

Fallbrook Technologies, Inc. Closes \$16 Million In Private Equity Financing

– Commercial availability of bicycles using NuVinci™ Continuously Variable Planetary technology expected in Q4 2006 –

(San Diego, Calif., August 14, 2006) – Fallbrook Technologies Inc. (Fallbrook), a pioneering technology development and intellectual property licensing company, announced today it has closed its latest round of equity financing, placing just over \$16 million in Series C Preferred Shares with private investors.

The first close of the current financing round, involving the placement of \$9.3 million in Series C Preferred Shares, took place in February 2006. Because of very strong investor demand, the company's board subsequently extended and expanded the round, authorizing the offering of additional shares. Sixty-one new investors and 26 existing investors participated in this round, making a total of more than 150 investors that now have purchased a stake in Fallbrook.

The share price sets the company's pre-money valuation at \$120 million, approximately four times the valuation in Fallbrook's previous financing round, completed in February 2005.

"Fallbrook's core technology is the revolutionary NuVinci™ continuously variable planetary (CVP) technology. *NuVinci* technology is a new class of highly adaptable and scalable continuously variable transmissions (CVTs). It promises to be the most practical and economical CVT for both human-powered and motor-powered vehicles and machines. The *NuVinci* CVP is applicable to virtually any product that uses a transmission, including bicycles, light electric vehicles, agricultural equipment, automobiles, and utility class wind turbines, among others.

Commercialization of the technology will soon reach a milestone with the Q4 2006 availability of bicycles incorporating the *NuVinci* CVP. Under an OEM licensing agreement, Ellsworth International, Inc. (Ellsworth), one of the bicycle industry's most respected and innovative companies, is designing and building a new line of bicycles called The Ride™, using the *NuVinci* CVP instead of a traditional derailleur or internal gear hub. The Ride, described as a "performance lifestyle" bike, is designed for riders of all ages and skill levels. It will complement Ellsworth's premier line of mountain and road bikes.

Ellsworth will purchase *NuVinci* CVPs from Aftermarket Technology Corp. (ATC) (NASDAQ: ATAC), Fallbrook's licensed manufacturing partner. ATC will begin manufacturing *NuVinci* CVP hubs in Q3 2006.

A number of additional agreements with vehicle OEM partners are expected throughout the remainder of 2006.

Transmission fluid for the hubs is being manufactured and marketed under a development and trademark agreement with the Valvoline division of Ashland, Inc. (NYSE: ASH). Valvoline's fluid will be commercially available during Q3 2006.

"Our investors have given Fallbrook and *NuVinci* technology a resounding vote of confidence," said William Klehm III, president and CEO of Fallbrook. "With the impending commercial availability of *NuVinci* technology, we're well on the way to achieving one of our core objectives – to change the way all transmission-based devices are designed and built."

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.