NAUTILUS Inc.

The Transformation

The Progress

The Potential

14TH ANNUAL B. RILEY & CO. INVESTOR CONFERENCE

MAY 2013

Safe Harbor Statement

This presentation includes forward-looking statements (statements which are not historical facts) within the meaning of the Private Securities Litigation Reform Act of 1995, including statements concerning the Company's prospects, resources, capabilities, current or future financial trends or operating results, demand for the Company's products, future plans for introduction of new products and the anticipated outcome of new business initiatives. Factors that could cause Nautilus, Inc.'s actual results to differ materially from these forward-looking statements include our ability to acquire inventory from sole source foreign manufacturers at acceptable costs, within timely delivery schedules and that meet our quality control standards, availability and price of media time consistent with our cost and audience profile parameters, a decline in consumer spending due to unfavorable economic conditions in one or more of our current or target markets, an adverse change in the availability of credit for our customers who finance their purchases, our ability to pass along vendor raw material price increases and increased shipping costs, our ability to effectively develop, market and sell future products, our ability to protect our intellectual property, and the introduction of competing products. Additional assumptions, risks and uncertainties are described in detail in our registration statements, reports and other filings with the Securities and Exchange Commission, including the "Risk Factors" set forth in our Annual Report on Form 10-K, as supplemented by our quarterly reports on Form 10-Q. Such filings are available on our website or at www.sec.gov. You are cautioned that such statements are not guarantees of future performance and that actual results or developments may differ materially from those set forth in the forward-looking statements. We undertake no obligation to publicly update or revise forward-looking statements to reflect subsequent events or circumstances.

Unless otherwise indicated, all information regarding our operating results pertain to continuing operations.

2012 Highlights

- Our company achieved growth and significantly improved profitability
- Capabilities were built to deliver long term profitability
- Overall margins improved and Retail margins stabilized
- Cost Improvement initiatives have become part of our culture / normal course of doing business
- Strategic growth opportunities were identified and are being pursued
- Balance sheet was strengthened with cash and remaining debt was paid off in March 2012

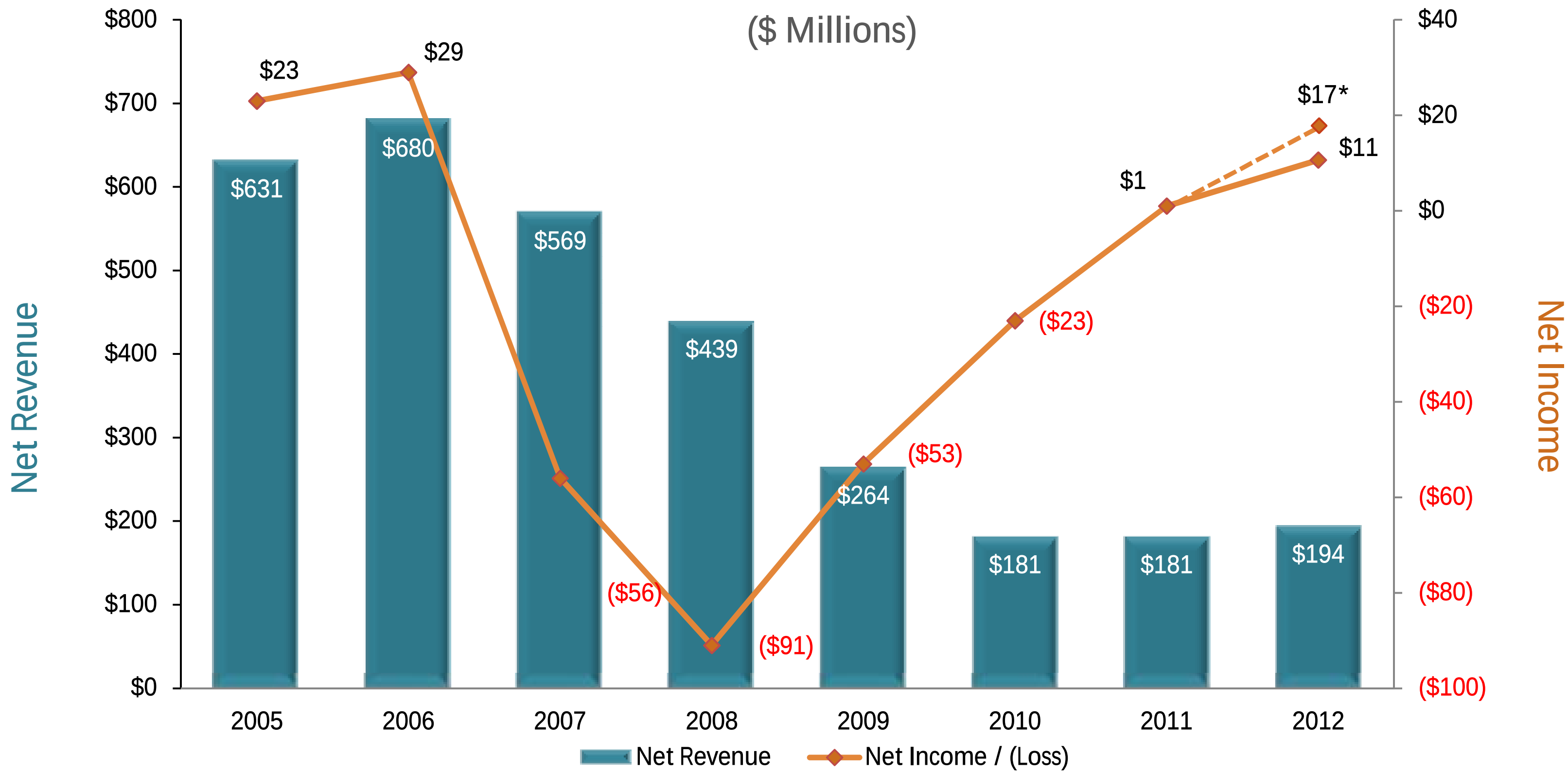
Business Transformation (2007 to Today)

