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## **DIRECT FOCUS, INC. SALES CLIMB 109 PERCENT; NET INCOME UP 90 PERCENT TO \$5.5 MILLION**

VANCOUVER, WASHINGTON, OCTOBER 25, 1999...Direct Focus, Inc. (Nasdaq: DFXI) reported record sales and earnings during the third quarter ended September 30, 1999. Sales for the quarter increased 109 percent to \$31.8 million from \$15.2 million in the same 1998 period.

Net Income for the quarter rose to \$5.5 million, up 90 percent from \$2.9 million a year ago. The strong quarterly results were aided by a return to profitability for the company's Nautilus operation. On a per diluted share basis, earnings for Direct Focus were \$0.51 compared to \$0.30 in last year's third quarter. The 70 percent improvement came on 11 percent more diluted shares outstanding then in the prior year.

"A highlight of the quarter was the continuing improved performance at our Nautilus business," said Brian Cook, president and chief executive officer of Direct Focus. "Sales for our Nautilus operation were \$5.4 million, a 46 percent gain over sales of \$3.7 million in the second quarter."

"We are even more pleased that Nautilus attained profitability in the third quarter, contributing \$216,000 to net income, or \$0.02 per diluted share," Cook said. "The solid turnaround at Nautilus since Direct Focus acquired its operations in January 1999 confirms our belief in the strength of this brand name."

For the nine months ended September 30, 1999, sales of \$83.1 million increased 116 percent from \$38.5 million in the same 1998 period, exceeding 1998 full year sales of \$57.3 million. Excluding a one-time litigation charge of \$2.6 million, or \$0.25 per share, net income for the year-to-date period was \$14.0 million, or \$1.35 per diluted share, compared to \$7.5 million, or \$0.77 per share, a year ago.

The company continued to strengthen its financial position during the quarter. Working capital was \$28.8 million at September 30, 1999, compared to \$15.7 million at December 31, 1998. The cash and cash equivalent position at the end of the quarter rose to \$30.0 million, 59 percent higher than at fiscal year end.

Direct Focus, Inc., a marketing company with a direct business model, currently markets three lines of products - Nautilus fitness equipment, Bowflex home fitness equipment and Nautilus sleep systems.

This press release contains forward-looking statements relating to anticipated revenues, net income, earnings and the development of the company's products and services, including statements regarding its Nautilus business. Factors that could affect the company's actual results include its reliance on a limited product line, market acceptance of its existing and future products, growth management challenges and difficulties integrating the company's Nautilus operations. A more detailed description of certain factors that could affect actual results include, but are not limited to, those discussed in the company's registration statement on Form S-1 in the section entitled "Risk Factors".