

2015 NIKE, INC. INVESTOR MEETING



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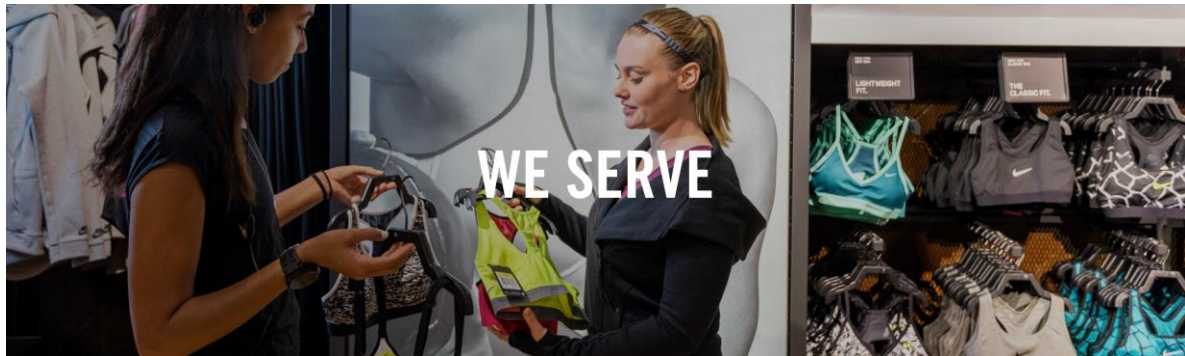
Elliott Hill – President, Geographies & Sales

Christiana Shi, President – Direct to Consumer

CHRISTIANA SHI: Good afternoon, everyone. I'm Christiana Shi, President of Nike's Direct to Consumer Business.

ELLIOTT HILL: And, I'm Elliott Hill, President of Nike's Geographies and Sales team. The two of us are delighted to be here to share with you our Integrated Marketplace strategy

CHRISTIANA SHI: Yes, we are. I want to start by reiterating a key brand belief, we serve. As you heard Jayme say, we serve consumers across 13 categories, on a global scale, head-to-toe. In fact, an additional one billion consumers will have access to the Nike brand by 2020, with a total of 4 billion consumers in our markets, all with mobile access to the brand by that time.



Our job is to serve those four billion consumers wherever, whenever, and however they want. We enable our consumers to reach their potential, we're there to inspire and support them. In the process, we grow the Nike marketplace. At the heart of our global marketplace strategy are consumers. And we serve them through what we call consumer led concepts.

We curate a targeted mix of products, services and environments into innovative retail experiences for our consumers across the marketplace. For instance, our Nike Running Stores for runners, our NTC Women's Experiences for female athletes, and our Nike Labs for lovers of sneaker innovation. We leverage deep insights and understanding of athletes' needs into each of these concepts, to ensure we always keep the consumer at the center.



ELLIOTT HILL: And we will continue to serve consumers across 6 geographies, 31 territories, and almost every country in the world. And while our global reach is unparalleled, that's not what makes Nike unique. It is the people and the culture that make Nike such a special company. Christiana and I are fortunate and we have the privilege to lead more than 62,000 passionate and committed teammates around the world.

And we've organized ourselves into focused, highly experienced teams. These dedicated teams live in Tokyo and serve consumers through nike.com.jp. They live in Frankfurt and serve our partners at Deichmann and Snipes. These teams live in Moscow and serve consumer's value occasions through our Nike Factory store in Savelosky. And they live in Monterrey and serve our partners at Innova Sport.