Business Profile	Then ...	Now ...
Business Units:	3	1 (singular focus)
Operations:	Significant Global Ops • 20+ facilities • Owned manufacturing	Lean Structure • 1 major facility • 2 warehouses
Employee Base:	1700	330
Financial Discipline:	Sales Growth Oriented	• Focus on Sales and Profitable Growth • Leveraged and Tightly Controlled Expenses
Balance Sheet:	$7.9M Cash* $79M Debt*	$28.7M Cash* No Debt

* As of December 31, 2007

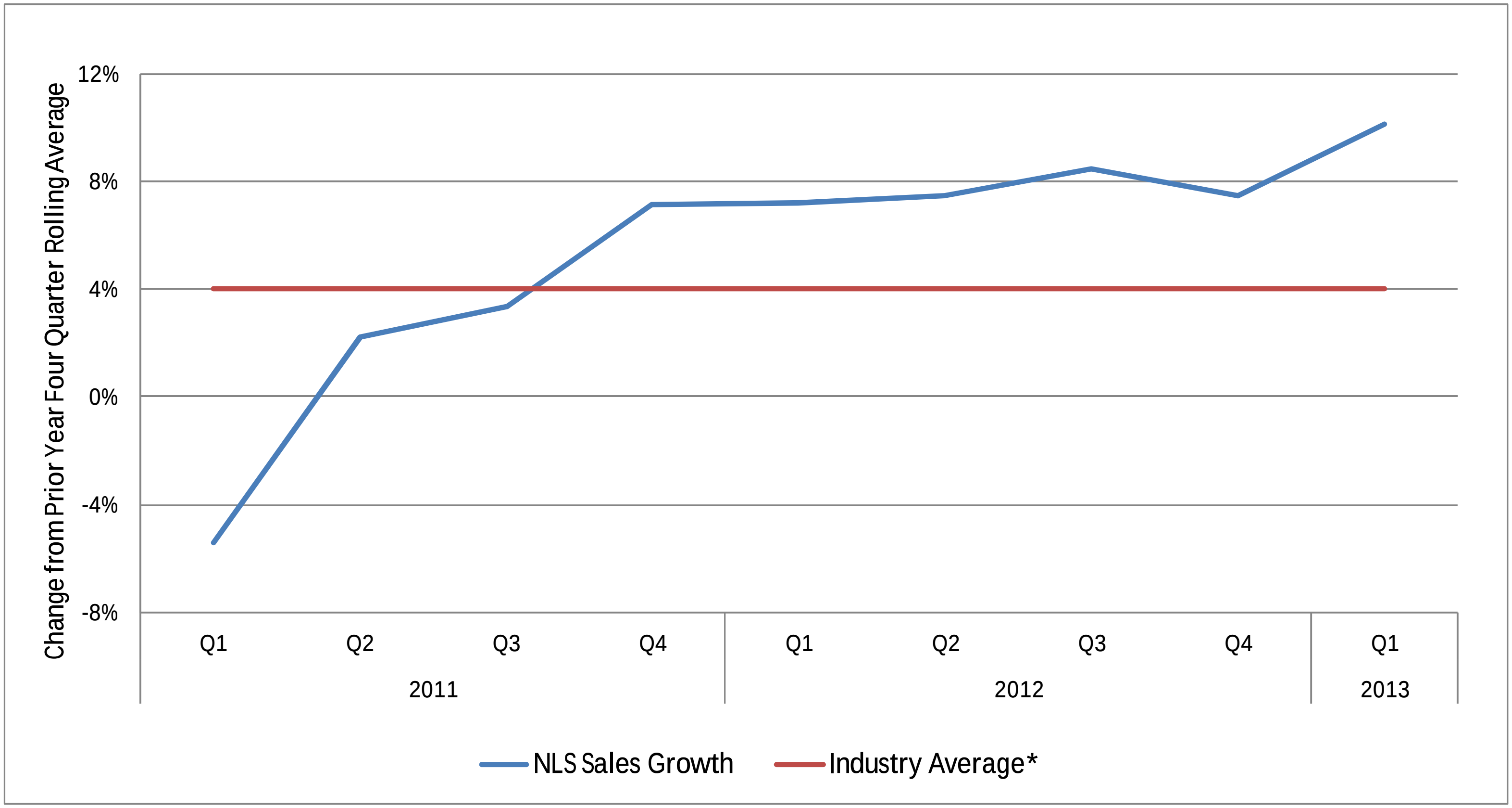
* As of March 31, 2013

Revenue and Net Income Progress



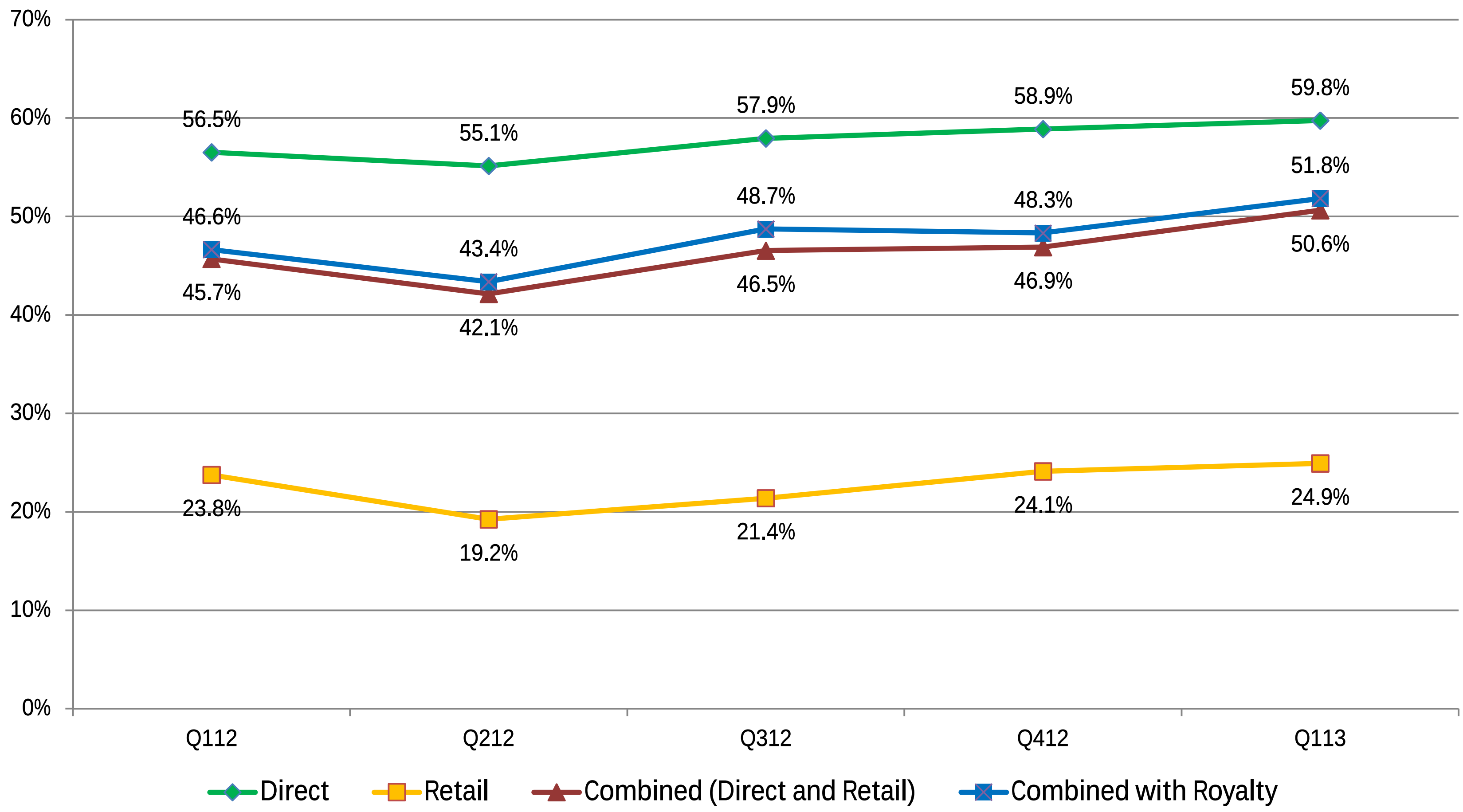
Revenue and Income from both Discontinued and Continuing Operations
** Includes one time (non-cash) cumulative translation adjustment in Discontinued Operations*

