

Fallbrook Technologies Inc. Acquires the Business of Hodyon LP, Manufacturer of Dynasys™ Auxiliary Power Unit (APU) products

- Will utilize NuVinci® transmission technology in next generation APU -

San Diego – March 7, 2011 – Fallbrook Technologies (Fallbrook) today announced the acquisition of the business of Hodyon LP, a manufacturer and distributor of energy-efficient products and systems. Hodyon's primary product focus is its diesel-electric Dynasys™ Auxiliary Power Unit (APU) system. Operating as a wholly-owned subsidiary, Hodyon will incorporate Fallbrook's patented *NuVinci* continuously variable planetary (CVP) transmission to create a more efficient, next generation APU product.

"The Hodyon team is very excited about merging our resources with Fallbrook," said David Hancock, Hodyon's Chief Executive Officer. "We believe Fallbrook's technology and infrastructure bring Hodyon an undeniable competitive advantage in the APU market. The combination of Fallbrook's *NuVinci* continuously variable accessory drive with Hodyon's *Dynasys* APU will allow us to serve the transportation industry with products that provide real environmental change through the reduction of fossil fuel and energy consumption."

William G. Klehm III, Fallbrook's Chairman and Chief Executive Officer stated: "This is a strategic acquisition that represents the commercial launch of our *NuVinci* DeltaSeries™ products. Combining Fallbrook's strengths, including its financial backing, with Hodyon will provide an opportunity for us to accelerate the growth of this business. The next generation Dynasys APU will continue to provide what we believe is a best-in-class product that will save truckers money and reduce emissions. In addition, Hodyon's established product and distribution channels will provide a foundation for delivering many of our other planned automotive products to the marketplace."

About Hodyon

Located in Round Rock (greater Austin), Texas, with 28 employees, Hodyon is a manufacturer and distributor of energy-efficient products and systems that reduce the magnitude of climate change. The company is ISO 9001:2000 certified and the 59th fastest growing, privately-held manufacturer in the U.S., according to *Inc. Magazine*.

Auxiliary power units (APUs) are used on heavy trucks to provide power for heating and air conditioning, lighting and electronic systems in circumstances where the diesel engine must be turned off. Hodyon's diesel-electric Dynasys™ APU system provides dependable comfort for the driver during down times, reduces emissions and lowers fuel costs during stops (vs. idling of

the main engine). Hodyon's current APU embodies a design it considers superior and the company provides field support, customer service and product fleet trial programs viewed by customers as significantly better than the competition.

About Fallbrook Technologies Inc.

Fallbrook is privately held and has raised \$95M to date. Macquarie Capital Markets, NGEN Partners, and Robeco are its major shareholders.

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. 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 Technologies has built an extensive portfolio of over 375 patents and patent applications worldwide. More information is available at www.fallbrooktech.com.

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