



News Release

Contact:

Bruce P. Rounds, CFO
920-748-1634

ALLIANCE LAUNDRY HOLDINGS LLC REPORTS 3rd QUARTER 2007 EARNINGS

Ripon, Wis. – November 15, 2007 — Alliance Laundry Holdings LLC announced today results for the three and nine months ended September 30, 2007.

Net revenues for the quarter ended September 30, 2007 increased \$18.3 million, or 19.2%, to \$113.4 million from \$95.1 million for the quarter ended September 30, 2006. Our net income for the quarter ended September 30, 2007 was \$1.2 million as compared to a net loss of \$4.0 million for the quarter ended September 30, 2006. Adjusted EBITDA (see “About Non-GAAP Financial Measures” below) for the quarter ended September 30, 2007 increased \$1.3 million to \$16.4 million from \$15.1 million for the quarter ended September 30, 2006.

The overall net revenue increase of \$18.3 million was attributable to higher commercial laundry revenues of \$14.4 million, higher consumer laundry revenue of \$0.3 million, higher service parts revenue of \$0.5 million, higher CLD Acquisition related sales of \$1.9 million from European operations and lower worldwide sales eliminations of \$1.2 million.

Net revenues for the nine months ended September 30, 2007 increased \$73.4 million, or 28.9%, to \$326.9 million from \$253.5 million for the nine months ended September 30, 2006. Our net income for the nine months ended September 30, 2007 was \$5.4 million as compared to a net loss of \$7.3 million for the nine months ended September 30, 2006. Adjusted EBITDA (see “About Non-GAAP Financial Measures” below) for the twelve month period ended September 30, 2007 was \$66.8 million.

In announcing the Company’s results, CEO Thomas F. L’Esperance said, “We are extremely pleased with our top line performance for the quarter and nine months. Although results have been adversely affected by significantly higher material costs, our third quarter earnings reflected significant improvement from increased sales in our base business revenue for North America and continued strong performance for international sales and CLD Europe.”

L’Esperance concluded, “Based on progress to date, we anticipate that our operational strategies and modest improvements in material costs in the U.S. will position us for a strong finish in 2007.”

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 and nine months ended September 30, 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/A for the year ended December 31, 2006.

Financial information for Alliance Laundry Holdings LLC for the three and nine months ended September 30, 2007.

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

	September 30, 2007	December 31, 2006 (Restated)
Assets		
Current assets:		
Cash and cash equivalents.....	\$ 10,613	\$ 11,221
Accounts receivable, net.....	26,737	24,523
Inventories, net.....	61,400	51,915
Beneficial interests in securitized accounts receivable.....	28,579	28,641
Deferred income tax asset, net.....	2,729	3,202
Prepaid expenses and other.....	3,187	4,804
Total current assets.....	133,245	124,306
Notes receivable, net.....	3,528	4,018
Property, plant and equipment, net.....	71,924	73,789
Goodwill.....	183,078	180,269
Beneficial interests in securitized financial assets.....	20,138	18,055
Deferred income tax asset, net.....	10,677	10,677
Debt issuance costs, net.....	8,703	10,318
Intangible assets, net.....	148,857	152,890
Total assets.....	\$ 580,150	\$ 574,322
Liabilities and Member(s)' Equity		
Current liabilities:		
Current portion of long-term debt and capital lease obligations....	\$ 230	\$ 526
Revolving credit facility.....	-	-
Accounts payable.....	34,802	27,636
Deferred income tax liability, net.....	-	216
Other current liabilities.....	34,710	37,085
Total current liabilities.....	69,742	65,463
Long-term debt and capital lease obligations:		
Senior credit facility.....	215,000	224,000
Senior subordinated notes.....	149,500	149,430
Other long-term debt and capital lease obligations.....	2,140	2,159
Deferred income tax liability, net.....	6,502	6,137
Other long-term liabilities.....	10,693	10,742
Total liabilities.....	453,577	457,931
Commitments and contingencies		
Member(s)' equity.....	126,573	116,391
Total liabilities and member(s)' equity.....	\$ 580,150	\$ 574,322

