



News Release

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ALLIANCE LAUNDRY HOLDINGS LLC REPORTS 1st QUARTER 2008 EARNINGS

Ripon, Wis. – May 12, 2008 — Alliance Laundry Holdings LLC announced today results for the three months ended March 31, 2008.

Net revenues for the quarter ended March 31, 2008 increased \$13.4 million, or 13.8%, to \$109.9 million from \$96.5 million for the quarter ended March 31, 2007. Our net income for the quarter ended March 31, 2008 was \$1.9 million as compared to \$1.5 million for the quarter ended March 31, 2007. Adjusted EBITDA (see “About Non-GAAP Financial Measures” below) for the quarter ended March 31, 2008 increased \$2.0 million to \$17.7 million from \$15.7 million for the quarter ended March 31, 2007.

The overall net revenue increase of \$13.4 million was attributable to higher commercial laundry revenues of \$13.5 million, higher service parts revenue of \$0.6 million and higher European Operations revenue of \$1.6 million, partially offset by higher worldwide sales eliminations of \$2.3 million. The increase in commercial laundry revenues includes \$8.6 million of higher North American commercial equipment revenue, \$4.7 million of higher international revenue and \$0.1 million of higher earnings from our off-balance sheet equipment financing program.

Included in our net income for the quarter ended March 31, 2008 was a \$2.9 million non-cash charges for adjustments in the fair values of interest rate swap agreements. Included in the first quarter of 2007 was a similar charge of \$0.3 million. Gross profit as a percentage of net revenues increased to 29.3% for the quarter ended March 31, 2008 from 27.7% for the quarter ended March 31, 2007, driven by higher sales volume and selling prices, partially offset by higher raw material and product distribution costs.

In announcing the Company’s results, CEO Thomas F. L’Esperance said, “I am pleased to be able to report the best first quarter the Company has ever had, particularly given the overall economic conditions we’re experiencing in the United States. Net Revenues in all of our major U.S. sales channels were up year over year.”

“These results are a remarkable testament to the strength of our brands, the quality of our products, the resiliency of the markets we serve and our employees’ unrivaled commitment to our Customer One program,” 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 before interest expense, income tax provision 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, 2008 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; the availability of borrowings under our Revolving Credit Facility; 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 our Annual Reports on Form 10-K.

Financial information for Alliance Laundry Holdings LLC appears on the next five pages for the three months ended March 31, 2008.

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

| | <u>March 31,</u> <u>2008</u> | <u>December 31,</u> <u>2007</u> |
|--|---------------------------------|------------------------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents..... | \$ 7,459 | \$ 10,594 |
| Accounts receivable, net..... | 17,176 | 13,406 |
| Inventories, net..... | 63,618 | 57,609 |
| Beneficial interests in securitized accounts receivable..... | 26,905 | 29,046 |
| Deferred income tax asset, net..... | 1,759 | 2,481 |
| Prepaid expenses and other..... | <u>3,194</u> | <u>2,634</u> |
| Total current assets..... | 120,111 | 115,770 |
| Notes receivable, net..... | 2,412 | 3,601 |
| Property, plant and equipment, net..... | 72,279 | 71,925 |
| Goodwill..... | 186,331 | 183,865 |
| Beneficial interests in securitized financial assets..... | 24,370 | 21,895 |
| Deferred income tax asset, net..... | 7,068 | 7,068 |
| Debt issuance costs, net..... | 7,594 | 8,146 |
| Intangible assets, net..... | <u>147,312</u> | <u>148,017</u> |
| Total assets..... | <u>\$ 567,477</u> | <u>\$ 560,287</u> |
| Liabilities and Member(s)' Equity | | |
| Current liabilities: | | |
| Current portion of long-term debt and capital lease obligations..... | \$ 486 | \$ 601 |
| Revolving credit facility..... | - | - |
| Accounts payable..... | 28,309 | 26,111 |
| Other current liabilities..... | <u>40,137</u> | <u>38,763</u> |
| Total current liabilities..... | 68,932 | 65,475 |
| Long-term debt and capital lease obligations: | | |
| Senior credit facility..... | 183,000 | 190,000 |
| Senior subordinated notes..... | 149,547 | 149,523 |
| Other long-term debt and capital lease obligations..... | 1,204 | 1,664 |
| Deferred income tax liability, net..... | 6,469 | 6,044 |
| Other long-term liabilities..... | <u>7,531</u> | <u>6,343</u> |
| Total liabilities..... | 416,683 | 419,049 |
| Commitments and contingencies | | |
| Member(s)' equity..... | <u>150,794</u> | <u>141,238</u> |
| Total liabilities and member(s)' equity..... | <u>\$ 567,477</u> | <u>\$ 560,287</u> |

