



Liquidity Services, Inc. Opens Distribution Center in Cranbury, New Jersey

December 19, 2005

Location enables reduced shipping costs for East Coast buyers and sellers on LSI's online auction marketplace, www.liquidation.com

Washington, DC, December 19, 2005 — Liquidity Services, Inc. (LSI), a leading online auction marketplace for wholesale, surplus and salvage assets, today announces the opening of its new distribution center in Cranbury, New Jersey. The facility serves as the primary storage and distribution center on the East Coast for LSI's online marketplace www.liquidation.com and provides regional sellers and buyers reduced shipping costs on both incoming and outgoing merchandise deliveries. The addition of the distribution center enables LSI to increase the level of service provided to high volume sellers and buyers of wholesale and surplus inventory.

"We made the decision to open an East Coast warehouse because of the increase in large customers in the area as well as a high regional demand for merchandise available through our online auction marketplace, www.liquidation.com," said Bill Angrick, Chairman and CEO of LSI. "The location enables both sellers and buyers to reduce transaction costs which translates to an enhanced rate of return on surplus inventory for sellers and a lower cost per unit auction price for buyers."

Buyers can use the Advanced Search tool on www.liquidation.com to find inventory available through LSI's New Jersey warehouse and can access shipping quotes on each auction. Auction items frequently available from the warehouse include items such as apparel, consumer electronics, tools, office equipment, industrial supplies and a variety of items in over 500 product categories.

In addition, onsite employees at the warehouse provide pre-sale value-added services such as inventory management and tracking, cataloguing and photographing merchandise, lotting, delabeling, and outbound fulfillment. These services are designed to improve the speed and efficiency of surplus disposition, increase the rate of recovery by providing buyers with detailed product information, and provide transparent and real-time reports throughout the entire process.

The New Jersey facility is approximately 49,000 square feet and is being leased through December 31, 2009.

LSI also operates a 49,000 square feet warehouse distribution center in Dallas, Texas that is dedicated to merchandise auctioned on www.liquidation.com.

About Liquidity Services, Inc.

Liquidity Services, Inc. and its subsidiaries enable government agencies, businesses and financial institutions to market and sell surplus assets and wholesale goods quickly and conveniently using innovative online auction marketplaces, business-to-business product sales and marketing expertise, and value-added logistics and fulfillment services. The privately held company is based in Washington, D.C. and employs 285 people. Additional information can be found at: www.liquidityservicesinc.com.