
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant To Section 13 or 15(d) of
the Securities Exchange Act of 1934**

Date of Report: April 18, 2008
(Date of earliest event reported)

NAUTILUS, INC.

(Exact name of registrant as specified in its charter)

Washington
(State or other jurisdiction of
incorporation)

001-31321
(Commission
File Number)

94-3002667
(I.R.S. Employer
Identification No.)

**16400 SE Nautilus Drive
Vancouver, Washington 98683**
(Address of principal executive offices and zip code)

(360) 859-2900
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12(b) under the Exchange Act (17 CFR 240.14a-12(b))
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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NAUTILUS, INC.
FORM 8-K

Item 2.01 Completion of Acquisition or Disposition of Assets

On April 18, 2008, Nautilus, Inc., a Washington corporation (the “Company”) completed the sale of all of the outstanding capital stock of its wholly-owned subsidiary DashAmerica, Inc. D/B/A Pearl Izumi USA, Inc., a Colorado corporation (“Pearl Izumi”), to Shimano American Corporation, a California corporation (“Shimano”). The transaction was completed pursuant to a previously announced Stock Purchase Agreement among Nautilus, Pearl Izumi and Shimano, as amended (the “Stock Purchase Agreement”). The aggregate purchase price of \$69.4 million was comprised of \$65.3 million in cash and the assumption of \$4.1 million in long-term debt, subject to adjustment for net working capital.

A copy of the Stock Purchase Agreement is attached as Exhibit 2.1 to the Company’s current report on Form 8-K filed on February 22, 2008 and is incorporated by reference herein. The Stock Purchase Agreement was amended pursuant to a First Amendment to Stock Purchase Agreement dated as of April 18, 2008 (the “Amendment”), a copy of which is attached hereto as Exhibit 2.2 and is incorporated by reference herein. The foregoing description of the Stock Purchase Agreement and the Amendment does not purport to be complete, and is qualified in its entirety by reference to the full text of the Stock Purchase Agreement and the Amendment. Exhibit 2.2 contains a descriptive list of omitted schedules to the Amendment and the Company undertakes to furnish the U.S. Securities and Exchange Commission with a copy of such omitted schedules and exhibits upon request.

On April 21, 2008 the Company issued a press release regarding completion of the transactions contemplated by the Stock Purchase Agreement. A copy of the press release is attached as Exhibit 99.1 hereto and is incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
2.2	First Amendment to Stock Purchase Agreement dated as of April 18, 2008 by and among Nautilus, Inc., Shimano American Corporation and DashAmerica, Inc. D/B/A Pearl Izumi USA, Inc. [Confidential treatment has been requested with respect to a portion of this exhibit]
99.1	Nautilus, Inc. Press Release dated April 21, 2008.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NAUTILUS, INC.
(Registrant)

April 24, 2008
(Date)

By: /s/ William D. Meadowcroft
William D. Meadowcroft, Chief Financial
Officer, Secretary and Treasurer

EXHIBIT INDEX

Exhibit No.	Description
2.2	First Amendment to Stock Purchase Agreement dated as of April 18, 2008 by and among Nautilus, Inc., Shimano American Corporation and DashAmerica, Inc. D/B/A Pearl Izumi USA, Inc. [Confidential treatment has been requested with respect to a portion of this exhibit]
99.1	Nautilus, Inc. Press Release dated April 21, 2008.

FIRST AMENDMENT TO STOCK PURCHASE AGREEMENT

This First Amendment to Stock Purchase Agreement (this “Amendment”), dated as of April 18, 2008, is by and among Nautilus, Inc., a Washington corporation (“Seller”), DashAmerica, Inc. d/b/a Pearl Izumi USA, Inc., a Colorado corporation (the “Company”), and Shimano American Corporation, a California corporation (“Buyer”), in order to amend that certain Stock Purchase Agreement, dated as of February 15, 2008 (the “Purchase Agreement”). Capitalized terms used herein but not otherwise defined shall have the meaning set forth in the Purchase Agreement.

In consideration of the mutual covenants set forth herein and in the Purchase Agreement, and intending to be legally bound, the parties do hereby amend the Purchase Agreement as follows:

1. *
2. *
3. Section 3.5(b) of the Purchase Agreement is hereby amended by deleting the following sentence in its entirety: “Effective at or prior to Closing, the Company will have transferred all of its equity interests in Pearl Izumi Europe B.V. to Seller.”
4. Section 6.2(c) of the Purchase Agreement is hereby amended by (a) adding “and” at the end of subsection (viii), (b) deleting all of subsection (ix) and (c) renumbering subsection (x) as subsection (ix).
5. The Company Disclosure Schedule is hereby amended by the addition of the Addendum set forth as Exhibit A hereto.
6. Section 2.2(b)(ii) is amended in its entirety as follows: Immediately following payment or deposit by Buyer of the amounts under (i) above, Seller shall present a signed Release executed by Bank of America in form satisfactory to the Buyer and evidencing release of the Company shares owned by Seller and of all Company assets from the Bank of America liens filed October 2007 and December 2007.
7. The definition of “Purchase Price” in Section 1.1 shall be amended by replacing the text “\$69,500,000.00 (sixty-nine million five hundred thousand US dollars)” with “\$69,416,751.00 (sixty-nine million four hundred sixteen thousand seven hundred fifty-one US dollars)”.
8. The following provision shall be added to the Purchase Agreement as Section 5.10:

