

NAUTILUS, INC.
Form SC 13D/A
January 02, 2008

As filed with the Securities and Exchange Commission on January 2, 2008

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 9)

Nautilus, Inc.
(Name of Issuer)

Common Stock, No Par Value
(Title of Class of Securities)

63910B102
(CUSIP Number)

Michael L. Zuppone, Esq.
Paul, Hastings, Janofsky & Walker LLP
75 East 55th Street
New York, New York 10022
(212) 318-6906
(Name, Address and Telephone Number of Person Authorized
to Receive Notices and Communications)

December 27, 2007
(Date of Event which Requires
Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box []

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 63910B102

Page 2 of 16 Pages

- 1 NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
Sherborne Investors LP
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
(b)
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS
OO
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO o
ITEMS 2(d) or 2(e)
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware
- | | | | |
|--------------------------|----|--|--------------------------|
| NUMBER OF SHARES | 7 | | SOLE VOTING POWER |
| | | | 0 |
| BENEFICIALLY OWNED BY | 8 | | SHARED VOTING POWER |
| EACH | | | 7,885,626 |
| REPORTING PERSON | 9 | | SOLE DISPOSITIVE POWER |
| WITH | | | 0 |
| | 10 | | SHARED DISPOSITIVE POWER |
| | | | 7,885,626 |
- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
7,885,626
- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN o
SHARES
- 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
25.0 %
- 14 TYPE OF REPORTING PERSON
PN
-

- 1 NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
Sherborne Investors GP, LLC
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
(b)
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS
00
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware
- | | | | |
|-----------------------------------------------------------------|----|--------------------------|--|
| NUMBER OF SHARES | 7 | SOLE VOTING POWER | |
| BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 8 | SHARED VOTING POWER | |
| | 9 | SOLE DISPOSITIVE POWER | |
| | 10 | SHARED DISPOSITIVE POWER | |
- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
7,885,626
- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
- 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
25.0 %
- 14 TYPE OF REPORTING PERSON
00
-

- 1 NAME OF REPORTING PERSON
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
 Sherborne Investors Management LP
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
(b)
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS
 OO
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO o
 ITEMS 2(d) or 2(e)
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION
 Delaware
- | | | |
|----------------------------------------------------------------------------------------|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7 8 9 10 | SOLE VOTING POWER 0 SHARED VOTING POWER 7,885,626 SOLE DISPOSITIVE POWER 0 SHARED DISPOSITIVE POWER 7,885,626 |
|----------------------------------------------------------------------------------------|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 7,885,626
- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN o
 SHARES
- 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
 25.0 %
- 14 TYPE OF REPORTING PERSON
 PN
-

- 1 NAME OF REPORTING PERSON
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
 Sherborne Investors Management GP, LLC
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
 (b)
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS
 OO
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION
 Delaware
- | | | | |
|-----------------------------------------------------------------|----|--------------------------|--|
| NUMBER OF SHARES | 7 | SOLE VOTING POWER | |
| BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 8 | SHARED VOTING POWER | |
| | 9 | SOLE DISPOSITIVE POWER | |
| | 10 | SHARED DISPOSITIVE POWER | |
- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 7,885,626
- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
- 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
 25.0 %
- 14 TYPE OF REPORTING PERSON
 OO
-

CUSIP No. 63910B102

Page 6 of 16 Pages

- 1 NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
Sherborne Strategic Fund A, LLC
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
(b)
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS
OO
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware
- | | | |
|-----------------------------------------------------------------|----|---------------------------------------|
| NUMBER OF SHARES | 7 | SOLE VOTING POWER 673,984.454 |
| BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 8 | SHARED VOTING POWER 0 |
| | 9 | SOLE DISPOSITIVE POWER 673,984.454 |
| | 10 | SHARED DISPOSITIVE POWER 0 |
- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
673,984.454
- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
- 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
2.1%
- 14 TYPE OF REPORTING PERSON
OO
-

- 1 NAME OF REPORTING PERSON
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
 Sherborne Strategic Fund B, LLC
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
 (b)
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS
 OO
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION
 Delaware
- | | | | |
|-----------------------------------------------------------------|----|--------------------------|--|
| NUMBER OF SHARES | 7 | SOLE VOTING POWER | |
| | | 1,010,976.681 | |
| BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 8 | SHARED VOTING POWER | |
| | | 0 | |
| | 9 | SOLE DISPOSITIVE POWER | |
| | | 1,010,976.681 | |
| | 10 | SHARED DISPOSITIVE POWER | |
| | | 0 | |
- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 1,010,976.681
- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
- 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
 3.2%
- 14 TYPE OF REPORTING PERSON
 OO
-

