

Fallbrook Technologies, Shentong to form a joint venture to develop and market *NuVinci*® Technology in China

– Agreement targeting electric, hybrid electric-powered passenger cars, light trucks –

San Diego, Calif. – March 14, 2011 – Fallbrook Technologies (Fallbrook) and Ningbo Shentong Group (Shentong), a Tier 1 automotive supplier to the Chinese automotive industry, have signed a joint venture agreement to develop and market Fallbrook's *NuVinci*® continuously variable planetary (CVP) transmissions for electric-powered passenger cars and light trucks in China and abroad. The joint venture, named "Shentong Fallbrook CVT Company, Ltd.," will operate out of Yuyao, Zhejiang province, China.

The joint venture will initially focus on developing the market for Fallbrook's *NuVinci*® CVP transmissions and electric vehicle drivetrain systems in China as well as to develop the supply base and fabrication processes as well as the know-how to manufacture those products, including delivering prototypes and small production runs to Fallbrook. Over time, the joint venture will begin manufacturing, marketing and selling affordable *NuVinci*® CVP transmissions and other drivetrain components to vehicle manufacturers in China and abroad.

"China is moving aggressively to support the development of electric vehicles," said Lifeng Fang, General Manager of Shentong. "Shentong has already invested in alternative energies and has a considerable interest in supplying components for this new market segment. We are committed to developing the capabilities to develop and manufacture Fallbrook's *NuVinci*® CVP transmissions to serve the Chinese and export electric vehicle markets."

"Fallbrook's *NuVinci*® CVP technology provides enhanced performance for light electric vehicles in areas such as acceleration capabilities and extended vehicle range, while, at the same time, extending battery life," said William G. Klehm III, Fallbrook's Chairman and CEO. "We are committed to establishing local application and manufacturing capabilities in China. We are proud to be entering this partnership with Shentong, which was facilitated through our ongoing relationship with Advanced Strategic Leadership (ASL) Automobile Science & Technology (Shanghai) Co., Ltd and we're excited for the potential this joint venture holds."

Fallbrook has a successful history of extending the capabilities of light electric vehicles. Unlike direct drive transmissions that depend upon high performance motors and power-electronics, the *NuVinci*® CVP uses a set of rotating and tilting balls positioned between the input and output components of the transmission that tilt to vary the speed ratio of the transmission. The overall functionality of the vehicle is improved through the global management of electrical energy using the transmission to manage current levels and usage. As a result, the *NuVinci*® CVP offers a seamless and continuous transition to any ratio, enabling electric vehicle drivetrains to achieve more torque for quick starts with less current draw, and thus improve battery life and vehicle range.

About Ningbo Shentong Group

Shentong Group is one of the most well-known auto parts and mold manufacturers in China. Founded in 1972 and located in Ningbo (Yuyao), it has become a supplier to major automobile companies including GM, SGM, FAW Audi, FAW Volkswagen, Shanghai Volkswagen, Dongfeng Peugeot Citroën, Toyota and Beijing DaimlerChrysler. Shentong's products include powertrain assemblies, inner & outer decorations, moulds and electrical appliances among others. The Company has ISO9001, ISO/TS16949 quality management system and ISO14001 environmental management system certifications. Shentong is one of the top 20 companies in Ningbo, which is in the area of China with the most extensive mechanical manufacturing and private enterprise. For more information, visit www.shentong-china.com

About Fallbrook Technologies Inc.

Fallbrook's NuVinci® continuously variable planetary (CVP) technology improves the performance and efficiency of machines that use a transmission, including bicycles, electric vehicles, automobiles, agricultural equipment, wind turbines and 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. An example of a next generation product is a *NuVinci* CVP that controls the speed of automotive accessory drives (including air conditioning compressors, alternators, and superchargers) independently of engine speed, thereby improving fuel economy or increasing performance or both.

Fallbrook has an agreement with ASL Automobile Science & Technology to spearhead Fallbrook's automotive and electric vehicle business development efforts in China. More information about ASL is available at www.asl-partners.com

Fallbrook has built an extensive portfolio of over 375 patents and patent applications worldwide. The company 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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