



---

## News Release

**Contact:**

Bruce P. Rounds, CFO  
920-748-1634

### ALLIANCE LAUNDRY HOLDINGS LLC REPORTS 3<sup>rd</sup> QUARTER EARNINGS

**Ripon, WI** (November 12, 2003) — Alliance Laundry Holdings LLC announced today results for the quarter and nine months ended September 30, 2003.

Net revenues for the quarter ended September 30, 2003 increased \$5.3 million, or 8.7%, to \$66.6 million from \$61.3 million for the quarter ended September 30, 2002. Net income for the quarter ended September 30, 2003 increased \$3.8 million to net income of \$4.5 million as compared to a net income of \$0.7 million for the quarter ended September 30, 2002. Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”)<sup>1</sup> for the third quarter of 2003 increased \$2.8 million to \$13.2 million as compared to EBITDA of \$10.4 million for the third quarter of 2002.

The overall revenue increase for the third quarter of \$5.3 million was primarily attributable to higher commercial laundry revenue of \$5.1 million and service parts revenue of \$0.2 million. The increase in net income for the third quarter of \$3.8 million was primarily due to higher operating income of \$1.1 million on the higher sales volume and lower interest expense of \$0.6 million. In addition, a loss was recorded in the third quarter of 2002 from the early extinguishment of debt of \$2.0 million with no corresponding charge in the third quarter of 2003.

Net revenues for the nine months ended September 30, 2003 increased \$9.7 million, or 5.1%, to \$198.9 million from \$189.2 million for the nine months ended September 30, 2002. Net income for the nine months ended September 30, 2003 remained unchanged at \$9.7 million as compared to the nine months ended September 30, 2002. Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”)<sup>1</sup> for the nine months ended September 30, 2003 was \$38.4 million as compared to EBITDA of \$38.2 million for the nine months ended September 30, 2002.

In announcing the Company’s results today, Chairman and CEO Thomas F. L’Esperance said, “We are extremely pleased with our top line revenue growth of 5.1% for the nine months ended September 30, 2003. Leading the way for the nine months was higher North American equipment revenue of \$7.3 million and higher international equipment revenue of \$1.8 million.”

“During the nine months of 2003 we have paid down \$17.2 million on long-term debt. We will continue to focus on debt pay down in the fourth quarter, with an emphasis on working capital management and strong top line performance 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.

#### <sup>1</sup> 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 "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, 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 nine months ended September 30, 2003.*

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

	September 30, 2003	December 31, 2002
<b>Assets</b>	(unaudited)	
Current assets:		
Cash.....	\$ 5,540	\$ 7,339
Cash-restricted.....	-	99
Accounts receivable, net.....	7,721	5,834
Inventories, net.....	27,849	25,697
Beneficial interests in securitized accounts receivable...	20,906	19,864
Prepaid expenses and other.....	2,590	2,954
Total current assets.....	64,606	61,787
Notes receivable, net.....	8,122	11,166
Property, plant and equipment, net.....	35,670	39,096
Goodwill, net.....	55,414	55,414
Beneficial interests in securitized financial assets.....	22,174	21,483
Debt issuance costs, net.....	8,130	9,654
Other assets.....	1,685	1,010
Total assets.....	\$ 195,801	\$ 199,610
<b>Liabilities and Members' Deficit</b>		
Current liabilities:		
Current portion of long-term debt .....	\$ 10,589	\$ 9,971
Revolving credit facility.....	-	-
Accounts payable.....	10,817	13,797
Other current liabilities.....	24,227	21,638
Total current liabilities.....	45,633	45,406
Long-term debt:		
Senior credit facility.....	155,654	173,266
Senior subordinated notes.....	110,000	110,000
Junior subordinated note.....	23,142	20,312
Other long-term debt.....	845	1,028
Other long-term liabilities.....	11,271	10,338
Total liabilities.....	346,545	360,350
Mandatorily redeemable preferred equity.....	6,000	6,000
Members' deficit.....	(156,744)	(166,740)
Total liabilities and members' deficit.....	\$ 195,801	\$ 199,610

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

	Three Months Ended		Nine Months Ended	
	September 30, 2003	September 30, 2002	September 30, 2003	September 30, 2002
	(unaudited)		(unaudited)	
Net revenues:				
Commercial laundry.....	\$ 57,185	\$ 52,091	\$ 170,839	\$ 162,154
Service parts.....	9,449	9,238	28,088	27,093
	<u>66,634</u>	<u>61,329</u>	<u>198,927</u>	<u>189,247</u>
Cost of sales.....	47,112	43,618	141,529	134,439
Gross profit.....	<u>19,522</u>	<u>17,711</u>	<u>57,398</u>	<u>54,808</u>
Selling, general and administrative expense....	8,521	7,853	24,920	22,602
Operating income.....	<u>11,001</u>	<u>9,858</u>	<u>32,478</u>	<u>32,206</u>
Interest expense.....	6,523	7,069	21,928	19,993
Loss from early extinguishment of debt.....	-	2,004	-	2,004
Abandoned Canadian public offering costs.....	-	32	-	462
Other income (expense), net.....	<u>(1)</u>	<u>(5)</u>	<u>(798)</u>	<u>28</u>
Income before taxes.....	4,477	748	9,752	9,775
Provision for income taxes.....	7	7	50	43
Net income.....	<u>\$ 4,470</u>	<u>\$ 741</u>	<u>\$ 9,702</u>	<u>\$ 9,732</u>

