

FOR IMMEDIATE RELEASE

Chicago, August 7, 2008

SRAM ANNOUNCES STRATEGIC INVESTMENT FROM LEHMAN BROTHERS MERCHANT BANKING

The Company also announces the formation of the SRAM Cycling Advocacy Fund

SRAM announced today a new equity partnership with Lehman Brothers Merchant Banking (LBMB), one of the seven asset classes of Lehman Brothers' global private equity business. The partnership is the result of an extensive process through which SRAM has sought a strategic financial investor to support its continued growth in the global bicycle components industry. LBMB will be a minority investor in SRAM. SRAM Senior Management will continue to lead the Company.

Headquartered in Chicago, with product development and manufacturing facilities in California, Colorado, Indiana, Taiwan, China, Germany and Portugal, SRAM produces a full line of high performance bicycle components for original equipment manufacturers and independent bike dealers (www.sram.com). The Company markets its products under the SRAM, RockShox, Avid, Truvativ, and Zipp brand names. After more than 20 years of dedication to the bike industry, SRAM expects 2008 revenues to approach \$500 million.

"The SRAM team has done a great job building a global organization in an exciting industry," said Stan Day, chief executive of SRAM. "We have now achieved scale where we believe it is prudent to add an experienced institutional investor to our shareholder base. We are very pleased that LBMB is committing its capital and expertise to SRAM."

"SRAM has grown to become a true leader in its industry without losing touch with its entrepreneurial roots and its core values," said Charlie Moore, LBMB managing director. "We are privileged to partner with Stan Day and the SRAM management team as they build on the Company's strong momentum in the bicycle components market."

In connection with the transaction, the Company is establishing the SRAM Cycling Advocacy Fund. The Fund, initially capitalized with \$10 million, will support advocacy in the U.S., Europe and Asia on policy issues affecting cycling infrastructure and the bicycle industry. These funds will be paid out approximately \$2 million per year for 5 years. SRAM will seek advice from leading industry associations like Bikes Belong on proposal evaluation and fund distribution and expects to have a grant request process in place by November.

"Bikes are a constructive transportation and recreational solution. Governments everywhere are recognizing their value to address traffic congestion, environmental concerns, health promotion and high gas costs. The Fund will support grass roots advocacy efforts focused on improving cycling infrastructure," said Mr. Day.

“With market leadership comes responsibility,” Mr. Moore added. “We are pleased to see SRAM establishing the SRAM Cycling Advocacy Fund, which will give the industry a vehicle to highlight issues of importance to the cycling public.”

The transaction is expected to close in late September. J.P. Morgan served as exclusive M&A advisor to SRAM, and Lehman Brothers served as exclusive M&A advisor to LBMB, in connection with the transaction. The law firms Lewis, Rice & Fingersh and Gibson, Dunn & Crutcher served as legal advisors to SRAM and LBMB, respectively.

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About SRAM

Founded in 1987, SRAM produces a full line of high performance bicycle components for original equipment manufacturers and independent bike dealers. The Company is headquartered in Chicago with product development and manufacturing facilities in California, Colorado, Indiana, Taiwan, China, Germany and Portugal. The Company markets its products under the SRAM, RockShox, Avid, Truvativ, and Zipp brand names.

About Lehman Brothers Merchant Banking

Lehman Brothers Merchant Banking manages funds that seek significant long-term capital appreciation through direct investments in established operating companies in partnership with management. Since 1986, Lehman Brothers Merchant Banking has raised and managed four institutional funds and several employee investment vehicles, with total committed capital in excess of \$8.0 billion. Lehman Brothers Merchant Banking Partners IV closed successfully in June 2007 with over \$3.3 billion of capital commitments from institutions, high net worth individual investors, and Lehman Brothers, its affiliates and employees.

Lehman Brothers' global Private Equity business, founded in 1984, currently oversees approximately \$35 billion across 38 different fund strategies and seven asset classes: Merchant Banking, Venture Capital, Real Estate, Credit, Infrastructure, the Strategic Partners Group, and Fund Related Investments which includes fund of private equity funds, fund of hedge funds, and the Manager Research and Selection Business.

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