



News Release

Contact:

Bruce P. Rounds, CFO
920-748-1634

ALLIANCE LAUNDRY HOLDINGS LLC REPORTS 1st QTR 2004 EARNINGS

Ripon, WI (May 7, 2004) — Alliance Laundry Holdings LLC announced today results for the quarter ended March 31, 2004.

Net revenues for the quarter ended March 31, 2004 increased \$5.2 million, or 8.5%, to \$66.3 million compared to \$61.1 million for the quarter ended March 31, 2003. Net income for the first quarter of 2004 increased \$3.0 million to \$4.2 million as compared to \$1.2 million for the same period in 2003. Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)* for the first quarter of 2004 was \$13.5 million compared with EBITDA of \$11.2 million for the first quarter of 2003.

The overall net revenue increase of \$5.2 million was primarily attributable to higher commercial laundry revenue of \$5.0 million and service parts revenue of \$0.2 million. The increase in net income of \$3.0 million for the first quarter of 2004 was primarily attributable to higher gross profit of \$3.7 and lower interest expense of \$0.6 million partially offset by higher sales and marketing expenses of \$0.4 million and \$0.7 million of costs incurred in the first quarter of 2004 related to a proposed initial public offering of Income Deposit Securities.

In announcing the Company's results today, Chairman and CEO Thomas F. L'Esperance said, "We are extremely pleased with our year over year top line revenue growth of 8.5% for the first quarter of 2004. Leading the way for the quarter was higher international equipment revenue of \$2.7 million and higher North American equipment revenue of \$1.3 million."

"During the first quarter of 2004 we have paid down \$5.1 million on long-term debt. We will continue to focus on strong top line performance in 2004 to help offset higher medical and material costs," said L'Esperance.

Alliance Laundry Holdings LLC, headquartered in Ripon, Wisconsin, is a leading manufacturer of commercial laundry products and provider of services for laundromats, multi-housing laundries, on-premise laundries and drycleaners worldwide. The Company offers a full line of washers and dryers for light commercial use as well as large frontloading washers, heavy duty tumbler dryers, and presses and finishing equipment for heavy commercial use. The Company's products are sold under four well known brand names: Speed Queen, UniMac, Huebsch and Ajax.

* 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 (Earnings Before Interest, Taxes, Depreciation and Amortization), which is a non-GAAP measure. We believe that EBITDA is useful as a means to evaluate our ability to service existing debt, to sustain potential future increases in debt and to satisfy capital requirements. EBITDA, adjusted for certain non-cash items and as defined in our Senior Credit Facility, is also used to determine our compliance with key financial covenants under our Senior Credit Facility, which among other things, impacts the amount of indebtedness we are permitted to incur. Our use of EBITDA, however, should not be considered an alternative to measures of operating performance as determined in accordance with GAAP, including net income as a measure of our operating results and cash flows as a measure of our liquidity. Other companies may define EBITDA differently. A reconciliation of EBITDA to net income is provided under the heading Selected Financial Data of this press release.

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, including, without limitation, statements that include the words "continue" and "strong" or similar expressions and statements relating to growth or performance objectives. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of the Company to differ materially from those expressed or implied by such forward-looking statements. Although the Company believes that its plans, intentions and expectations reflected in such forward-looking statements are based on reasonable assumptions, it 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 the 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 the Company's products abroad; market acceptance of new and enhanced versions of the Company's products; the impact of substantial leverage and debt service on the Company 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, 2003.

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Financial information for Alliance Laundry Holdings LLC appears on the next three pages, followed by management's discussion and analysis of financial condition and results of operations for the three months ended March 31, 2004.

