

Fallbrook Technologies Inc. Reaches Intellectual Property Milestone for its NuVinci® Continuously Variable Transmission Technology

– Now Has Over 500 Patents and Pending Applications Worldwide –

San Diego, CA (August 2, 2012) Fallbrook Technologies Inc. (Fallbrook), a technology development and manufacturing company dedicated to improving mechanical transmission-based products through the use of its proprietary NuVinci® technology, announced today that it has reached an intellectual property milestone. Starting with a portfolio of 57 patents and pending applications in 2004 shortly after its incorporation, Fallbrook has developed a patent portfolio that now exceeds 500 patents and patent applications, including validated countries, worldwide.

"Our patent portfolio provides our partners the sustainable competitive advantage of being able to exclusively deliver to their customers advanced products incorporating the *NuVinci* CVP technology covered by those patents," said Jeffrey A. Birchak, Fallbrook's Vice President of Intellectual Property. "The barrier to entry provided by our patent portfolio allows our partners to develop products that match their customers' needs with the potential attractive returns on invested capital that come with an exclusive market position."

William G. Klehm III, Fallbrook's Chairman and CEO, noted that "Fallbrook has been and will continue to be focused on delivering high value-added technology, quality design services and protected innovative solutions utilizing *NuVinci* technology." Klehm further points out that "Fallbrook's intellectual property group has developed a process to extract inventions efficiently from the product development process with little distraction to the members of the development team."

Fallbrook's initial commercial product is a multiple-award winning continuously variable transmission for bicycles and e-Bikes introduced in 2007 and currently enhanced and available as the *NuVinci* N360™. In 2011, Fallbrook introduced the *NuVinci* Harmony™ automatic shifting system incorporating the N360 transmission. The Company is developing applications incorporating *NuVinci* technology for other product areas both directly and through licensing agreements. The other product areas currently include automotive accessory drives (including alternator drives, air conditioner drives, and variable speed supercharger drives among others), automotive class primary drive transmissions, electric vehicles, lawn and garden equipment and wind turbines. In addition, Hodyon, Inc., manufacturer and distributor of the Dynasys™ auxiliary power unit (APU), is a wholly owned subsidiary.

Fallbrook has relied on the services of top intellectual property firm Knobbe Martens since its beginning in the garage of its original inventor Don Miller in Fallbrook, California. Knobbe Martens has provided the expertise and guidance necessary to implement a leading portfolio management strategy at a relatively stable cost. "Helping Fallbrook grow from a one-man operation to a substantial technology company with operations in California, Texas, Europe and China has been extremely gratifying," said Ned A. Israelsen, the law firm's managing partner for its San Diego office and counsel to the Company since its inception. "We pride ourselves on providing valuable advice and counseling to clients at every stage of their company's development, and we're glad we could play a role in the Company's success."

Fallbrook's portfolio was recognized in early 2009 by ThePatentBoard.com as the leading portfolio in the automotive and transportation sector. In recent years, ThePatentBoard.com has

modified its rating methodology, and Fallbrook was ranked 22 in the January 6, 2012 publication of the rankings.

About Fallbrook Technologies Inc.

Fallbrook Technologies Inc. is a privately held technology development company headquartered in San Diego, California and has its primary operations and product development activities located in Cedar Park and Round Rock, Texas, with employees and other operations in Michigan, Oregon, China and Europe. Current major investors are Robeco, NGEN Partners LLC, and Macquarie.

Fallbrook's proprietary *NuVinci* technology is an award winning traction-based CVT (continuously variable transmission) that is scalable and highly adaptable. It controls relationships of speed and torque and is applicable to mechanical devices that have a transmission or can benefit from speed or torque variation. *NuVinci* technology is a class of CVT having planetary characteristics and can also be configured as an infinitely variable transmission (IVT). An IVT can be shifted seamlessly from forward through zero output to reverse and back.

The *NuVinci* transmission uses a set of rotating balls between the input and output components of a transmission. Tilting the balls changes their contact diameters and varies the speed ratio. Compared to other current transmission technologies, the *NuVinci* technology is less complex, scales and packages more easily, costs less to manufacture, and facilitates achieving optimum performance.

For more information, visit www.fallbrooktech.com.

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