**ALLIANCE LAUNDRY HOLDINGS LLC**  
**SELECTED FINANCIAL DATA**  
(in thousands)

	Three Months Ended		Nine Months Ended	
	September 30, 2003	September 30, 2002	September 30, 2003	September 30, 2002
	(Unaudited)		(Unaudited)	
<b>Other Operating Data:</b>				
EBITDA <sup>(1)</sup> .....	\$ 13,205	\$ 10,362	\$ 38,421	\$ 38,157
EBITDA before infrequently occurring and plant relocation costs...	13,205	12,452	39,227	40,809
Depreciation and amortization <sup>(2)</sup> .....	2,707	3,252	8,264	10,408
Non-cash interest expense included in amortization above <sup>(2)</sup> .....	502	707	1,523	2,019
Infrequently occurring costs <sup>(3)</sup> .....	-	2,036	806	2,466
Plant relocation costs included in administrative expense.....	-	54	-	186
Capital Expenditures.....	794	641	3,145	1,823
 <b>EBITDA is reconciled to net income as follows:</b>				
Income (loss) before taxes .....	\$ 4,477	\$ 748	\$ 9,752	\$ 9,775
add: Interest expense.....	6,523	7,069	21,928	19,993
add: Depreciation and amortization.....	2,707	3,252	8,264	10,408
less: Non-cash interest expense included in amortization above.....	502	707	1,523	2,019
EBITDA.....	\$ 13,205	\$ 10,362	\$ 38,421	\$ 38,157
 add: Infrequently occurring items <sup>(3)</sup> .....	-	2,036	806	2,466
add: Plant relocation costs included in administrative expense.....	-	54	-	186
 EBITDA before infrequently occurring and plant relocation costs...	\$ 13,205	\$ 12,452	\$ 39,227	\$ 40,809

<sup>(1)</sup> “EBITDA”, as presented, represents income before taxes plus depreciation, amortization and interest expense.

<sup>(2)</sup> Depreciation and amortization amounts include amortization of deferred financing costs included in interest expense.

<sup>(3)</sup> 2003 includes the ALSA lawsuit settlement while 2002 relates to the write-off of certain unamortized debt issuance costs and costs associated with an abandoned Canadian public offering.

## Management's Discussion and Analysis of Financial Condition and Results of Operations for the Quarter and Nine Months Ended September 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 September 30, 2003 and for the periods ended September 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 September 30, 2003 Compared to the Quarter Ended September 30, 2002.

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

	Quarter Ended	
	September 30, 2003	September 30, 2002
	(Dollars in millions)	
Net revenues:		
Commercial laundry.....	\$ 57.2	\$ 52.1
Service parts.....	9.4	9.2
	<u>\$ 66.6</u>	<u>\$ 61.3</u>

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	
	September 30, 2003	September 30, 2002
Net revenues.....	100.0%	100.0%
Cost of sales.....	70.7%	71.1%
Gross profit.....	29.3%	28.9%
Selling, general and administrative expense.....	12.8%	12.8%
Operating income.....	16.5%	16.1%
Net income.....	6.7%	1.2%

*Net revenues.* Net revenues for the quarter ended September 30, 2003 increased \$5.3 million, or 8.7%, to \$66.6 million from \$61.3 million for the quarter ended September 30, 2002. This increase was primarily attributable to higher commercial laundry revenue of \$5.1 million and service parts revenue of \$0.2 million. The increase in commercial laundry revenue was due primarily to higher North American equipment revenue of \$4.4 million and higher international revenue of \$0.6 million. Revenue for North America was higher to coin-operated laundry customers. Revenue from international customers was higher in Asia and Africa.

*Gross profit.* Gross profit for the quarter ended September 30, 2003 increased \$1.8 million, or 10.2%, to \$19.5 million from \$17.7 million for the quarter ended September 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 and higher utility costs. Gross profit as a percentage of net revenues increased to 29.3% for the quarter ended September 30, 2003 from 28.9% for the quarter ended September 30, 2002.

*Selling, general and administrative expense.* Selling, general and administrative expenses for the quarter ended September 30, 2003 increased \$0.6 million, or 8.5%, to \$8.5 million from \$7.9 million for the quarter ended September 30, 2002. The increase in selling, general and administrative expenses was primarily due to higher sales and marketing expenses of \$0.5 million and higher pension costs of \$0.4 million. Selling, general and administrative expenses as a percentage of net revenues remained at 12.8% for the quarter ended September 30, 2003 as compared to the quarter ended September 30, 2002.

*Operating income.* As a result of the foregoing, operating income for the quarter ended September 30, 2003 increased \$1.1 million, or 11.6%, to \$11.0 million from \$9.9 million for the quarter ended September 30, 2002. Operating income as a percentage of net revenues increased to 16.5% for the quarter ended September 30, 2003 from 16.1% for the quarter ended September 30, 2002.

