ENDED 5/31/2011	YEAR TO DATE ENDED 5/31/2010	% Chg
				(In millions)		
North America	$ 522	$ 434	20%	$ 1,750	$ 1,538	14%
Western Europe	140	193	-27%	721	856	-16%
Central and Eastern Europe	69	81	-15%	233	253	-8%
Greater China	226	187	21%	777	637	22%
Japan	20	60	-67%	114	180	-37%
Emerging Markets	197	117	68%	688	521	32%
Global Brand Divisions[3]	(276)	(277)	0%	(998)	(867)	-15%
Total NIKE Brand	898	795	13%	3,285	3,118	5%
Other Businesses[4]	81	72	13%	334	299	12%
Corporate[5]	(202)	(182)	-11%	(771)	(894)	14%
Total earnings before interest and taxes[1,2]	$ 777	$ 685	13%	$ 2,848	$ 2,523	13%

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

[2] Certain prior year amounts have been reclassified to conform to fiscal year 2011 presentation. These changes had no impact on previously reported results of operations or shareholders' equity.

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

[4] Other businesses represent activities of Cole Haan, Converse, Hurley, NIKE Golf and Umbro.

[5] 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)	Q1'06	Q2'06	Q3'06	Q4'06	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
Sales	3,862	3,475	3,613	4,005	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
Operating Expenses																								
Cost of Sales	2,114	1,963	2,039	2,252	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
SG&A*	1,104	1,055	1,087	1,232	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
Restructuring charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	195	-	-	-	-	-	-	-	-
Goodwill Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	199	-	-	-	-	-	-	-	-	-
Intangible and Other Asset Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	202	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Profit	644	457	487	521	559	433	492	647	652	492	644	645	706	503	196	455	670	481	655	668	761	582	690	782
Other Income (Expense), net*	10	1	11	(26)	3	-	10	(12)	(7)	1	5	(8)	(2)	12	43	34	12	12	8	17	(7)	28	17	(5)
Earnings before Interest and Taxes	654	458	498	495	562	433	502	635	645	493	649	637	704	515	239	489	682	493	663	685	754	610	707	777
Tax Rate	34.5%	35.1%	35.7%	34.9%	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%
Taxes Calculated	226	161	178	173	194	118	162	213	97	149	199	155	201	128	(9)	146	168	116	166	162	196	153	184	180
Trailing 4 Quarters Taxes**	695	714	752	738	706	663	647	687	590	621	658	600	704	683	475	466	433	421	596	612	640	677	695	713
Earnings before Interest and after Taxes	428	297	320	322	368	315	340	422	548	344	450	482	503	387	248	343	514	377	497	523	558	457	523	597
Trailing 4 Quarters Earnings before Interest and after Taxes**	**1,313**	**1,345**	**1,392**	**1,367**	**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**

	Q1'06	Q2'06	Q3'06	Q4'06	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
Total Assets	9,116	9,144	9,518	9,870	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
Less:																								
Cash and Short-term Investments	1,893	2,055	2,007	2,303	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
Accounts Payable	708	744	786	952	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
Accrued Liabilities	1,057	1,012	1,129	1,276	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
Income Tax Payable	148	71	56	86	153	71	75	109	184	108	96	88	214	117	112	86	146	81	88	59	104	78	113	117
Deferred Income Taxes and other Liabilities	490	493	541	561	564	620	643	669	622	737	785	855	843	870	775	842	804	876	848	855	907	929	958	921
Plus																								
Net Debt adjustment*****	1,145	1,313	1,262	1,594	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
Invested Capital	5,965	6,082	6,261	6,286	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
Trailing 5 Quarters Invested Capital***	**5,480**	**5,692**	**5,876**	**6,048**	**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**
Return on Invested Capital******	**24.0%**	**23.6%**	**23.7%**	**22.6%**	**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%**

* 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

	Q1'06	Q2'06	Q3'06	Q4'06	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
Cash and Short-term Investments	1,893	2,055	2,007	2,303	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
Less:																								
Long-Term Debt	428	408	411	411	380	384	419	410	421	436	447	441	407	446	438	437	443	460	452	446	342	338	276	276
Notes Payable	64	79	79	43	61	59	96	101	140	120	206	178	220	316	331	343	95	103	109	139	109	128	139	187
Current Portion of Long-Term Debt	256	255	255	255	31	31	31	31	6	6	6	6	32	32	32	32	7	8	8	7	132	132	198	200
Net Debt Adjustment	1,145	1,313	1,262	1,594	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

Nike, Inc. Free Cash Flow from Operations Calculation

(in millions)	FOR THE YEAR ENDED MAY 31, 2011	2010
Cash provided by operations	$ 1,812	$ 3,164
Cash used by investing activities	(1,021)	(1,268)
Excluding: Purchases of investments	7,616	3,724
Sales and maturities of investments	(7,079)	(2,787)
Settlement of net investment hedges	23	(5)
Less: Adjusted cash used by investing activities	(461)	(336)
Free cash flow from operations	**$ 1,351**	**$ 2,828**

Note: Cash used by financing activities was $1,972 million and $1,061 million during the years ended May 31, 2011 and May 31, 2010, respectively. The effect of exchange rate changes on cash was a source of cash of $57 million for year ended May 31, 2011 and a use of cash of $47 million for the year end May 31, 2010. The total net change in cash and equivalents was a decrease of $1,124 million and an increase of $788 million during the years ended May 31, 2011 and May 31, 2010, respectively.