

NIKE, Inc.
CONSOLIDATED STATEMENTS OF INCOME

<i>(Dollars in millions, except per share data)</i>	THREE MONTHS ENDED			TWELVE MONTHS ENDED		
	5/31/2016	5/31/2015	%	5/31/2016	5/31/2015	%
			Change			Change
Revenues	\$ 8,244	\$ 7,779	6%	\$ 32,376	\$ 30,601	6%
Cost of sales	4,458	4,186	6%	17,405	16,534	5%
Gross profit	3,786	3,593	5%	14,971	14,067	6%
<i>Gross margin</i>	45.9%	46.2%		46.2%	46.0%	
Demand creation expense	873	819	7%	3,278	3,213	2%
Operating overhead expense	1,893	1,776	7%	7,191	6,679	8%
Total selling and administrative expense	2,766	2,595	7%	10,469	9,892	6%
<i>% of revenue</i>	33.6%	33.4%		32.3%	32.3%	
Interest expense (income), net	5	4	—	19	28	—
Other (income) expense, net	(58)	(58)	—	(140)	(58)	—
Income before income taxes	1,073	1,052	2%	4,623	4,205	10%
Income tax expense	227	187	21%	863	932	-7%
<i>Effective tax rate</i>	21.2%	17.8%		18.7%	22.2%	
NET INCOME	\$ 846	\$ 865	-2%	\$ 3,760	\$ 3,273	15%
Earnings per common share:						
Basic	\$ 0.50	\$ 0.50	0%	\$ 2.21	\$ 1.90	16%
Diluted	\$ 0.49	\$ 0.49	0%	\$ 2.16	\$ 1.85	17%
Weighted average common shares outstanding:						
Basic	1,682.4	1,715.0		1,697.9	1,723.5	
Diluted	1,723.1	1,759.6		1,742.5	1,768.8	
Dividends declared per common share	\$ 0.16	\$ 0.14		\$ 0.62	\$ 0.54	

NIKE, Inc.
CONSOLIDATED BALANCE SHEETS

<i>(Dollars in millions)</i>	May 31, 2016	May 31, 2015	% Change
ASSETS			
Current assets:			
Cash and equivalents	\$ 3,138	\$ 3,852	-19%
Short-term investments	2,319	2,072	12%
Accounts receivable, net	3,241	3,358	-3%
Inventories	4,838	4,337	12%
Prepaid expenses and other current assets	1,489	1,968	-24%
Total current assets	15,025	15,587	-4%
Property, plant and equipment, net	3,520	3,011	17%
Identifiable intangible assets, net	281	281	0%
Goodwill	131	131	0%
Deferred income taxes and other assets ¹	2,439	2,587	-6%
TOTAL ASSETS	\$ 21,396	\$ 21,597	-1%
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt	\$ 44	\$ 107	-59%
Notes payable	1	74	-99%
Accounts payable	2,191	2,131	3%
Accrued liabilities ¹	3,037	3,949	-23%
Income taxes payable	85	71	20%
Total current liabilities	5,358	6,332	-15%
Long-term debt	2,010	1,079	86%
Deferred income taxes and other liabilities ¹	1,770	1,479	20%
Redeemable preferred stock	—	—	—
Shareholders' equity	12,258	12,707	-4%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 21,396	\$ 21,597	-1%

¹ During the fourth quarter of fiscal 2016, NIKE, Inc. adopted Accounting Standard Update No. 2015-17, which requires all deferred tax assets and deferred tax liabilities to be classified as non-current. All periods presented have been updated to reflect these changes.

NIKE, Inc. DIVISIONAL REVENUES

<i>(Dollars in millions)</i>	THREE MONTHS ENDED		%	% Change Excluding Currency Changes ²	TWELVE MONTHS ENDED		%	% Change Excluding Currency Changes ²
	5/31/2016	5/31/2015 ¹	Change		5/31/2016	5/31/2015 ¹	Change	
North America								
Footwear	\$ 2,367	\$ 2,317	2%	2%	\$ 9,299	\$ 8,506	9%	10%
Apparel	1,163	1,187	-2%	-2%	4,746	4,410	8%	8%
Equipment	205	228	-10%	-10%	719	824	-13%	-13%
Total	3,735	3,732	0%	0%	14,764	13,740	7%	8%
Western Europe								
Footwear	1,027	900	14%	15%	3,985	3,876	3%	14%
Apparel	411	310	33%	34%	1,628	1,552	5%	16%
Equipment	64	57	12%	13%	271	277	-2%	8%
Total	1,502	1,267	19%	19%	5,884	5,705	3%	14%
Central & Eastern Europe								
Footwear	224	237	-5%	-2%	882	827	7%	23%
Apparel	102	102	0%	5%	463	499	-7%	9%
Equipment	19	21	-10%	1%	86	95	-9%	7%
Total	345	360	-4%	0%	1,431	1,421	1%	17%
Greater China								
Footwear	681	551	24%	28%	2,599	2,016	29%	33%
Apparel	268	245	9%	14%	1,055	925	14%	17%
Equipment	30	33	-9%	1%	131	126	4%	7%
Total	979	829	18%	23%	3,785	3,067	23%	27%
Japan								
Footwear	187	145	29%	22%	570	452	26%	34%
Apparel	70	63	11%	4%	228	230	-1%	5%
Equipment	23	22	5%	-3%	71	73	-3%	3%
Total	280	230	22%	15%	869	755	15%	22%
Emerging Markets								
Footwear	596	631	-6%	13%	2,536	2,641	-4%	14%
Apparel	226	249	-9%	10%	947	1,021	-7%	11%
Equipment	50	54	-7%	9%	218	236	-8%	11%
Total	872	934	-7%	12%	3,701	3,898	-5%	13%
Global Brand Divisions³	12	30	-60%	-59%	73	115	-37%	-30%
Total NIKE Brand	7,725	7,382	5%	8%	30,507	28,701	6%	13%
Converse	513	435	18%	18%	1,955	1,982	-1%	2%
Corporate ⁴	6	(38)	—	—	(86)	(82)	—	—
Total NIKE, Inc. Revenues	\$ 8,244	\$ 7,779	6%	9%	\$ 32,376	\$ 30,601	6%	12%
Total NIKE Brand								
Footwear	\$ 5,082	\$ 4,781	6%	9%	\$ 19,871	\$ 18,318	8%	15%
Apparel	2,240	2,156	4%	7%	9,067	8,637	5%	11%
Equipment	391	415	-6%	-3%	1,496	1,631	-8%	-2%
Global Brand Divisions ³	12	30	-60%	-59%	73	115	-37%	-30%

