



February 6, 2003

2002 Fourth Quarter Report

Vancouver, WA - February 6, 2003 - The Nautilus Group, Inc. (NYSE: NLS), a leading marketer, developer, and manufacturer of branded health and fitness products, today announced results for the fourth quarter and year ended December 31, 2002, and reiterated its financial and business outlook for 2003.

For the fourth quarter of 2002, the Company reported net sales of \$155.5 million, compared to \$125.3 million for the corresponding period last year. Earnings per share for the fourth quarter were \$0.69, compared to \$0.57 for the corresponding period last year. For the full fiscal year ended December 31, 2002, the Company reported net sales of \$584.6 million, up 60.7% from \$363.9 million in 2001. Earnings per share were \$2.79, a 50% increase from \$1.85 per share generated in 2001.

Commercial/retail sales represented 41% of total sales in the fourth quarter, up from 35% in fourth quarter of 2001. The continued diversification of overall Company product offerings is mainly due to the addition of Schwinn Fitness and StairMaster, which were acquired in September 2001 and February 2002 respectively.

The Company also reiterated their comfort with previously released guidance for 2003. The Company expects 2003 revenue to range from \$580 million to \$600 million with corresponding earnings per share in the \$2.50 to \$2.60 range. The Company expects operating cash flow for 2003 to be approximately \$85 million to \$95 million.

Brian Cook, Chief Executive Officer, offered his perspective on 2002 and the business outlook for 2003, "We are pleased with our fourth quarter and 2002 results. The full year was a record year for our Company both in the direct and commercial/retail segments. We continued to add to our portfolio of highly recognized brand names with the integration of Schwinn Fitness and StairMaster and introduced 16 new products through the retail sales channel and continued to develop and expand our line of commercial fitness products. Also during the year, we grew our direct marketing segment by over 34% year-over-year, in spite of a challenging advertising environment during the latter half of 2002."

Mr. Cook added, "Our business remains healthy, we have a strong balance sheet, and have consistently produced solid operating results and cash flow. Because of these consistent operating results, our Company is in a strong position to improve upon existing product lines and introduce new products into our direct and commercial/retail sales channels."

According to management, the Company is launching a revolutionary patented cardiovascular health and fitness product that will be complementary to the strength-training Bowflex. This product will be unveiled in New York, NY on March 11, 2003 and will be sold through the direct marketing channels starting in the second quarter.

Rod Rice, Chief Financial Officer, stated, "Because of our confidence in future operating results, our Board of Directors has declared a \$0.40 per share annual dividend and authorized \$50 million stock repurchase program."

Mr. Rice added, "We will continue to build on this leadership position by improving our core businesses and introducing new products to enable our Company's long-term growth in the health and fitness industry."

The Nautilus Group will host a conference call today to discuss its financial results at 2:00 PM Pacific (5:00 PM Eastern). The earnings release will be broadcast live over the Internet today. The broadcast will be 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 800-240-4186 if in North America. International callers will dial 303-262-2175. Participating in the call will be Brian Cook, Chief Executive Officer, Kevin Lamar, President and Rod Rice, Chief Financial Officer.

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 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 Bowflex, Nautilus, Schwinn Fitness, and StairMaster 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, growth management challenges including the growth resulting from the acquisition of the assets of Schwinn Fitness in September 2001 and StairMaster in February 2002, its ability to effectively identify and negotiate any future strategic acquisitions, its ability to integrate the StairMaster business and any other 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.

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