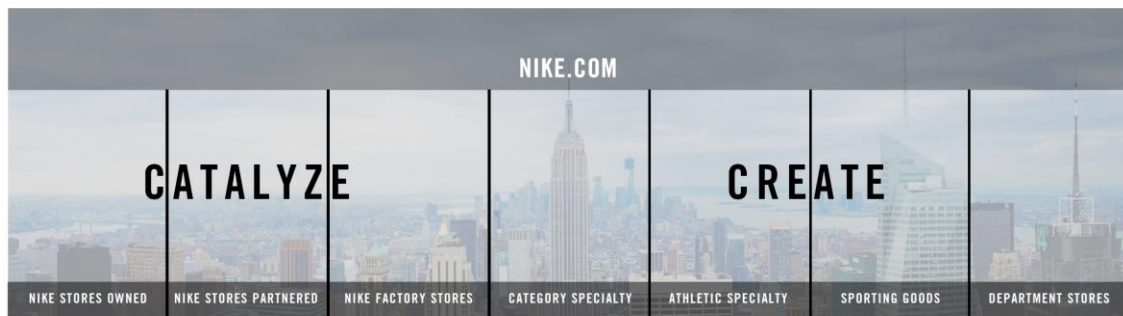
It is the combination of both our teammates and our org structure that gives us the ability and the confidence to continue to connect, to catalyze, and to create a profitable, integrated marketplace for the Nike brand. And here's how we do it.

As Christiana said, everything we do starts with the consumer including the marketplace. We want to provide consumers easy access to Nike's products, services, environments, to enable consumers to shop wherever, whenever, and however they choose. Nike does what no other brand can do in our industry. We deliver consumers innovative product across 13 categories, head-to-toe and up and down price points.

And we must continually create a marketplace to keep up with Nike's relentless flow of innovation. And we have a strategic approach we call the Integrated Marketplace that allows us to segment and differentiate the marketplace while enabling consumers to shop across a broad spectrum of channels, we call them dimensions, and across price points.



The breadth and depth of our distribution enables us to grow the marketplace and grow market share. Each dimension has a specific role in the Integrated Marketplace, and we will dive deeper in each dimension in just a moment, but here's a brief overview. We connect the marketplace through nike.com, we catalyze the marketplace through our Nike Stores, both owned and partnered. And we create the marketplace with our multi-brand partners, in-store and on-line.



CHRISTIANA SHI: So first, we connect consumers to the Brand through nike.com, by offering the full breadth of our categories, making it easy for consumers to shop any time through any device, and bringing Nike product all the way to their homes.

The last time we met, we told you we were going to accelerate nike.com, and we did. In fact, year-over-year revenue growth grew from 26% to 56% over the last 3 years.



What drove this acceleration? First, we dramatically improved the experience, leading with mobile commerce. We elevated our imagery, added style guides, broadened assortments, and increased site performance. A great example of this is how we've innovated the digital sneaker launch experience, both through our Sneakers app and our new Digital Draw, which gives sneaker lovers a more premium launch experience that is fun, fast, and fair.

Second, we expanded consumer access to the brand by taking nike.com to additional markets around the world, leveraging a common global digital commerce infrastructure. For example,

consumers in 24 countries are now able to personalize their own Nike shoes through our Nike ID customization service, choosing their personal combination of style, color, and fit.

Nike ID shoes are designed by the consumer, made for them by Nike, and delivered right to their door. And I'm excited to say, we're about to expand our customization services to include rapid personalization on inline footwear, launching digital printing in the US on nike.com later this month.

Third, and finally, we brought digital into our brick and mortar stores, by launching seamless commerce capabilities. Over the last 18 months, we've connected all of our US stores, Nike Stores and Factory Stores, to our mobile checkout and in-store digital commerce platform. It allows consumers to shop online and in-store at the same time in a single transaction. Nike.com in-store sales are contributing incremental revenue by giving our consumers access to an endless aisle of Nike products, any way they want.

We're excited to say we've just taken this capability to Europe, launching seamless in the UK, and we're looking forward to rolling it out to more stores and more consumers around the world. So what comes next for nike.com? Well, Trevor already shared the big number with you, that we're targeting digital commerce revenue of \$7 billion by the end of FY20.



