

Fallbrook Technologies Inc. and Sanyo Trading International Sign Business Development Agreement

– Import/Export Firm to Spearhead Sales and Marketing Efforts in Japan for Fallbrook’s NuVinci® CVP Drivetrain for Bicycles –

San Diego, Calif., — November 4, 2010 – Fallbrook Technologies Inc. (Fallbrook), a technology company dedicated to improving the performance and flexibility of transmissions for engine- and human-powered devices, announced today that it has selected Sanyo Trading International as its lead sales and marketing representative in Japan.

Under terms of the business development agreement, Sanyo Trading will work with Japanese bicycle manufacturers to incorporate Fallbrook’s *NuVinci* continuously variable planetary (CVP) drivetrain into their standard and pedal-assist (eBike) models. Sanyo Trading will also promote the *NuVinci* CVP to Japanese manufacturers of electric vehicles.

“Sanyo Trading has a great history, an excellent reputation and the contacts needed to reach effectively into the companies we’re targeting in Japan,” said Alan M. Nordin, president of Fallbrook’s Bicycle Products Division. “We believe they are the best choice for leading our efforts to develop this important market for the *NuVinci* N360.”

Sanyo Trading’s efforts will focus mainly on Fallbrook’s new *NuVinci* N360 CVP, which the company introduced this year. With an infinite number of ratios available within its nominal 360 percent ratio range, the N360 drivetrain is an attractive replacement for bicycle derailleurs and internally geared hubs as it provides a ride and shifting experience unlike any other. The *NuVinci* CVP enables riders to easily maintain an optimum cadence regardless of terrain and makes shifting as easy as adjusting the volume on a radio. Compared to the original *NuVinci* bicycle drivetrain, the N360 model is over 30 percent lighter, 17 percent smaller and has an increased ratio range. Shift effort is significantly reduced even under high pedal forces and there is 50 percent less twist rotation required to move through its wide 360 percent ratio range. In addition, for better protection, the hub interface is now housed inboard of the frame drop-out. *NuVinci* N360 drivetrains are now available on an increasing number of models in various bicycle industry segments including city, commuter, cruiser, comfort, trekking, MTB and e-bike.

“Bicycling is an important mode of transportation in Japan, and we believe the market is ready for *NuVinci* technology,” said Jutaro Suzuki, general manager of Sanyo Trading. “We are very impressed with the *NuVinci* N360, and we know that Japanese riders will love its smooth, simple riding experience. In addition, companies building electric powered vehicles can benefit greatly from this drivetrain technology.”

NuVinci technology is a practical, economical and adaptable continuously variable transmission for human- and motor-powered vehicles and machines. The *NuVinci* CVP uses a set of rotating and tilting balls positioned between the input and output components of a transmission. Tilting the balls changes their contact diameters and varies the speed ratio. The *NuVinci* CVP can be used in a wide variety of transmission-based vehicles or devices.

About Sanyo Trading Co., Ltd.

Sanyo Trading Co., Ltd. is one of Japan’s leading import/export companies. Founded in 1947 and based in Tokyo, the company has five major product divisions: Rubber, Chemical, Machinery and Materials, Industrial Products, and Scientific Instruments. In 2009, the company reported total sales exceeding \$440 million. The web site is www.sanyo-trading.co.jp.

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 350 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.