*Interest expense.* Interest expense for the quarter ended September 30, 2003 decreased \$0.6 million, or 7.7%, to \$6.5 million from \$7.1 million for the quarter ended September 30, 2002. Interest expense in 2003 includes a favorable non-cash adjustment of \$0.2 million to reflect changes in the fair values of an interest rate swap agreement which was entered into in the fourth quarter of 2002.

*Loss from early extinguishment of debt.* Loss from early extinguishment of debt for the quarter ended September 30, 2002 was \$2.0 million. The Company entered into an amended and restated credit agreement dated as of August 2, 2002. As a result, the Company recorded a loss on early extinguishment of debt of \$2.0 million, to write-off unamortized debt issuance costs related to its prior term loan and revolving credit facilities.

*Net income.* As a result of the foregoing, net income for the quarter ended September 30, 2003 increased \$3.8 million to net income of \$4.5 million as compared to a net income of \$0.7 million for the quarter ended September 30, 2002. Net income as a percentage of net revenues increased to 6.7% for the quarter ended September 30, 2003 from 1.2% for the quarter ended September 30, 2002.

**Nine Months Ended September 30, 2003 Compared to the Nine Months Ended September 30, 2002.**

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

	Nine Months Ended	
	September 30, 2003	September 30, 2002
(Dollars in millions)		
Net revenues:		
Commercial laundry.....	\$ 170.8	\$ 162.1
Service parts.....	28.1	27.1
	<u>\$ 198.9</u>	<u>\$ 189.2</u>

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:

	Nine Months Ended	
	September 30, 2003	September 30, 2002
Net revenues.....	100.0%	100.0%
Cost of sales.....	71.1%	71.0%
Gross profit.....	28.9%	29.0%
Selling, general and administrative expense.....	12.5%	11.9%
Operating income.....	16.4%	17.1%
Net income .....	4.9%	5.1%

*Net revenues.* Net revenues for the nine months ended September 30, 2003 increased \$9.7 million, or 5.1%, to \$198.9 million from \$189.2 million for the nine months ended September 30, 2002. This increase was primarily attributable to higher commercial laundry revenue of \$8.7 million and higher service parts revenue of \$1.0 million. The increase in commercial laundry revenue was due primarily to higher North American equipment revenue of \$7.3 million and higher international revenue of \$1.8 million, partially offset by lower earnings from the Company's equipment financing program of \$0.4 million. The increase in North American equipment revenues was primarily due to higher revenues from coin-operated laundry and multi-housing laundry customers. Revenue from international customers was higher in Europe and Asia.

*Gross profit.* Gross profit for the nine months ended September 30, 2003 increased \$2.6 million, or 4.7%, to \$57.4 million from \$54.8 million for the nine months ended September 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, unfavorable product mix related to sales to drycleaning customers, lower earnings from the Company's off-balance sheet equipment financing program and higher medical costs. Gross profit as a percentage of net revenues decreased to 28.9% for the nine months ended September 30, 2003 from 29.0% for the nine months ended September 30, 2002.

*Selling, general and administrative expense.* Selling, general and administrative expenses for the nine months ended September 30, 2003 increased \$2.3 million, or 10.3%, to \$24.9 million from \$22.6 million for the nine months ended September 30, 2002. The increase in selling, general and administrative expenses was primarily due to higher pension expense of \$1.1 million, higher sales and marketing expenses of \$0.9 million and higher costs related to the Company's information systems of \$0.3 million. Selling, general and administrative expenses as a percentage of net revenues increased to 12.5% for the nine months ended September 30, 2003 from 11.9% for the nine months ended September 30, 2002.

*Operating income.* As a result of the foregoing, operating income for the nine months ended September 30, 2003 increased \$0.3 million, or 0.8%, to \$32.5 million from \$32.2 million for the nine months ended September 30, 2002. Operating income as a percentage of net revenues decreased to 16.4% for the nine months ended September 30, 2003 from 17.1% for the nine months ended September 30, 2002.

*Interest expense.* Interest expense for the nine months ended September 30, 2003 increased \$1.9 million, or 9.7%, to \$21.9 million from \$20.0 million for the nine months ended September 30, 2002. Interest expense in 2003 included an unfavorable non-cash adjustment of \$1.6 million to reflect changes in the fair values of an interest rate swap agreement.

*Loss from early extinguishment of debt.* Loss from early extinguishment of debt for the nine months ended September 30, 2002 was \$2.0 million. The Company entered into an amended and restated credit agreement dated as of August 2, 2002. As a result, the Company recorded a loss on early extinguishment of debt of \$2.0 million, to write-off unamortized debt issuance costs related to its prior term loan and revolving credit facilities.

*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 nine months ended September 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 nine months ended September 30, 2003 remained unchanged at \$9.7 million as compared to the nine months ended September 30, 2002. Net income as a percentage of net revenues decreased to 4.9% for the nine months ended September 30, 2003 from 5.1% for the nine months ended September 30, 2002.