- 1 NAME OF REPORTING PERSON
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
 Nottingham Investors LLC
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
 (b)
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS
 OO
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION
 Delaware
- | | | |
|----------------------------------------------------------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7 8 9 10 | SOLE VOTING POWER 6,200,664.862 SHARED VOTING POWER 0 SOLE DISPOSITIVE POWER 6,200,664.862 SHARED DISPOSITIVE POWER 0 |
|----------------------------------------------------------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 6,200,664.862
- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
- 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
 19.6%
- 14 TYPE OF REPORTING PERSON
 OO
-

- 1 NAME OF REPORTING PERSON
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
 Edward J. Bramson
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
 (b)
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS
 OO
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION
 United Kingdom
- | | | | |
|-----------------------------------------------------------------|----|--------------------------|--|
| NUMBER OF SHARES | 7 | SOLE VOTING POWER | |
| | | 7,885,626 | |
| BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 8 | SHARED VOTING POWER | |
| | | 0 | |
| | 9 | SOLE DISPOSITIVE POWER | |
| | | 7,885,626 | |
| | 10 | SHARED DISPOSITIVE POWER | |
| | | 0 | |
- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 7,885,626
- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
- 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
 25.0%
- 14 TYPE OF REPORTING PERSON
 IN
-

Explanatory Note: This Amendment No. 9 (this “Amendment”) to Schedule 13D is filed by the Reporting Persons (as defined below in this Explanatory Note) pursuant to Rule 13d-2(a) under the Securities Exchange Act of 1934, as amended. This Amendment amends and supplements the Schedule 13D filed with the U.S. Securities and Exchange Commission (the “Commission”) on July 26, 2007 (the “Initial 13D”) as amended and supplemented by Amendment 1 to the Initial 13D filed with the Commission on July 31, 2007, Amendment 2 to the Initial 13D filed with the Commission on August 24, 2007, Amendment 3 to the Initial 13D filed with the Commission on September 4, 2007, Amendment 4 to the Initial 13D filed with the Commission on September 14, 2007, Amendment 5 to the Initial 13D filed with the Commission on September 21, 2007, Amendment 6 to the Initial 13D filed with the Commission on October 9, 2007, Amendment 7 to the Initial 13D filed with the Commission on October 17, 2007 and Amendment 8 to the Initial 13D filed with the Commission on October 19, 2007 and relates to the common stock, no par value (“Shares”) of Nautilus, Inc., a Washington corporation (the “Issuer”).

The Reporting Persons are:

- (i) Sherborne Investors LP, a Delaware limited partnership and managing member of each of the Funds (as defined below) (“Managing Member” or “Sherborne Investors”);
- (ii) Sherborne Investors GP, LLC, a Delaware limited liability company and general partner of the Managing Member (“Sherborne Investors GP”);
- (iii) Sherborne Investors Management LP, a Delaware limited partnership and investment manager to the Funds (“Sherborne Management”);
- (iv) Sherborne Investors Management GP, LLC, a Delaware limited liability company and general partner of Sherborne Management (“Sherborne Management GP”);
- (v) Sherborne Strategic Fund A, LLC, a Delaware limited liability company (“Strategic Fund A”);
- (vi) Sherborne Strategic Fund B, LLC, a Delaware limited liability company (“Strategic Fund B”);
- (vii) Nottingham Investors LLC, a Delaware limited liability company (“Nottingham” and, together with Strategic Fund A and Strategic Fund B, the “Funds”); and
- (viii) Edward J. Bramson (“Bramson”), a citizen of the United Kingdom and the managing member of Sherborne Investors GP and Sherborne Management GP.

The Covered Persons, for whom information is required to be provided pursuant to Instruction C to Schedule 13D, are Bramson, Mr. Craig L. McKibben and Mr. Gerard L. Eastman (collectively, the “Covered Persons”). Messrs. McKibben and Eastman are managing directors of Sherborne Investors GP and Sherborne Management GP.