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

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30,</u> <u>2007</u>	<u>September 30,</u> <u>2006</u>	<u>September 30,</u> <u>2007</u>	<u>September 30,</u> <u>2006</u> <u>(Restated)</u>
Net revenues:				
Equipment and service parts	\$ 111,396	\$ 92,529	\$ 320,856	\$ 248,738
Equipment financing, net.....	1,981	2,601	6,013	4,802
Net revenues.....	<u>113,377</u>	<u>95,130</u>	<u>326,869</u>	<u>253,540</u>
Cost of sales.....	<u>86,479</u>	<u>74,257</u>	<u>244,380</u>	<u>196,162</u>
Gross profit.....	<u>26,898</u>	<u>20,873</u>	<u>82,489</u>	<u>57,378</u>
Selling, general and administrative expense.....	15,728	13,010	47,761	36,837
Securitization, impairment and other costs.....	32	1,647	782	5,571
Total operating expenses.....	<u>15,760</u>	<u>14,657</u>	<u>48,543</u>	<u>42,408</u>
Operating income.....	11,138	6,216	33,946	14,970
Interest expense.....	9,410	9,591	25,871	22,833
Other expense, net.....	-	120	-	480
Income (loss) before taxes.....	<u>1,728</u>	<u>(3,495)</u>	<u>8,075</u>	<u>(8,343)</u>
Provision (benefit) for income taxes.....	<u>523</u>	<u>532</u>	<u>2,631</u>	<u>(1,050)</u>
Net income (loss).....	<u>\$ 1,205</u>	<u>\$ (4,027)</u>	<u>\$ 5,444</u>	<u>\$ (7,293)</u>

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

	Nine Months Ended	
	September 30,	September 30,
	2007	2006 (Restated)
Cash flows from operating activities:		
Net income (loss)	\$ 5,444	\$ (7,293)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	14,222	16,420
Non-cash interest expense	719	316
Non-cash executive unit compensation	2,706	1,215
Non-cash trademark impairment	-	1,400
Non-cash inventory expense	-	2,726
Deferred income taxes	160	(1,584)
Loss on sale of property, plant and equipment	70	175
Changes in assets and liabilities:		
Accounts receivable	(1,912)	5,383
Inventories	(8,875)	(13,722)
Other assets	(228)	(3,768)
Accounts payable	6,561	3,126
Other liabilities	(5,657)	(2,076)
Net cash provided by operating activities	13,210	2,318
Cash flows used in investing activities:		
Additions to property, plant and equipment	(5,931)	(4,046)
Acquisition of businesses, net of cash acquired	-	(77,933)
Proceeds on disposition of assets	1,178	1,129
Net cash used in investing activities	(4,753)	(80,850)
Cash flows (used in) provided by financing activities:		
Principal payments on long-term debt	(9,428)	(8,023)
Net increase in revolving line of credit borrowings	-	6,000
Proceeds from senior term loan	-	60,000
Issuance of common stock	-	23,493
Repurchase of common stock	-	(30)
Debt financing costs	-	(1,334)
Net cash (used in) provided by financing activities	(9,428)	80,106
Effect of exchange rate changes on cash and cash equivalents	363	549
(Decrease) increase in cash and cash equivalents	(608)	2,123
Cash and cash equivalents at beginning of period	11,221	5,075
Cash and cash equivalents at end of period	\$ 10,613	\$ 7,198
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 25,488	\$ 23,878
Cash paid for income taxes	1,442	79

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Reconciliation of Net income (loss) to EBITDA and Adjusted EBITDA, and reconciliation of Adjusted EBITDA to Net Cash Provided by (Used in) Operating Activities for the Three and Nine Months Ended September 30, 2007 (Dollars in Thousands):

