



News Release

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ALLIANCE LAUNDRY HOLDINGS LLC REPORTS 1st QUARTER 2007 EARNINGS

Ripon, Wis. – May 15, 2007 — Alliance Laundry Holdings LLC announced today results for the three months ended March 31, 2007.

Net revenues for the quarter ended March 31, 2007 increased \$25.1 million, or 35.1%, to \$96.5 million from \$71.5 million for the quarter ended March 31, 2006. Our net income for the quarter ended March 31, 2007 was \$2.4 million as compared to a net loss of \$1.5 million for the quarter ended March 31, 2006. Adjusted EBITDA (see “About Non-GAAP Financial Measures” below) for the quarter ended March 31, 2007 increased \$3.2 million to \$17.0 million from \$13.8 million for the quarter ended March 31, 2006.

The overall net revenue increase of \$25.1 million was attributable to higher commercial laundry revenues of \$5.3 million, higher consumer laundry revenue of \$3.0 million, higher service parts revenue of \$2.1 million and CLD Acquisition related sales of \$21.0 million from the European operations offset by \$6.3 million of worldwide sales eliminations. The increase in commercial laundry revenues includes \$2.6 million of net sales resulting from the acquisition of CLD’s U.S. operations, \$1.1 million of higher North American commercial equipment revenue, \$0.7 million of higher international revenue, and \$0.9 million of higher earnings from our off-balance sheet equipment financing program.

Included in our net loss for the quarter ended March 31, 2006 was a \$1.4 million impairment charge related to a reduction in the value of the Ajax trademark, with no similar impairment charge in the quarter ended March 31, 2007. In addition, \$1.1 million of our net income for the quarter ended March 31, 2007 was related to our European operations. The quarter ended March 31, 2006 does not include the acquired European operations, which were acquired on July 14, 2006.

In announcing the Company’s results, CEO and President Thomas F. L’Esperance said, “We are pleased to report yet another solid quarter. The CLD Acquisition was a significant contributor to both our revenue and earnings growth for the quarter. We are also happy to announce that our consolidation efforts for the CLD Acquisition are substantially complete.”

“We believe the CLD Acquisition has made us a stronger company in both North America and Internationally and look forward to the opportunities that this strategic acquisition presents as we work together with the CLD team to execute our Company’s growth and customer one objectives,” said L’Esperance.

About Non-GAAP Financial Measures

In addition to disclosing financial results that are determined in accordance with generally accepted accounting principles (GAAP), we also disclose EBITDA and Adjusted EBITDA, which are non-GAAP measures. We have presented EBITDA and Adjusted EBITDA because certain covenants in our Senior

Credit Facility are tied to ratios based on these measures. "EBITDA" represents net income (loss) before interest expense, income tax (provision) benefit and depreciation and amortization, and "Adjusted EBITDA" (as defined under the Senior Credit Facility) is EBITDA as further adjusted to exclude, among other things, certain non-recurring expenses and other non-recurring non-cash charges. EBITDA and Adjusted EBITDA do not represent, and should not be considered, an alternative to net income or cash flow from operations, as determined by GAAP, and our calculations thereof may not be comparable to similarly entitled measures reported by other companies. Our Senior Credit Facility requires us to satisfy specified financial ratios and tests, including a maximum of total debt to Adjusted EBITDA and a minimum Adjusted EBITDA to cash interest expense. To the extent that we fail to maintain either of these ratios within the limits set forth in the Senior Credit Facility, our ability to access amounts available under our Revolving Credit Facility would be limited, our liquidity would be adversely affected and our obligations under the Senior Credit Facility could be accelerated. In addition, any such acceleration would constitute an event of default under the indenture governing the Senior Subordinated Notes (the "Notes Indenture"), and such an event of default under the Notes Indenture could lead to an acceleration of our obligations under the Senior Subordinated Notes. A reconciliation of EBITDA and Adjusted EBITDA with the most directly comparable GAAP measure is included below for the three months ended March 31, 2007 along with the components of EBITDA and Adjusted EBITDA.

About Alliance Laundry Holdings LLC

Alliance Laundry Holdings LLC is the parent company of Alliance Laundry Systems LLC (www.comlaundry.com), a leading designer, manufacturer and marketer in North America of commercial laundry equipment used in laundromats, multi-housing laundries and on-premise laundries. Under the well-known brand names of Speed Queen[®], UniMac[®], Huebsch[®], IPSO[®], and Cissell[®], we produce a full line of commercial washing machines and dryers with load capacities from 12 to 200 pounds. We have been a leader in the North American stand-alone commercial laundry equipment industry for more than ten years. With the addition of our European operations and Alliance Laundry's export sales to Europe, we believe that we are also a leader in the European stand-alone commercial laundry equipment industry.

