Alliance
Laundry Systems

News Release

Contact:
Bruce P. Rounds, CFO
920-748-1634

ALLIANCE LAUNDRY HOLDINGS LLC REPORTS 2nd QUARTER EARNINGS

Ripon, WI (August 7, 2003) — Alliance Laundry Holdings LLC announced today results for the quarter and six months ended June 30, 2003.

Net revenues for the quarter ended June 30, 2003 increased $3.0 million, or 4.5%, to $71.1 million from $68.1 million for the quarter ended June 30, 2002. Net income for the quarter ended June 30, 2003 decreased $1.3 million to net income of $4.0 million as compared to a net income of $5.3 million for the quarter ended June 30, 2002. Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")* for the second quarter of 2003 decreased $0.6 million to $14.1 million as compared to EBITDA of $14.7 million for the second quarter of 2002.

The overall revenue increase for the second quarter of $3.0 million was primarily due to higher commercial laundry revenue of $3.2 million, which was partially offset by lower service parts revenue of $0.2 million. The decrease in net income for the second quarter of $1.3 million was primarily due to higher selling, general and administrative expense of $0.4 million and higher interest expense of $1.1 million. Interest expense in the second quarter includes an unfavorable non-cash adjustment of $1.0 million to reflect changes in the fair value of an interest rate swap agreement which was entered into in the fourth quarter of 2002. The decrease in EBITDA of $0.6 million for the second quarter of 2003 was largely due to higher selling, general and administrative expenses for the quarter. The increase in selling, general and administrative expenses was primarily due to higher pension and fringe benefit costs of $0.4 million.

Net revenues for the six months ended June 30, 2003 increased $4.4 million, or 3.4%, to $132.3 million from $127.9 million for the six months ended June 30, 2002. Net income for the six months ended June 30, 2003 was $5.2 million as compared to a net income of $9.0 million for the six months ended June 30, 2002. Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")* for the six months ended June 30, 2003 was $25.2 million as compared to EBITDA of $27.8 million for the six months ended June 30, 2002.

In announcing the Company's results today, Chairman and CEO Thomas F. L'Esperance said, "We are extremely pleased with our year over year net revenue growth of 4.5% for the second quarter of 2003. North American equipment revenue continues to be slightly ahead of last year with a very strong international performance for the second quarter."

- more -

“We will continue to focus on free cash flow, with an emphasis on working capital management and improved net revenue growth to help offset higher pension, 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), the Company also discloses EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization), which is a non-GAAP measure. Management believes that providing this additional information is useful to investors regarding the Company’s ability to meet debt service, capital expenditures and working capital requirements and to better assess and understand operating performance. The Company does not intend for the information to be considered in isolation or as a substitute for GAAP measures. 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 “continues” and “improved” 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, 2002.

###

Financial information for Alliance Laundry Holdings LLC appears on the next two pages, followed by management’s discussion and analysis of financial condition and results of operations for the quarter and six months ended June 30, 2003.

ALLIANCE LAUNDRY HOLDINGS LLC
CONSOLIDATED BALANCE SHEETS
(in thousands)

	June 30, 2003 (unaudited)	December 31, 2002
Assets		
Current assets:		
Cash	$ 4,756	$ 7,339
Cash-restricted	-	99
Accounts receivable, net	10,082	5,834
Inventories, net	25,975	25,697
Beneficial interests in securitized accounts receivable	20,461	19,864
Prepaid expenses and other	3,004	2,954
Total current assets	64,278	61,787
Notes receivable, net	10,696	11,166
Property, plant and equipment, net	37,021	39,096
Goodwill, net	55,414	55,414
Beneficial interests in securitized financial assets	23,604	21,483
Debt issuance costs, net	8,633	9,654
Other assets	1,654	1,010
Total assets	$ 201,300	$ 199,610
Liabilities and Members' Deficit		
Current liabilities:		
Current portion of long-term debt	$ 9,695	$ 9,971
Revolving credit facility	5,000	-
Accounts payable	11,392	13,797
Other current liabilities	21,792	21,638
Total current liabilities	47,879	45,406
Long-term debt:		
Senior credit facility	163,546	173,266
Senior subordinated notes	110,000	110,000
Junior subordinated note	22,113	20,312
Other long-term debt	906	1,028
Other long-term liabilities	11,160	10,338
Total liabilities	355,604	360,350
Mandatorily redeemable preferred equity	6,000	6,000
Members' deficit	(160,304)	(166,740)
Total liabilities and members' deficit	$ 201,300	$ 199,610

