NAUTILUS, INC.
Form 11-K
June 29, 2010
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

(Mark One)

x ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2009

OR

¨ TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ______ to ______

Commission file number 000-25867

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Nautilus, Inc.

401(k) Savings Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Nautilus, Inc.

16400 S.E. Nautilus Dr.

Vancouver, WA 98683

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NAUTILUS, INC. 401(k) SAVINGS PLAN

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All other schedules required by Section 2520.103-10 of the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustees and Participants of

Nautilus, Inc. 401(k) Savings Plan

Vancouver, Washington

We have audited the accompanying statements of net assets available for benefits of the Nautilus, Inc. 401(k) Savings Plan (the Plan) as of December 31, 2009 and 2008, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2009 and 2008, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2009, is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan s management. Such supplemental schedule has been subjected to the auditing procedures applied in our audit of the basic 2009 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/s/ Deloitte & Touche LLP

Portland, Oregon

June 28, 2010

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NAUTILUS, INC. 401(k) SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2009 AND 2008

	2009	2008
ASSETS		
Investments, at fair value (Note 4)	$ 17,146,175	$ 14,148,839
Contributions receivable:		
Employee	51,045	122,438
Employer		91,297
Total receivables	51,045	213,735
NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE	17,197,220	14,362,574
Adjustment from fair value to contract value for T. Rowe Price Stable Value Fund (Note 5)	(43,882)	14,924
NET ASSETS AVAILABLE FOR BENEFITS	$ 17,153,338	$ 14,377,498

See notes to financial statements.

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NAUTILUS, INC. 401(k) SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
ADDITIONS		
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments (Note 4)	$ 3,629,257	$ (7,716,978)
Interest and dividends	381,201	644,060
Net investment income (loss)	4,010,458	(7,072,918)
Contributions:		
Participants	1,946,745	2,759,710
Employer	305,456	1,238,054
Rollover contributions	64,354	214,534
Total contributions	2,316,555	4,212,298
DEDUCTIONS		
Benefits paid to participants	(3,551,173)	(3,844,434)
Plan transfers		(2,408,565)
Total deductions	(3,551,173)	(6,252,999)
NET INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS	2,775,840	(9,113,619)
NET ASSETS AVAILABLE FOR BENEFITS:		
BEGINNING OF YEAR	14,377,498	23,491,117
END OF YEAR	$ 17,153,338	$ 14,377,498

See notes to financial statements.

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NAUTILUS, INC. 401(k) SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF PLAN

The following description of the Nautilus, Inc. 401(k) Savings Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan Document for a complete description of the Plan s provisions.

General The Plan is a defined contribution 401(k) plan maintained for the benefit of all eligible employees of Nautilus, Inc. (the Company or Nautilus). The Plan was established effective January 1, 1999, and contributions to the Plan began on March 4, 1999. The Plan was amended on January 1, 2006 to comply with the Employee Retirement Income Security Act of 1974 (ERISA) and to standardize operating procedures.

On January 1, 2008, the Plan was amended to: alter the vesting schedule, thereby reducing the time period for employer contributions to vest; reduce eligibility requirements, to allow employees to participate in the plan on the first day of employment; increase the maximum deferral percentage; and allow employees to take loans from the Plan. In addition, the Plan was revised to include an automatic annual contribution increase provision, under which matching contributions are determined each pay period, rather than annually.

Effective April 18, 2009, the Plan was amended to fully vest employer matching contributions for eligible employees who were either active on April 18, 2009 or terminated on or after July 24, 2008 and before April 18, 2009.

Effective April 19, 2009, the Plan was amended to terminate employer matching contributions.

Eligibility The Plan is available to all full-time employees of the Company who are age 18 or older. The Plan is subject to the provisions of ERISA.

Trustee T. Rowe Price Trust Company (T. Rowe Price or TRP) is the Plan s trustee and holds all investments of the Plan.

Administration of the Plan The Company is the named fiduciary and administrator of the Plan, as well as the plan sponsor, as defined by ERISA. The Company has contracted with T. Rowe Price to provide record keeping services with respect to the Plan.