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

| | Three Months Ended | |
|--|--------------------|-------------------|
| | March 31, 2008 | March 31, 2007 |
| Net revenues: | | |
| Equipment and service parts..... | \$ 107,444 | \$ 94,171 |
| Equipment financing, net..... | 2,471 | 2,371 |
| Net revenues..... | <u>109,915</u> | <u>96,542</u> |
| Cost of sales..... | <u>77,695</u> | <u>69,776</u> |
| Gross profit..... | <u>32,220</u> | <u>26,766</u> |
| | | |
| Selling, general and administrative expense..... | 18,002 | 15,551 |
| Securitization, impairment and other costs..... | 479 | 530 |
| Total operating expenses..... | <u>18,481</u> | <u>16,081</u> |
| Operating income..... | 13,739 | 10,685 |
| | | |
| Interest expense..... | <u>10,281</u> | <u>8,336</u> |
| Income before taxes..... | 3,458 | 2,349 |
| Provision for income taxes..... | <u>1,598</u> | <u>807</u> |
| Net income..... | <u>\$ 1,860</u> | <u>\$ 1,542</u> |

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

| | Three Months Ended | |
|--|--------------------|-------------------|
| | March 31, 2008 | March 31, 2007 |
| Cash flows from operating activities: | | |
| Net income | \$ 1,860 | \$ 1,542 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization..... | 4,891 | 4,621 |
| Non-cash interest expense from interest rate swaps..... | 2,926 | 283 |
| Non-cash gain on commodity & foreign exchange contracts, net..... | (1,656) | - |
| Non-cash executive unit compensation..... | 1,478 | 972 |
| Non-cash income from loan forgiveness..... | (262) | - |
| Non-cash charge for pension plan accrual..... | 479 | - |
| Deferred income taxes..... | 647 | 98 |
| (Gain) loss on sale of property, plant and equipment..... | (1) | 2 |
| Changes in assets and liabilities: | | |
| Accounts receivable..... | (2,748) | (270) |
| Inventories..... | (5,063) | (9,211) |
| Other assets..... | 1,437 | 6,086 |
| Accounts payable..... | 1,255 | 1,400 |
| Other liabilities..... | (1,461) | (7,079) |
| Net cash provided by (used in) operating activities..... | 3,782 | (1,556) |
| Cash flows used in investing activities: | | |
| Additions to property, plant and equipment..... | (1,908) | (2,024) |
| Proceeds on disposition of assets..... | 71 | 1,078 |
| Net cash used in investing activities..... | (1,837) | (946) |
| Cash flows used in financing activities: | | |
| Principal payments on long-term debt..... | (7,182) | (2,132) |
| Issuance of common stock..... | 1,653 | - |
| Net cash used in financing activities..... | (5,529) | (2,132) |
| Effect of exchange rate changes on cash and cash equivalents..... | 449 | (24) |
| Decrease in cash and cash equivalents..... | (3,135) | (4,658) |
| Cash and cash equivalents at beginning of period..... | 10,594 | 11,221 |
| Cash and cash equivalents at end of period..... | \$ 7,459 | \$ 6,563 |
| Supplemental disclosure of cash flow information: | | |
| Cash paid for interest..... | \$ 10,430 | \$ 9,518 |
| Cash paid for income taxes..... | 58 | 58 |

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Reconciliation of Net income to EBITDA and Adjusted EBITDA, and reconciliation of Adjusted EBITDA to Net Cash Provided by (Used in) Operating Activities for the Three Months Ended March 31, 2008 (Dollars in Thousands):

| | Three Months Ended | |
|---|--------------------|-------------------|
| | March 31, 2008 | March 31, 2007 |
| Net income..... | \$ 1,860 | \$ 1,542 |
| Provision for income taxes..... | 1,598 | 807 |
| Interest expense..... | 10,281 | 8,336 |
| Depreciation and amortization (a)..... | 4,891 | 4,621 |
| Non-cash interest income included in amortization above..... | (552) | (533) |
| EBITDA..... | 18,078 | 14,773 |
| Finance program adjustments (b)..... | (689) | (822) |
| Other non-recurring charges (c)..... | 479 | 752 |
| Other non-cash charges (d)..... | (178) | 972 |
| Adjusted EBITDA..... | 17,690 | 15,675 |
| Interest expense..... | (10,281) | (8,336) |
| Non-cash interest income included in amortization above..... | 552 | 533 |
| Other non-cash interest..... | 2,926 | 283 |
| Finance program adjustments (b)..... | 689 | 822 |
| Other non-recurring charges (c)..... | (479) | (752) |
| Cash taxes paid and payable..... | (951) | (709) |
| (Gain) loss on sale of property, plant and equipment..... | (1) | 2 |
| Other expense..... | 217 | - |
| Changes in assets and liabilities..... | (6,580) | (9,074) |
| Net cash provided by (used in) operating activities..... | \$ 3,782 | \$ (1,556) |

- (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 our qualified special-purpose bankruptcy remote entity. 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 of \$0.5 million for the quarter ended March 31, 2008 relate to the Louisville, Kentucky pension plan termination which is included in the securitization, impairment and other costs line of our consolidated statements of operations.
- 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, and \$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 \$0.5 million of costs associated with the closure of the Marianna, Florida production facility which are included in the securitization, 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, 2008 relate to \$1.5 million of non-cash expense for management incentive stock options, which is included in the selling, general and administrative expense line of our consolidated statements of operations and \$1.7 million of non-cash mark to market gains relating to commodity and foreign exchange hedge agreements, which are included in the cost of sales line of our consolidated statements of operations.
- Other non-cash charges for the quarter ended March 31, 2007 relate to \$1.0 million of non-cash expense for management incentive stock options, which is included in the selling, general and administrative expense line of our consolidated statements of operations.