Safe Harbor for Forward-Looking Statements

With the exception of the reported actual results, this press release contains predictions, estimates and other forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Act of 1934, as amended. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of our business to differ materially from those expressed or implied by such forward-looking statements. Although we believe that our plans, intentions and expectations reflected in such forward-looking statements are based on reasonable assumptions, we can give no assurance that such plans, intentions, expectations, objectives or goals will be achieved. Important factors that could cause actual results to differ materially from those included in forward-looking statements include: impact of competition; continued sales to key customers; possible fluctuations in the cost of raw materials and components; possible fluctuations in currency exchange rates, which affect the competitiveness of our products abroad; possible fluctuation in interest rates, which affects our earnings and cash flows; the impact of substantial leverage and debt service on us; possible loss of suppliers; risks related to our asset backed facilities; dependence on key personnel; labor relations; potential liability for environmental, health and safety matters; potential future legal proceedings and litigation; and other risks listed from time to time in the Company's reports, including, but not limited to the Company's most recent Annual Report on Form 10-K for the year ended December 31, 2006.

Financial information for Alliance Laundry Holdings LLC appears on the next five pages for the three months ended March 31, 2007.

ALLIANCE LAUNDRY HOLDINGS LLC
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)
(in thousands)

	<u>March 31,</u> <u>2007</u>	<u>December 31,</u> <u>2006</u>
Assets		
Current assets:		
Cash and cash equivalents.....	\$ 6,563	\$ 11,221
Accounts receivable, net.....	24,731	24,523
Inventories, net.....	60,125	49,746
Beneficial interests in securitized accounts receivable.....	23,633	28,641
Deferred income tax asset, net.....	2,963	3,656
Prepaid expenses and other.....	3,826	4,684
Total current assets.....	<u>121,841</u>	<u>122,471</u>
Notes receivable, net.....	3,642	4,018
Property, plant and equipment, net.....	72,503	73,789
Goodwill.....	181,329	180,778
Beneficial interests in securitized financial assets.....	18,544	18,055
Deferred income tax asset, net.....	9,177	9,177
Debt issuance costs, net.....	9,785	10,318
Intangible assets, net.....	151,616	153,108
Total assets.....	<u>\$ 568,437</u>	<u>\$ 571,714</u>
Liabilities and Member(s)' Equity		
Current liabilities:		
Current portion of long-term debt and capital lease obligations.....	\$ 438	\$ 526
Revolving credit facility.....	-	-
Accounts payable.....	22,879	21,438
Deferred income tax liability, net.....	143	216
Other current liabilities.....	31,380	37,087
Total current liabilities.....	<u>54,840</u>	<u>59,267</u>
Long-term debt and capital lease obligations:		
Senior credit facility.....	222,000	224,000
Senior subordinated notes.....	149,453	149,430
Other long-term debt and capital lease obligations.....	2,136	2,159
Deferred income tax liability, net.....	6,998	6,939
Other long-term liabilities.....	11,765	11,935
Total liabilities.....	<u>447,192</u>	<u>453,730</u>
Commitments and contingencies:		
Member(s)' equity.....	121,245	117,984
Total liabilities and member(s)' equity.....	<u>\$ 568,437</u>	<u>\$ 571,714</u>

ALLIANCE LAUNDRY HOLDINGS LLC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)
(in thousands)

	Three Months Ended	
	March 31, 2007	March 31, 2006
Net revenues:		
Equipment and service parts.....	\$ 94,171	\$ 69,979
Equipment financing, net.....	2,371	1,500
Net revenues.....	96,542	71,479
Cost of sales.....	68,440	52,916
Gross profit.....	28,102	18,563
Selling, general and administrative expense.....	15,517	12,497
Securitization, impairment and other costs.....	530	1,828
Total operating expenses.....	16,047	14,325
Operating income.....	12,055	4,238
Interest expense.....	8,336	6,457
Income (loss) before taxes.....	3,719	(2,219)
Provision (benefit) for income taxes.....	1,295	(705)
Net income (loss).....	\$ 2,424	\$ (1,514)

ALLIANCE LAUNDRY HOLDINGS LLC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands)

