

Fallbrook Technologies Inc. Secures \$9.3 Million in First Close of Private Equity Financing Round

– Consortium of private venture investors to fund commercial development of NuVinci™ continuously variable planetary transmission technology –

(San Diego, Calif., January 18, 2006) – Fallbrook Technologies Inc. (Fallbrook), a pioneering technology development and intellectual property licensing company, announced today it has completed the first close of a new round of private equity financing, placing \$9.3 million of an authorized \$11 million in Series C Preferred Shares with private investors.

Fallbrook expects the final close of this financing round to occur by the end of February. The share price sets the company's pre-money valuation at \$120 million, approximately four times the valuation set by Fallbrook's previous financing round, completed in February 2005.

The funding will be used to continue the development and commercialization of Fallbrook's core technology, the revolutionary NuVinci™ continuously variable planetary (CVP) transmission. *NuVinci* technology is the most practical, economical and universally adaptable CVP transmission for human-powered and motor-powered vehicles and machines. The *NuVinci* CVP is applicable to virtually any product that uses a transmission, such as bicycles, light electric vehicles, agricultural equipment, automobiles, and utility class wind turbines, among others.

During 2005, Fallbrook successfully completed several major manufacturing and original equipment manufacturer (OEM) agreements that will facilitate the development and production of commercially-available products that incorporate the *NuVinci* CVP. Among these is a manufacturing license agreement with Aftermarket Technology Corp. (ATC) (NASDAQ: ATAC), North America's largest remanufacturer of automotive drivetrain products. The agreement enables ATC to design and build a wide range of transmission applications based on *NuVinci* technology. Bicycles equipped with *NuVinci* CVP-based drivetrains are expected to be commercially available in the fourth quarter of 2006.

About Fallbrook Technologies Inc.

Fallbrook Technologies Inc. (Fallbrook) is a technology development and intellectual property licensing company dedicated to improving the performance and flexibility of transmissions for vehicles and equipment. Fallbrook's revolutionary NuVinci™ continuously variable planetary (CVP) technology is applicable to virtually any machines that use a transmission such as bicycles, light electric vehicles, automobiles, agricultural equipment, and utility class wind turbines among others. The *NuVinci* technology offers companies the flexibility to design and produce next generation products that are better tailored to their unique business, market and competitive requirements. To learn more about Fallbrook and its *NuVinci* technology, please visit www.fallbrooktech.com.