Sales Growth in Excess of Industry Rate

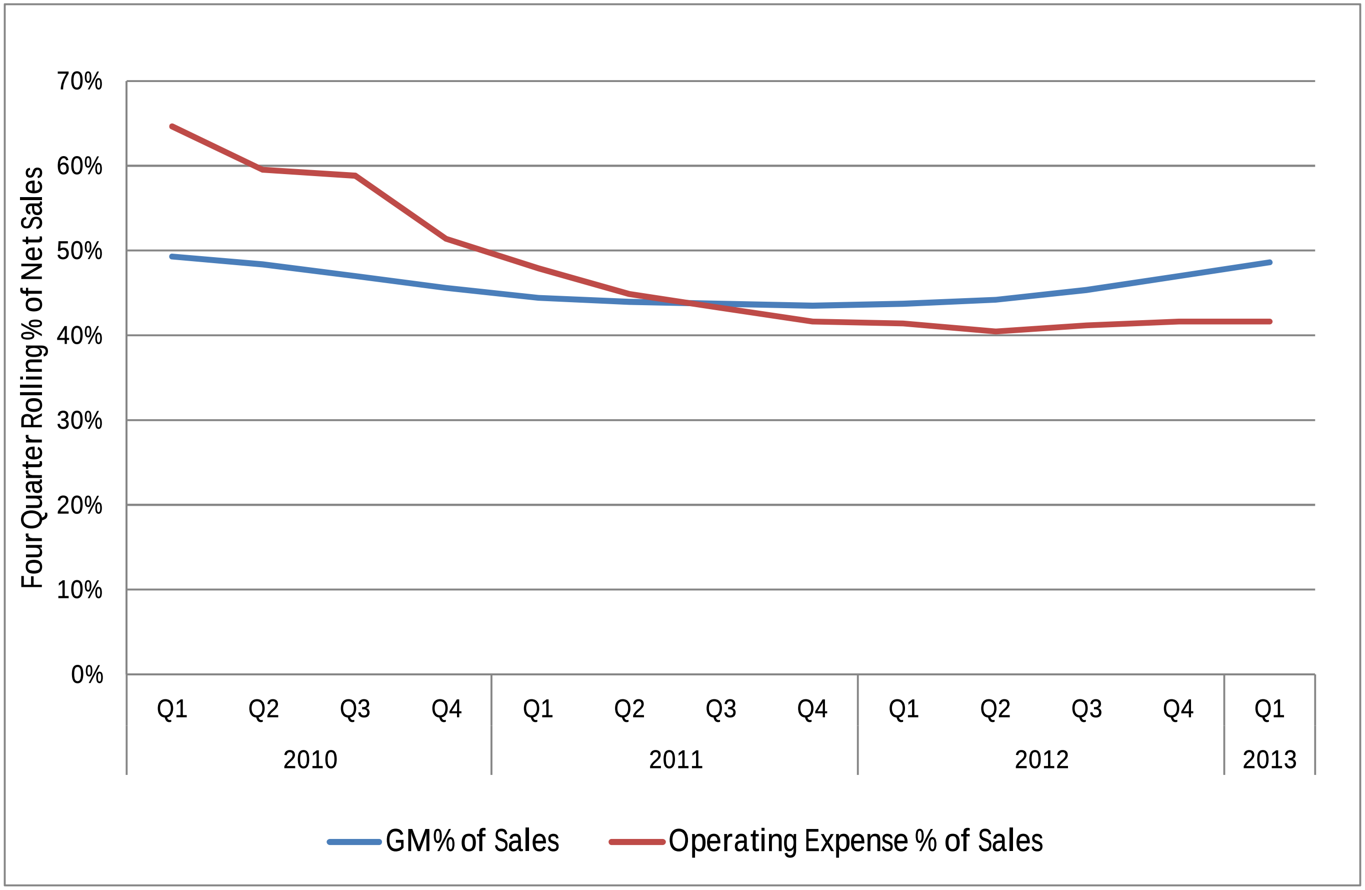


* Source: 2012 SGMA Data