Contributions Participants may voluntarily contribute between 1% and 75% of their eligible compensation. Employee contributions are limited to $16,500 and $15,500 in 2009 and 2008, respectively, as prescribed by the Internal Revenue Code (IRC). Participants may also contribute amounts representing distributions from other qualified defined contribution plans. After tax contributions are not permitted by the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions subject to limitations of the IRC.

Matching contributions are subject to certain limitations by the Plan. Through and including April 18, 2009, the Company contributed and allocated to each eligible participant matching contributions equal to (i) 100% of the first 1% of the participant s elective deferral and (ii) 50% of elective deferrals in excess of 1% up to a maximum of 6%. Effective April 19, 2009, the Plan was amended to terminate employer matching contributions.

Investment Options Participants direct the investment of their contributions and the Company s matching contributions into various investment options offered by the Plan. The Plan currently offers investments in Nautilus common stock and mutual funds offered through a registered investment company. Participants may not direct more than 20% of their voluntary contributions or transfer more than 20% of their account balance into Nautilus common stock.

Participant Accounts A separate account is maintained for each participant. Each account is credited with the participant s and Company s matching contributions and allocations of Plan earnings. All amounts in participant accounts are participant directed.

Vesting Participants are immediately vested in their contributions plus actual earnings thereon. Generally, vesting in the Company s matching contribution portion of a participant s account, plus actual earnings thereon, is pursuant to the following vesting schedule.

Years of Service	Vesting Percentage
Less than 1	0%
1	25%
2	100%

Effective April 18, 2009, the Plan was amended to fully vest employer matching contributions for eligible employees who were either active on April 18, 2009 or terminated on or after July 24, 2008 and before April 18, 2009.

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Payment of Benefits Upon termination of service, a participant may receive (i) a lump-sum distribution equal to his or her vested account value, (ii) elect to maintain his or her account in the Plan until a future date, or (iii) elect to receive distributions in the form of installment payments.

On April 18, 2008, the Company completed the sale of its former fitness apparel business DashAmerica, Inc. d/b/a Pearl iZumi USA (Pearl iZumi). Accordingly, $2.4 million in assets, including vested and non-vested amounts, were transferred from the Plan into a qualified 401(k) plan for the employees, then active, of Pearl iZumi.

Forfeitures Forfeited non-vested balances are used to reduce future employer matching contributions. At December 31, 2009 and 2008, forfeited non-vested balances totaled $19,202 and $27,257, respectively. The Company s employer matching contributions in the years ended December 31, 2009 and 2008 were reduced by $36,725 and zero, respectively, from forfeited non-vested balances.

Participant Loans The Plan allows participants to borrow from their accounts in amounts ranging from a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their vested account balance. Only one loan per participant may be outstanding at any one time. Terms of all loans (other than primary residence loans) are five years. Primary residence loans are limited to fifteen years. Interest rates are based on the Wall Street Journal s Prime Rate published on the prior business day plus 1%. Loan repayments will be made via payroll deduction on a bi-weekly basis and will be reinvested according to the participant s investment allocation in effect at the time of the loan repayment. Loans are due in full 90 days from the date of a participant s termination of employment with Nautilus.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Investment Valuation and Income Recognition The Plan s investments are generally stated at fair value. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Shares of mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end.

The Company s common stock is valued at the closing price reported on the New York Stock Exchange on the last business day of the Plan year. Participant loans are valued at the outstanding loan balances, which approximate fair value.

The Stable Value Fund (see Note 5) is comprised of investment contracts which are stated at fair value (determined based on the net asset value of its underlying investments) and included as a component of investments in the statements of net assets available for benefits; the adjustment from fair value to contract value is reported in a separate line in the statements of net assets available for benefits. The statement of changes in net assets available for benefits is presented on a contract value basis.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Benefit Payments Benefit payments are recorded when the funds are distributed.

Administrative Expenses Generally, administrative expenses are paid by the Company, except for a nominal annual record-keeping fee charged to terminated employees.

Use of Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Risks and Uncertainties The Plan allows for investment in various securities including mutual funds, common/collective trust funds and the Company s common stock. Investment securities are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investment securities, and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect (i) participant s account balances and (ii) the amounts reported in the statement of net assets available for benefits and the statement of changes in net assets available for benefits.

