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Fallbrook Technologies' Patent Portfolio Grows 40% in Two Years

– *NuVinci® Continuously Variable Planetary Transmission Technology Protected by More Than 500 US and Foreign Patents --*

CEDAR PARK, Texas, September 30, 2014 – Fallbrook Technologies Inc. (Fallbrook), inventor of the NuVinci® continuously variable planetary (CVP) transmission technology, today announced that since August 2012, its portfolio of worldwide patents and patent applications has increased 40%. Fallbrook, which had 57 patents and pending applications shortly after its incorporation in 2004, now has a total of over 700 patents and patent applications worldwide including over 500 patents awarded. Two years ago, the total number of the Company's patents and patent applications worldwide was 500.

"The significant and continuing growth of Fallbrook's patent portfolio," said William G. Klehm III, Fallbrook's Chairman and CEO, "adds value to our licensees, since it further protects their competitive positions in the marketplace."

"The growth itself," Klehm explained, "stems from the many enhancements and refinements we have made as part of the learning that occurs in the course of commercialization. Other growth has resulted from customer and prospect driven interest in using *NuVinci* CVP technology in an increasingly wide variety of applications."

"All licensees of *NuVinci* Technology," noted Jeffrey A. Birchak, Fallbrook's Vice President of Intellectual Property and Assistant General Counsel, "participate in a technology community that provides a members-only mechanism for the expansion of protected intellectual property available to those who have licensed *NuVinci* CVP technology. It speeds the development of *NuVinci* technology, encourages collaboration among licensees, and we believe provides licensees a distinct and sustainable competitive advantage."

According to Birchak, Fallbrook requires its licensees and other third parties to grant back rights in any improvements made to the *NuVinci* CVP technology. The grant-back terms provide Fallbrook with the ability and rights to license new improvements, as well as improvements from past programs, to the technology community members. Sharing the rights in the improvements allows each member to use the technology free from concerns of intellectual property infringement claims from other members of the grant-back community.

Birchak stated, "We believe the grant-back community concept spurs innovation and provides a more efficient and rapid product development process, which can lower development costs and reduce commercialization risk. As a case in point, in order to support the rapid development of their respective application programs, two of Fallbrook's major licensees have agreed to a Fallbrook-facilitated initiative that involves sharing certain types of technical information on a regular basis."

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About Fallbrook Technologies

Fallbrook Technologies is the developer of the patented NuVinci® continuously variable planetary (CVP) technology, which can improve the performance and efficiency of machines that use a transmission, including vehicles, stationary equipment, bicycles and others. The *NuVinci* technology is Transforming Gears into Spheres™ by using 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. *NuVinci* CVP technology can be configured to replace multiple planetary gears, providing significant efficiency or performance improvement in a compact package. 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.

Major automotive transmission suppliers have licensed *NuVinci* technology for the development of automotive class drivetrains, and a market leading supplier has licensed the technology and is developing *NuVinci* CVP transmissions for electric and gasoline light vehicle applications. The first commercial products incorporating the technology are the currently available *NuVinci* N360™ bicycle transmission and the *NuVinci* Harmony™ auto shifting system for bicycles, which includes the *N360*. Fallbrook has built an extensive portfolio of over 500 patents worldwide. For more information, visit <http://www.fallbrooktech.com>.

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