Item 4. Purpose of Transaction

The Reporting Persons supplement Item 4 with the following information:

On December 18, 2007, the Issuer held a special meeting of its shareholders (the "Special Meeting") for the purpose of voting upon the proposals to:

- elect four nominees proposed by the Reporting Persons (namely Edward Bramson and Gerard L. Eastman, as representatives of the Reporting Persons, and Michael A. Stein and Richard A. Horn, as independent directors);
- remove four incumbent directors from the Issuer's board of directors (namely, Peter A. Allen, Evelyn Follit, Donald W. Keeble, and Diane L. Neal);
- amend Section 2.4 of Article II of the Issuer's Amended and Restated Bylaws (the "Bylaws") to provide that any vacancies on the Issuer's board of directors (the "Board") resulting from the removal of directors by the shareholders of the Issuer may not be filled by the Board and shall only be filled by the shareholders of the Issuer; and
- amend Section 2.2 of Article II of the Bylaws to fix the number of directors serving on the Board at seven; provided, however, that such number may be decreased (but not increased) pursuant to resolution of the Board.

On December 27, 2007, IVS Associates, the inspector of elections for the Special Meeting, certified the voting results of the Special Meeting as follows (percentages and total voted information provided by the Reporting Persons):

Proposal to Elect Four of the Reporting Persons' Nominees to the Board of Directors

| | Voted For | | Withheld | |
|-----------------------------|---------------------|-----------------------------------|---------------------|-----------------------------------|
| | Number Of Shares | Percent of Votes Present(1) | Number Of Shares | Percent of Votes Present(1) |
| Reporting Persons' Nominees | | | | |
| Edward J. Bramson | 13,205,920 | 60.7% | 2,262,475 | 10.4% |
| Gerard L. Eastman | 13,386,782 | 61.5% | 2,081,613 | 9.6% |
| Michael A. Stein | 15,343,419 | 70.5% | 124,976 | 0.6% |
| Richard A. Horn | 11,392,378 | 52.4% | 4,076,017 | 18.7% |
| Issuer's Nominees | | | | |
| Peter A. Allen | 5,136,939 | 23.6% | 823,804 | 3.8% |
| Evelyn V. Follit | 5,138,667 | 23.6% | 822,076 | 3.8% |
| Donald W. Keeble | 5,086,813 | 23.4% | 873,930 | 4.0% |
| Diane L. Neal | 5,145,452 | 23.6% | 815,291 | 3.7% |

(1) Based on 21,760,919 votes cast or abstained with respect to the proposal to fix the number of directors at seven as reported by the inspector of elections.

Proposal to Remove Four Incumbent Directors

| Incumbent Director | Voted For Removal | | Voted Against Removal | | Abstained | |
|--------------------|-------------------|----------------------------|-----------------------|----------------------------|-----------|-------------|
| | Number | Percentage of Voted Shares | Number | Percentage of Voted Shares | Number | Total Voted |
| Peter A. Allen | 16,186,038 | 75.8% | 5,180,340 | 24.2% | 62,759 | 21,366,378 |
| Evelyn V. Follit | 12,197,569 | 57.1% | 9,166,493 | 42.9% | 65,077 | 21,364,062 |
| Donald W. Keeble | 16,242,449 | 76.0% | 5,124,513 | 24.0% | 62,177 | 21,366,962 |
| Diane L. Neal | 12,173,076 | 57.0% | 9,190,066 | 43.0% | 65,996 | 21,363,142 |

Proposal to Amend Section 2.4 of the Issuer's Bylaws to Provide that Board Vacancies Resulting from Removal of Directors by Shareholders May Only be Filled by Shareholders

| Voted For | | Voted Against | | Abstained | |
|------------|----------------------------|---------------|----------------------------|-----------|-------------|
| Number | Percentage of Voted Shares | Number | Percentage of Voted Shares | Number | Total Voted |
| 14,110,726 | 66.0% | 7,268,290 | 34.0% | 50,119 | 21,379,016 |

Proposal to Amend Section 2.2 of the Issuer's Bylaws to Fix the Number of Directors at Seven

| Voted For | | Voted Against | | Abstained | |
|------------|----------------------------|---------------|----------------------------|-----------|-------------|
| Number | Percentage of Voted Shares | Number | Percentage of Voted Shares | Number | Total Voted |
| 16,220,656 | 75.2% | 5,336,081 | 24.8% | 204,182 | 21,556,737 |

Based on the number of votes cast or abstained with respect to the proposal to fix the number of directors at seven as reported by the inspector of elections, there were 21,760,919 votes present at the special meeting.

