

NAUTILUS, INC.  
Form 8-K/A  
March 08, 2010

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K/A**

(Amendment No. 1)

**CURRENT REPORT**

**Pursuant To Section 13 or 15(d) of  
the Securities Exchange Act of 1934**

**Date of Report: September 25, 2009**

**(Date of earliest event reported)**

**NAUTILUS, INC.**

**(Exact name of registrant as specified in its charter)**

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**Washington**  
(State or other jurisdiction  
of incorporation)

**001-31321**  
(Commission File Number)

**94-3002667**  
(I.R.S. Employer

Identification No.)

**16400 SE Nautilus Drive**

**Vancouver, Washington 98683**

(Address of principal executive offices and zip code)

**(360) 859-2900**

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12(b) under the Exchange Act (17 CFR 240.14a-12(b))
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

## NAUTILUS, INC.

## FORM 8-K/A

**ITEM 2.05 COSTS ASSOCIATED WITH EXIT OR DISPOSAL ACTIVITIES**

This Form 8-K/A amends and supplements the current report on Form 8-K filed by Nautilus, Inc, a Washington corporation (the Company), on September 29, 2009, to report the Company's commitment to a plan to divest itself of all of the assets, liabilities and ongoing operations of its commercial business, which plan was approved at a meeting of the Board of Directors held on September 25, 2009. This Form 8-K/A is being filed to disclose the estimates required by Item 2.05 of Form 8-K.

On December 29, 2009, the Company completed the sale of certain assets of its StairMaster™ and Schwinn™ Fitness product lines and, on February 19, 2010, the Company completed the sale of certain assets of its Nautilus™ commercial equipment product lines, all of which were consistent with its previously announced planned divestiture of its commercial division.

On March 2, 2010, the Company made a final determination of estimated disposal costs associated with divestiture of the commercial business. The Company further determined that it expects to incur total charges of \$13.5 million in connection with the divestiture of its commercial business and, of these charges, \$4.0 million are expected to be cash charges and \$9.5 million are expected to be non-cash charges.

The major types and timing of charges expected to be incurred are as follows:

DESCRIPTION	AMOUNT	TYPE	TIMING OF CHARGES	
			Q3 2009	Q4 2009
Asset disposal losses	\$ 9.5 million <sup>1</sup>	Non-cash	Q3 2009	Q4 2009
Lease terminations and other contract obligations	1.8 million <sup>2</sup>	Cash	Q1 2010	Q3 2010
Employee termination severance payments and other costs	2.2 million	Cash	Q4 2009	Q3 2010
<b>Total charges</b>	<b>\$ 13.5 million<sup>3</sup></b>			

<sup>1</sup> In light of management's decision in the fourth quarter of 2009 to dispose of the commercial business in multiple asset groups involving several buyers, rather than in a single disposal group as originally was planned, the estimated asset disposal loss of \$18.3 million recognized in the third quarter of 2009 (which was based on the information available to management at the time) was reduced by approximately \$8.8 million in the fourth quarter of 2009.

<sup>2</sup> Of this amount, approximately \$1.0 million consists of facility lease obligations, under which substantially equal monthly payments are due until 2014.

<sup>3</sup> Of this amount, approximately \$10.1 million was recognized in 2009, consisting of \$9.5 million for estimated asset disposal losses and \$0.6 million for employee termination severance payments.

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The Company expects to complete the divestiture of its commercial business in 2010. The following table shows the portions of the commercial business divestiture for which sales transactions have been completed, and the portions for which sales were not completed, as of March 5, 2010:

	Completed	Not completed
<b>StairMaster™ Commercial Product Lines</b>		
Raw materials, work-in-process, finished goods and spare parts inventories	X	
Production equipment and other fixed assets	X	
Trademark intangible asset	X	
<b>Schwinn™ Fitness Commercial Product Lines</b>		
Finished goods and spare parts inventories	X	
Accounts receivable	X	
Production equipment and other fixed assets	X	
<b>Nautilus™ Commercial Product Lines</b>		
Raw materials, work-in-process and U.S. spare parts (except selected product models) inventories	X	
Finished goods inventories		X
Manufacturing equipment and related fixed assets	X	
Independence, Virginia land and buildings		X
Europe distribution operations, including finished goods and spare parts inventories		X
China finished goods and spare parts inventories		X

This Form 8-K/A contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that are based upon management's beliefs, as well as assumptions made by and information currently available to management. All statements other than statements of historical fact included in this Form 8-K/A, in particular regarding the amounts and timing for anticipated disposal costs described above, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including but not limited to statements identified by the words estimates, expects to, currently expects and similar expressions. Actual events or results may differ materially from such forward-looking statements. For information about the factors that could cause such differences, please refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2009. The Company undertakes no obligation to update any forward-looking statements to reflect new information, events or circumstances after the date made or to reflect the occurrence of unanticipated events, except as required by law.

**Signature**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NAUTILUS, INC.  
(Registrant)

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

March 8, 2010

(Date)