- more -

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

	Three Months Ended		Six Months Ended	
	June 30, 2003	June 30, 2002	June 30, 2003	June 30, 2002
	(unaudited)		(unaudited)	
Net revenues:				
Commercial laundry………….…………	$ 62,273	$ 59,023	$ 113,654	$ 110,063
Service parts………………..…….…….	8,859	9,047	18,639	17,855
	71,132	68,070	132,293	127,918
Cost of sales…………………..……….………	50,343	48,028	94,417	90,821
Gross profit……………..…………..…………	20,789	20,042	37,876	37,097
Selling, general and administrative expense…	8,182	7,763	16,399	14,749
Securitization and other costs………………	-	-	-	-
Total operating expense………..………..…..	8,182	7,763	16,399	14,749
Operating income……..………….…	12,607	12,279	21,477	22,348
Interest expense……..……….………………	7,720	6,565	15,405	12,924
Loss from early extinguishment of debt…….	-	-	-	-
Abandoned Canadian public offering costs…	-	430	-	430
Other income (expense), net……………..…….	(797)	8	(797)	33
Income before taxes…………..…….	4,090	5,292	5,275	9,027
Provision for income taxes……….……….….	43	36	43	36
Net income………..………………	$ 4,047	$ 5,256	$ 5,232	$ 8,991

ALLIANCE LAUNDRY HOLDINGS LLC
SELECTED FINANCIAL DATA
(in thousands)

	Three Months Ended		Six Months Ended	
	June 30, 2003	June 30, 2002	June 30, 2003	June 30, 2002
Other Operating Data:	(Unaudited)		(Unaudited)	
EBITDA [1]	$ 14,050	$ 14,714	$ 25,216	$ 27,795
EBITDA before infrequently occurring and plant relocation costs	14,856	15,233	26,022	28,357
Depreciation and amortization [2]	2,750	3,532	5,557	7,156
Non-cash interest expense included in amortization above [2]	510	675	1,021	1,312
Infrequently occurring costs [3]	806	430	806	430
Plant relocation costs included in administrative expense	-	89	-	132
Capital Expenditures	1,217	665	2,351	1,182

EBITDA is reconciled to net income as follows:

	Three Months Ended June 30, 2003	Three Months Ended June 30, 2002	Six Months Ended June 30, 2003	Six Months Ended June 30, 2002
Income (loss) before taxes	$ 4,090	$ 5,292	$ 5,275	$ 9,027
add: Interest expense	7,720	6,565	15,405	12,924
add: Depreciation and amortization	2,750	3,532	5,557	7,156
less: Non-cash interest expense included in amortization above	510	675	1,021	1,312
EBITDA	$ 14,050	$ 14,714	$ 25,216	$ 27,795
add: Infrequently occurring items [3]	806	430	806	430
add: Plant relocation costs included in administrative expense	-	89	-	132
EBITDA before infrequently occurring and plant relocation costs	$ 14,856	$ 15,233	$ 26,022	$ 28,357

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

[2] Depreciation and amortization amounts include amortization of deferred financing costs included in interest expense.

[3] 2003 includes the ALSA lawsuit settlement while 2002 relates to costs associated with an abandoned Canadian public offering.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the Quarter and Six Months Ended June 30, 2003.

OVERVIEW

The Company believes it is the leading designer, manufacturer and marketer of stand-alone commercial laundry equipment in North America and a leader worldwide. Under the well-known brand names of Speed Queen, UniMac, Huebsch and Ajax, the Company produces a full line of commercial washing machines and dryers with load capacities from 16 to 250 pounds as well as presses and finishing equipment. The Company's 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 June 30, 2003 and for the periods ended June 30, 2003 present the consolidated financial position and results of operations of Alliance Laundry Holdings LLC (the "Company"), including its wholly-owned direct and indirect subsidiaries, Alliance Laundry Systems LLC and Alliance Laundry Corporation.