Accordingly, effective as of December 27, 2007, the Board is composed of new members Edward J. Bramson, Gerard L. Eastman, Michael A. Stein and Richard A. Horn and incumbent directors Robert Falcone, Robert Badie and Marvin Siegert. In addition, at the Board meeting held on December 31, 2007, Mr. Bramson replaced Bob Falcone as the Issuer's Chairman, with Mr. Falcone remaining as the Issuer's Chief Executive Officer.

A copy of the Issuer's press release announcing the results of the Special Meeting is attached hereto as Exhibit 5 and is incorporated herein by reference.

Item 5. Interest in Securities of the Issuer.

Items 5 (a) and (b) have been amended and restated in their entirety as follows:

The following describes the direct and indirect interests of the Reporting Persons in the Shares:

- Strategic Fund A is the direct beneficial owner of and has the sole power to vote and dispose of 673,984.454 Shares;(1)
- Strategic Fund B is the direct beneficial owner of and has the sole power to vote and dispose of 1,010,976.681 Shares;(1)
- Nottingham is the direct beneficial owner of and has the sole power to vote and dispose of 6,200,664.862 Shares;(1)
- The Managing Member, as the managing member of the Funds, is the indirect beneficial owner of and has shared indirect power to vote or dispose of 7,885,626 Shares;
- Sherborne Investors GP, as the general partner of the Managing Member, is the indirect beneficial owner of and has the shared indirect power to vote or dispose of 7,885,626 Shares;
- Sherborne Management, as the investment manager to the Funds, is the indirect beneficial owner of and has the shared indirect power to vote or dispose of 7,885,626 Shares;
- Sherborne Management GP, as the general partner of Sherborne Management, is the indirect beneficial owner of and has the shared indirect power to vote or dispose of 7,885,626 Shares; and
- Edward Bramson, as the managing member of each of Sherborne Investors GP and Sherborne Management GP, is the indirect beneficial owner of and has the sole indirect power to vote or dispose of 7,885,626 Shares.

(1) The Shares beneficially owned by the Funds add up to slightly less than 7,885,626 due to rounding.

The information set forth in Rows 7 through 13 of the cover page hereto for each of the Reporting Persons is incorporated herein by reference. The percentage amount set forth in Row 13 for all cover pages filed herewith is calculated based upon the 31,557,136 Shares issued and outstanding as reported by the Issuer in its Form 10-Q for the Quarterly Period ended September 30, 2007.

The Covered Persons do not beneficially own any Shares.

Item 7. Material to be Filed as Exhibits

Item 7 is hereby amended and restated in its entirety as follows:

Exhibit No. Description

- 1 Joint Filing Agreement, dated July 25, 2007.(1)
- 2 Demand for Special Meeting of Shareholders, dated September 20, 2007, pursuant to Section 23B.07.020 of the Washington Business Corporation Act and Section 1.2 of the Bylaws of Nautilus, Inc.(2)
- 3 Letter, dated September 20, 2007, from Edward Bramson to Donald Keeble, director of the Issuer and Chairman of the Issuer's Nominating Committee.(2)
- 4 Demand for Shareholder List, dated October 5, 2007, pursuant to Section 23B.16.020 of the Washington Business Corporation Act.(3)
- 5 Press Release dated December 31, 2007.

(1) Previously filed with the Initial 13D on July 25, 2007.

(2) Previously filed with Amendment No. 5 to the Initial 13D on September 21, 2007.

(3) Previously filed with Amendment No. 6 to the Initial 13D on October 9, 2007.

SIGNATURE

After reasonable inquiry and to the best of its knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: January 2, 2007

