



Contact: Nancy Irwin
1-704-641-1225
nancyi@theclearblue.com

For Immediate Release

LIUGONG ENTERS EUROPEAN MARKET WITH NEW SUBSIDIARY

Guangxi, PR China - April 20, 2010 - LiuGong is solidifying its presence in the European heavy construction equipment market, announcing the opening of a European subsidiary, LiuGong Europe.

LiuGong Europe, a fully owned subsidiary of LiuGong Machinery Corp., will center its headquarters in Amsterdam, close to the company's regional parts depot. LiuGong is a €1.04 billion Euro (\$1.49 billion USD) global heavy equipment manufacturer headquartered in Guangxi, PR China, offering a full line of machines including wheel loaders, excavators, rollers, motor graders, bulldozers, skid steer loaders, mini excavators and forklifts.

Mr. Luo Guobing, previously the General Manager for LiuGong Europe, has been named President and Director of LiuGong Europe BV and LiuGong Russia.

The new subsidiary offices will be staffed with both European and Chinese managers, said Mr Luo. When fully staffed, the office will have 16 people; six from China, and the remainder from Europe, Luo said. The office will house the sales and marketing functions, engineering, logistics and importing, accounting, dealer support and dealer training, along with executive management.

Mr. Zeng Guang'an, LiuGong Vice Chairman and President, noted this move is a continuation of LiuGong's global expansion strategy.

"For the past five years, LiuGong has pursued global expansion. This new regional office joins our four other regional offices, LiuGong North America, LiuGong Latin America, LiuGong India, and LiuGong Australia. All five of these offices will enhance our brand, our service and our market commitment around the world," said President Zeng, who noted LiuGong is still in the process of hiring more professional positions. Zeng also said LiuGong is actively recruiting dealers, with a prime focus on Germany and France. Southern Europe dealer recruitment will come next.

President Zeng said LiuGong has been successfully selling machines in Europe for the past several years, with its greatest penetration in Eastern and Northern European countries. LiuGong has used this experience, coupled with market research, to redesign and refine its products to tailor them to the needs of the European market.

-MORE-

"Our approach is this: First we research and pilot test a market while we establish high quality, dedicated dealers who are knowledgeable, well capitalized and have the same long term outlook we do," explained President Zeng. "We ensure service and maintenance are addressed before we open for business."

Zeng said LiuGong's research over the past two years resulted in the company responding quickly to market demands - and the result of that speed is evident at Bauma. LiuGong is rolling out re-designed excavator models. For example, LiuGong improved ergonomics in machine cabs and made them roomier to fit the larger European operator. LiuGong also improved efficiency, in some cases up to 15%, through reducing fuel consumption and increasing productivity with improved hydraulics.

In the same passion for servicing the market, LiuGong has opened eight regional parts depots around the world to serve each subsidiary and region.

Mr. Luo pointed out that LiuGong's European parts depot has been up operating over the past year, well ahead of LiuGong's push into Western Europe. From this central location in The Netherlands, LiuGong can deliver parts to all areas of Western and Eastern Europe within 48 hours. Mr. Luo said LiuGong plans to have up to 20 machines in stock at the depot and 10 units for customer demonstration.

LiuGong machines are notable for being easy to own and easy to operate, said Luo. The company excels in providing features that customers demand, but also focuses on using only well-proven technologies that are easy to service. The result is highly durable machines that stand up to the rigors of tough operating environments customers face. LiuGong supports its global product lines with a rapidly-growing, worldwide network of 119 dealers across six continents in more than 80 countries. The LiuGong dealer network provides 881 outlets around the world.

LiuGong is a provider of top quality construction machinery. In 2008 LiuGong received a China National Quality Award. In China, the National Quality Award is presented to a few select companies after rigorous review. Since its inception in 2001, only 62 companies from any industry in China have received this award. LiuGong is the only company in the machine industry ever to receive this recognition. LiuGong processes and parts are ISO 9000 compliant, and the company is adopting Six Sigma quality methodology.

"Right now, we're a great fit for these economic times. Our machines are actually designed for environments where service can be sometimes hard to find; they're incredibly durable and economical to operate," said Luo.

###

For more than 50 years, LiuGong Machinery Corporation has led China's construction equipment industry, offering a wide range of heavy machinery through its dealer network spanning six continents. With a full line of construction and materials handling equipment, LiuGong Machinery Corporation is deeply committed to serving its customers worldwide.