Gross Margin Trend



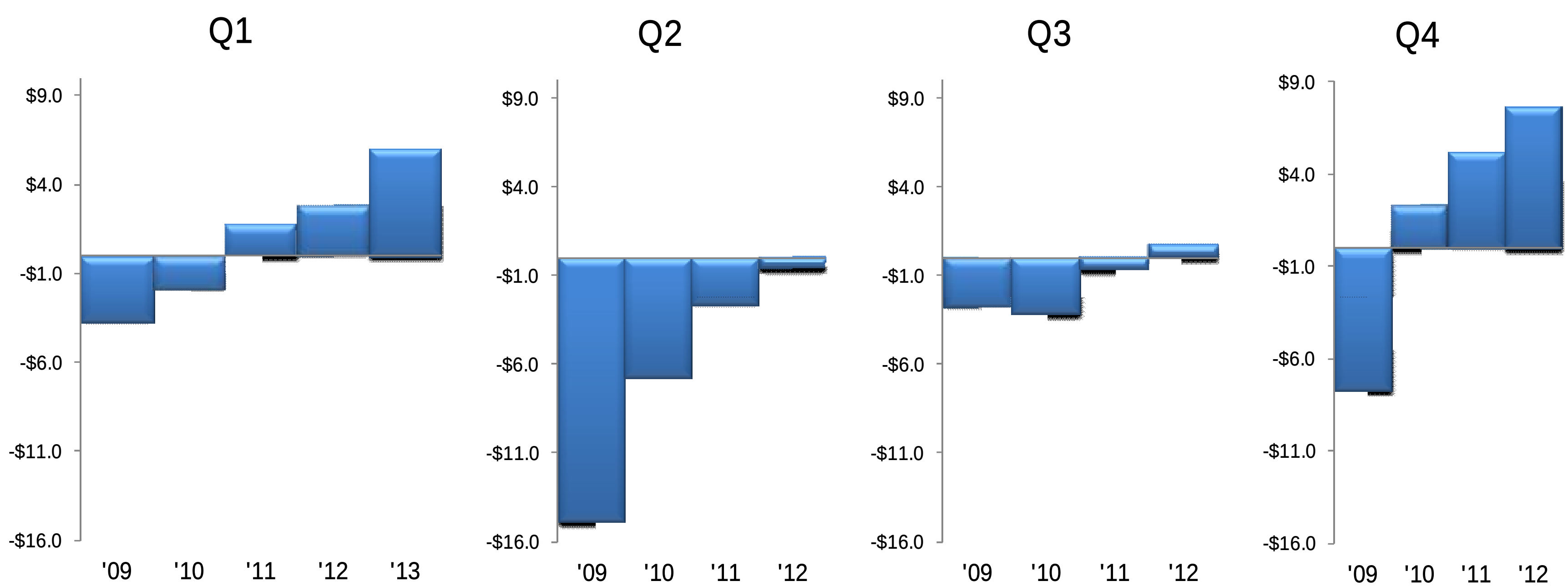
Increasing Gross Margin and Declining Expense Ratio



