

NORTH CASTLE PARTNERS INVESTS IN PERFORMANCE BICYCLE, BUILDING ITS PRESENCE IN THE FITNESS AND RECREATION INDUSTRIES

Greenwich, CT and Chapel Hill, NC, July 3, 2007 -- North Castle Partners announced today that it has acquired a controlling interest in Performance, Inc. ("Performance"), the largest independent bicycle dealer and direct marketer of bicycles and cycling accessories in the United States. North Castle is a leading private equity firm focused exclusively on investments in consumer-driven product and service businesses that benefit from "Healthy Living and Aging" trends. The terms of the investment were not disclosed.

Performance has thrived on its ability to anticipate and successfully meet customer needs, earning the company a national reputation for offering the broadest selection of branded bicycles, parts, accessories, and technical apparel at attractive "Everyday Value" pricing. Performance takes pride in having every product a customer needs to ride or race a road, mountain, comfort or children's bicycle. Performance currently operates 74 retail stores located in 14 states, two catalogs and two e-commerce websites.

North Castle's investment in Performance further builds the firm's expertise in the Fitness and Recreation industry vertical. North Castle currently holds an investment in Octane Fitness Holdings, Inc., a leading designer and distributor of premium low-impact cardio fitness equipment. North Castle successfully completed a dividend recapitalization of Octane earlier this year. In addition, North Castle previously owned Equinox Fitness Holdings, a leading operator of upscale fitness clubs, which it sold to The Related Group last year.

Chip Baird, North Castle's Founder and Chairman, said, "We are very excited about our investment in Performance, which we believe is the leader in the independent bicycle dealer market and is poised for significant growth. Performance is similar to other successful North Castle investments in that it operates in a highly fragmented industry that is benefiting from burgeoning consumer interest in health and fitness. The combination of a strong management team, the involvement of North Castle's Operating Advisors, and our general knowledge and experience that has come from building other successful retail businesses, such as Equinox and Red Door, provides the foundation for Performance to continue its success as the retail leader in the cycling industry."

"We look forward to a great partnership with North Castle and believe they can add tremendous value to our company," said Mr. Snook, CEO and Co-founder. "By leveraging their expertise and resources in building other retail businesses and multi-channel retailing in general, we believe we will be able to accelerate our growth into new markets and increase average annual spend per household."

Mr. Snook has maintained a significant portion of his investment in the company, and he and other members of senior management will continue in their current positions.

Performance was represented by investment banking firm, Goldsmith Agio Helms.

About North Castle Partners

North Castle Partners is a leading private equity firm focused exclusively on investments in consumer-driven product and service businesses that benefit from "Healthy Living and Aging" trends. North Castle is a hands-on, value-added investor in high-growth, middle market companies in the (i) aesthetics & personal care, (ii) consumer health, (iii) fitness & recreation, (iv) home & leisure and (v) nutrition industries.

North Castle's current portfolio includes such well-known brands as glominerals, Red Door Spas, Enzymatic Therapy and Octane Fitness. Prior portfolio company holdings include Equinox Fitness, EAS, CRC Health Group, Doctor's Dermatologic Formula, Naked Juice Company and Avalon Natural Products.

North Castle is led by a seasoned group of partners and enhanced by 12 proactive operating advisors who bring a wide range of operational and investment capabilities as well as an extensive knowledge base and network. The strength of the North Castle team, combined with our focus and network, is creating significant competitive advantages in building world-class companies. North Castle is headquartered in Greenwich, CT. For more information, visit www.northcastlepartners.com.

About Performance, Inc.

Since 1982, Performance Bicycle has grown to become America's largest and most popular cycling specialty retailer and bicycle shop with 74 stores, a national catalog and internet site (PerformanceBike.com). Based out of Chapel Hill, NC, the company sells cycling apparel, sports nutrition products, bicycle related electronics and – of course – recreational to enthusiast level bicycles.