This discussion and analysis should be read in conjunction with the Financial Statements and Notes thereto included in this report and in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations set forth in the Company's Annual Report on Form 10-K (file no. 333-56857) filed with the Securities and Exchange Commission, which includes the audited financial position and operating results of the Company as of and for the year ended December 31, 2002.

RESULTS OF OPERATIONS

Quarter Ended June 30, 2003 Compared to the Quarter Ended June 30, 2002.

The following table sets forth the Company's historical net revenues for the periods indicated:

	Quarter Ended	
	June 30, 2003	June 30, 2002
	(Dollars in millions)	
Net revenues:		
Commercial laundry	$ 62.2	$ 59.0
Service parts	8.9	9.1
	$ 71.1	$ 68.1

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

	Quarter Ended	
	June 30, 2003	June 30, 2002
Net revenues	100.0%	100.0%
Cost of sales	70.8%	70.6%
Gross profit	29.2%	29.4%
Selling, general and administrative expense	11.5%	11.4%
Operating income	17.7%	18.0%
Net income	5.7%	7.7%

Net revenues. Net revenues for the quarter ended June 30, 2003 increased $3.0 million, or 4.5%, to $71.1 million from $68.1 million for the quarter ended June 30, 2002. This increase was primarily attributable to higher commercial laundry revenue of $3.2 million which was partially offset by lower service parts revenue of $0.2 million. The increase in commercial laundry revenue was due primarily to higher North American equipment revenue of $2.1 million and higher international revenue of $1.0 million. Revenue for North America was higher to coin-operated laundry and multi-housing laundry customers. Revenue for international was higher to customers in Europe and Asia.

Gross profit. Gross profit for the quarter ended June 30, 2003 increased $0.8 million, or 3.7%, to $20.8 million from $20.0 million for the quarter ended June 30, 2002. This increase was primarily attributable to margins associated with the higher sales volume, lower depreciation expense and a recent price increase, which were partially offset by unfavorable exchange rates related to foreign purchases of manufacturing components, unfavorable product mix related to sales to drycleaning customers and higher medical and utility costs. Gross profit as a percentage of net revenues decreased to 29.2% for the quarter ended June 30, 2003 from 29.4% for the quarter ended June 30, 2002. This 0.2% decrease was primarily attributable to the customer mix and medical and utility costs discussed above.

Selling, general and administrative expense. Selling, general and administrative expenses for the quarter ended June 30, 2003 increased $0.4 million, or 5.4%, to $8.2 million from $7.8 million for the quarter ended June 30, 2002. The increase in selling, general and administrative expenses was primarily due to higher pension and fringe benefit costs of $0.4 million. Selling, general and administrative expenses as a percentage of net revenues increased to 11.5% for the quarter ended June 30, 2003 from 11.4% for the quarter ended June 30, 2002.

Operating income. As a result of the foregoing, operating income for the quarter ended June 30, 2003 increased $0.3 million, or 2.7%, to $12.6 million from $12.3 million for the quarter ended June 30, 2002. Operating income as a percentage of net revenues decreased to 17.7% for the quarter ended June 30, 2003 from 18.0% for the quarter ended June 30, 2002.

Interest expense. Interest expense for the quarter ended June 30, 2003 increased $1.1 million, or 17.6%, to $7.7 million from $6.6 million for the quarter ended June 30, 2002. Interest expense in 2003 includes an unfavorable non-cash adjustment of $1.0 million to reflect changes in the fair values of an interest rate swap agreement which was entered into in the fourth quarter of 2002.

Other income (expense), net. Other expense for the quarter ended June 30, 2003 was $0.8 million. The 2003 costs were associated with the settlement of a lawsuit against a former subsidiary of the Company in Argentina.

Net income. As a result of the foregoing, net income for the quarter ended June 30, 2003 decreased $1.3 million to net income of $4.0 million as compared to a net income of $5.3 million for the quarter ended June 30, 2002. Net income as a percentage of net revenues decreased to 5.7% for the quarter ended June 30, 2003 from 7.7% for the quarter ended June 30, 2002.

