

NIKE, Inc.
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

<i>(Dollars in millions, except per share data)</i>	THREE MONTHS ENDED			TWELVE MONTHS ENDED		
	5/31/2018	5/31/2017	%	5/31/2018	5/31/2017	%
			Change			Change
Revenues	\$ 9,789	\$ 8,677	13%	\$ 36,397	\$ 34,350	6%
Cost of sales	5,411	4,854	11%	20,441	19,038	7%
Gross profit	4,378	3,823	15%	15,956	15,312	4%
<i>Gross margin</i>	<i>44.7%</i>	<i>44.1%</i>		<i>43.8%</i>	<i>44.6%</i>	
Demand creation expense	983	789	25%	3,577	3,341	7%
Operating overhead expense	2,137	1,876	14%	7,934	7,222	10%
Total selling and administrative expense	3,120	2,665	17%	11,511	10,563	9%
<i>% of revenues</i>	<i>31.9%</i>	<i>30.7%</i>		<i>31.6%</i>	<i>30.8%</i>	
Interest expense (income), net	12	18	—	54	59	—
Other expense (income), net	31	(28)	—	66	(196)	—
Income before income taxes	1,215	1,168	4%	4,325	4,886	-11%
Income tax expense	78	160	-51%	2,392	646	270%
<i>Effective tax rate</i>	<i>6.4%</i>	<i>13.7%</i>		<i>55.3%</i>	<i>13.2%</i>	
NET INCOME	\$ 1,137	\$ 1,008	13%	\$ 1,933	\$ 4,240	-54%
Earnings per common share:						
Basic	\$ 0.71	\$ 0.61	16%	\$ 1.19	\$ 2.56	-54%
Diluted	\$ 0.69	\$ 0.60	15%	\$ 1.17	\$ 2.51	-53%
Weighted average common shares outstanding:						
Basic	1,605.7	1,646.9		1,623.8	1,657.8	
Diluted	1,641.2	1,678.6		1,659.1	1,692.0	
Dividends declared per common share	\$ 0.20	\$ 0.18		\$ 0.78	\$ 0.70	

NIKE, Inc.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

<i>(Dollars in millions)</i>	May 31, 2018	May 31, 2017	% Change
ASSETS			
Current assets:			
Cash and equivalents	\$ 4,249	\$ 3,808	12%
Short-term investments	996	2,371	-58%
Accounts receivable, net	3,498	3,677	-5%
Inventories	5,261	5,055	4%
Prepaid expenses and other current assets	1,130	1,150	-2%
Total current assets	15,134	16,061	-6%
Property, plant and equipment, net	4,454	3,989	12%
Identifiable intangible assets, net	285	283	1%
Goodwill	154	139	11%
Deferred income taxes and other assets	2,509	2,787	-10%
TOTAL ASSETS	\$ 22,536	\$ 23,259	-3%
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt	\$ 6	\$ 6	0%
Notes payable	336	325	3%
Accounts payable	2,279	2,048	11%
Accrued liabilities	3,269	3,011	9%
Income taxes payable	150	84	79%
Total current liabilities	6,040	5,474	10%
Long-term debt	3,468	3,471	0%
Deferred income taxes and other liabilities	3,216	1,907	69%
Redeemable preferred stock	—	—	—
Shareholders' equity	9,812	12,407	-21%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 22,536	\$ 23,259	-3%

NIKE, Inc.
DIVISIONAL REVENUES¹
(Unaudited)

