

## 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, (ii) income taxes and (iii) depreciation and amortization, and subtracting interest income.

A reconciliation of EBITDA (which was presented as a range with respect to our preliminary 2012 results) to income from continuing operations is as follows (in millions):

	<u>2010</u>	<u>2011</u>	<u>2012</u> <sup>(2)</sup>
<b>Income (loss) from continuing operations<sup>(1)</sup></b>	<b>\$ (9.8)</b>	<b>\$ 2.5</b>	<b>\$10.0 – \$11.0</b>
Interest expense (income), net	0.1	0.4	(0.1)
Income taxes of continuing operations	0.6	0.7	(0.2)
Depreciation and amortization	6.6	3.8	3.3
<b>EBITDA from continuing operations</b>	<b>\$ 2.5</b>	<b>\$ 7.4</b>	<b>\$13.0 – \$14.0</b>

(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) Information regarding operating results for 2012 is preliminary and unaudited.