



Liquidity Services, Inc. Awarded Contract with EPA to Recycle and Dispose of Obsolete Electronic Equipment

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Washington, D.C. (January 17, 2005) — Liquidity Services, Inc. (LSI), a leading provider of comprehensive asset recovery services for businesses and the public sector, has been awarded a contract with the Environmental Protection Agency's Recycling Electronics and Asset Disposition (READ) program to help federal agencies recycle and dispose of electronic equipment. Under the terms of the contract, LSI will provide a comprehensive solution that facilitates asset disposition, refurbishing, recycling and redeployment of surplus electronic equipment to all agencies within the Federal sector.

Through the fixed-rate, performance-based contract, LSI will provide all Federal sector agencies with a customized procurement strategy to dispose of electronics in an environmentally responsible manner. LSI's solution includes the following services:

- * Refurbishment of electronic equipment to a useable status.
- * Remarketing of assets using both traditional and online disposition methods.
- * Logistical assistance including smart sorting and segregation of items to be donated to charities or redeployed within the Federal sector.
- * Dismantling and recovery of electronics that are beyond upgrade or refurbishment. LSI will determine which components can be recycled for use in other equipment, which components can be resold on the commercial market, and which parts have no market value.
- * Determining proper and safe methods for disposal that ensures all items that are not functional or are obsolete will be recycled properly.
- * Creating an audit trail that provides access to both virtual and hard copy chain-of-custody information to track recycled components from start to destruction and/or recycling.

It is estimated that the Federal Government alone discards approximately 10,000 computers each week and that agencies have accumulated significant volumes of end-of-life electronic equipment awaiting proper disposition.

"The overall goal of our asset remarketing activities is to provide a secure solution that maximizes recovery value of usable property to offset recycling costs for Federal agencies," said Bill Angrick, CEO of LSI. "By using our experience in managing comprehensive asset disposition programs for the Federal sector, we can provide public sector agencies a robust recycling solution at a low cost to address the avalanche of end-of-life electronic equipment generated by the Federal Government."

LSI will maximize revenues from usable electronic equipment through a share-in-savings (SiS) program. Under the SiS program, LSI will identify opportunities to save costs associated with recycling efforts and share those savings with Federal agencies to offset the recycling costs of those agencies.

About EPA READ

Pursuant to the Clinger-Cohen Act, OMB designated EPA to serve as the Federal executive agent for government-wide acquisition of information technology recycling and asset disposal services. The READ Government Wide Acquisition Contract (GWAC) provides Federal agencies with a dependable method of properly managing electronic inventories, recycling electronic equipment, and disposing of excess or obsolete electronic equipment in an environmentally responsible manner. READ services include: developing a reportable audit trail of the equipment's final destination; addressing appropriate levels of security for sensitive electronic data; and maximizing potential revenues from usable electronic equipment currently in storage through a share-in-savings program. To learn more about utilizing services offered under the READ program, please see www.epa.gov/oam/hpod.

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 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 275 people. Additional information can be found at www.liquidityservicesinc.com.