

Fallbrook Technologies Inc. launches revolutionary transmission technology, closes \$8.2M round of private funding

– The NuVinci™ Continuously Variable Planetary transmission improves acceleration, performance, cost and efficiency over conventional transmissions; applicable in virtually any transmission-driven device –

(San Diego, Calif., April 4, 2005) – Fallbrook Technologies Inc. (Fallbrook), a pioneering technology development and intellectual property licensing company, announced today the launch of its ground-breaking *NuVinci* Continuously Variable Planetary (CVP) transmission technology.

The company also announced it has recently closed an \$8.2 million round of financing from a consortium of private venture investors.

NuVinci technology is the most practical, economical and universally adaptable continuously variable planetary (CVP) transmission for human-powered and motor-powered vehicles and machines. It is ideally suited for applications in many major industries, including bicycles, light electric vehicles (LEVs), tractors and agricultural equipment, automobiles, trucks, and utility class wind turbines, among others.

NuVinci technology has the potential to dramatically enhance a consumer's experience with all types of transmission-driven devices. In a bicycle, for example, the *NuVinci* CVP eliminates the traditionally complex derailleur drivetrain, making the bicycle easier to shift, and providing a smoother, more enjoyable ride - especially for pleasure cyclists. In LEVs, *NuVinci* technology makes possible a smooth-shifting variable transmission for these popular battery-powered vehicles that increases acceleration, improves hill-climbing capabilities, enhances performance under a load, and extends the vehicle's range on a single charge.

The *NuVinci* CVP is also ideally suited for automobiles. It provides seamless shifting over an infinite number of gear ratios, accepts multiple inputs, and improves acceleration and fuel economy over conventional transmissions. Its compact design and scalability also make it easy to implement across an automaker's entire product line.

NuVinci technology is even applicable for utility class wind turbines. In fact, the recently released technical report from the National Renewable Energy Laboratory's (NREL) cooperative research and development agreement (CRADA) with Fallbrook reports that the *NuVinci* technology can potentially reduce the cost of energy (COE) by as much as 2.7-6.8%. According to the CRADA technical report, the *NuVinci* CVP's ability to reduce the COE is accomplished by improving overall system efficiency in all wind speeds, and by reducing capital cost through use of less expensive and more reliable power generating components.

Fallbrook's *NuVinci* CVP controls relationships of speed and torque. It 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. As a result, the *NuVinci* CVP improves acceleration, performance and efficiency over conventional transmissions. Compared to traditional continuously variable transmissions (CVTs), *NuVinci* technology is less complex, has considerably fewer parts, offers more stable control, and provides for easier shifting. It also scales and packages more easily, and costs less to manufacture and assemble.

"Quite simply, we're out to change the way the world builds transmission-based machines," said William Klehm, president and CEO of Fallbrook. "Manufacturers and OEMs in a variety of industries already are interested in our *NuVinci* technology, and we see market acceptance building rapidly."

"The fact that Fallbrook was able to quickly close an \$8.2 million private funding round in the current market speaks volumes about the potential of the *NuVinci* CVP," said Gary Weiss, Fallbrook's chairman of the board and one of its participating investors. "We believe this technology represents a true paradigm shift that will benefit millions of consumers around the world."

About Fallbrook Technologies Inc.

Fallbrook Technologies Inc. (Fallbrook) is a technology development and intellectual property licensing company dedicated to improving the usability and cost effectiveness of transmission-based products. The company's core technology is its *NuVinci*™ continuously variable planetary (CVP) transmission. The *NuVinci* CVP has been recognized as revolutionary and is potentially applicable to virtually any product that uses a transmission such as bicycles, light electric vehicles, automobiles, agricultural equipment, and utility class wind turbines among others. Fallbrook licenses its technology to manufacturers and also provides design and development support to its licensees.