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. SUPPLEMENTAL NIKE BRAND REVENUE DETAILS

<i>(Dollars in millions)</i>	YEAR ENDED		%	% Change	Excluding Currency Changes ²
	5/31/2016	5/31/2015 ¹			
NIKE Brand Revenues by:					
Sales to Wholesale Customers	\$ 22,577	\$ 21,952	3%		9%
Sales Direct to Consumer	7,857	6,634	18%		25%
Global Brand Divisions ³	73	115	-37%		-30%
Total NIKE Brand Revenues	\$ 30,507	\$ 28,701	6%		13%
NIKE Brand Revenues on a Wholesale Equivalent Basis:⁴					
Sales to Wholesale Customers	\$ 22,577	\$ 21,952	3%		9%
Sales from our Wholesale Operations to Direct to Consumer Operations	4,672	3,881	20%		27%
Total NIKE Brand Wholesale Equivalent Revenues	\$ 27,249	\$ 25,833	5%		12%
NIKE Brand Wholesale Equivalent Revenues by:⁴					
Men's	\$ 15,410	\$ 14,689	5%		11%
Women's	6,296	5,732	10%		17%
Young Athletes'	4,560	4,301	6%		11%
Others ⁵	983	1,111	-12%		-4%
Total NIKE Brand Wholesale Equivalent Revenues	\$ 27,249	\$ 25,833	5%		12%
NIKE Brand Wholesale Equivalent Revenues by:⁴					
Running	\$ 5,017	\$ 4,863	3%		10%
NIKE Basketball	1,378	1,385	-1%		2%
Jordan Brand	2,753	2,329	18%		21%
Football (Soccer)	2,143	2,250	-5%		7%
Men's Training	2,611	2,545	3%		6%
Women's Training	1,344	1,281	5%		11%
Action Sports	711	737	-4%		3%
Sportswear	7,513	6,604	14%		22%
Golf	706	769	-8%		-6%
Others ⁶	3,073	3,070	0%		6%
Total NIKE Brand Wholesale Equivalent Revenues	\$ 27,249	\$ 25,833	5%		12%

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 References to NIKE Brand wholesale equivalent revenues are intended to provide context as to the total size of our NIKE Brand market footprint if we had no Direct to Consumer operations. 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.

⁵ Others include all unisex products, equipment and other products not allocated to Men's, Women's and Young Athletes', as well as certain adjustments that are not allocated to products designated by gender or age.

⁶ Others include all other categories and certain adjustments that are not allocated at the category level.

NIKE, Inc.
EARNINGS BEFORE INTEREST AND TAXES¹

<i>(Dollars in millions)</i>	THREE MONTHS ENDED			TWELVE MONTHS ENDED		
	5/31/2016	5/31/2015 ²	%	5/31/2016	5/31/2015 ²	%
North America	\$ 936	\$ 1,060	-12%	\$ 3,763	\$ 3,645	3%
Western Europe	308	277	11%	1,434	1,275	12%
Central & Eastern Europe	46	71	-35%	289	249	16%
Greater China	357	266	34%	1,372	993	38%
Japan	55	38	45%	174	100	74%
Emerging Markets	191	192	-1%	892	818	9%
Global Brand Divisions ³	(722)	(627)	-15%	(2,596)	(2,267)	-15%
TOTAL NIKE BRAND	1,171	1,277	-8%	5,328	4,813	11%
Converse	128	80	60%	487	517	-6%
Corporate ⁴	(221)	(301)	27%	(1,173)	(1,097)	-7%
TOTAL EARNINGS BEFORE INTEREST AND TAXES	1,078	1,056	2%	4,642	4,233	10%
Interest expense (income), net	5	4	—	19	28	—
TOTAL INCOME BEFORE INCOME TAXES	\$ 1,073	\$ 1,052	2%	\$ 4,623	\$ 4,205	10%

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 tax expense.

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 May 31, 2016

	Reported Futures Orders	Excluding Currency Changes ²
North America	6%	6%
Western Europe	8%	11%
Central & Eastern Europe	3%	7%
Greater China	19%	24%
Japan	24%	15%
Emerging Markets	3%	13%
Total NIKE Brand Reported Futures	8%	11%

¹ Futures orders for NIKE Brand footwear and apparel scheduled for delivery from June 2016 through November 2016. NIKE Brand reported futures include (1) orders from external wholesale customers and (2) internal orders from our DTC in-line stores and e-commerce operations which are reflected at prices that are comparable to prices charged to external wholesale customers. 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, all sales of NIKE Brand equipment, the difference between retail sales and internal orders from our DTC in-line stores and e-commerce 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.