

**NIKE, Inc.**

NET INCOME AND DILUTED EPS RECONCILIATION <sup>1</sup>	QUARTER ENDED			YEAR ENDED		
	5/31/2007	5/31/2006	% Chg	5/31/2007	5/31/2006	% Chg
(In millions, except per share data)						
Net income, as reported	\$437.9	\$332.8	32%	\$1,491.5	\$1,392.0	7%
Exclude: Converse arbitration, net of tax <sup>2</sup>	-	30.8	-	(9.6)	30.8	-
Exclude: Stock-based compensation expense, net of tax <sup>3</sup>	19.3	-	-	96.7	-	-
Net income, excluding Converse arbitration <sup>2</sup> and stock-based compensation expense <sup>3</sup>	<u>\$457.2</u>	<u>\$363.6</u>	26%	<u>\$1,578.6</u>	<u>\$1,422.8</u>	11%
Diluted EPS, as reported	\$0.86	\$0.64	34%	\$2.93	\$2.64	11%
Diluted EPS, excluding Converse arbitration <sup>2</sup> and stock-based compensation expense <sup>3</sup>	\$0.90	\$0.70	29%	\$3.10	\$2.70	15%

<sup>1</sup> This schedule is intended to satisfy the quantitative reconciliation for non-GAAP financial measures in accordance with Regulation G of the Securities and Exchange Commission.

<sup>2</sup> The Converse arbitration charge relates to a ruling involving a contract dispute between NIKE, Inc.'s Converse subsidiary and a former South American licensee. The dispute was settled during the first quarter ended August 31, 2006.

<sup>3</sup> This charge relates to stock-based compensation associated with stock options and ESPP shares issued to employees and expensed in accordance with SFAS 123(R) "Share-Based Payment", which was adopted by the Company during its first fiscal quarter ended August 31, 2006.