We'll get there by continuing to lead with mobile, because that's where our consumers are, serving consumers more personally and more seamlessly, and expanding nike.com globally into more markets around the world. In fact, later this month, we're launching nike.com in Canada, Switzerland and Norway.

So if nike.com is where we connect consumers to the brand, our Nike Stores and Nike Factory Stores are where we catalyze the marketplace, by developing and scaling distinctive, consumer led concepts.



Our Nike Stores are the ultimate expression of the brand and our category offense. They're where we build personal relationships with our consumers, help them reach their potential, and

bring the emotion of sport to life. Over the last several years, we worked to serve consumers better by perfecting our category-directed assortments, developing services like run analysis, bra fitting, soccer boot trialing, launching seamless commerce, and improving our operations.

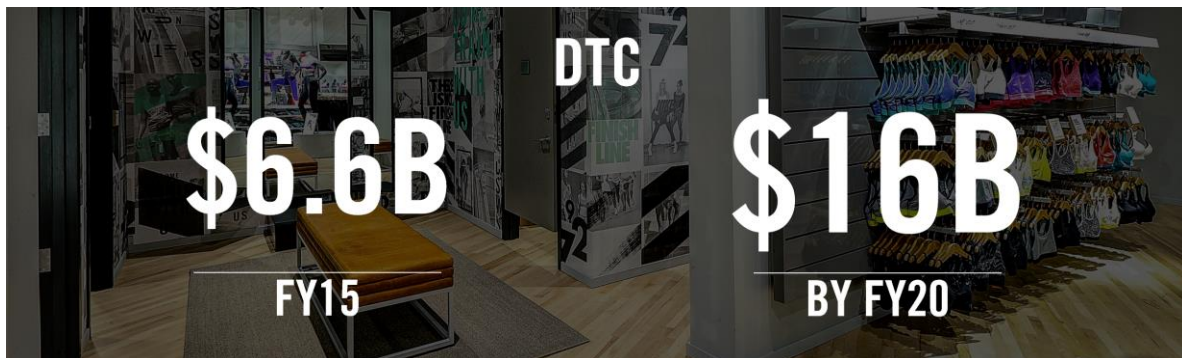
Iconic stores in global cities like New York and London, have now been joined by high-performing stores in cities like Shanghai, Los Angeles, and Seoul. We've continued to drive productivity and profitability across our owned Nike Stores and cascaded consumer-led concepts across our partner fleet, which we call Nike Stores-Partnered. This strategy allows us to serve more consumers, in more markets, in a highly-leveraged and productive way.

Our Nike Factory Stores are where we serve consumers in their local communities, with great value and a premium experience. These stores help us maintain a healthy marketplace for the Nike brand, by selling excess inventory in a brand-right way. Our NFS stores also allow us to connect deeply into local communities by supporting local school sports programs and offering local employment opportunities.



For instance, in community stores like Flatbush in Brooklyn, Nova America in Rio, and our East LA store, which we're opening tomorrow, we aim to hire 80% of our store employees from within a 5 mile radius of each store. Our NFS stores are already highly productive and drive significant value, and we're still discovering many growth opportunities remain to serve consumers on a more targeted and local basis, with the introduction of seamless commerce and personal services in these stores.

Two years ago, we said we'd grow DTC revenue to \$5 billion by FY15. Well, we just closed FY15 at \$6.6 billion. That's a billion and a half dollars ahead of our goal. And today, we're pleased to announce the target of \$16 billion for DTC by the end of FY20.



