



News Release

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ALLIANCE LAUNDRY HOLDINGS LLC REPORTS 2003 SALES AND EARNINGS

Ripon, WI (March 9, 2004) — Alliance Laundry Holdings LLC announced today results for the year ended December 31, 2003.

Net revenues for the full year 2003 increased \$12.4 million, or 4.9%, to \$267.6 million compared to \$255.2 million for the full year 2002. Net income for 2003 increased \$14.6 million to \$15.9 million as compared to \$1.3 million for the same period in 2002. Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)* for 2003 was \$53.1 million compared with EBITDA of \$40.5 million for 2002.

The overall net revenue increase for the year of \$12.4 million was primarily attributable to higher commercial laundry revenue of \$11.0 million and service parts revenue of \$1.4 million. Net income for 2003 included \$0.8 million of costs associated with the settlement of a lawsuit against a former subsidiary in Argentina. Net income for 2002 included \$10.9 million of transaction costs incurred in establishing a new asset backed facility for the sale of trade receivables and notes receivable, \$3.4 million of expense related to an abandoned Canadian public offering, and a \$2.0 million non-cash loss resulting from the write-off of certain unamortized debt issuance costs. The Company entered into an amended and restated credit agreement dated August 2, 2002, and as such wrote-off the unamortized debt issuance costs related to its prior senior credit facility of \$2.0 million.

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 4.9% for the twelve months ended December 31, 2003. Leading the way for the year was higher North American equipment revenue of \$7.1 million and higher international equipment revenue of \$4.7 million."

"During the twelve months of 2004 we have paid down \$26.2 million on long-term debt. We will continue to focus on debt pay down in 2004, with an emphasis on working capital management and strong top line performance to help offset the continued 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 two pages, followed by management's discussion and analysis of financial condition and results of operations for the years ended December 31, 2003 and 2002.

ALLIANCE LAUNDRY HOLDINGS LLC
CONSOLIDATED BALANCE SHEETS
(in thousands)

	December 31,	
	2003	2002
Assets		
Current assets:		
Cash.....	\$ 7,937	\$ 7,339
Cash-restricted.....	-	99
Accounts receivable (net of allowance for doubtful accounts of \$257 and \$207 at December 31, 2003 and 2002, respectively).....	9,157	5,834
Inventories, net.....	26,215	25,697
Beneficial interests in securitized accounts receivable.....	16,789	19,864
Prepaid expenses and other.....	898	639
Total current assets.....	60,996	59,472
Notes receivable, net.....	8,161	11,166
Property, plant and equipment, net.....	34,035	39,096
Goodwill (net of accumulated amortization of \$11,766 at December 31, 2003 and 2002).....	55,414	55,414
Beneficial interests in securitized financial assets.....	22,676	21,483
Debt issuance costs, net.....	7,636	9,654
Other assets.....	1,721	1,010
Total assets.....	\$ 190,639	\$ 197,295
Liabilities and Members' Deficit		
Current liabilities:		
Current portion of long-term debt.....	\$ 11,270	\$ 9,971
Revolving credit facility.....	-	-
Accounts payable.....	11,279	13,797
Other current liabilities.....	20,428	21,638
Total current liabilities.....	42,977	45,406
Long-term debt:		
Senior credit facility.....	145,975	173,266
Senior subordinated notes.....	110,000	110,000
Junior subordinated note.....	24,171	20,312
Other long-term debt.....	783	1,028
Other long-term liabilities.....	6,491	8,023
Total liabilities.....	330,397	358,035
Commitments and contingencies		
Mandatorily redeemable preferred equity.....	6,000	6,000
Members' deficit.....	(145,758)	(166,740)
Total liabilities and members' deficit.....	\$ 190,639	\$ 197,295

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

	Years Ended December 31,		
	2003	2002	2001
Net revenues:			
Commercial laundry.....	\$ 230,663	\$ 219,653	\$ 219,273
Service parts.....	36,944	35,524	34,743
	<u>267,607</u>	<u>255,177</u>	<u>254,016</u>
Cost of sales.....	188,979	179,047	188,982
Gross profit.....	<u>78,628</u>	<u>76,130</u>	<u>65,034</u>
Selling, general and administrative expense.....	33,566	30,098	28,665
Securitization and other costs.....	-	10,920	-
Total operating expenses.....	<u>33,566</u>	<u>41,018</u>	<u>28,665</u>
Operating income.....	45,062	35,112	36,369
Interest expense.....	28,258	28,341	33,538
Loss from early extinguishment of debt.....	-	2,004	-
Abandoned Canadian public offering costs.....	-	3,409	-
Other income (expense), net.....	(830)	33	(67)
Income before taxes.....	15,974	1,391	2,764
Provision for income taxes.....	55	56	34
Net income before cumulative effect of accounting change.....	15,919	1,335	2,730
Cumulative effect of change in accounting principle.....	-	-	2,043
Net income	<u>\$ 15,919</u>	<u>\$ 1,335</u>	<u>\$ 687</u>

