



FOR IMMEDIATE RELEASE

NIKE REPORTS FIRST QUARTER EARNINGS PER SHARE OF \$1.61

Sales gains across all regions and product business units

Worldwide futures orders up 11 percent

Beaverton, OR (19 September, 2005) – NIKE, Inc. (NYSE:NKE) today reported record results for the first quarter ended August 31, 2005. Revenue grew eight percent and earnings per diluted share increased 33 percent for the period. The Company reported sales growth across each of its regions and product business units, with particular strength in US footwear in the quarter for both revenues and futures orders.

First quarter revenues increased eight percent to \$3.9 billion, compared to \$3.6 billion for the same period last year. Net income grew 32 percent to \$432.3 million, or \$1.61 per diluted share, compared to \$326.8 million, or \$1.21 per diluted share, for the prior year.

“A strong product pipeline and our global management team’s ability to consistently execute across our brand portfolio drove very strong performance for the first quarter,” said William D. Perez, President and Chief Executive Officer. “Our results show continued healthy demand for NIKE product worldwide and we remain optimistic about our ability to meet our future goals.”*

Futures Orders

The Company reported worldwide futures orders for athletic footwear and apparel, scheduled for delivery from September 2005 through January 2006, totaling \$4.9 billion, 11.0 percent higher than such orders reported for the same period last year. Changes in currency exchange rates had no significant impact on this growth.*

By region, futures orders for the U.S. increased 12 percent; Europe (which includes the Middle East and Africa) increased four percent; Asia Pacific grew 15 percent; and the Americas increased 32 percent. Changes in currency exchange rates reduced the reported futures orders growth in Europe by two percentage points. Futures orders growth in Asia Pacific was not significantly impacted by changes in currency exchange rates. In the Americas region, three percentage points of the increase were due to changes in currency exchange rates.*

Regional Highlights

U.S.

During the first quarter, U.S. revenues increased eight percent to \$1.5 billion versus \$1.4 billion for the first quarter of fiscal 2005. U.S. athletic footwear revenues increased 11 percent to \$1.0 billion. Apparel revenues increased one percent to \$395.5 million. Equipment revenues increased four percent to \$92.3 million. U.S. pre-tax income improved seven percent to \$345.2 million.

Europe

Revenues for the European region grew five percent to \$1.22 billion, up from \$1.16 billion for the same period last year. One percentage point of this growth was the result of changes in currency exchange rates. Footwear revenues increased three percent to \$685.1 million, apparel revenues increased six percent to \$435.2 million and equipment revenues increased 14 percent to \$97.2 million. Pre-tax income rose 34 percent to \$330.2 million.

Asia Pacific

Revenues in the Asia Pacific region grew 13 percent to \$459.6 million compared to \$406.0 million a year ago. Three percentage points of this growth were the result of changes in currency exchange rates. Footwear revenues were up nine percent to \$237.4 million, apparel revenues increased 19 percent to \$176.5 million and equipment revenues grew 18 percent to \$45.7 million. Pre-tax income increased 44 percent to \$91.4 million.

Americas

Revenues in the Americas region increased 32 percent to \$213.7 million, an improvement from \$161.7 million in the first quarter of fiscal 2005. Currency exchange rates contributed 12 percentage points to this growth rate. Footwear revenues were up 37 percent to \$156.9 million, apparel revenues increased 15 percent to \$40.7 million and equipment jumped 41 percent to \$16.1 million. Pre-tax income was up 119 percent to \$44.6 million.

Other Revenues

Other revenues, which include Converse Inc., NIKE Golf, Bauer NIKE Hockey Inc., Cole Haan, Hurley International LLC and Exeter Brands Group LLC, grew six percent to \$462.3 million from \$434.5 million last year. Pre-tax income was essentially flat versus the prior year at \$40.0 million.

Income Statement Review

Gross margins were 45.3 percent compared to 44.5 percent last year. Selling and administrative expenses were 28.6 percent of first quarter revenues, compared to 30.1 percent last year. This decrease in selling and administrative expenses as a percentage of revenue was due, in part, to a change in timing of certain marketing expenses. The effective tax rate for the first quarter was 34.5 percent.

Balance Sheet Review

At quarter end, global inventories stood at \$1.9 billion, an increase of 11 percent from August 31, 2004. Cash and short-term investments were \$1.9 billion at the end of the quarter, compared to \$1.3 billion last year.

Share Repurchase

During the quarter, the Company purchased a total of 1,832,500 shares for approximately \$151 million in conjunction with the Company's four-year, \$1.5 billion share repurchase program that was approved by the Board of Directors in June 2004.

NIKE, Inc. based in Beaverton, Oregon is the world's leading designer, marketer and distributor of authentic athletic footwear, apparel, equipment and accessories for a wide variety of sports and fitness activities. Wholly owned Nike subsidiaries include Converse Inc., which designs, markets and distributes athletic footwear, apparel and accessories; Bauer NIKE Hockey Inc., a leading designer and distributor of hockey equipment; Cole Haan, a leading designer and marketer of luxury shoes, handbags, accessories and coats; Hurley International LLC, which designs, markets and distributes action sports and youth lifestyle footwear, apparel and accessories and Exeter Brands Group LLC, which designs and markets athletic footwear and apparel for the value retail channel.

