



Heard On The Street

An electric SRAM?

For those of you who wonder whether SRAM will launch electronic shifting for the road, the answer is—keep wondering. But Stan Day, SRAM's president, said the company has been tinkering with electronic shifting for years, noting that when SRAM bought Sachs in the late 1990s it also bought the Sachs S7, an internal hub with electronic shifting. Day, ever the gentleman, complimented Shimano on its Di2 system. Still, Day pointed out, it's not clear to him that a motor and a battery pulling cable is the way for SRAM to go. But the company has some prototypes, he added. "If the market demands it, we'd do it. It's not that mysterious," Day said. SRAM's David Zimmeroff, in a separate conversation, was more succinct: "If at some point we have an offering in the road group it will be game changing." No "me too" products for SRAM, David Z. added.

Shake, rattle and rain

Yes, U.S. retailers do cross the Atlantic to come to Eurobike, and among them is Scott McAhren, owner of Freshbikes in Arlington, Virginia. And it doesn't hurt to get an invite from Fausto Pinarello to stay at the same hotel. This is McAhren's second trip to Eurobike, plus a double run-in with Mother Nature. First, it was the 5.8-magnitude earthquake that shook and rattled the East Coast. And then, as he was about to cross the pond to Germany, Hurricane Irene hit the Eastern Seaboard. But it's not all bikes and German cycling culture. McAhren, who brought along an employee, sneaked in a day trip to Audi's factory in Ingolstadt, about three hours north of Friedrich-

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Bicycle Retailer

Published by the NBDA

A N D I N D U S T R Y N E W S

SRAM details reasons for IPO; still no timetable

SRAM president Stan Day spoke publicly for the first time Wednesday about the component company's plans to go public, saying the move would lay the financial foundation for future growth, improve transparency in the industry and ensure SRAM's existing management would steer the company's fate in the long term.

Although limited from talking about company operations or financial details by a "quiet period" required by U.S. regulators before issuing an initial public offering, Day addressed a few of the reasons behind the company's decision to list on the Nasdaq stock exchange, an announcement first made in May.

The capital raised by the IPO—expected to be about \$300 million—will allow the \$524 million company to grow. Day set the stage for the first move in that direction by declaring SRAM's in-

attention to become the leader in the urban bike category in the next five years through internal gear hubs, external drivetrains for trekking and commuter-style bikes, and a new e-bike drivetrain, now in development.

SRAM is working with several OEM partners on the electric-assist components, and expects the group to be on the market next year, said David Zimmeroff, SRAM's global marketing director.

"It's primarily going to be a European initiative," Zimmeroff said, adding that American brands still need to shape the future of the urban category there.

Another benefit in becoming publicly traded is increasing influence on government entities during discussions about cycling infrastructure improvements.

As for when SRAM will list on the market, it could

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SRAM president Stan Day discusses the state of the component maker's plan to go public during a press conference Wednesday at Eurobike.

Speedplay mountain pedal a fitter's friend

Richard Bryne will not release a pedal before its time. And it has taken the founder of Speedplay more than a year, including a decision to scrap a new mountain bike pedal last year, before introducing the Syzr at Eurobike Wednesday.

Think of the new Syzr (Scissor) as a bike fitter's dream.

For customers who demand precision when slapping feet into cleats, the Syzr delivers. It is the most full-featured mountain bike pedal on the market.

It's also Speedplay's first SPD-compatible pedal. It's available with five spindle lengths (50, 53, 55, 59 and 65 millimeters), shims to adjust stack height within the

pedal body and shims to adjust for cant. The open architecture helps shed mud, and its forward-latch-only design keeps riders locked in.

But when talking with Bryne, it's the pedal's rotational float—10 degrees of float (5 de-

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shafen. A day after the two-hour private tour, the two were still jawing about how the luxury cars are made in a 98 percent automated factory. "It's so enormous," McAhren said of the plant, which includes roads just for testing. "It was really, really neat."

Around the world in seven years

Hiram Chen, a Taiwanese adventurer, wore out four frames, a variety of components and dozens of tires as he took seven years to circumnavigate the globe,



Hiram Chen is flanked by SRAM's Hank Kao (left) and Billy Yu.

pedaling every inch of the way. And here he was at Eurobike, diligently thanking the companies that supplied him with gear. "I had to fly home every now and then so that my mom would know I was still alive," said Chen as he dropped by the SRAM booth to thank the company for its support. It was the freezing weather in Tibet that he remembers most. "Everything I had froze," he said. Among some of the Taiwanese companies who helped Chen make his dream come true were Kenda tires, Sigma computers, Cionelli saddles, VP pedals and Kinesis frames—just to name a few. Check out his photos at tw.myblog.yahoo.com/bike-travel.