	Three Months Ended September 30, 2007	Three Months Ended September 30, 2006 (Restated)
Net income (loss).....	\$ 1,205	\$ (4,027)
Provision for income taxes.....	523	532
Interest expense.....	9,410	9,591
Depreciation and amortization (a).....	4,851	5,177
Non-cash interest income included in amortization above.....	(544)	(732)
EBITDA.....	<u>15,445</u>	<u>10,541</u>
Finance program adjustments (b).....	(595)	(1,150)
Other non-recurring charges (c).....	668	2,815
Other non-cash charges (d).....	902	2,777
Other expense (e).....	-	120
Adjusted EBITDA.....	<u>16,420</u>	<u>15,103</u>
Interest expense.....	(9,410)	(9,591)
Non-cash interest income included in amortization above.....	544	732
Other non-cash interest.....	377	843
Finance program adjustments (b).....	595	1,150
Other non-recurring charges (c).....	(668)	(2,815)
Deferred taxes.....	(636)	(534)
Loss on sale of property, plant and equipment..	50	44
Other expense.....	-	(109)
Changes in assets and liabilities.....	<u>(6,629)</u>	<u>(1,609)</u>
Net cash provided by operating activities.....	<u>\$ 643</u>	<u>\$ 3,214</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 September 30, 2007 consist of \$0.6 million of investigatory and audit costs related to the restatements which are included in the selling, general and administrative expense line of our condensed consolidated statements of operations and \$0.1million 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 condensed consolidated statements of operations.
- Other non-recurring charges for the quarter ended September 30, 2006 relate to a periodic accrual of \$0.3 million under a one time retention bonus agreement with certain management employees, \$0.9 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 condensed consolidated statements of operations and \$1.6 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 condensed consolidated statements of operations.

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

- Other non-cash charges for the quarter ended September 30, 2007 consist of \$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 condensed consolidated statements of operations.
- Other non-cash charges for the quarter ended September 30, 2006 are comprised of \$2.7 million of costs associated with the inventory step-up to fair market value recorded at the CLD Acquisition date, which are included in the cost of sales line of our condensed consolidated statements of operations, and \$0.1 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 condensed consolidated statements of operations.

(e) Other expense is described as follows:

- Other expense for the nine months ended September 30, 2006 relates to \$0.1 million of a mark to market loss related to two foreign exchange hedge agreements. The agreements were entered to control the foreign exchange risk associated with the initial acquisition price of CLD. The foreign exchange hedges are included in the other expense, net line of our condensed consolidated statements of operations.

	Nine Months Ended	
	September 30, 2007	September 30, 2006 (Restated)
Net income (loss).....	\$ 5,444	\$ (7,293)
Provision (benefit) for income taxes.....	2,631	(1,050)
Interest expense.....	25,871	22,833
Depreciation and amortization (a).....	14,222	16,422
Non-cash interest income included in amortization above.....	(1,615)	(1,654)
EBITDA.....	<u>46,553</u>	<u>29,258</u>
Finance program adjustments (b).....	(1,494)	(306)
Other non-recurring charges (c).....	2,136	7,687
Other non-cash charges (d).....	2,706	5,328
Other expense (e).....	-	480
Adjusted EBITDA.....	<u>49,901</u>	<u>42,447</u>
Interest expense.....	(25,871)	(22,833)
Non-cash interest income included in amortization above.....	1,615	1,654
Other non-cash interest.....	719	316
Finance program adjustments (b).....	1,494	306
Other non-recurring charges (c).....	(2,136)	(7,687)
Deferred taxes.....	(2,471)	(535)
Loss on sale of property, plant and equipment..	70	175
Other expense.....	-	(468)
Changes in assets and liabilities.....	<u>(10,111)</u>	<u>(11,057)</u>
Net cash provided by operating activities.....	<u>\$ 13,210</u>	<u>\$ 2,318</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 nine months ended September 30, 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, \$1.2 million of investigatory and audit costs related to the restatements which are included in the selling, general and administrative expense line of our condensed consolidated statements of operations and \$0.7 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 condensed consolidated statements of operations.

- Other non-recurring charges for the nine months ended September 30, 2006 relate to a periodic accrual of \$0.9 million under a one time retention bonus agreement with certain management employees, \$2.6 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 condensed consolidated statements of operations and \$4.2 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 condensed consolidated statements of operations.

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

- Other non-cash charges for the nine months ended September 30, 2007 relate to \$2.7 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 condensed consolidated statements of operations.
- Other non-cash charges for the nine months ended September 30, 2006 relate to \$2.7 million of costs associated with the inventory step-up to fair market value recorded at the CLD Acquisition date, which are included in the cost of sales line of our condensed consolidated statements of operations, \$1.2 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 condensed 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 securitization, impairment and other costs line of our condensed consolidated statements of operations.

(e) Other expense is described as follows:

- Other expense for the nine months ended September 30, 2006 relates to \$0.5 million of a mark to market loss related to two foreign exchange hedge agreements. The agreements were entered to control the foreign exchange risk associated with the initial acquisition price of CLD. The foreign exchange hedges are included in the other expense, net line of our condensed consolidated statements of operations.