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Nautilus Group Announces Preliminary Fourth Quarter 2002 Results; Management Provides 2003 Outlook

VANCOUVER, Wash., Jan 13, 2003 (BUSINESS WIRE) --

The Nautilus Group, Inc. (NYSE: NLS), a leading marketer, developer, and manufacturer of branded health and fitness products, today provided preliminary fourth quarter 2002 results and a financial and business outlook for 2003.

Based on preliminary information for the fourth quarter of 2002, the Company announced that it expects to report net sales in the range of \$150 to \$155 million, compared to \$125 million for the corresponding period last year. Earnings per share for the fourth quarter are expected to range from \$0.66 to \$0.69, compared to \$0.57 for the corresponding period last year. For the full fiscal year ended December 31, 2002, the Company expects to report net sales in the range of \$579 to \$584 million, compared to \$364 million in 2001 and earnings are expected to be in the range of \$2.76 to \$2.79 per share, compared to \$1.85 per share in 2001.

These estimates are preliminary and are subject to the final closing of our books for the fourth quarter of 2002. The Nautilus Group will report actual fourth quarter results on February 6, 2003, at which time additional commentary will be provided.

The Company also announced that it expects 2003 revenue to range from \$580 million to \$600 million with corresponding earnings per share range of \$2.50 to \$2.60. The Company expects operating cash flow for 2003 will be approximately \$85 million to \$95 million.

In terms of earnings on a quarterly basis for 2003, the Company expects the first quarter of 2003 will represent approximately 25% to 27% of yearly earnings, the second quarter will represent approximately 20% to 22% of earnings, the third quarter will represent approximately 23% to 25% of earnings and the fourth quarter is projected to represent approximately 28% to 30% of earnings for 2003.

Brian Cook, Chief Executive Officer, offered his perspective on the Company's fourth quarter performance and business outlook for 2003, "We are pleased with our preliminary fourth quarter results and look forward to 2003. While 2003 earnings guidance is slightly lower than 2002, our business remains healthy, we have a strong balance sheet, and have consistently produced solid operating results and cash flow. Finally, we are excited to announce that we plan to introduce a new product through our direct marketing channel during the second quarter of 2003."

The Nautilus Group announced that a conference call to review this press release will be broadcast live over the Internet today, Monday, January 13, 2003 at 5:30 pm Eastern Time. 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. 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. (formerly Direct Focus, 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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