

NAUTILUS, INC.
Form DFAN14A
December 07, 2007

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**SCHEDULE 14A
(Rule 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION**

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

NAUTILUS, INC.

(Name of Registrant as Specified In Its Charter)

**SHERBORNE INVESTORS LP, SHERBORNE INVESTORS GP, LLC, SHERBORNE
INVESTORS MANAGEMENT LP, SHERBORNE INVESTORS MANAGEMENT GP, LLC,
SHERBORNE STRATEGIC FUND A, LLC, SHERBORNE STRATEGIC FUND B, LLC,
NOTTINGHAM INVESTORS LLC AND EDWARD J. BRAMSON**

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

ISS RECOMMENDS CHANGES TO THE NAUTILUS BOARD

Supports Election of Two Sherborne Investors Nominees

NEW YORK, NY, December 7, 2007 – Sherborne Investors LP said today it is pleased Institutional Shareholders Services Inc. (ISS) has recommended that Nautilus, Inc. (NYSE: NLS) shareholders support Sherborne Investors nominees Gerard Eastman and Michael Stein for election to the company’s Board of Directors at the upcoming special meeting of shareholders on December 18, 2007. In its report, ISS recognized that Nautilus has “underperformed its peers both in terms of financial and stock price performance” and said the election of Mr. Eastman and Mr. Stein would “enhance the corporate governance and management oversight” of the Board.

Sherborne Investors reminded shareholders that to fully implement its strategic plan, which aims to return Nautilus to a path of financial stability and profitable growth, they should vote “FOR” the entire slate of directors on the GREEN proxy card, including Edward Bramson and Richard Horn.

“We are gratified that ISS recognized the extensive experience and operational expertise demonstrated by our director nominees,” said Edward Bramson, a Sherborne Investors partner and Portfolio Manager. “Collectively, our nominees are committed to helping Nautilus reassess its current strategy and set a new operational course focused on restoring financial stability and delivering attractive growth and returns to shareholders. We encourage shareholders to maximize our ability to enact the necessary changes at the company by voting for the full slate on the Green proxy card.”

For more information, please go to www.dfking.com/sherborne.

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A proxy statement regarding this proxy solicitation was filed with the Securities and Exchange Commission on November 5, 2007. You should read the proxy statement, as it contains important information. Copies of this proxy statement are available free of charge at www.sec.gov and www.dfking.com/sherborne or by calling D.F. King & Co., Inc. at the numbers listed below. The GREEN proxy card is being furnished to shareholders in connection with the solicitation of proxies by Sherborne Investors LP and not on behalf of the incumbent board of directors of the company.

Banks and Brokers Call Collect: (212) 269-5550
All others call toll free: (800) 628-8532