(Dollars in millions)	THREE MONTHS ENDED		%	% Change Excluding Currency Changes ²	TWELVE MONTHS ENDED		%	% Change Excluding Currency Changes ²
	5/31/2018	5/31/2017			5/31/2018	5/31/2017		
North America								
Footwear	\$ 2,525	\$ 2,457	3%	3%	\$ 9,322	\$ 9,684	-4%	-4%
Apparel	1,207	1,142	6%	6%	4,938	4,886	1%	1%
Equipment	143	154	-7%	-7%	595	646	-8%	-8%
Total	3,875	3,753	3%	3%	14,855	15,216	-2%	-2%
Europe, Middle East & Africa								
Footwear	1,625	1,348	21%	7%	5,875	5,192	13%	6%
Apparel	741	557	33%	18%	2,940	2,395	23%	16%
Equipment	100	86	16%	4%	427	383	11%	6%
Total	2,466	1,991	24%	10%	9,242	7,970	16%	9%
Greater China								
Footwear	1,003	765	31%	21%	3,496	2,920	20%	16%
Apparel	434	293	48%	37%	1,508	1,188	27%	23%
Equipment	31	29	7%	2%	130	129	1%	-1%
Total	1,468	1,087	35%	25%	5,134	4,237	21%	18%
Asia Pacific & Latin America								
Footwear	991	903	10%	11%	3,575	3,285	9%	9%
Apparel	383	309	24%	25%	1,347	1,185	14%	15%
Equipment	62	66	-6%	-5%	244	267	-9%	-8%
Total	1,436	1,278	12%	13%	5,166	4,737	9%	10%
Global Brand Divisions³								
	24	18	33%	4%	88	73	21%	12%
TOTAL NIKE BRAND								
	9,269	8,127	14%	9%	34,485	32,233	7%	5%
Converse	512	554	-8%	-14%	1,886	2,042	-8%	-11%
Corporate ⁴	8	(4)	—	—	26	75	—	—
TOTAL NIKE, INC. REVENUES								
	\$ 9,789	\$ 8,677	13%	8%	\$ 36,397	\$ 34,350	6%	4%
TOTAL NIKE BRAND								
Footwear	\$ 6,144	\$ 5,473	12%	8%	\$ 22,268	\$ 21,081	6%	4%
Apparel	2,765	2,301	20%	15%	10,733	9,654	11%	9%
Equipment	336	335	0%	-3%	1,396	1,425	-2%	-4%
Global Brand Divisions ³	24	18	33%	4%	88	73	21%	12%
TOTAL NIKE BRAND REVENUES								
	\$ 9,269	\$ 8,127	14%	9%	\$ 34,485	\$ 32,233	7%	5%

¹ Certain prior year amounts have been reclassified to conform to fiscal 2018 presentation. This includes reclassified operating segment data to reflect the changes in the Company's operating structure, which became effective June 1, 2017. These changes had no impact on previously reported consolidated results of operations or shareholders' equity.

² 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.

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 the Company's central foreign exchange risk management program.

NIKE, Inc.
SUPPLEMENTAL NIKE BRAND REVENUE DETAILS
(Unaudited)

<i>(Dollars in millions)</i>	TWELVE MONTHS ENDED		%	% Change	% Change
	5/31/2018	5/31/2017 ¹		Change	Excluding Currency Changes ²
NIKE Brand Revenues by:					
Sales to Wholesale Customers	\$ 23,969	\$ 23,078		4%	2%
Sales through NIKE Direct	10,428	9,082		15%	12%
Global Brand Divisions ³	88	73		21%	12%
TOTAL NIKE BRAND REVENUES	\$ 34,485	\$ 32,233		7%	5%
NIKE Brand Revenues on a Wholesale Equivalent Basis:⁴					
Sales to Wholesale Customers	\$ 23,969	\$ 23,078		4%	2%
Sales from our Wholesale Operations to NIKE Direct Operations	6,332	5,616		13%	10%
TOTAL NIKE BRAND WHOLESALE EQUIVALENT REVENUES	\$ 30,301	\$ 28,694		6%	4%
NIKE Brand Wholesale Equivalent Revenues by:⁴					
Men's	\$ 17,114	\$ 16,041		7%	5%
Women's	6,915	6,644		4%	2%
Young Athletes'	4,906	4,838		1%	-1%
Others ⁵	1,366	1,171		17%	13%
TOTAL NIKE BRAND WHOLESALE EQUIVALENT REVENUES	\$ 30,301	\$ 28,694		6%	4%
NIKE Brand Wholesale Equivalent Revenues by:⁴					
Running	\$ 5,198	\$ 4,860		7%	5%
NIKE Basketball	1,494	1,292		16%	14%
Jordan Brand	2,856	3,098		-8%	-9%
Football (Soccer)	2,146	1,984		8%	5%
Training	3,126	3,080		1%	0%
Sportswear	10,018	8,988		11%	8%
Others ⁶	5,463	5,392		1%	0%
TOTAL NIKE BRAND WHOLESALE EQUIVALENT REVENUES	\$ 30,301	\$ 28,694		6%	4%