A sales role reversal

As most of you know, our longtime editor, Megan Tompkins, left BRAIN in July to take an OE sales job at Shimano. A surprising move, but one that Megan is handling with grace and style. But it still catches a few industry hands by surprise. Raleigh's Chris Speyer said he was in a product meeting and noticed Megan sitting there. "I thought, what's a BRAIN editor doing here?" he said. Then, snap, he remembered. "Oh, she's at Shimano."

—Marc Sani

SRAM

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be anywhere from next month to next year, given the uncertainty in today's global economies and the choppy capital market, Day said.

"The timing of our IPO isn't clear to me as I stand here today," he said, speaking to a room full of journalists gathered for SRAM's two-hour new product press conference. "We'll go public when the market calms down, when the U.S. government figures out its debt, when Europe figures out what to do with its currency issues."

Day said the regulatory atmosphere today poses challenges for any company that goes public. "We've had to add another layer to our business so we can meet the regula-

tory issues posed by the Sarbanes-Oxley Act," he said. The act, officially known as the Public Company Accounting Reform and Investor Protection Act, was passed by Congress in July 2002 as a reaction to a number of accounting scandals involving public companies such as Enron and Tyco.

Meeting the act's requirements imposes additional staff and reporting costs. "Sometimes it feels intrusive, like showing that we aren't cheating our shareholders. We're an honest company and I find that frustrating," he said. As for cost, Day estimates that it will shave one-third to one-half of a percentage point off revenue.

Still, it requires SRAM to improve its planning, and while it layers in new internal accounting standards, it will improve the company's financial discipline, he added.

—Nicole Formosa

NEWS BRIEFS

Patent injunction granted against Dahon N.A. products

The Munich District Court in Germany has granted a preliminary ex parte injunction against several Dahon North America products for design patent violation. The design patent covers Dahon's Ios and Vector models, which Dahon North America has been offering as part of its 2012 range.

With the injunction, Dahon North America is forbidden by the court from selling or marketing bicycles based on these frames in Germany. This preliminary court order is effective immediately and bans the display of bikes, frames and all marketing material picturing or referencing these products from Dahon North America's Eurobike booth.

"Dahon has always been made up primarily of three independent companies—Dahon Global, Dahon China and Dahon North America—cooperating closely together. As many people are aware, for the 2012 season Dahon Global, based in Taiwan, will no longer be working with Dahon China or Dahon North America," stated Stewart Clarke, Dahon Global legal manager. "All of these entities have intellectual property that they have independently developed and it is important that ownership is respected. Legal actions are always a last resort, but this is a clear indication of our will to protect our intellectual property."

"We have identified additional potential IP issues with Dahon North America

and Dahon China products and they have been duly notified," concluded Clarke. "To be honest, most of our intellectual property is a matter of public record and anybody with questions is welcome to contact us for clarification."

Accell Group increases holding in Derby Cycle

Accell Group announced Wednesday that it would increase its minority stake in Derby Cycle AG to approximately 22 percent. The Dutch Accell Group acquired shares through the stock exchange, taking advantage of recent lower share-price levels, and reached agreement with a third party to acquire an additional stake in Derby Cycle, Germany's largest bike manufacturer.

In late April, Accell acquired a 5.7 percent interest in Derby. At that time, Accell said it appreciated the strong development of Derby and recognized the underlying positive trends and successful strategy of the company. This was confirmed in Monday's publication of the third-quarter earnings figures in which Derby reported a 38 percent jump in sales and a 45 percent increase in operating profit.

The investment offers Accell the opportunity to further participate in the future growth of Derby, the company said in a press release. Currently there are no discussions with Derby on a strategic cooperation and/or public offer. Accell financed the increase of its stake from an additional credit arrangement.



