



For Immediate Release

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**NGEN III, LP LEADS \$25.4 MILLION INVESTMENT ROUND
IN FALLBROOK TECHNOLOGIES INC.**

- *Cleantech investment firm to help Fallbrook expand existing markets and pursue new opportunities for NuVinci® technology –*

(San Diego, Calif., January 12, 2009) – Fallbrook Technologies Inc. (Fallbrook), a pioneering technology company dedicated to improving the performance and flexibility of transmissions for engine and human powered devices, announced today that it has completed the first close of a \$25.4 million financing round. NGEN III, LP provided \$10 million as the lead investor. Robeco, the investment arm of Rabobank of The Netherlands, provided an additional \$10 million from its Clean Tech Private Equity funds. Windstone Capital Partners, Inc. of Scottsdale, Ariz. provided advisory support for the round.

The investment will enable Fallbrook to continue the commercialization of its *NuVinci* continuously variable planetary (CVP) transmission, and to accelerate the development of advanced technologies. A number of applications of *NuVinci* technology – both current and projected – represent significant clean technology opportunities.

This is Fallbrook's first venture-financed round; previous financing for the company was done through private equity investment.

"We're convinced that *NuVinci* technology, already commercialized for bicycles, can revolutionize a wide range of cleantech market segments," said Steven E. Parry, managing director of NGEN. "The investment in Fallbrook reflects our commitment to help companies who are leading the way to a more sustainable energy future."

"*NuVinci* technology has enormous potential to add value in the bicycle, electric vehicle and automotive industries," said Keimpe Keuning, senior investment manager at Robeco. "Robeco, through its Clean Tech Private Equity funds, is dedicated to the clean technology space. Because of the technological advantages Fallbrook can bring, this investment fits very well within our investment strategy."

Under terms of the agreement, both Mr. Parry and Mr. Keuning will join Fallbrook's board of directors.

"Closing a \$25 million finance round in this economy is a huge validation of *NuVinci* technology and its 'game-changing' potential – particularly in the cleantech area," said William G. Klehm III, Fallbrook's president and CEO. "This investment positions us to make major gains in both market reach and market share worldwide."

NuVinci technology is the most practical, economical and universally 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 virtually any transmission-based vehicle or device – from bicycles and outdoor power equipment to cars, trucks and wind turbines. It is already on track to expand the number of bicycles used for transportation and it enables the design and manufacture of a wide range of electric and hybrid vehicles that have the speed, range and hill-climbing capability to be genuine transportation alternatives. When used with vehicle accessory drives, a *NuVinci* CVP can improve performance and increase fuel efficiency. Additionally, a study conducted by the National Renewable Energy Laboratory (NREL) showed that, when used in a wind turbine, *NuVinci* technology can significantly reduce the cost of producing energy.

Since coming into the market in late 2006, market acceptance and penetration for the *NuVinci* CVP has increased steadily – particularly in the bike and electric vehicle industries, and especially in Europe. Originally formed with an IP licensing business

model, Fallbrook, in March 2008, also became a manufacturing and marketing company for certain applications. MTD Products Inc physically manufactures the *NuVinci* CVP for bicycles and light electric vehicles in its Leitchfield, Ky. facility under agreement with Fallbrook.

In 2007 – its first full year on the market – *NuVinci* technology won several major awards, including the prestigious R&D 100 Award as one of the year’s most technologically significant products. It also won the Netherlands’ Technology of the Year Award. Bicycles equipped with *NuVinci* drivetrains won the *Popular Science* Best of What’s New award and Bike of the Year in The Netherlands. In September 2008, the *NuVinci* drivetrain was given the prestigious iF Design EUROBIKE Gold 2008 Award at the EUROBIKE show, one of the largest international trade shows for the bike industry.

About NGEN

NGEN provides enterprising capital for clean technology companies. Founded in 2001, NGEN is a pioneering investor in the cleantech sector, investing in companies that offer products and services that positively affect the environment. NGEN has deep expertise in alternative energy, energy efficiency, pollution abatement and green resources.

NGEN III, LP is the third cleantech fund of NGEN Partners, LLC. NGEN Partners, LLC provides capital and strategic resources to companies that will innovate and drive the energy economy. As a leading cleantech investment firm with offices in Palo Alto, Santa Barbara and New York, the firm adds significant value to its portfolio companies by investing in post-prototype, early and mid-stage rounds, typically as the lead investor. To learn more about NGEN, please visit www.ngenpartners.com.

About Robeco

Robeco, established in Rotterdam in 1929, offers investment products and services to institutional and private investors worldwide. It has €114 billion in assets under management (as of 30 November 2008).

The product range encompasses equity and fixed-income investments, money-market funds, responsible investing and alternative investments, including private equity, hedge

funds and structured products. The various strategies are managed from Rotterdam (head office), Boston, Hong Kong, New York and Paris.

Robeco is part of Rabobank Group, one of the few retail banks with the highest credit ratings from Moody's and Standard & Poor's. Furthermore, within the banking sector, Rabobank has the highest sustainability cluster score, which is used to assess an organization's people and environmental friendliness.

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 revolutionary NuVinci® continuously variable planetary (CVP) technology is applicable to virtually any 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 300 patents and patent applications worldwide. Fallbrook's vigorous research and development activities will continue to enhance the performance and capabilities of *NuVinci* technology.

To learn more about Fallbrook and its *NuVinci* technology, please visit www.fallbrooktech.com.

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