New Accounting Pronouncements

In 2009, Financial Accounting Standards Board (FASB) Staff Position 157-4, *Disclosures Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly* (FSP 157-4), was issued and later codified into Accounting Standards Codification (ASC) 820 (originally issued as FASB Statement No. 157, *Fair Value Measurements*), which expanded disclosures and required that major categories for debt and equity securities in the fair value hierarchy table be determined on the basis of the nature and risks of the investments.

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In January 2010, the FASB issued ASU No. 2010-06, *Fair Value Measurements and Disclosures* (ASU No. 2010-06), which amends ASC 820, adding new disclosure requirements for Levels 1 and 2, separate disclosures of purchases, sales, issuances, and settlements relating to Level 3 measurements and clarification of existing fair value disclosures. ASU No. 2010-06 is effective for periods beginning after December 15, 2009, except for the requirement to provide Level 3 activity of purchases, sales, issuances, and settlements on a gross basis, which will be effective for fiscal years beginning after December 15, 2010. The Plan is currently evaluating the impact ASU No. 2010-06 will have on the financial statements.

3. FAIR VALUE MEASUREMENTS

Accounting guidance defines fair value as the price that would be received from selling an asset or the cost to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value for assets and liabilities required to be recorded at fair value, the Plan considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions and risk of nonperformance. The Plan s valuation methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Accounting guidance also establishes a fair value hierarchy that requires the Plan to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument s categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. According to guidance, three levels of inputs may be used to measure fair value:

Level 1: quoted prices in active markets for identical assets;

Level 2: inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets; or

Level 3: unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets.

In accordance with the update to ASC 820 (originally issued as FSP 157-4), the following table presents investments measured at fair value, categorized on the basis of the nature and risk, as of December 31, 2009:

Investments:	**Level 1**	**Level 2**	**Level 3**	**Total**
Mutual funds:				
U.S. small-cap equities	$ 897,228			$ 897,228
U.S. mid-cap equities	1,491,134			1,491,134
U.S. large-cap equities	4,297,586			4,297,586
Non-U.S. large-cap equities	1,165,918			1,165,918
Intermediate-term corporate bonds	1,087,393			1,087,393
Balanced	6,282,448			6,282,448
Common stock of Nautilus, Inc.	294,387			294,387
Stable Value Fund (Note 5)		$ 1,461,280		1,461,280
Participant loans			$ 168,801	168,801
Total fair value of investments	$ 15,516,094	$ 1,461,280	$ 168,801	$ 17,146,175

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The following table presents investments measured at fair value as of December 31, 2008:

Investments:	**Level 1**	**Level 2**	**Level 3**	**Total**
Mutual Funds Common Stock	$ 11,369,236	$	$	$ 11,369,236
Mutual Funds Bonds	812,734			812,734
Common Stock of Nautilus, Inc.	189,438			189,438
Stable Value Fund		1,592,063		1,592,063
Participant Loans			185,368	185,368
Total fair value of investments	$ 12,371,408	$ 1,592,063	$ 185,368	$ 14,148,839

The following table presents activity related to participant loans and a reconciliation of the beginning and ending balances of the fair value measurements using significant unobservable inputs (Level 3) for the years ended December 31:

Participant Loans:	**2009**	**2008**
Balance, January 1	$ 185,368	$
Loan issuances	94,428	226,836
Repayments and offsets	(110,995)	(41,468)
Balance, December 31	$ 168,801	$ 185,368

4. INVESTMENTS

The Plan s investments (including investments purchased and sold as well as held during the year) appreciated (depreciated) in fair value, as determined by quoted market prices, as follows in the years ended December 31:

	2009	**2008**
Mutual funds	$ 3,567,527	$ (7,524,994)
Nautilus, Inc. common stock	61,730	(191,984)
Net appreciation (depreciation) in fair value of investments	$ 3,629,257	$ (7,716,978)

The following table presents investments representing 5% or more of the fair value of the Plan s net assets at December 31:

Investments:	**2009**	**2008**
T. Rowe Price Growth Stock Fund	$ 2,706,671	$ 2,141,863
T. Rowe Price Retirement 2030 Fund	1,623,516	1,200,699
T. Rowe Price Stable Value Fund Sch E(*)	1,461,280	1,592,063
T. Rowe Price Balanced Fund	1,435,589	1,362,673
T. Rowe Price Retirement 2040 Fund	1,311,563	985,671
T. Rowe Price Mid-Cap Growth Fund	1,199,894	898,713
Artio International Equity A	1,165,918	1,048,296
PIMCO Total Return Fund	1,087,393	812,734
T. Rowe Price Retirement 2020 Fund	1,081,107	819,995
T. Rowe Price Equity Income Fund	881,893	732,817

Investments that represent less than 5%	3,191,351	2,553,315
Total investments, at fair value	$ 17,146,175	$ 14,148,839

(*) T. Rowe Price Stable Value Fund is stated at fair value. Contract value for this fund is $1,417,398 and $1,606,987 at December 31, 2009 and 2008, respectively.

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5. STABLE VALUE FUND

The Stable Value Fund (the Fund) is a common trust fund sponsored by T. Rowe Price. The Fund invests principally in guaranteed investment contracts (GICs) issued by insurance companies; investment contracts issued by banks (BICs); structured or synthetic investment contracts (SICs) issued by banks, insurance companies and other issuers, as well as the securities supporting such SICs (underlying assets); separate account contracts (SACs); and other similar instruments that are intended to maintain a constant net asset value (NAV) while permitting participant-initiated benefit-responsive withdrawals for certain events (collectively, investment contracts).

The beneficial interest of each participant is represented by units. Fund units may be redeemed on a daily basis to meet benefit payments and other participant-initiated withdrawals permitted by the Plan at the Fund s constant NAV of $1 per unit. It is the policy of the Fund to use its best efforts to maintain a stable net asset value of $1 per unit, although there is no guarantee that the Fund will be able to maintain this value.

Participants ordinarily may direct the withdrawal or transfer of all or a portion of their investment at contract value. Contract value represents contributions made to the Fund, plus earnings, less participant withdrawals and administrative expenses. The Fund imposes certain restrictions on the Plan, and the Fund itself may be subject to circumstances that impact its ability to transact at contract value, as described in the following paragraphs. Plan management believes that the occurrence of events that would cause the Fund to transact at less than contract value is not probable.

Limitations on Contract Value Transactions and Circumstances that Impact the Fund The existence of certain conditions can limit the Fund s ability to transact at contract value with the issuers of its investment contracts. Specifically, any event outside the normal operation of the Fund that causes a withdrawal from an investment contract may result in a negative market value adjustment with respect to such withdrawal. Examples of such events include, but are not limited to, partial or complete legal termination of the trust or a unit holder, tax disqualification of the trust or a unit holder, and certain trust amendments if the issuer s consent is not obtained.

In addition, issuers of investment contracts have certain rights to terminate a contract and settle at an amount that differs from contract value. For example, certain breaches by the Fund of its obligations, representations or warranties under the terms of an investment contract can result in its termination at market value, which may differ from contract value. Investment contracts also may provide for termination with no payment obligation from the issuer if the performance of the contract constitutes a prohibited transaction under ERISA or other applicable law. SICs and SACs also may provide issuers with the right to reduce contract value in the event an underlying investment suffers a credit event or the right to terminate the contract in the event certain investment guidelines are materially breached and not cured.

There is also no guarantee that the Fund will always be able to have SICs in place with respect to its fixed income securities or that it will be able to invest the desired portion of its assets in investment contracts that are fully benefit responsive. In the event a replacement from another issuer cannot be secured, the Fund will have to recognize currently the fair value of certain assets, possibly including the contract and/or underlying assets. These values may be less than contract value and could result in a loss of principal and/or reduction in earnings with respect to unit holders investment in the Fund. Further, in the case of a SAC, the Fund could experience a delay in accessing the assets in the underlying separate account, which, in turn, could result in a further loss of value or earnings. Similarly, a loss of principal or reduction of earnings could occur as a result of a GIC issuer s bankruptcy or other significant credit event that causes the issuer to not satisfy its payment obligations.