DIAMONDDBACK

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Fox 32 Float29 RLC FIT 120mm Fork, Taper, 15QR / Fox Float RP23 XV Rear Shock w/KASHIMA COAT
Easton EA90 29 Wheelset 15QR / 142x12 E-Thru rear axle
Shimano XTR DYNA-SYS Trail Triple Crank, XTR Shadow Plus rear Derailleur
Shimano XTR Hydraulic Disc Brakes

SHIMANO

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box**
COM



Speedplay

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grees side-to-side) that may be its most compelling feature. The micro-adjustable pivot mechanism has inward and outward float-limit screws so riders can adjust float without repositioning the cleat on the shoe.

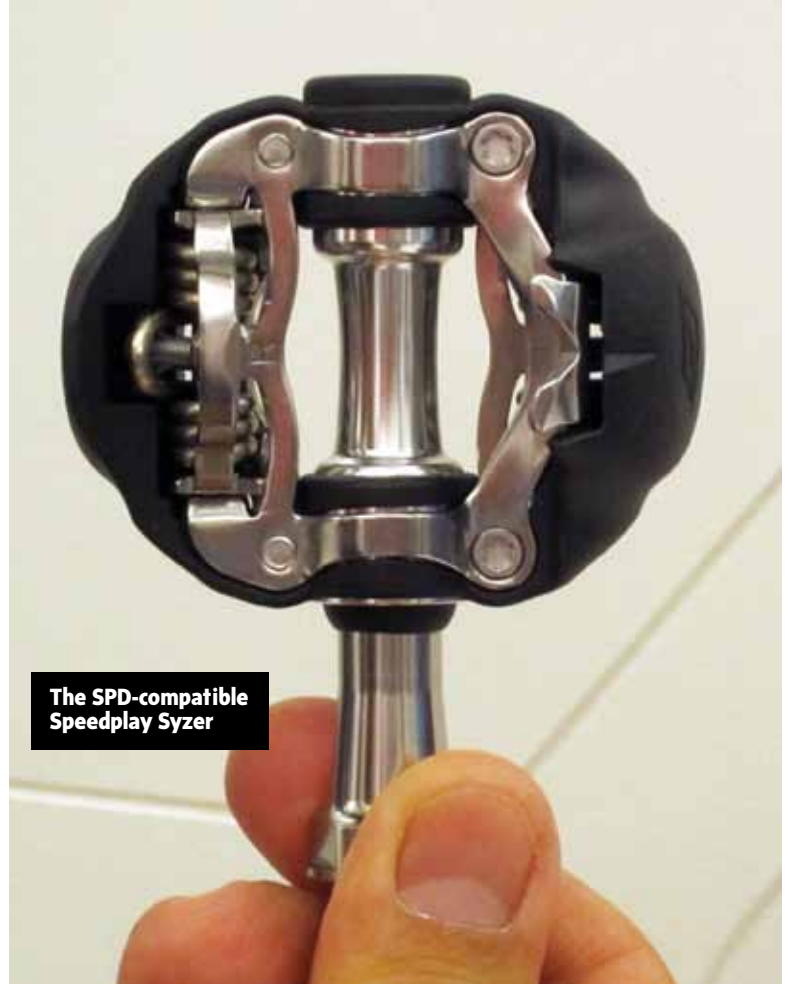
“It was just over a year ago, just before this show, and the design I had wasn’t right, so I started over,” said Bryne. The Syzr, despite its many features, weighs no more than most pedals currently on the market. With stainless steel spindle, the cleats and pedals weigh 300 grams per pair; the titanium spindle drops weight to 266 grams per pair.

For retailers who specialize in fit, it offers them an

opportunity to work closely with customers who need a pedal fit that compensates for leg-length differences, cant and a variety of spindle length to improve the Q Factor, Bryne said. Except for the composite piece surrounding the pedal and several parts inside, key parts are machined in Los Angeles and assembled in San Diego, Speedplay’s headquarters.

Speedplay will debut its pedal for U.S. retailers at Interbike. As for now, final pricing has yet to be set, but it will range from \$130 (chromoly spindle) up to \$320 for the titanium version.

—Marc Sani



The SPD-compatible Speedplay Syzr



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TAITRA

New helmets round out Mavic accessories line

Mavic engineers studied measurements from 25,000 heads—data kept by the British military—to come up with the perfect shape for the brand's new line of helmets. Developers used cranial mapping to identify pressure points and head contours before coming out with its Ergo Shape design.