⇒ Generates Operating Margin Improvement; At 5.5% in 2012

Operating Income From Continuing Operations

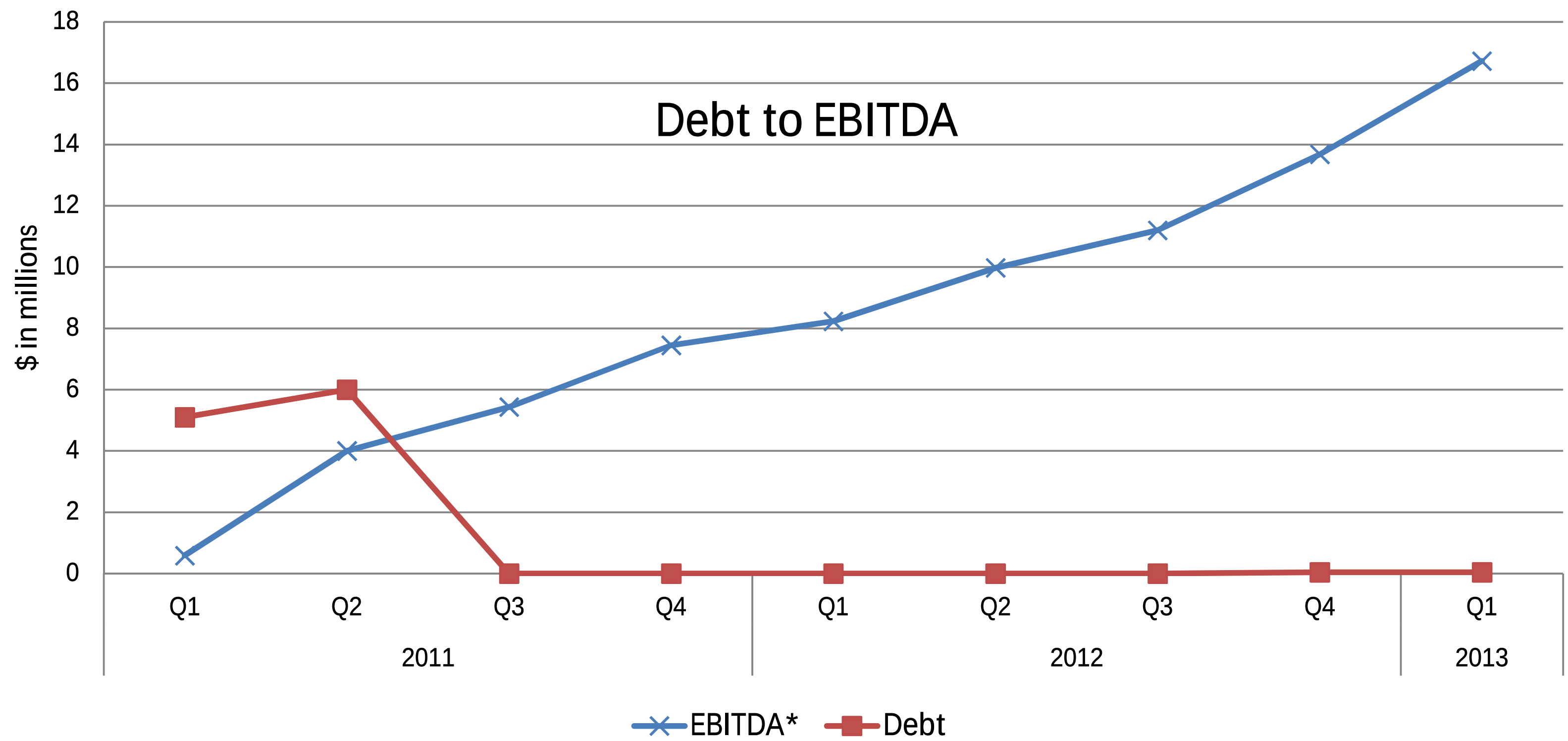
Millions (USD)



Trajectory of quarterly improvements is positive

Consistent Profit Improvement & Strong Balance Sheet

- Direct model allows for growth with little additional working capital
- Tight controls on operating expense and working capital provide significant leverage



* *Non-GAAP Information, see Nautilus' website under "Investor Relations" for a reconciliation to GAAP*
* *EBITDA is rolling four quarter total, Continuing Operations*

Leading Brands Poised for Growth

Strong Brand Equity	Market Leader Position: Awareness Quality Reputation Customer service
Clearly Differentiated	Bowflex: Innovative, quick and proven results Nautilus: Authentic, serious fitness Schwinn: Quality cardio, good value Universal: American heritage, strength
Growth Opportunity	Expansion: Alternative Fitness New Price Points New Licensing Opportunities International Markets

