



Combination creates one of the world's largest concrete machinery manufacturer

In September 2008, a consortium formed by Changsha Zoomlion Heavy Industry Science and Technology Development Co., Ltd. (SZSE: 000157) and financial investors including Hony Capital, Goldman Sachs, and Mandarin Capital Partners have completed the acquisition of 100% of CIFA S.p.A. from Magenta Fund and other shareholders of CIFA in an all-cash transaction.

Transaction highlights:

- Combines leading European brand in concrete machinery and leading Chinese construction equipment manufacturer, creating world's largest concrete machinery manufacturer
- Complementary geographic coverage and product ranges with rapidly expanding sales and service networks in most major markets worldwide
- Total transaction value of approximately 511 million euro, including total equity contribution from the consortium of 271 million and debt financing of 240 million euro.
- Deal expected to be accretive to Zoomlion's earnings in its first year, with savings expected from coordinated expansion into emerging markets, leveraging on combined company's global sales and distribution network, increased production efficiency and R&D resources.

Zoomlion, headquartered in Changsha, China, is a leading construction equipment manufacturer in Asia. CIFA, headquartered in Milan, Italy, is a concrete machinery manufacturer with an approximately 20% market share in Western Europe and a leading brand name in Europe with a rapidly growing presence in the Middle East and Russia. The combined company's global sales and distribution network covers Americas, China, Western Europe, Eastern Europe, South and East Asia, Australia, the Middle East, Africa, Russia and other countries in the former Soviet Union.

Mr. Zhan Chunxin, Chairman and CEO of Zoomlion is convinced that “This is a landmark transaction creating a leading, fully-integrated global construction and engineering equipment manufacturing group covering six continents.”

“By combining CIFA’s strong international brand, global sales and distribution network, innovative technology and highly experienced management team with Zoomlion’s leading market position in China, diversified product portfolio and manufacturing expertise, this transaction will allow us to realize increased production efficiencies, expand our market leadership in concrete machinery globally and better capture opportunities in fast growing new markets”.

Zoomlion’s customers in China and other markets will benefit from access to CIFA’s innovative product offering which is an ideal compliment to our existing portfolio. Looking forward, with combine R&D and product development capabilities, customers of the combined company will benefit from an even higher level of innovation and quality.

Maurizio Ferrari remains as chairman of CIFA. In addition, he’s been appointed as a vice president of Zoomlion. Stefano Marcon, former CFO of CIFA, has assumed the responsibilities of the CEO and head of operations of CIFA.

“CIFA’s employees and management are very excited to join forces with Zoomlion,” said Mr. Ferrari after the closing. “Zoomlion brings manufacturing expertise and capacity which will create opportunities to better meet customer demand as well as resources that will help CIFA expand into new markets. With complementary geographic coverage and complementary product ranges, CIFA customers will benefit from an enhanced range of products, stronger sales and service network and better support from distributors”

“With a similar business culture of excellence and innovation and a strong, experienced combined management team, I am confident that we will have a successful future together as a leading global company,” Mr. Ferrari said.

Existing CIFA products will continue to be produced by CIFA and marketed under the CIFA brand name.

Commenting on the post-closing integration process, Mr. Zhan thinks that “We have a strong plan in place to integrate our operations. In fact the integration teams, combined by top managers from China and Italy, have already worked successfully together in the past months. Our partners in the acquisition consortium – Hony Capital, Goldman Sachs and Mandarin Capital Partners – also bring deep experience working with international companies as they integrate operations, and with their commitment and support I am confident that we will have a smooth and successful integration”.

The combined company has approximately 14,000 employees, of which approximately 1,000 are located in Italy with the remainder in China and around the world. The transaction will build opportunities for all stakeholders of the combined group, including employees, customers and suppliers.

The operation comes during a Market period of downturn in most areas of the world. The combined group represents in this scenario a footprint of higher competitiveness

and will take the opportunities coming from synergies both on the product and on the markets.

For the Concrete Business, the sales strategy of the Group is to shape an accurate Double Brand Policy with CIFA and Zoomlion Brands, according to the type of Markets and taking advantage of the existing powerful CIFA distribution network through Dealers when possible.

In each Market one of the two Brands will play the role of the Strategic Brand, while the other will try to catch niche opportunities, according to the different Market characteristics. For this reason, a new organization has been put in place for the International Sales to guarantee an effective development from the starting base of the existing distribution networks of CIFA and Zoomlion.

As far as the French market is concerned, it is confirmed that the distribution of the Concrete Equipment of the group will be through the consolidated relationship with CIFA's Dealer, the Palfinger France organization and with the CIFA brand.

Intermat 2009 is the second participation of the Group to an international Exhibition after Bauma Shanghai in November 2008. The Group will display a corporate presence with a selected representation of the full range of the two Brands, both for CIFA and for Zoomlion. The CIFA concrete equipment displayed will be sold through the Palfinger France Organization on the French market, while Zoomlion products are destined to Northern African Markets and to some selected countries of Southern Europe.

ABOUT CHANGSHA ZOOMLION HEAVY INDUSTRY SCIENCE AND TECHNOLOGY DEVELOPMENT CO. LTD.

Zoomlion is a leading manufacturer and distributor of construction machinery and sanitation equipments in China. Its product portfolio consists of over 100 different products, including concrete machinery, cranes, sanitation equipments, road construction machinery and other types of construction machinery and products. **Zoomlion** is listed on Shenzhen Stock Exchange with a market cap of approximately 1.75 billion.

ABOUT CIFA

CIFA is a leading concrete equipment manufacturer offering full-line concrete equipments including concrete pumps, concrete mixers, plants, and formworks. Founded in 1928, CIFA is based in Senago, Italy with 7 production sites in Italy, and 2 sales/after-sales facilities in the U.S. and Mexico. CIFA had sales of approximately EUR 300mm in 2007 and has strong market shares in Western Europe and emerging markets such as Russia and Bulgaria.

ABOUT HONY CAPITAL

Hony Capital is a China-focused middle-market private equity firm, employing a value-added strategy to increase the performance and value of its portfolio companies. With US\$2.8 billion under management, Hony Capital primarily focuses on construction materials and machinery, pharmaceuticals, and consumer goods and retail industries.

ABOUT GOLDMAN SACHS

Goldman Sachs is a leading global investment banking, securities and investment management firm that provides a wide range of services worldwide to a substantial and diversified client base that includes corporations, financial institutions, governments and high net worth individuals. Founded in 1869, it is one of the oldest and largest investment banking firms. The firm is headquartered in New York and maintains offices in London, Frankfurt, Tokyo, Hong Kong and other major financial centers around the world.

ABOUT MANDARIN CAPITAL PARTNERS

Mandarin Capital Partners is the largest Sino-Italian private equity fund sponsored by China Development Bank, the Export-Import Bank of China and Banca Intesa Sanpaolo with total fund size of EUR 328 million. Mandarin mainly focuses on industrial sectors where synergy could be achieved through capitalizing complementary advantages between China and Europe. With dedicated professionals located in Italy and China, Mandarin provides value creation services to assist Chinese companies in their overseas expansion in Europe/Italy and European companies' investment in China.

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