SHERBORNE INVESTORS LP

By: SHERBORNE INVESTORS GP, LLC, its
general partner

By: /s/ Craig L. McKibben
Name: Craig L. McKibben
Title: Managing Director

SHERBORNE INVESTORS GP, LLC

By: /s/ Craig L. McKibben
Craig L.
Name: McKibben
Managing
Title: Director

SHERBORNE INVESTORS MANAGEMENT LP

By: SHERBORNE INVESTORS MANAGEMENT
GP, LLC, its general partner

By: /s/ Craig L. McKibben
Name: Craig L. McKibben
Title: Managing Director

SHERBORNE INVESTORS MANAGEMENT
GP, LLC

By: /s/ Craig L. McKibben
Craig L.
Name: McKibben
Managing
Title: Director

SHERBORNE STRATEGIC FUND A, LLC

By: SHERBORNE INVESTORS LP, its managing member

By: SHERBORNE INVESTORS GP, LLC, its general partner

By: /s/ Craig L. McKibben
Name: Craig L. McKibben
Title: Managing Director

SHERBORNE STRATEGIC FUND B, LLC

By: SHERBORNE INVESTORS LP, its managing member

By: SHERBORNE INVESTORS GP, LLC, its general partner

By: /s/ Craig L. McKibben
Name: Craig L. McKibben
Title: Managing Director

NOTTINGHAM INVESTORS LLC

By: SHERBORNE INVESTORS LP, its managing member

By: SHERBORNE INVESTORS GP, LLC, its general partner

By: /s/ Craig L. McKibben
Name: Craig L. McKibben
Title: Managing Director

EDWARD BRAMSON

/s/ Edward Bramson
Edward Bramson

Exhibit 5

[LOGO OF NAUTILUS, INC.]

CONTACTS: Nautilus, Inc.
Ron Arp
(360) 859-2514

John Mills
(310) 954-1105

Sherborne Investors
Adam Miller/Tom Johnson
Abernathy MacGregor Group
(212) 371-5999

NAUTILUS, INC. AND SHERBORNE INVESTORS ANNOUNCE FINAL RESULTS OF SPECIAL MEETING
OF SHAREHOLDERS

Four Sherborne Investors Nominees to Join Three Incumbent Members on the Nautilus Board of Directors

Vancouver, Wash. – December 31, 2007 – Nautilus, Inc. (NYSE: NLS) and Sherborne Investors LP said today that the voting results from the December 18, 2007 special meeting of shareholders confirmed that all four Sherborne Investors nominees have been elected to the Company’s Board of Directors. The final voting results, which were certified by IVS Associates, also showed that all of Sherborne Investors’ other proposals were passed.

Effective immediately, Edward Bramson, Gerard Eastman, Michael Stein and Richard Horn will join incumbent directors Robert Falcone, Ronald Badie and Marvin Siegert on the Company’s Board. Mr. Bramson was elected as Chairman at a meeting of the Board today and Mr. Falcone will remain as President and Chief Executive Officer. Mr. Siegert will remain as Audit Committee Chairman, Mr. Stein will be Chairman of the Compensation Committee and Mr. Horn will be Chairman of the Nominating and Governance Committee. Mr. Badie will remain as Lead Independent Director.

Edward Bramson said, “We appreciate the support of our fellow shareholders and look forward to working with the new Board and management to implement an effective strategy at Nautilus to return it to profitability and establish a platform for future growth.”

“I look forward to working with our newly reconstituted Board of Directors,” said Bob Falcone. “I believe very strongly in the future of this Company and am committed to implementing the necessary actions to restore it to sustainable growth.”

About Nautilus, Inc.

Headquartered in Vancouver, Wash., Nautilus, Inc. (NYSE:NLS) is a global fitness products company providing innovative, quality solutions to help people achieve a healthy lifestyle. With a brand portfolio including Nautilus®, Bowflex®, Schwinn®Fitness, StairMaster®, Universal®, and Pearl iZUMi®, Nautilus manufactures and markets innovative fitness products through direct, commercial, retail, and international channels. Formed in 1986, the company had 2006 sales of \$680 million. It has 1,450 employees and operations in Washington, Oregon, Colorado,

Oklahoma, Illinois, Virginia, Canada, Switzerland, Germany, United Kingdom, Italy, China, Australia, and other locations around the world. Website: www.nautilusinc.com

Forward-Looking Statements

Certain statements contained herein are forward-looking statements, within the meaning of Section 21E of the Securities Exchange Act of 1934 and Section 27A of the Securities Act of 1933, including statements concerning the success of efforts to improve the operating performance of Nautilus, Inc. (“Nautilus”) and the restoration of Nautilus to sustainable growth. Factors that could cause Nautilus’ actual results to differ materially from these forward-looking statements include Nautilus’ ability to effectively implement its turnaround strategy, the availability of media time and fluctuating advertising rates, a decline in consumer spending due to unfavorable economic conditions, Nautilus’ ability to effectively develop, market, and sell future products, Nautilus’ ability to get foreign sourced product through customs in a timely manner, Nautilus’ ability to effectively identify, negotiate and integrate any future strategic acquisitions, Nautilus’ ability to protect its intellectual property, the introduction of lower-priced competing products, unpredictable events and circumstances relating to international operations including Nautilus’ use of foreign manufacturers, government regulatory action, and general economic conditions. We 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.