

Nautilus, Inc.

Reconciliation of Non-GAAP Financial Measure

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

Management considers EBITDA, a non-GAAP financial measure, to be useful for investors in evaluating our operating performance. We calculate EBITDA by adding income from continuing operations, plus (i) interest expense net of interest income, (ii) income taxes and (iii) depreciation and amortization. A reconciliation of EBITDA to income from continuing operations is as follows (in millions).

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Q1 2013⁽²⁾</u>
Income (loss) from continuing operations⁽¹⁾	\$ (9.8)	\$ 2.5	\$ 10.6	\$ 13.5
Interest expense (income), net	0.1	0.4	(0.1)	0.0
Income taxes of continuing operations	0.6	0.7	(0.2)	(0.1)
Depreciation and amortization	6.6	3.8	3.3	3.3
EBITDA from continuing operations	\$ (2.5)	\$ 7.4	\$ 13.7	\$ 16.7

⁽¹⁾ Management does not include the results of discontinued operations in its calculation of EBITDA and, therefore, EBITDA was not reconciled to net income including discontinued operations.

⁽²⁾ Reflects a four quarter rolling summation.