



July 30, 2003

2003 Second Quarter Report

Vancouver, WA - July 30, 2003 - The Nautilus Group, Inc. (NYSE: NLS), a leading marketer, developer, and manufacturer of branded health and fitness products, today announced results for the second quarter and six month period ended June 30, 2003.

Second quarter net sales were \$100.6 million compared to \$140.4 million for the corresponding period last year. Net income during the period was \$4.7 million, or \$0.14 per diluted share, compared to \$25.8 million, or \$0.72 per diluted share, for the corresponding period in the previous year.

The Company's net sales for the six months ended June 30, 2003 were \$230.1 million compared to \$276.3 million for the comparable period last year. Net income during the period was \$18.4 million or \$0.56 per diluted share, compared to \$49.8 million, or \$1.39 per diluted share, for the same period last year.

The Company also reiterated its comfort with revised guidance for the remainder of 2003. The Nautilus Group expects revenue to range from \$450 to \$470 million with corresponding earnings per share estimate ranging from \$1.00 to \$1.10. In terms of revised earnings on a quarterly basis for the remainder of 2003, the Company expects the third quarter will represent approximately 18% to 20% of earnings. Operating cash flow is expected to be approximately \$35 million to \$40 million for the year.

"As we have previously mentioned, the second quarter of 2003 was a challenging business environment due to Bowflex product line competition and lackluster consumer spending," began Brian Cook, Chairman. "During this time period, the increased competition had an adverse effect on direct sales of the Bowflex product line and lackluster consumer spending impacted both our direct and commercial/retail divisions."

"However, we remain very excited about the future of The Nautilus Group." Mr. Cook added. "We continue to develop and introduce new products and expand our distribution network. As examples, both the TreadClimber® product line in our direct channel and our retail offering of the Bowflex Power Rod resistance technology continue to exceed expectations. Nautilus maintains the strongest financial position in our industry, and combined with our new initiatives we are excited about the long-term outlook for our portfolio of leading health and fitness brands."

Mr. Cook concluded, "I am also very excited to have Gregg Hammann as our new President and CEO. I believe his experience in the marketing of multiple consumer branded products, business strategy, brand management, and customer focus, are exactly what our Company needs at this important juncture."

"We will continue to use our operating cash flow to build upon our leadership position by improving our core businesses and introducing new products into our direct and commercial/retail sales channels to enable our Company's long-term growth in the health and fitness industry," stated Rod Rice, Chief Financial Officer. "We will also use our cash flow to increase shareholder value through our regular quarterly dividend. Today, the Board of Directors has declared a regular quarterly dividend of \$0.10 per common share, payable September 10, 2003, to shareholders of record at the close of business on August 20, 2003."

The Nautilus Group will host a conference call on July 30, 2003 to discuss its second quarter financial results at 2:00 PM Pacific (5:00 PM Eastern). The earnings release will be broadcast live over the Internet hosted at <http://www.nautilusgroup.com/ir/events.asp> under "Investor Relations/Events Calendar" and will be archived online within one hour of the completion of the conference call. In addition, you may call 800-218-9073 if in North America. International callers will dial 303-262-2141. Participating in the call will be Brian Cook, Chairman, Gregg Hammann, Chief Executive Officer, Kevin Lamar, President of the Commercial/Retail division, and Rod Rice, Chief Financial Officer. A replay of the call will be available by calling 800-405-2236 and using the passcode 544963# if in North America. International callers will dial 303-590-3000 using passcode 544963#.

About The Nautilus Group

The Nautilus Group, Inc. is a leading marketer, developer, and manufacturer of branded health and fitness products sold under such well-known names as Nautilus, Bowflex, Schwinn, and StairMaster. The Company currently markets its Bowflex and TreadClimber home fitness equipment and Nautilus Sleep Systems through its direct-marketing channel, using an effective combination of television commercials, infomercials, response mailings, the Internet, and inbound/outbound call centers. The Company sells its Nautilus, Schwinn and StairMaster commercial fitness equipment through its sales force and selected dealers

to health clubs, government agencies, hotels, corporate fitness centers, colleges, universities, and assisted living facilities. The Nautilus Group also markets and sells a complete line of consumer fitness equipment, under its Nautilus, Schwinn, and StairMaster brands, through a network of specialty dealers, distributors, and retailers worldwide. The Company is headquartered in Vancouver, Washington. The Nautilus Group is located on the Web at www.nautilusgroup.com.

From time to time, The Nautilus Group may issue forward-looking statements relating to its products and services, including statements regarding its direct and commercial/retail segment businesses. Factors that could affect The Nautilus Group's actual results include availability of media time and fluctuating advertising rates, a decline in consumer spending due to unfavorable economic conditions, expiration of important patents, its reliance on a limited product line, its ability to effectively develop, market, and sell future products, its ability to effectively identify and negotiate any future strategic acquisitions, its ability to integrate any acquired businesses into its operations, unpredictable events and circumstances relating to international operations including its use of foreign manufacturers, government regulatory action, and general economic conditions. Please refer to our reports and filings with the Securities and Exchange Commission, including our most recent annual report on Form 10-K and quarterly reports on Form 10-Q, for a further discussion of these risks and uncertainties. We also caution you not to place undue reliance on forward-looking statements, which speak only as of the date they are made. We undertake no obligation to update publicly any forward-looking statements to reflect new information, events or circumstances after the date they were made or to reflect the occurrence of unanticipated events.

