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## **Nautilus Announces Workforce Reductions to Lower Expenses**

VANCOUVER, Wash., Sep 12, 2003 (BUSINESS WIRE) --

The Nautilus Group, Inc. (NYSE: NLS), a leading marketer, developer, and manufacturer of branded health and fitness products, announced today a reduction in its workforce to lower expenses in response to the current business environment.

For the third quarter of 2003, the company expects to record a restructuring charge of approximately \$200,000. When fully implemented, this workforce reduction is expected to produce approximately \$4 million in annual pre-tax cost savings, which equates to approximately 8% of current labor costs. This savings is being achieved through attrition, headcount reduction of employees, and the elimination of contract workers.

Gregg Hammann, President and Chief Executive Officer stated: "While the company enjoys a very strong financial position, we continually review the performance of our business segments, facilities and products. We believe today's action is a necessary response to the current business environment and will enhance long-term value for our shareholders."

Mr. Hammann continued, "While we currently face a challenging business environment, we are clearly focused on our long-term corporate growth opportunities. We believe our recent initiatives combined with our portfolio of leading health and fitness brands, strong balance sheet, and superior customer service will continue to position our company as a leader in health and fitness products for years to come."

### **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, StairMaster and Trimline 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](http://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.

### **SOURCE: The Nautilus Group**

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