

NIKE, Inc. Consolidated Statements of Income

(In millions, except per share data)	Year Ended May 31,		
	2018	2017	2016
Revenues	\$ 36,397	\$ 34,350	\$ 32,376
Cost of sales	20,441	19,038	17,405
Gross profit	15,956	15,312	14,971
Demand creation expense	3,577	3,341	3,278
Operating overhead expense	7,934	7,222	7,191
Total selling and administrative expense	11,511	10,563	10,469
Interest expense (income), net	54	59	19
Other expense (income), net	66	(196)	(140)
Income before income taxes	4,325	4,886	4,623
Income tax expense	2,392	646	863
NET INCOME	\$ 1,933	\$ 4,240	\$ 3,760
Earnings per common share:			
Basic	\$ 1.19	\$ 2.56	\$ 2.21
Diluted	\$ 1.17	\$ 2.51	\$ 2.16
Dividends declared per common share	\$ 0.78	\$ 0.70	\$ 0.62

The accompanying Notes to the Consolidated Financial Statements are an integral part of this statement.

NIKE, Inc. Consolidated Balance Sheets

(In millions)	May 31,	
	2018	2017
ASSETS		
Current assets:		
Cash and equivalents	\$ 4,249	\$ 3,808
Short-term investments	996	2,371
Accounts receivable, net	3,498	3,677
Inventories	5,261	5,055
Prepaid expenses and other current assets	1,130	1,150
Total current assets	15,134	16,061
Property, plant and equipment, net	4,454	3,989
Identifiable intangible assets, net	285	283
Goodwill	154	139
Deferred income taxes and other assets	2,509	2,787
TOTAL ASSETS	\$ 22,536	\$ 23,259
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 6	\$ 6
Notes payable	336	325
Accounts payable	2,279	2,048
Accrued liabilities	3,269	3,011
Income taxes payable	150	84
Total current liabilities	6,040	5,474
Long-term debt	3,468	3,471
Deferred income taxes and other liabilities	3,216	1,907
Commitments and contingencies (Note 15)		
Redeemable preferred stock	—	—
Shareholders' equity:		
Common stock at stated value:		
Class A convertible — 329 and 329 shares outstanding	—	—
Class B — 1,272 and 1,314 shares outstanding	3	3
Capital in excess of stated value	6,384	5,710
Accumulated other comprehensive loss	(92)	(213)
Retained earnings	3,517	6,907
Total shareholders' equity	9,812	12,407
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 22,536	\$ 23,259

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