



News Release

Contact:

Bruce P. Rounds, Vice President CFO
920-748-1634

ALLIANCE LAUNDRY HOLDINGS LLC REPORTS 2nd QUARTER 2011 EARNINGS

Ripon, Wis. – August 8, 2011 — Alliance Laundry Holdings LLC announced today results for the three and six months ended June 30, 2011.

Net revenues for the quarter ended June 30, 2011 increased \$4.6 million, or 4.0%, to \$117.9 million from \$113.3 million for the quarter ended June 30, 2010. Our net income for the quarter ended June 30, 2011 was \$5.8 million as compared to \$6.6 million for the quarter ended June 30, 2010. Adjusted EBITDA (see “About Non-GAAP Financial Measures” below) for the quarter ended June 30, 2011 was \$21.5 million as compared to \$24.0 million for the quarter ended June 30, 2010.

The overall net revenue increase of \$4.6 million was attributable to increases in United States and Canada revenues of \$3.4 million, Europe revenues of \$0.9 million and Middle East & Africa revenues of \$0.8 million. These increases were partially offset by decreases in Latin America revenues of \$0.4 million and Asia revenues of \$0.1 million.

Operating income for the quarter ended June 30, 2011 increased \$2.2 million to \$17.6 million from \$15.4 million for the quarter ended June 30, 2010. The overall operating income increase of \$2.2 million was attributable to increased gross profit of \$1.7 million and lower selling, general and administrative expense. The increased operating income of \$2.2 million for the quarter was offset by higher interest expense of \$2.4 million and a higher provision for income taxes of \$0.6 million, resulting in a net income decrease of \$0.8 million for the quarter ended June 30, 2011 as compared to the quarter ended June 30, 2010.

Net revenues for the six months ended June 30, 2011 increased \$16.1 million, or 7.8%, to \$222.1 million from \$206.0 million for the six months ended June 30, 2010. Our net income for the six months ended June 30, 2011 was \$10.6 million as compared to \$11.2 million for the six months ended June 30, 2010. Adjusted EBITDA for the six months ended June 30, 2011 was \$40.5 million as compared to \$41.0 million for the six months ended June 30, 2010.

In announcing the Company’s results, CEO & President Michael Schoeb said, “We are extremely pleased with our top line performance for the quarter and six months, particularly given the difficult global economic conditions. Both revenues and earnings continue to be in line with our overall expectations.”

Mr. Schoeb concluded, “We expect a strong earnings and free cash flow performance for 2011. As a result we have intensified our efforts on new product development to position the business for growth as we emerge from this economic downturn. Our core strategies have not changed; we will continue to focus on our customer one initiative and will continue to grow our presence outside of the U.S. and Canada.”

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

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. A reconciliation of EBITDA and Adjusted EBITDA with the most directly comparable GAAP measure is included below for the three and six months ended June 30, 2011 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 United States and Canada stand-alone commercial laundry equipment industry for more than ten years. With the addition of our foreign operations and our ability to offer a complete range of brands and products throughout the world, we believe that we are a leader in the global 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; 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 Report for the year ended December 31, 2010.

Financial information for Alliance Laundry Holdings LLC appears on the next six pages for the three and six months ended June 30, 2011.

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

	<u>June 30, 2011</u>	<u>December 31, 2010</u>
Assets		
Current assets:		
Cash and cash equivalents.....	\$ 36,990	\$ 37,743
Restricted cash - for securitization investors.....	17,919	17,528
Accounts receivable, net.....	24,191	24,830
Inventories, net.....	46,262	40,562
Accounts receivable - restricted for securitization investors.....	72,135	61,113
Loans receivable, net - restricted for securitization investors.....	42,703	43,408
Deferred income tax asset, net.....	9,165	8,968
Prepaid expenses and other assets.....	4,985	4,868
Total current assets.....	<u>254,350</u>	<u>239,020</u>
Loans receivable, net.....	6,752	4,136
Property, plant and equipment, net.....	56,142	56,075
Goodwill.....	183,702	181,377
Loans receivable, net - restricted for securitization investors.....	211,677	217,871
Debt issuance costs, net.....	10,835	7,442
Intangible assets, net.....	136,773	137,347
Total assets.....	<u>\$ 860,231</u>	<u>\$ 843,268</u>
Liabilities and Member(s)' Equity		
Current liabilities:		
Current portion of long-term debt and capital lease obligations.....	\$ -	\$ 4
Revolving credit facility.....	-	-
Accounts payable.....	41,143	38,542
Asset backed borrowings - owed to securitization investors.....	82,781	75,152
Other current liabilities.....	35,685	33,466
Total current liabilities.....	<u>159,609</u>	<u>147,164</u>
Long-term debt and capital lease obligations.....	263,458	276,253
Asset backed borrowings - owed to securitization investors.....	185,812	189,035
Deferred income tax liability, net.....	18,262	11,673
Other long-term liabilities.....	20,061	22,082
Total liabilities.....	<u>647,202</u>	<u>646,207</u>
Commitments and contingencies		
Member(s)' equity.....	213,029	197,061
Total liabilities and member(s)' equity.....	<u>\$ 860,231</u>	<u>\$ 843,268</u>