The design is the base for Mavic's first three models of helmets: the top-of-the-line Plasma SLR, the Plasma and the Syncro, all of which integrate Mavic's signature yellow-and-black color scheme. Mavic released the array of helmets at Eurobike on Wednesday.

The pro-level Plasma SLR is structurally reinforced with carbon fiber and uses dual-density foam to optimize wicking and breathability. The rear dial retention system offers six centimeters of adjustment, and Ergo Fit pads line the shell's inside.

The Plasma SLR weighs 300 grams—not the lightest in the game, but that's not the point, said Zack Vestal, Mavic's communications and PR manager.

"The weight war isn't a battle we wanted to enter off the starting line," Vestal said. With the company's focus on lightweight wheels and shoes, "weight is definitely a topic. It's hard not to imagine there might be a lighter model [in the future]."

The Syncro and Plasma models come with visors to adapt to trail riding, and lower-level models are reinforced with an aluminum glass fiber instead of carbon. Helmets are supplied by a third-party vendor, but the designs were developed in-house at Mavic's



Mavic's Zack Vestal displays the company's new pro-level Plasma SLR helmet.

headquarters in France over the past three years. Price points range from \$125 to \$220. Helmets will be available in October.

Scott McAhren, owner of Freshbikes in Arlington, Virginia, has already ordered a few of the helmets and thinks they'll sell well in his high-end road and tri shop.

"They're different enough. They look very European," he said while cruising through the Mavic booth at Eurobike.

The helmet line is a natural progression in Mavic's expanding line of apparel and footwear, Vestal said.

"The wheel business is mature, so this is a growth opportunity. Helmets continue the progress from head to toe with a complete outfit," he said.

In the first half of the year, Mavic sales have grown 17 percent, with sales of 27.9 million euros.

—Nicole Formosa

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Gregg Westmoreland (and daughter Mia), Morgan Nicol, Catherine Westmoreland and Simona Brauns-Nicol enjoy Eurobike's 20th anniversary party. Gregg and Morgan have attended all 20 Eurobike shows.



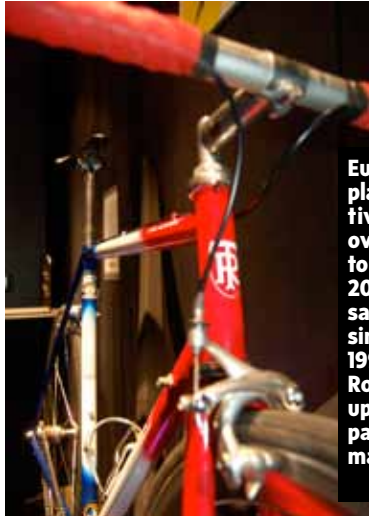
Eurobike CEO Klaus Wellmann and project director Stefan Reisinger welcome the crowd at Eurobike's 20th anniversary party Wednesday night.



Jam session at Kona Bikes



A steady stream of riders rounds the bend on the e-bike test track.

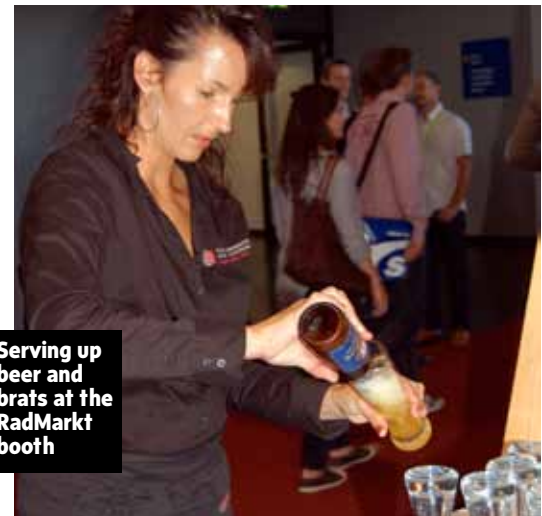


Eurobike displayed innovative bikes from over the years to celebrate its 20th anniversary. Here, a singlespeed 1991 Ritchey Road Classic set up with Campagnolo Schmal wheels.

Eurobike handed awards to 59 products across 17 categories Wednesday night. Some 430 products from 27 countries around the world competed for the coveted Eurobike Awards this year.



TAITRA's Jeremy Horng, Giant CEO Tony Lo and Giant Europe BV president John Koo at Eurobike's 20th anniversary bash Wednesday night.



Serving up beer and brats at the RadMarkt booth