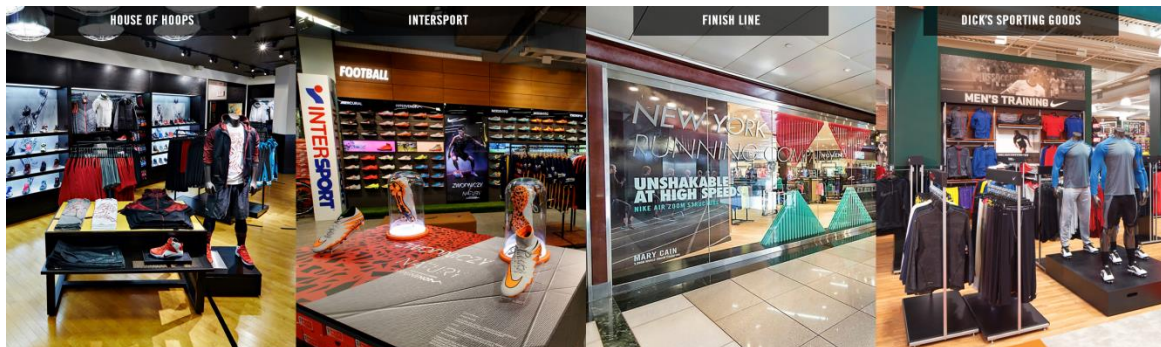
ELLIOTT HILL: As Mark has said, being a better retailer helps us be a better company and we've learned a lot from our investments in DTC. And the 2 of us and our teams around the world are committed to continuing to share our learnings with our multi-brand partners. Simply put, Nike DTC's growth has a multiplying effect across the integrated marketplace.



At a very high level, here's what we've learned from DTC. To be very sharp on the target consumer we're serving with each concept. To be ruthless in creating consumer right assortments leading with our innovations. To plan and buy these assortments with conviction. To provide services and services that exceed consumers expectations, and to offer these assortments and services in compelling environments, in store and on-line.

And here's how we apply the learnings to multi-brand retail. We start first by working closely with each of our partners to align on a target consumer by concept and, by banner and consumer led concept. We then segment our partners by dimension, or channels, and by good, better, and best. And finally, we leverage our broad product offering to create consumer right assortments that differentiate our partners.

This is how we deliver the right product to the right place, in the right quantities and at the right time. That's what consumers expect and deserve. Our brand strength, our broad and diverse product portfolio, and our experienced leadership teams, enable us to execute this strategy consistently around the world. No other brand in the industry can do this.



Here are a few examples of what we've done with our partners around the globe. We serve the young and fresh Nike Basketball consumer and the first class flier who loves the Jordan brand through House of Hoops and Foot Locker. We serve the football obsessed teens with our partners at Inter Sport. We serve the young and fast runners through Finish Line and Jack Rabbit Sports. And we serve the team athlete through gear up moments with our partners at Dick's Sporting Goods.

This discipline of segmenting and differentiating multi-brand retail partners enables us to drive mutually profitable retail and allows us to confidently say, we will continue to expand the multi-brand marketplace at a mid to high single digit rate over the next five years.

CHRISTIANA SHI: As you've heard from both of us, we believe every dimension of our integrated marketplace has opportunity. And our strategy to connect, catalyze, and create will

enable our continued expansion. Here's how this comes to life for our consumers every day, around the world.

ELLIOTT HILL: Christiana and I are proud of our teams, their commitment to growing the integrated marketplace and we never get tired of seeing the amazing work they do to serve our consumers. Now, we'd like to share 4 examples of how our teams around the world leverage the Integrated Marketplace strategy to serve our consumers and connect, catalyze and create the marketplace.

The last time we met, we said we'd drive growth in apparel by delivering consumers fresh and innovative product. One example of that commitment is our game-changing and industry leading innovation we call Nike Tech Pack from Nike Sportswear. We leveraged the insights and the power of our global athletes to inspire and innovate for consumers around the world.



We created a new space featuring premium sport style and seasonally relevant apparel, and we leveraged the integrated marketplace to launch this new innovation at scale and completely energize the global marketplace. From city to city, from dimension to dimension, when we launch, we launch big. From Istanbul to New York City, from Rio to Paris, from nike.com in Europe to Nordstrom in the United States, from Nike Harajuku in Tokyo to JD Sports and Size in London, from the Pousheng Nike store in Beijing to Sport Master in Moscow.