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

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>June 30,</u> <u>2011</u>	<u>June 30,</u> <u>2010</u>	<u>June 30,</u> <u>2011</u>	<u>June 30,</u> <u>2010</u>
Net revenues:				
Equipment and service parts.....	\$ 116,158	\$ 111,821	\$ 218,591	\$ 203,196
Equipment financing, net.....	1,714	1,513	3,537	2,818
Net revenues.....	<u>117,872</u>	<u>113,334</u>	<u>222,128</u>	<u>206,014</u>
Cost of sales.....	<u>84,920</u>	<u>82,037</u>	<u>158,824</u>	<u>148,056</u>
Gross profit.....	<u>32,952</u>	<u>31,297</u>	<u>63,304</u>	<u>57,958</u>
Selling, general and administrative expense.....	15,346	15,856	30,466	29,883
Other costs.....	-	-	1,113	-
Total operating expenses.....	<u>15,346</u>	<u>15,856</u>	<u>31,579</u>	<u>29,883</u>
Operating income.....	17,606	15,441	31,725	28,075
Interest expense.....	<u>7,831</u>	<u>5,378</u>	<u>13,817</u>	<u>11,072</u>
Income before taxes.....	9,775	10,063	17,908	17,003
Provision for income taxes.....	<u>4,004</u>	<u>3,436</u>	<u>7,353</u>	<u>5,853</u>
Net income.....	<u>\$ 5,771</u>	<u>\$ 6,627</u>	<u>\$ 10,555</u>	<u>\$ 11,150</u>

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

	Six Months Ended	
	June 30, 2011	June 30, 2010
Cash flows from operating activities:		
Net income.....	\$ 10,555	\$ 11,150
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization.....	9,174	8,521
Non-cash interest expense.....	205	47
Non-cash loss on commodity & foreign exchange contracts, net.....	332	3,411
Non-cash executive unit compensation.....	266	2,447
Non-cash income from loan forgiveness.....	(26)	(26)
Deferred income taxes.....	5,823	4,314
(Gain)/loss on sale of fixed assets.....	(51)	158
Changes in assets and liabilities:		
Accounts and notes receivable.....	(1,307)	(7,239)
Accounts receivable - restricted for securitization investors.....	(11,022)	5,616
Inventories.....	(4,786)	875
Loans receivable, net - restricted for securitization investors.....	6,899	(3,092)
Other assets.....	(1,108)	(1,734)
Accounts payable.....	1,890	8,252
Other liabilities.....	(57)	2,616
Net cash provided by operating activities.....	16,787	35,316
Cash flows from investing activities:		
Capital expenditures.....	(5,306)	(3,500)
Restricted cash - for securitization investors.....	(391)	(4,726)
Net cash used in investing activities.....	(5,697)	(8,226)
Cash flows from financing activities:		
Principal payments on long-term debt.....	(13,000)	(21,000)
Change in other long-term debt, net.....	(4)	(312)
Debt financing costs.....	(4,100)	(1,648)
Net increase in asset backed borrowings owed to securitization investors.....	4,406	680
Net cash used in financing activities.....	(12,698)	(22,280)
Effect of exchange rate changes on cash and cash equivalents.....	855	(824)
Increase (decrease) in cash and cash equivalents.....	(753)	3,986
Cash and cash equivalents at beginning of period.....	37,743	24,615
Cash and cash equivalents at end of period.....	\$ 36,990	\$ 28,601
Supplemental disclosure of cash flow information:		
Cash paid for interest.....	\$ 10,990	\$ 9,712
Cash paid for income taxes.....	\$ 291	\$ 718

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Reconciliation of Net Income to EBITDA and Adjusted EBITDA, and reconciliation of Adjusted EBITDA to Net Cash Provided by Operating Activities for the Three Months Ended June 30, 2011 and June 30, 2010 (Dollars in Thousands):

	<u>Three Months Ended</u>	
	<u>June 30,</u> <u>2011</u>	<u>June 30,</u> <u>2010</u>
Net income.....	\$ 5,771	\$ 6,627
Provision for income taxes.....	4,004	3,436
Interest expense.....	7,831	5,378
Depreciation and amortization (a).....	4,808	4,204
Non-cash interest income included in amortization above.....	(819)	(459)
EBITDA.....	<u>21,595</u>	<u>19,186</u>
Securitization interest - permitted receivables financing (b)	(282)	(274)
Other non-cash charges (c).....	196	5,086
Adjusted EBITDA.....	<u>21,509</u>	<u>23,998</u>
Interest expense.....	(7,831)	(5,378)
Non-cash interest income included in amortization above.....	819	459
Other non-cash interest.....	104	24
Securitization interest - permitted receivables financing (b)	282	274
Cash taxes paid and payable.....	(941)	(695)
Other (income) expense.....	(22)	135
Changes in assets and liabilities.....	(5,712)	3,897
Net cash provided by operating activities.....	<u>\$ 8,208</u>	<u>\$ 22,714</u>