	Three Months Ended	
	March 31, 2007	March 31, 2006
Cash flows from operating activities:		
Net income (loss)	\$ 2,424	\$ (1,514)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization.....	4,621	5,867
Non-cash interest expense (income).....	283	(368)
Non-cash executive unit compensation.....	940	1,285
Non-cash trademark impairment.....	-	1,400
Deferred income taxes.....	586	(713)
Loss on sale of property, plant and equipment.....	2	20
Changes in assets and liabilities:		
Accounts receivable.....	113	(661)
Inventories.....	(10,495)	(11,466)
Other assets.....	5,582	1,889
Accounts payable.....	1,467	1,707
Other liabilities.....	(5,354)	(4,856)
Net cash provided by (used in) operating activities.....	169	(7,410)
Cash flows used in investing activities:		
Additions to property, plant and equipment.....	(2,024)	(1,400)
Acquisition of businesses, net of cash acquired.....	(1,725)	-
Proceeds on disposition of assets.....	1,078	26
Net cash used in investing activities.....	(2,671)	(1,374)
Cash flows (used in) provided by financing activities:		
Principal (payments on) proceeds from long-term debt.....	(2,132)	1,000
Net increase in revolving line of credit borrowings.....	-	3,000
Net cash (used in) provided by financing activities.....	(2,132)	4,000
Effect of exchange rate changes on cash and cash equivalents.....	(24)	-
Decrease in cash and cash equivalents.....	(4,658)	(4,784)
Cash and cash equivalents at beginning of period.....	11,221	5,075
Cash and cash equivalents at end of period.....	\$ 6,563	\$ 291
Supplemental disclosure of cash flow information:		
Cash and cash equivalents paid for interest.....	\$ 9,503	\$ 9,702
Cash and cash equivalents paid for income taxes.....	58	8

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Reconciliation of Net (loss) income to EBITDA and Adjusted EBITDA, and reconciliation of Adjusted EBITDA to Net Cash Provided by (Used in) Operating Activities for the Three Ended March 31, 2007 (Dollars in Thousands):

	Three Months Ended	
	March 31, 2007	March 31, 2006
Net (loss) income.....	\$ 2,424	\$ (1,514)
Provision for income taxes.....	1,295	(705)
Interest expense.....	8,336	6,457
Depreciation and amortization (a).....	4,621	5,867
Non-cash interest income included in amortization above.....	(533)	(478)
EBITDA.....	16,143	9,627
Finance program adjustments (b).....	(822)	94
Other non-recurring charges (c).....	751	1,367
Other non-cash charges (d).....	940	2,685
Adjusted EBITDA.....	17,012	13,773
Interest expense.....	(8,336)	(6,457)
Non-cash interest income included in amortization above.....	533	478
Other non-cash interest.....	283	(368)
Finance program adjustments (b).....	822	(94)
Other non-recurring charges (c).....	(751)	(1,367)
Deferred taxes.....	(709)	-
Loss on sale of property, plant and equipment.....	2	20
Other expense.....	-	(8)
Changes in assets and liabilities.....	(8,687)	(13,387)
Net cash provided by operating activities.....	<u>\$ 169</u>	<u>\$ (7,410)</u>

- (a) Depreciation and amortization amounts include amortization of deferred financing costs included in interest expense.
- (b) We currently operate an off-balance sheet commercial equipment finance program in which newly originated equipment loans are sold to qualified special-purpose bankruptcy remote entities. In accordance with GAAP, we are required to record gains/losses on the sale of these equipment based promissory notes. In calculating Adjusted EBITDA, management determines the cash impact of net interest income on these notes. The finance program adjustments are the difference between GAAP basis revenues (as prescribed by SFAS No. 125/140) and cash basis revenues.

(c) Other non-recurring charges are described as follows:

- Other non-recurring charges for the quarter ended March 31, 2007 relate to a periodic accrual of \$0.1 million under the one time retention bonus agreement with certain management employees, \$0.1 million of costs related to the transfer of the Marianna, Florida product lines to Ripon, Wisconsin which are included in the selling, general and administrative expense line of our consolidated statements of operations and \$0.6 million of costs associated with the closure of the Marianna, Florida production facility which are included in the impairment and other costs line of our consolidated statements of operations.
- Other non-recurring charges for the quarter ended March 31, 2006 relate to a periodic accrual of \$0.3 million under a one time retention bonus agreement with certain management employees, \$0.7 million of costs related to the transfer of the Marianna, Florida product lines to Ripon, Wisconsin which are included in the selling, general and administrative expense line of our consolidated statements of operations and \$0.4 million of costs associated with the closure of the Marianna, Florida production facility which are included in the impairment and other costs line of our consolidated statements of operations.

(d) Other non-cash charges are described as follows:

- Other non-cash charges for the quarter ended March 31, 2007 relate to \$0.9 million of non-cash incentive compensation expense related to management incentive stock options, which is included in the selling, general and administrative expense line of our consolidated statements of operations.
- Other non-cash charges for the quarter ended March 31, 2006 relate to \$1.3 million of non-cash incentive compensation expense related to management incentive stock options, which is included in the selling, general and administrative expense line of our consolidated statements of operations and a \$1.4 million non-cash impairment charge related to the Ajax trademark, driven by the Company's decision to discontinue sales of AJAX® products. The Ajax impairment is included in the impairment and other costs line of our consolidated statements of operations.