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

	March 31, 2004	December 31, 2003
Assets		
Current assets:		
Cash.....	\$ 9,230	\$ 7,937
Accounts receivable, net.....	7,549	9,157
Inventories, net.....	32,333	26,215
Beneficial interests in securitized accounts receivable.....	16,221	16,789
Prepaid expenses and other.....	1,659	898
Total current assets.....	66,992	60,996
Notes receivable, net.....	6,411	8,161
Property, plant and equipment, net.....	32,654	34,035
Goodwill, net.....	55,414	55,414
Beneficial interests in securitized financial assets.....	22,691	22,676
Debt issuance costs, net.....	7,154	7,636
Other assets.....	1,926	1,721
Total assets.....	\$ 193,242	\$ 190,639
Liabilities and Members' Deficit		
Current liabilities:		
Current portion of long-term debt	\$ 12,156	\$ 11,270
Revolving credit facility.....	-	-
Accounts payable.....	9,821	11,279
Other current liabilities.....	22,618	20,428
Total current liabilities.....	44,595	42,977
Long-term debt:		
Senior credit facility.....	140,091	145,975
Senior subordinated notes.....	110,000	110,000
Junior subordinated note.....	25,189	24,171
Other long-term debt.....	720	783
Other long-term liabilities.....	7,335	6,491
Mandatorily redeemable preferred interests.....	6,000	-
Total liabilities.....	333,930	330,397
Commitments and contingencies		
Mandatorily redeemable preferred interests.....	-	6,000
Members' deficit.....	(140,688)	(145,758)
Total liabilities and members' deficit.....	\$ 193,242	\$ 190,639

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

	<u>Three Months Ended</u>	
	<u>March 31,</u>	<u>March 31,</u>
	<u>2004</u>	<u>2003</u>
Net revenues:		
Commercial laundry.....	\$ 56,308	\$ 51,329
Service parts.....	9,972	9,780
	<u>66,280</u>	<u>61,109</u>
Cost of sales.....	45,521	44,022
Gross profit.....	<u>20,759</u>	<u>17,087</u>
Selling, general and administrative expense.....	8,619	8,217
Offering related expenses.....	728	-
Total operating expense.....	<u>9,347</u>	<u>8,217</u>
Operating income.....	11,412	8,870
Interest expense.....	7,110	7,685
Other income (expense), net.....	<u>(34)</u>	<u>-</u>
Income before taxes.....	4,268	1,185
Provision for income taxes.....	49	-
Net income.....	<u>\$ 4,219</u>	<u>\$ 1,185</u>

SELECTED FINANCIAL DATA
(unaudited)
(in thousands)

	Three Months Ended	
	March 31, 2004	March 31, 2003
Cash flow data:		
Net cash provided by (used in) operating activities.....	\$ 7,052	\$ (503)
Net cash used in investing activities.....	(698)	(1,134)
Net cash used in financing activities.....	(5,061)	(3,027)
Other data:		
EBITDA(1).....	\$ 13,482	\$ 11,166
Capital expenditures.....	698	1,134
Reconciliation: EBITDA		
Net income (2).....	\$ 4,219	\$ 1,185
Provision for income taxes.....	49	-
Income before income taxes.....	4,268	1,185
Adjustments:		
Interest expense.....	7,110	7,685
Depreciation and amortization.....	2,587	2,807
Non-cash interest expense included in amortization above.....	(483)	(511)
EBITDA(1).....	\$ 13,482	\$ 11,166

(1) "EBITDA", as presented, represents income before taxes plus depreciation, amortization and interest expense.

(2) Subsequent to the consummation of the Recapitalization, we are not a federal income tax paying entity.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the Three Months Ended March 31, 2004

OVERVIEW

We believe we are the leading designer, manufacturer and marketer of stand-alone commercial laundry equipment in North America and that we are similarly a leader worldwide. Under the well-known brand names of Speed Queen®, UniMac®, Huebsch®, and Ajax®, we produce a full line of commercial washing machines and dryers with load capacities from 16 to 250 pounds as well as presses and finishing equipment. Our commercial products are sold to four distinct customer groups: (i) laundromats; (ii) multi-housing laundries, consisting primarily of common laundry facilities in apartment buildings, universities and military installations; (iii) on-premise laundries, consisting primarily of in-house laundry facilities of hotels, hospitals, nursing homes and prisons and (iv) drycleaners.

The unaudited financial statements as of and for the quarter ended March 31, 2004 represent the consolidated financial position and results of operations of Alliance Laundry Holdings LLC, including its wholly-owned direct and indirect subsidiaries, Alliance Laundry Systems LLC and Alliance Laundry Corporation.

This report should be read in conjunction with the audited financial statements presented in our Annual Report on Form 10-K (file no. 333-56857-02) filed with the Securities and Exchange Commission, effective March 8, 2004, which includes our audited financial statements as of and for the years ended December 31, 2003 and 2002.