Six Months Ended June 30, 2003 Compared to the Six Months Ended June 30, 2002.

The following table sets forth the Company's historical net revenues for the periods indicated:

	Six Months Ended	
	June 30, 2003	June 30, 2002
	(Dollars in millions)	
Net revenues:		
Commercial laundry	$ 113.7	$ 110.1
Service parts	18.6	17.8
	$ 132.3	$ 127.9

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

	Six Months Ended	
	June 30, 2003	June 30, 2002
Net revenues	100.0%	100.0%
Cost of sales	71.4%	71.0%
Gross profit	28.6%	29.0%
Selling, general and administrative expense	12.4%	11.5%
Operating income	16.2%	17.5%
Net income	4.0%	7.0%

Net revenues. Net revenues for the six months ended June 30, 2003 increased $4.4 million, or 3.4%, to $132.3 million from $127.9 million for the six months ended June 30, 2002. This increase was primarily attributable to higher commercial laundry revenue of $3.6 million and higher service parts revenue of $0.8 million. The increase in commercial laundry revenue was due primarily to higher North American equipment revenue of $2.9 million and higher international revenue of $1.2 million, partially offset by lower earnings from the Company's off-balance sheet equipment financing program of $0.5 million. The increase in North American equipment revenues was primarily due to higher revenues from coin-operated laundry and multi-housing laundry customers partially offset by lower revenues from on-premise laundries. Revenue for international was higher to customers in Europe and Asia.

Gross profit. Gross profit for the six months ended June 30, 2003 increased $0.8 million, or 2.1%, to $37.9 million from $37.1 million for the six months ended June 30, 2002. This increase was primarily attributable to margins associated with the higher sales volume, lower depreciation expense and a recent price increase, which were partially offset by unfavorable exchange rates related to foreign purchases of manufacturing components, unfavorable product mix related to sales to drycleaning customers and higher medical costs. Gross profit as a percentage of net revenues decreased to 28.6% for the six months ended June 30, 2003 from 29.0% for the six months ended June 30, 2002.

Selling, general and administrative expense. Selling, general and administrative expenses for the six months ended June 30, 2003 increased $1.7 million, or 11.2%, to $16.4 million from $14.7 million for the six months ended June 30, 2002. The increase in selling, general and administrative expenses was primarily due to higher pension expense of $0.7 million, higher sales and marketing expenses of $0.4 million and higher costs related to the Company's information systems of $0.2 million. Selling, general and administrative expenses as a percentage of net revenues increased to 12.4% for the six months ended June 30, 2003 from 11.5% for the six months ended June 30, 2002.

Operating income. As a result of the foregoing, operating income for the six months ended June 30, 2003 decreased $0.8 million, or 3.9%, to $21.5 million from $22.3 million for the six months ended June 30, 2002. Operating income as a percentage of net revenues decreased to 16.2% for the six months ended June 30, 2003 from 17.5% for the six months ended June 30, 2002.

Interest expense. Interest expense for the six months ended June 30, 2003 increased $2.5 million, or 19.2%, to $15.4 million from $12.9 million for the six months ended June 30, 2002. Interest expense in 2003 included an unfavorable non-cash adjustment of $1.8 million to reflect changes in the fair values of an interest rate swap agreement. Interest expense in 2003 was also higher due to higher interest rates associated with the swap agreement and higher letter of credit rates within the Company's new Senior Credit Facility.

Abandoned Canadian public offering costs. In the second quarter of 2002 the Company wrote-off costs incurred while pursuing an initial public offering through a Canadian Income Trust. Due to market conditions, management determined that such a public offering would not be advantageous to the Company at that time. There were no similar costs in 2003.

Other income (expense), net. Other expense for the six months ended June 30, 2003 was $0.8 million. The 2003 costs were associated with the settlement of a lawsuit against a former subsidiary of the Company in Argentina.

Net income. As a result of the foregoing, net income for the six months ended June 30, 2003 decreased $3.8 million to net income of $5.2 million as compared to a net income of $9.0 million for the six months ended June 30, 2002. Net income as a percentage of net revenues decreased to 4.0% for the six months ended June 30, 2003 from 7.0% for the six months ended June 30, 2002.

- end -