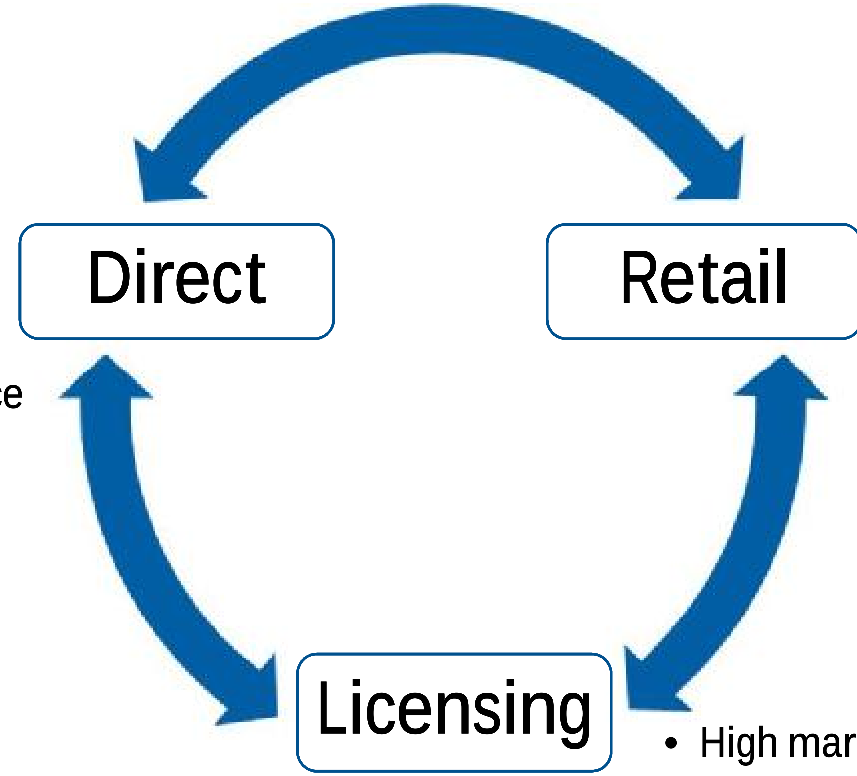
Note: Based on National Consumer Research Study Completed in 2011

Increased Focus on New Product Development

- R&D spend and resources were stepped up in 2011 and 2012
- Expansion into new price points and alternative fitness in 2012
  - CoreBody Reformer, UpperCut
- Extensive complementary network of outside idea resources is yielding positive results
- Rigorous new product development process ensures market traction and drives improved margins

Sales growth, margin improvement, and product reviews prove that the strategy is working

Unique Multi-Channel Business Model



- Big market; low share
- International opportunities
- Leverage Direct Marketing capabilities

- Growth into new categories and price points
- Product cascading extends life cycles

- High margins
- New category opportunities
- Helps build brands
- Leverage IP assets

Synergies provide additional levers for growth

Strategic Goal - Run Rates Generating EPS Growth

Revenue Growth: Sustaining 9 – 10% / Year
Gross Margin Improvement: 2 – 3 Points Higher
Operating Expense Leverage: 1 – 3 Points Better

Operating Income @ 7 – 10%
(increasing at double digit pace)
+
Cash Generation

Strong EPS Growth / Year

2013 Focus Areas – "the big 3" (same as 2012)

1) Continue emphasis on new product development
   - Expanding our product portfolio
   - Integration of consumer insights to improve product success

2) Improve our product margins

3) Tightly manage our operating costs and create leverage as we grow revenues

Continue to deliver short term improvements while building strong foundation for future profitable growth

Why Consider Nautilus

Our company is achieving growth and significantly improved profitability

Capabilities built to deliver long term profitability
- New product development
- Supply Chain efficiencies

Cost improvement initiatives have become part of our culture / normal course of doing business

Strategic growth opportunities identified and are being pursued
- New price points and new categories
- Branding / Licensing
- International opportunities

Strong asset position is leverageable
- Balance sheet
- Talented employees
- Unique and complimentary business segments
- Strengths not easily replicated

The Transformation
is complete

The Progress
is evident

The Potential
is significant

The Focus Areas are clear and
the Plan is achievable

BOWFLEX
UPPER CUT

Thank You

®