RESULTS OF OPERATIONS

The following table provides our historical net revenues for the periods indicated:

	Quarter Ended	
	March 31, 2004	March 31, 2003
	(Dollars in millions)	
Net revenues:		
Commercial laundry.....	\$ 56.3	\$ 51.3
Service parts.....	10.0	9.8
	<u>\$ 66.3</u>	<u>\$ 61.1</u>

The following table provides certain condensed historical financial data expressed as a percentage of net revenues for each of the periods indicated:

	Quarter Ended	
	March 31, 2004	March 31, 2003
Net revenues.....	100.0%	100.0%
Cost of sales.....	68.7%	72.0%
Gross profit.....	31.3%	28.0%
Selling, general and administrative expense.....	13.0%	13.4%
Offering related expenses.....	1.1%	-
Operating income.....	17.2%	14.5%
Net income.....	6.4%	1.9%

Three Months Ended March 31, 2004 Compared to Three Months Ended March 31, 2003

Net revenues. Net revenues for the quarter ended March 31, 2004 increased \$5.2 million, or 8.5%, to \$66.3 million from \$61.1 million for the quarter ended March 31, 2003. This increase was primarily attributable to higher commercial laundry revenue of \$5.0 million and service parts revenue of \$0.2 million. The increase in commercial laundry revenue was due primarily to higher international revenue of \$2.7 million, higher North American equipment revenue of \$1.3 million and higher earnings from our off-balance sheet equipment financing program of \$1.0 million. Revenue for North America was higher for on-premise laundries and lower for coin-operated laundry customers. Revenue for international customers was higher in Asia and Europe.

Gross profit. Gross profit for the quarter ended March 31, 2004 increased \$3.7 million, or 21.5%, to \$20.8 million from \$17.1 million for the quarter ended March 31, 2003. This increase was primarily attributable to the higher earnings from our off-balance sheet equipment financing program of \$1.0 million, lower depreciation expense of \$0.2 million, margins associated with the higher sales volume, and a price increase, which were partially offset by nickel and chrome surcharges of \$0.7 million related to stainless steel purchases and unfavorable exchange rates related to foreign purchases. Gross profit as a percentage of net revenues increased to 31.3% for the quarter ended March 31, 2004 from 28.0% for the quarter ended March 31, 2003.

Selling, general and administrative expense. Selling, general and administrative expenses for the quarter ended March 31, 2004 increased \$0.4 million, or 4.9%, to \$8.6 million from \$8.2 million for the quarter ended March 31, 2003. The increase in selling, general and administrative expenses was primarily due to higher sales and marketing expenses of \$0.4 million. Selling, general and administrative expenses as a percentage of net revenues decreased to 13.0% for the quarter ended March 31, 2004 as compared to 13.4% for the quarter ended March 31, 2003.

Offering related expense. Offering related expense for the quarter ended March 31, 2004 was \$0.7 million, with no similar expense in 2003. Offering related expense as a percentage of net revenues was 1.1% for the quarter ended March 31, 2004.

Operating income. As a result of the foregoing, operating income for the quarter ended March 31, 2004 increased \$2.5 million, or 28.7%, to \$11.4 million from \$8.9 million for the quarter ended March 31, 2003. Operating income as a percentage of net revenues increased to 17.2% for the quarter ended March 31, 2004 from 14.5% for the quarter ended March 31, 2003.

Interest expense. Interest expense for the quarter ended March 31, 2004 decreased \$0.6 million, or 7.5%, to \$7.1 million from \$7.7 million for the quarter ended March 31, 2003. Lower cash interest expense resulting from a reduction in total debt outstanding was partially offset by higher cash interest expense related to the Junior Subordinated Note. Interest expense in 2004 includes an unfavorable non-cash adjustment of \$0.4 million to reflect changes in the fair values of an interest rate swap agreement. Interest expense in 2003 includes an unfavorable non-cash adjustment of \$0.7 million to reflect changes in the fair values of a similar interest rate swap agreement.

Net income. As a result of the foregoing, net income for the quarter ended March 31, 2004 increased \$3.0 million to net income of \$4.2 million as compared to a net income of \$1.2 million for the quarter ended March 31, 2003. Net income as a percentage of net revenues increased to 6.4% for the quarter ended March 31, 2004 from 1.9% for the quarter ended March 31, 2003.