- (a) Depreciation and amortization amounts include amortization of deferred financing costs included in interest expense.
- (b) Securitization Interest – permitted receivables financing represents interest expense on trade receivables sold to ALERT 2009A. This activity was consolidated in our financial statements effective January 1, 2010 as part of the new accounting guidance described above. Beginning with the first quarter of 2010, this expense, which is charged to the interest expense line of our Condensed Consolidated Statements of Income, is deducted in calculating Adjusted EBITDA.
- (c) Other non-cash charges are described as follows:
- Other non-cash charges for the quarter ended June 30, 2011 relate to \$0.8 million of non-cash mark to market losses relating to commodity and foreign exchange hedge agreements, which are included in the cost of sales line of our Condensed Consolidated Statements of Income offset by \$0.6 million of non-cash income related to management incentive stock options, which is included in the selling, general and administrative expense line of our Condensed Consolidated Statements of Income.
 - Other non-cash charges for the quarter ended June 30, 2010 relate to \$3.2 million of non-cash mark to market losses relating to commodity and foreign exchange hedge agreements, which are included in the cost of sales line of our Condensed Consolidated Statements of Income and \$1.9 million of non-cash expense for management incentive stock options, which is included in the selling, general and administrative expense line of our Condensed Consolidated Statements of Income.

Reconciliation of Net Income to EBITDA and Adjusted EBITDA, and reconciliation of Adjusted EBITDA to Net Cash Provided by Operating Activities for the Six Months Ended June 30, 2011 and June 30, 2010 (Dollars in Thousands):

	<u>Six Months Ended</u>	
	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Net income.....	\$ 10,555	\$ 11,150
Provision for income taxes.....	7,353	5,853
Interest expense.....	13,817	11,072
Depreciation and amortization (a).....	9,174	8,521
Non-cash interest expense included in amortization above.....	<u>(1,532)</u>	<u>(938)</u>
EBITDA.....	39,367	35,658
Securitization interest - permitted receivables financing (b)	(572)	(565)
Other non-recurring charges (c).....	1,113	-
Other non-cash charges (d).....	<u>598</u>	<u>5,858</u>
Adjusted EBITDA.....	40,506	40,951
Interest expense.....	(13,817)	(11,072)
Non-cash interest expense included in amortization above.....	1,532	938
Other non-cash interest.....	205	47
Securitization interest - permitted receivables financing (b)	572	565
Other non-recurring charges (c).....	(1,113)	-
Cash taxes paid and payable.....	(1,530)	(1,539)
Other (income) expense.....	(77)	132
Changes in assets and liabilities.....	<u>(9,491)</u>	<u>5,294</u>
Net cash provided by operating activities.....	<u>\$ 16,787</u>	<u>\$ 35,316</u>

- (a) Depreciation and amortization amounts include amortization of deferred financing costs included in interest expense.
- (b) Securitization Interest – permitted receivables financing represents interest expense on trade receivables sold to ALERT 2009A. This activity was consolidated in our financial statements effective January 1, 2010 as part of the new accounting guidance described above. Beginning with the first quarter of 2010, this expense, which is charged to the interest expense line of our Condensed Consolidated Statements of Income, is deducted in calculating Adjusted EBITDA.
- (c) Other non-recurring charges are described as follows:
- Other non-recurring charges of \$1.1 million for the six months ended June 30, 2011 consist of estimated severance costs related to the closure of the Nazareth, Belgium manufacturing facility, which is included in the other costs line of our Condensed Consolidated Statements of Income. These costs were accrued in the first quarter of 2011. There were no similar expenses for the six months ended June 30, 2010.
- (d) Other non-cash charges are described as follows:
- Other non-cash charges for the six months ended June 30, 2011 relate to \$0.3 million of net non-cash mark to market losses relating to commodity and foreign exchange hedge agreements, which are included in the cost of sales line of our Condensed Consolidated Statements of Income, and \$0.3 million of non-cash expense for management incentive stock options, which is included in the selling, general and administrative expense line of our Condensed Consolidated Statements of Income.

- Other non-cash charges for the six months ended June 30, 2010 relate to \$3.4 million of non-cash mark to market losses relating to commodity and foreign exchange hedge agreements, which are included in the cost of sales line of our Condensed Consolidated Statements of Income, and \$2.4 million of non-cash expense for management incentive stock options, which is included in the selling, general and administrative expense line of our Condensed Consolidated Statements of Income.