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Nautilus Fitness Equipment Assortment to Be Showcased at G.I. Joes Retail Stores; First-Ever Business Relationship Between the Two Northwest-Based Corporate Icons

VANCOUVER, Wash., Sep 22, 2004 (BUSINESS WIRE) -- The Pacific Northwest sports and outdoor retailer G.I. Joes will partner with The Nautilus Group, Inc. (NYSE:NLS) to develop its fitness equipment department at each of G.I. Joes' 22 retail locations, both companies announced today.

The first-ever product marketing agreement between the two companies initially includes placing five stock keeping units (SKUs) of strength and cardiovascular equipment in suites within each G.I. Joes location beginning October 15, with installation completed by November 1. The equipment will include stationary bicycles, treadmills, and home gyms bearing the Schwinn(R) Fitness or Bowflex(R) brands.

"We're excited to have #1 brands in fitness equipment alongside the many other great brands customers find at G.I. Joes," said Norman Daniels, president of the privately-held 52-year-old retailer based in Wilsonville, Ore. "We're also thrilled to see two strong companies with headquarters in the Northwest working closely together for the benefit of our customers."

The agreement with G.I. Joes reflects another step in The Nautilus Group business strategy to diversify its marketing and distribution beyond its legendary cable television infomercial marketing and into retail stores, and to better leverage its portfolio of high-quality fitness equipment brands.

"G.I. Joes is an excellent regional retailer with a strong following of customers who enjoy physical activity," said Tim Hawkins, chief customer officer of The Nautilus Group. "We look forward to a long and prosperous partnership in meeting the needs of G.I. Joes and its customers."

G.I. Joes was formed in 1952 by the company's founder, successfully selling 2,000 army surplus sleeping bags. The privately held company has become a favorite Northwest retailer with the goal of providing its customers the best selection of sports, outdoor and automotive gear available at the best possible prices. The company has 22 stores with approximately \$200 million in annual sales.

The Nautilus Group

Headquartered in Vancouver, Wash., The Nautilus Group, Inc. (NYSE:NLS) helps people achieve a fit and healthy lifestyle through proper exercise, rest and nutrition. With a brand portfolio that includes Nautilus(R), Bowflex(R), Schwinn(R) Fitness, StairMaster(R) and Trimline(R), The Nautilus Group manufactures and markets a complete line of innovative health and fitness products through direct, commercial and retail channels. The company was formed in 1986 and had 2003 revenues of about \$500 million. It has nearly 1,100 employees and operations in Washington, Colorado, Oklahoma, Texas, Illinois, Virginia, Switzerland, Germany, United Kingdom, Italy and other locations around the world. More information is 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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