And in doing so, we drove strong sell-through and apparel growth in every dimension of the integrated marketplace. Simply put, the breadth and depth of our integrated marketplace allows us to launch new innovation at global scale and do it better than anyone else.

CHRISTIANA SHI: Since this meeting two years ago, Nike North America grew \$2.6 billion in revenue reaching \$13.7 billion in FY15. And we expect it to grow to \$20 billion by FY20. Our Nike Women's business was, and will continue to be, a key driver of this growth, unlocked by creating premium distribution at all levels. It's a great example of how we leverage the complete category offense Jayme talked about, to drive growth across the marketplace.



Here's what we did with Nike Women's in North America. We accelerated nike.com, focusing on our women's assortments, services and overall site experience. We saw great results from our new seasonal Women's Style Guide, a shop-able guide that serves her training, sports and style needs, and our @NikeWomen Instagram Shop.

We elevated our Women's spaces in our Nike stores and led with the women's experience in key doors like Nike Santa Monica and Nike Chicago.

We also opened Nike Women's-only stores in Newport Beach and Union Street in San Francisco. These stores are providing a whole new level of experience for women, including bra fitting, run analysis, pant hemming, and Nike ID, and we've brought these services to the rest of our Nike store fleet.

Our learnings in these doors were also shared with our partners across the market. We extended our efforts to serve the female athlete through key retail partners, including stand-alone multi-brand concepts 6:02 with Foot Locker, and Chelsea Collective with Dicks Sporting Goods. As well as NTC at Macy's, and a consumer right experience with Kohl's.



Globally, the Women's business grew to \$5.7 billion as of the end of FY15 by unlocking this premium distribution. We opened 173 new premium women's spaces in the last year alone. And we plan to open more than 1,000 premium new women spaces, doubling our business, over the next 5 years. That's the complete category offense, unlocking growth across the market.



ELLIOTT HILL: And finally, we'll show you how we leverage the integrated marketplace strategy to serve consumers in two cities, London and Shanghai. But first, I'd like to say a few words about Greater China and then I'll dive deeper into Shanghai's, integrated marketplace.

The last time we met, we said we were going to reset Greater China, and we did. Nike is the number one favorite brand in China and our business has grown nearly \$600 million in revenue, or a 24% growth, over the past 2 years.

Our Greater China reset is a tremendous example of leveraging our investments and learnings from Nike DTC to drive a mutually profitable integrated marketplace.

So how did we do it? In one word, focus. We focused our strategy on the right consumers, categories, consumer-led concepts, and cities. It's important to note that we applied this strategy across all the key cities in Greater China and that's why we've been so successful.



Now, let's talk about the specifics of Shanghai. Like most cities in Greater China, Shanghai is primarily a digital and mono-brand marketplace, which gives us a unique opportunity to serve our consumers through a localized nike.com connected to a fleet of Nike Stores, owned and partnered, and Nike Factory Stores.

Consumers in Shanghai are also extremely connected, have incredibly high expectation for premium and personal products and services, and in many ways, are ahead of the curve in terms of sport participation and activity for Greater China.

This deeper understanding of athletes in Shanghai led us to focus our category offense on running, basketball, Jordan, sportswear and women's. We then mapped the Shanghai marketplace to identify where these consumers live, shop and participate in sport.

This process revealed where we had proper distribution and where we needed new or elevated distribution. And while we were mapping the marketplace, we created and tested relevant, consumer led concepts. And the two of us have visited and are incredibly, many times, and are in-, incredibly proud of the concepts like the Nike Women's Store in the IAPM Mall, the Nike Running Store in Sanlitun, and the Nike Basketball store in the EC Mall.