Section 5.10 Domain Transfers. From and after the Closing Date, should the domain names set forth on Schedule 3.14(a)(vi) once again becomes either “active” or have any value in the future, Seller will take any and all actions to prevent any party other than

* This section has been purposely omitted and separately filed with the Commission. Confidential treatment has been requested with respect to such portion of this Amendment

Buyer or Company from obtaining those domain names, and Seller will immediately transfer, at their sole cost, those domain names to Company. Further, Seller will not use, connect, or activate any website to any of those domain names at any time now or in the future. Notwithstanding any other provision in this Agreement, this covenant will survive the Closing Date for five (5) years or until the last of those domain names expire.

9. The following provision shall be added to the Purchase Agreement as Section 2.2(e):

(e) **Cash Balance Reimbursement.** Within three (3) Business Days immediately following Closing, Buyer shall pay to Seller via wire transfer an amount equal to the sum of all cash and cash equivalents (the “**Cash Balance**”) existing in the accounts of the Company and its Subsidiaries at close of business on the Business Day immediately prior to the Closing Date, along with evidence supporting Buyer’s calculations. If Seller does not agree with such calculations, Seller shall have thirty (30) days commencing on the date Seller receives the Cash Balance payment to deliver to Buyer a written objection to any such calculation. Buyer and Seller shall use reasonable best efforts to resolve the dispute during the 30-day period commencing on the date Seller delivers such written objection. Any dispute not resolved during such period shall be submitted to the Accounting Firm for resolution consistent with the procedures set forth in Section 2.2(c) and (d).

10. Except as expressly set forth herein, the Purchase Agreement shall continue in full force and effect in accordance with its terms.

[Continued on Following Page]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year first above written.

NAUTILUS, INC.

By: /s/ William D. Meadowcroft
Signature
Print Name: William D. Meadowcroft
Title: Chief Financial Officer

SHIMANO AMERICAN CORPORATION

By: /s/ David Pfeiffer
David Pfeiffer
President

DASHAMERICA, INC.
d/b/a Pearl Izumi USA, Inc.

By: /s/ Wayne M. Bolio
Signature
Print Name: Wayne M. Bolio
Title: Chief Administrative Officer

Exhibit A
ADDENDUM
TO
COMPANY DISCLOSURE SCHEDULE*

Schedule 3.5	Capitalization; Subsidiaries
Schedule 3.6	Financial Statements
Schedule 3.7	Absence of Certain Developments
Schedule 3.9	Litigation
Schedule 3.10	Tax Matters
Schedule 3.13(g)	Employee Benefit Plans - Payment
Schedule 3.14	Intellectual Property Rights
Schedule 3.14(a)(i)	Intellectual Property Rights
Schedule 3.14(a)(vi)	Intellectual Property Rights

* The schedules listed above have been intentionally omitted and Nautilus, Inc. has undertaken to furnish the omitted schedules to the United States Securities and Exchange Commission upon request.



CONTACTS: Nautilus, Inc.

John Mills

Senior Managing Director of ICR

(310) 954-1105

**NAUTILUS, INC ANNOUNCES CLOSING OF PEARL IZUMI USA SALE TO
SHIMANO AMERICAN CORPORATION**

VANCOUVER, Wash. – (April 21, 2008) – Fitness leader Nautilus, Inc. (NYSE: NLS) is pleased to announce the closing of the sale of its subsidiary DashAmerica, Inc., d/b/a/ Pearl iZumi, to Shimano American Corporation, a division of cycling and fishing equipment provider Shimano, Inc. Consideration for the sale was \$69.4 million, comprised of \$65.3 million in cash and the assumption of \$4.1 million in long-term debt.

Proceeds from the sale of Pearl iZumi will be used to paydown current debt and fund future working capital needs.

About Nautilus, Inc.

Headquartered in Vancouver, Wash., Nautilus, Inc. (NYSE:NLS) is a global fitness products company providing innovative, quality solutions to help people achieve a healthy lifestyle. With a brand portfolio including Nautilus®, Bowflex®, Schwinn®Fitness, StairMaster®, and Universal®, Nautilus manufactures and markets innovative fitness products through direct, commercial, retail, and international channels. Formed in 1986, the company had 2007 sales of \$502 million. It has 1,450 employees and operations in Washington, Oregon, Oklahoma, Virginia, Canada, Switzerland, Germany, United Kingdom, Italy, China, Australia and other locations around the world. Website: www.nautilusinc.com.

Forward-Looking Statements

Certain statements contained herein are forward-looking statements, within the meaning of Section 21E of the Securities Exchange Act of 1934 and Section 27A of the Securities Act of 1933. We caution you not to place undue reliance on forward-looking statements, including the use of proceeds from the sale of Pearl iZumi, 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.