

Fallbrook Technologies Inc. Raises US \$39 Million in Series E Financing to Accelerate Commercialization of NuVinci® Transmission Technology

(San Diego, Calif. – December 7, 2010) – Fallbrook Technologies Inc., a company dedicated to improving the performance and flexibility of transmissions for engine and human-powered devices, today announced that it has raised approximately US \$39 million in a Series E Preferred Stock private placement financing. This brings Fallbrook’s cumulative financing to approximately US \$95 million since 2000.

The majority portion of the investment in the private placement financing was made by a new international investor, Macquarie Capital Markets Canada Ltd., and its related parties (“Macquarie”). Other new international investors included Sustainable Asset Management (“SAM”), of Switzerland, and Ningbo Shentong Auto Decorations Co., Ltd. (“Shentong”), of China. There was also significant participation from existing investors including NGEN Partners, of California, and Robeco, of The Netherlands. CIBC World Markets Inc. and Mackie Research Capital Corporation acted as agents on a portion of the Series E fundraising.

As part of Macquarie’s financing, Sean McIntyre, a Managing Director at Macquarie will join the Board of Directors of Fallbrook. McIntyre stated: “The financing is consistent with Macquarie’s approach to providing strategic capital to clients to enable them to pursue growth initiatives.”

“The additional capital will support the commercial development of our innovative and proprietary *NuVinci*® transmission technology into our five current target markets,” said William G. Klehm III, Chairman and CEO of Fallbrook. “The potential of our *NuVinci* technology to impact diverse markets, such as transportation and wind power, allowed us to attract new and experienced investors like Macquarie, SAM and Shentong, as well as to receive additional support from our existing investors.”

Fallbrook launched the *NuVinci*® N360, the second generation of its award winning continuously variable bicycle drivetrain, this summer and recently announced its entry into the automotive market with its *NuVinci* Delta Series™, a line of accessory drives and primary transmissions that increase fuel efficiency and vehicle performance. Fallbrook is also developing transmission technologies for electric vehicle, small wind power and lawn care applications.

“Fallbrook is entering an exciting new phase as we transition from development to an emphasis on commercialization,” Mr. Klehm stated. “As potential partners actively seek us out, we will

carefully assess these opportunities and our funding requirements to ensure that we maximize Fallbrook's commercial success and stockholder value."

Fallbrook plans to use the net proceeds from the Series E financing for working capital, product development and general corporate purposes.

About Fallbrook Technologies Inc.

Fallbrook Technologies Inc. (Fallbrook) is a technology company dedicated to improving the performance and flexibility of transmissions for vehicles and equipment. Fallbrook's *NuVinci*[®] continuously variable planetary (CVP) technology is applicable to machines that use a transmission such as bicycles, light electric vehicles, automobiles, agricultural equipment, and wind turbines, among others. *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.

Fallbrook has built an extensive portfolio of over 375 patents and patent applications worldwide. Fallbrook intends to continue its research and development activities to enhance the performance and capabilities of *NuVinci* technology.

For more information, visit www.fallbrooktech.com

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