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The Nautilus Group's Schwinn Brand to Be Tested in Sears Stores; Schwinn Products Planned for 30 Sears Stores Beginning in July

VANCOUVER, Wash., Jul 1, 2004 (BUSINESS WIRE) -- The Nautilus Group, Inc. (NYSE:NLS), a leading marketer, developer, and manufacturer of branded health and fitness products, announced today that it is teaming up with Sears, Roebuck and Co. (NYSE:S) to begin a test of its Schwinn Fitness brand of cardiovascular equipment at select Sears locations nationwide.

Under the agreement, Nautilus will test market certain of its Schwinn fitness exercise bikes in 30 full-line Sears' stores beginning in the third quarter of 2004. The test will consist of the Schwinn Fitness upright exercise bike and recumbent exercise bike, both of which include Schwinn's quality features.

Tim Hawkins, Chief Customer Officer of Nautilus commented, "The strength of Schwinn Fitness branded products combined with Sears' commitment to providing the most trusted and preferred brands creates an ideal relationship. Ultimately, the Sears consumer will be rewarded with quality fitness products from a great retailer."

"We are very excited to be working with a global retail leader of the stature of Sears," said Gregg Hammann, Chairman and Chief Executive Officer of Nautilus. "Earlier in the year, we stated that one of our key strategic initiatives based on our extensive consumer marketing research was to expand our product placement in the retail market through execution of a differentiated brand and product approach. This differentiated approach creates a winning strategy for all of our retail partners."

"As the nation's number one retailer of fitness equipment," said Jeff Rothe, Vice President/General Merchandise manager for Sears, Roebuck and Co., "we're committed to bringing the latest in fitness innovation to our stores. We also pride ourselves on offering a wide selection of popular brands to our customers. Currently, we sell the top three brands in fitness and this test will determine the position the Schwinn brand has with our customers."

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, Bowflex, StairMaster and Trimline brands, through a network of specialty dealers, distributors, and retailers worldwide. The Company is headquartered in Vancouver, Wash. The Nautilus Group is located on the Web at www.nautilusgroup.com.

This press release includes forward-looking statements. Factors that could cause The Nautilus Group's actual results to differ materially from these forward-looking statements include availability of media time and fluctuating advertising rates, a decline in consumer spending due to unfavorable economic conditions, expiration of important patents, its ability to effectively develop, market, and sell future products, its ability to effectively identify and negotiate any future strategic acquisitions, its ability to protect its intellectual property, 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.

SOURCE: The Nautilus Group, Inc.

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