Once we were confident in the scalability of these consumer led concepts, we worked closely with our partners at Belle, Poushen and Good Baby to align on a roll-out strategy by trade zone and by consumer led concept. And finally, we worked with our partners to align on the capabilities necessary to deliver these consumer led concepts. We worked with our partners to create consumer right assortments, to buy these assortments in the right depth and even size curves.

To flow the assortments at a door level and to elevate the in-store service standards. Working together, we've been able to drive comp store growth, productivity gains and increase profitability for Nike and our partners. That's why we're confident Greater China's revenue will grow to \$6.5 billion by the end of Fiscal Year 20.



CHRISTIANA SHI: I want to share one final example to bring our integrated marketplace strategy to life, London. Over the last 3 years, we worked with our teams in Western Europe to create more consistent consumer experiences and elevate our distribution. We are now the number one favorite Brand in all our key cities, and our business in Western Europe has expanded by \$1.5 billion in the past two years alone.

As I'm sure you know, within Europe, London is a city with global reach and influence, whose digital native, first-to-know consumers really set the tone for the wider marketplace. London was a key engine of growth for our brand, as we drove the transformation in Western Europe. We landed FY15 with Nike being the biggest and the coolest brand in London, and our growth in London outpaced our total UK and Ireland growth.

So, how did we do it? By taking a holistic approach to the entire London marketplace. We mapped the market, focusing on key trade zones, where our category-specific consumers live, play, train, and shop, online and offline. We created robust plans to serve our consumers in these zones and we began to plan, track, manage, and measure London as an integrated marketplace.



We accelerated each dimension, to better serve the London athlete. We grew nike.com by 68% by becoming more locally relevant. For instance, adding package pick up points around the city through a partnership with UPS, to help busy Londoners receive their nike.com orders wherever they wanted. We evolved our DTC portfolio by refitting Nike Town London and we opened Western Europe's first Women's Only Nike store on Kings Road.

And our London consumer is loving it. Our King's Road Run Club and NTC Training sessions are routinely booked up. We're very pleased with the performance of this store. We also partnered with some of our biggest multi-brand partners as they opened flagship doors in London. JD opened its second Seamless Concept door on Oxford Street, which immediately jumped into one of their top 5 doors in Europe.



Pro Direct, one of our top digital partners, opened its first Clicks-and-Mortar Football door, and we opened our first Tier Zero Women's space in the iconic department store, Liberty. I could add even more here, including our terrific partnership with Harrods, or our innovative Nike Factory Stores in iconic London locations like Wembley. But in the interest of time, I'll just say, this is just the beginning.

We will continue to serve our consumers in critical, global cities like London and Shanghai by bringing the complete category offense in an integrated way across the marketplace.



ELLIOTT HILL: We hope you leave here with a better understanding of how Nike leverages our teams around the world and our integrated marketplace strategy to serve 4 billion consumers, and we will do this by connecting, catalyzing and creating the global marketplace to deliver and, and grow to \$50 billion by the end of fiscal year 2020. Thank you very much.

Presenters during this meeting made forward-looking statements based on current expectations and those statements are subject to certain risks and uncertainties that could cause actual results to differ materially. These risks and uncertainties are detailed in the reports filed with the SEC, including forms 8-K, 10-K, and 10-Q.

Presentations may discuss non-GAAP financial measures, including references to certain components of NIKE Brand revenues, which are expressed in wholesale equivalents. NIKE Brand wholesale equivalent revenues consist of (1) sales to external wholesale customers and (2) internal sales from our wholesale operations to our Direct to Consumer operations, which are charged at prices that are comparable to prices charged to external wholesale customers. References to NIKE Brand wholesale equivalent revenues are only intended to provide context as to the total size of our NIKE Brand market footprint if we had no Direct to Consumer operations and should not be relied upon as a financial measure of actual results. Participants may also make references to other non-public financial and statistical information and non-GAAP financial measures. Discussion of non-public financial and statistical information and presentations of comparable GAAP measures and quantitative reconciliations can be found at Nike's website, <http://investors.nike.com>.