

**Nautilus, Inc.**  
**Non-GAAP Measure - Reconciliation to Nearest GAAP Measure**  
**For the third quarters ended September 30, 2009 and 2008**  
**(US dollars in millions)**

	<u>Q3 2009</u>	<u>Q3 2008</u>
<b>Net loss</b>	<b>\$ (24.4)</b>	<b>\$ (34.1)</b>
Interest expense	----	0.2
Income tax expense (benefit)	(0.4)	16.2
Depreciation and amortization	2.4	2.8
Loss from discontinued operations, net of tax	22.9	11.9
<b>EBITDA from continuing operations (1)</b>	<b><u>0.5</u></b>	<b><u>(3.0)</u></b>
Non-cash asset impairment charge	2.1	----
Warranty expense adjustment	(1.4)	----
<b>Adjusted EBITDA from continuing operations (2)</b>	<b><u><u>\$ 1.2</u></u></b>	<b><u><u>\$ (3.0)</u></u></b>

- (1) Management believes that "EBITDA from continuing operations" is useful for evaluating our financial results because it represents the amount of gain or loss associated with continuing operations and excludes certain expenses related to bank borrowings, income taxes and long-lived assets.
- (2) Management believes that "adjusted EBITDA from continuing operations" is useful for evaluating our financial results because it represents the amount of gain or loss associated with continuing operations and excludes certain expenses related to bank borrowings, income taxes, long-lived assets and unusual items.