¹ Certain prior year amounts have been reclassified to conform to fiscal 2018 presentation. These changes had no impact on previously reported consolidated results of operations or shareholders' equity.

² 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.

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, which are considered non-GAAP financial measures, are intended to provide context as to the total size of the Company's NIKE Brand market footprint if it had no NIKE Direct operations. NIKE Brand wholesale equivalent revenues consist of 1) sales to external wholesale customers and 2) internal sales from the Company's wholesale operations to its NIKE Direct 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 TAXES^{1,2}
(Unaudited)

<i>(Dollars in millions)</i>	THREE MONTHS ENDED			TWELVE MONTHS ENDED		
	5/31/2018	5/31/2017	%	5/31/2018	5/31/2017	%
North America	\$ 975	\$ 979	0%	\$ 3,600	\$ 3,875	-7%
Europe, Middle East & Africa	382	348	10%	1,587	1,507	5%
Greater China	539	380	42%	1,807	1,507	20%
Asia Pacific & Latin America	340	277	23%	1,189	980	21%
Global Brand Divisions ³	(732)	(689)	-6%	(2,658)	(2,677)	1%
TOTAL NIKE BRAND	1,504	1,295	16%	5,525	5,192	6%
Converse	104	137	-24%	310	477	-35%
Corporate ⁴	(381)	(246)	-55%	(1,456)	(724)	-101%
TOTAL NIKE, INC. EARNINGS BEFORE INTEREST AND TAXES	1,227	1,186	3%	4,379	4,945	-11%
Interest expense (income), net	12	18	—	54	59	—
TOTAL NIKE, INC. INCOME BEFORE INCOME TAXES	\$ 1,215	\$ 1,168	4%	\$ 4,325	\$ 4,886	-11%

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 2018 presentation. This includes reclassified operating segment data to reflect the changes in the Company's operating structure, which became effective June 1, 2017. These changes had no impact on previously reported consolidated 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. 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
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
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
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
Restructuring charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Goodwill impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible and other asset impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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
Other (income) expense, net	28	13	45	17	3	2	(5)	(58)	(31)	(34)	(17)	(58)	(62)	(18)	(88)	(28)	18	18	(1)	31
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
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%
Taxes calculated	262	182	200	216	269	225	256	188	267	186	186	228	32	276	185	162	124	113	2,104	79
Trailing 4 quarters taxes ¹	853	845	850	860	867	910	966	938	936	897	827	867	632	722	721	655	747	584	2,503	2,420
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
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
Trailing 4 quarters earnings before interest and after taxes¹	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
	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
Total NIKE Inc. 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
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
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
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
Income taxes payable	195	30	27	432	250	38	33	71	75	41	35	85	62	52	76	84	97	92	78	150
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
Liabilities of discontinued operations	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plus:																				
Net debt adjustment ⁴	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
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
Trailing 5 quarters invested capital²	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
Return on invested capital^{3,5}	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%

¹ Equals the sum of the current quarter and previous 3 quarters

² Equals the simple average of the current and previous 4 quarters

³ Equals the trailing 4 quarters earnings before interest and after taxes divided by trailing 5 quarters average invested capital

⁴ See calculation of Net debt adjustment below

⁵ Includes the impact of the Tax Cuts and Jobs Act beginning in Q3'18. Excluding the impact of the Tax Cuts and Jobs Act, our adjusted return on invested capital would have been approximately 33% for the trailing twelve months as of Q4 FY18, 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
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
Notes payable	111	180	119	167	146	93	61	74	23	99	-	1	22	20	23	325	335	1,229	11	336
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
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