NIKE's earnings releases and other financial information are available on the Internet at www.NikeBiz.com/invest.

** The marked paragraphs contain forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially. These risks and uncertainties are detailed from time to time in reports filed by NIKE with the S.E.C., including Forms 8-K, 10-Q, and 10-K. Some forward-looking statements in this release concern changes in futures orders that are not necessarily indicative of changes in total revenues for subsequent periods due to the mix of futures and "at once" orders, which may vary significantly from quarter to quarter.*

(Tables Follow)

NIKE, Inc.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AUGUST 31, 2005

(In millions, except per share data)

INCOME STATEMENT	QUARTER ENDING		
	08/31/2005	08/31/2004	% Chg
Revenues	\$3,862.0	\$3,561.8	8%
Cost of sales	2,113.9	1,976.0	7%
Gross margin	1,748.1	1,585.8	10%
	45.3%	44.5%	
Selling and administrative	1,104.4	1,073.6	3%
	28.6%	30.1%	
Interest (income) expense, net	(6.4)	4.8	-
Other (income) expense, net	(9.9)	1.9	-
Income before income taxes	660.0	505.5	31%
Income taxes	227.7	178.7	27%
	34.5%	35.4%	
Net income	\$432.3	\$326.8	32%
Diluted EPS	\$1.61	\$1.21	33%
Basic EPS	\$1.66	\$1.24	34%
Weighted Average Common Shares Outstanding:			
Diluted	268.6	269.8	
Basic	260.9	262.7	
Dividends declared	\$0.25	\$0.20	

NIKE, Inc.

BALANCE SHEET *

08/31/2005 08/31/2004

<i>ASSETS</i>		
Current assets:		
Cash and equivalents	\$1,588.9	\$ 932.1
Short-term investments	304.2	365.4
Accounts receivable, net	2,390.6	2,175.7
Inventories	1,850.6	1,661.5
Deferred income taxes	106.3	137.9
Prepaid expenses and other current assets	425.7	364.2
Total current assets	6,666.3	5,636.8
Property, plant and equipment	3,186.5	3,222.9
Less accumulated depreciation	1,605.3	1,623.3
Property, plant and equipment, net	1,581.2	1,599.6
Identifiable intangible assets, net	404.7	409.7
Goodwill	135.4	135.4
Deferred income taxes and other assets	328.1	285.8
Total assets	\$9,115.7	\$8,067.3
<i>LIABILITIES AND SHAREHOLDERS' EQUITY</i>		
Current liabilities:		
Current portion of long-term debt	\$ 256.0	\$ 6.1
Notes payable	64.3	97.8
Accounts payable	768.5	704.5
Accrued liabilities	996.6	919.2
Income taxes payable	148.1	200.3
Total current liabilities	2,233.5	1,927.9
Long-term debt	428.4	692.4
Deferred income taxes and other liabilities	489.7	424.6
Redeemable preferred stock	0.3	0.3
Shareholders' equity	5,963.8	5,022.1
Total liabilities and shareholders' equity	\$9,115.7	\$8,067.3

* Certain prior year amounts have been reclassified to conform to fiscal year 2006 presentation.

These changes had no impact on previously reported results of operations or shareholders' equity.

NIKE, Inc.

QUARTER ENDING

DIVISIONAL REVENUES	08/31/2005	08/31/2004	% Chg
U.S. Region			
Footwear	\$1,021.1	\$921.4	11%
Apparel	395.5	391.3	1%
Equipment	92.3	89.0	4%
Total	1,508.9	1,401.7	8%
EMEA Region			
Footwear	685.1	663.3	3%
Apparel	435.2	409.7	6%
Equipment	97.2	84.9	14%
Total	1,217.5	1,157.9	5%
Asia Pacific Region			
Footwear	237.4	218.6	9%
Apparel	176.5	148.8	19%
Equipment	45.7	38.6	18%
Total	459.6	406.0	13%
Americas Region			
Footwear	156.9	114.8	37%
Apparel	40.7	35.5	15%
Equipment	16.1	11.4	41%
Total	213.7	161.7	32%
	3,399.7	3,127.3	9%
Other	462.3	434.5	6%
Total NIKE, Inc. revenues	\$3,862.0	\$3,561.8	8%

NIKE, Inc.

PRE-TAX INCOME ^{1,*}	QUARTER ENDING		
	08/31/2005	08/31/2004	% Chg
U.S. Region	\$ 345.2	\$ 322.3	7%
EMEA Region	330.2	246.4	34%
Asia Pacific Region	91.4	63.4	44%
Americas Region	44.6	20.4	119%
Other	40.0	40.2	0%
Corporate ²	<u>(191.4)</u>	<u>(187.2)</u>	(2%)
Total pre-tax income ¹	<u>\$ 660.0</u>	<u>\$ 505.5</u>	31%

¹ The Company evaluates performance of individual operating segments based on pre-tax income. Total pre-tax income equals Income before income taxes as shown on the Consolidated Income Statement.

² "Corporate" represents items necessary to reconcile to total pre-tax income, which includes corporate costs that are not allocated to the operating segments for management reporting and intercompany eliminations for specific items in the Consolidated Income Statement.

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