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6. EXEMPT PARTY-IN-INTEREST TRANSACTIONS

The Plan invests in shares of the Company s common stock, at the direction of the participants, and shares of mutual funds and the Stable Value fund managed by T. Rowe Price. TRP is the trustee and record keeper as defined by the Plan and, therefore, these transactions qualify as exempt party-in-interest transactions under U.S. Department of Labor regulations.

7. INCOME TAX STATUS

The Plan is based on an underlying non-standardized prototype plan and has applied for an determination letter from the Internal Revenue Service (IRS) to indicate whether the form of the Plan is qualified under Section 401 of the IRC, and therefore, whether the related trust is tax exempt. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the IRC and, therefore, believes that the Plan meets the criteria for qualification under the IRC, and that, the related trust is tax exempt. Accordingly, no provision for income taxes has been included in the Plan s financial statements.

8. PLAN TERMINATION

While it has not expressed any intent to do so, the Company may terminate the Plan at any time, subject to the provisions of ERISA. In the event of total or partial termination of the Plan, participants will become 100% vested in their accounts.

9. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

Following is a reconciliation to IRS Form 5500 of net assets available for benefits as of December 31:

	2009	2008
Net assets available for benefits	$ 17,153,338	$ 14,377,498
Fair value adjustment of fully benefit-responsive investment contracts	43,882	(14,924)
Net assets available for benefits per IRS Form 5500, at fair value	$ 17,197,220	$ 14,362,574

Following is a reconciliation to IRS Form 5500 of changes in net assets available for benefits for the years ended December 31:

	2009	2008
Increase (decrease) in net assets	$ 2,775,840	$ (9,113,619)
Transfer of Plan assets in connection with sale of Pearl iZumi		2,408,565
Fair value adjustment of fully benefit-responsive investment contracts	58,806	(24,059)
Net income (loss) per IRS Form 5500	$ 2,834,646	$ (6,729,113)

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NAUTILUS, INC. 401(k) SAVINGS PLAN

FORM 5500, SCHEDULE H, LINE 4i

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2009

(a)	(b) Identity of Issue/ (c) Description of Investment	(d) Cost (1)	(e) Current Value
	Mutual Funds:		
	Bond Funds		
	PIMCO Total Return Fund		$ 1,087,393
	Stock Funds		
	Artio International Equity A		1,165,918
*	T. Rowe Price Balanced Fund		1,435,589
*	T. Rowe Price Equity Income Fund		881,893
*	T. Rowe Price Equity Index 500 Fund		709,022
*	T. Rowe Price Growth Stock Fund		2,706,671
*	T. Rowe Price Mid-Cap Growth Fund		1,199,894
*	T. Rowe Price Mid-Cap Value Fund		291,240
*	T. Rowe Price Retirement Income Fund		135,081
*	T. Rowe Price Retirement 2010 Fund		249,461
*	T. Rowe Price Retirement 2020 Fund		1,081,107
*	T. Rowe Price Retirement 2030 Fund		1,623,516
*	T. Rowe Price Retirement 2040 Fund		1,311,563
*	T. Rowe Price Retirement 2050 Fund		446,131
*	T. Rowe Price Small-Cap Value Fund		532,233
	Tygh Capital Management Small Cap Growth Fund		364,995
	Total mutual funds		15,221,707
	Common Trust Fund:		
*	T. Rowe Price Stable Value Fund Sch E		1,461,280
*	***Nautilus, Inc. Common Stock***		294,387
	Participant Loans (Interest rates ranging from 4.25% - 8.25%, maturing from 5/29/10 to 2/06/20)		168,801
	TOTAL INVESTMENTS		$ 17,146,175

* Denotes a party-in-interest with respect to the Plan.

(1) Historical cost information is not required for participant-directed investments.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the plan administrator of the Nautilus, Inc. 401(k) Savings Plan has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

NAUTILUS, INC. 401(k) SAVINGS PLAN

(Name of Plan)

Date: June 28, 2010

By: /s/ Kenneth L. Fish
Kenneth L. Fish
Chief Financial Officer

Nautilus, Inc.

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