ALLIANCE LAUNDRY HOLDINGS LLC
SELECTED FINANCIAL DATA
(in thousands)

	Years Ended December 31,		
	2003	2002	2001
Cash flow data:			
Net cash provided by operating activities.....	\$ 30,393	\$ 22,775	\$ 21,338
Net cash used in investing activities.....	(3,590)	(2,563)	(4,964)
Net cash provided by (used in) financing activities.....	(26,205)	(18,532)	(15,806)
Other data:			
EBITDA ⁽¹⁾	\$ 53,101	\$ 40,518	\$ 50,608
Capital expenditures.....	3,600	2,652	5,152
Reconciliation: EBITDA			
Net income (loss) ⁽²⁾	\$ 15,919	\$ 1,335	\$ 687
Cumulative effect of change in accounting principle.....	-	-	2,043
Provision for income taxes.....	55	56	34
Income (loss) before income taxes.....	15,974	1,391	2,764
Adjustments:			
Interest expense.....	28,258	28,341	33,538
Depreciation and amortization ⁽³⁾	10,886	13,293	17,026
Non-cash interest expense included in amortization above...	(2,017)	(2,507)	(2,720)
EBITDA ⁽¹⁾	<u>\$ 53,101</u>	<u>\$ 40,518</u>	<u>\$ 50,608</u>

⁽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 tax paying entity.

⁽³⁾ Amortization expense for 2001, includes goodwill amortization of \$2.0 million.

In accordance with Financial Accounting Standards Board Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," we discontinued amortization of the goodwill balance as of December 31, 2001.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the Years Ended December 31, 2003 and 2002

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 financial statements as of and for the years ended December 31, 2003 and 2002 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:

	Years Ended December 31,		
	2003	2002	2001
	(dollars in millions)		
Commercial laundry.....	\$ 230.7	\$ 219.7	\$ 219.3
Service parts.....	36.9	35.5	34.7
	<u>\$ 267.6</u>	<u>\$ 255.2</u>	<u>\$ 254.0</u>

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

	Years Ended December 31,		
	2003	2002	2001
Net revenues.....	100.0%	100.0%	100.0%
Cost of sales.....	70.6%	70.2%	74.4%
Gross profit.....	29.4%	29.8%	25.6%
Selling, general and administrative expense.....	12.6%	11.7%	11.3%
Securitization and other costs.....	0.0%	4.3%	0.0%
Operating income.....	16.8%	13.8%	14.3%
Net income before cumulative effect of accounting change.....	5.9%	0.5%	1.1%

Year Ended December 31, 2003 Compared to Year Ended December 31, 2002

Net Revenues. Net revenues for the year ended December 31, 2003 increased \$12.4 million, or 4.9%, to \$267.6 million from \$255.2 million for the year ended December 31, 2002. This increase was primarily attributable to higher commercial laundry revenue of \$11.0 million and higher service parts revenue of \$1.4 million. The increase in commercial laundry revenue was due primarily to higher North American equipment revenue of \$7.1 million, and international revenue of \$4.7 million, which was partly offset by lower earnings from our off-balance sheet equipment financing program of \$0.8 million. The increase in North American equipment revenue was primarily due to higher revenue from laundromats, and multi-housing laundries partially offset by lower revenue from drycleaners and on-premise laundries. Revenue from international customers was higher in Europe and Asia.

Gross Profit. Gross profit for the year ended December 31, 2003 increased \$2.5 million, or 3.3%, to \$78.6 million from \$76.1 million for the year ended December 31, 2002. This increase was primarily attributable to margins associated with the higher sales volume, a price increase and lower depreciation expense, which were partially offset by unfavorable exchange rates related to foreign purchases, unfavorable product mix related to sales to drycleaning customers and lower earnings from our off-balance sheet equipment financing program. Gross profit as a percentage of net revenues decreased to 29.4% for the year ended December 31, 2003 from 29.8% for the year ended December 31, 2002.

Selling, General and Administrative Expense. Selling, general and administrative expenses for the year ended December 31, 2003 increased \$3.5 million, or 11.5%, to \$33.6 million from \$30.1 million for the year ended December 31, 2002. The increase in selling, general and administrative expenses was primarily due to higher pension expense of \$1.5 million, and higher sales and marketing expenses of \$1.2 million. Selling, general and administrative expenses as a percentage of net revenues increased to 12.6% for the year ended December 31, 2003 from 11.7% for the year ended December 31, 2002.

Securitization and Other Costs. Securitization and other costs for the year ended December 31, 2002 were \$10.9 million. The 2002 costs were due to transaction fees associated with a new asset backed facility. Securitization and other costs as a percentage of net revenues were 4.3% for the year ended December 31, 2002.

Operating Income. As a result of the aforementioned, operating income for the year ended December 31, 2003 increased \$10.0 million, or 28.3%, to \$45.1 million from \$35.1 million for the year ended December 31, 2002. Operating income as a percentage of net revenues increased to 16.8% for the year ended December 31, 2003 from 13.8% for the year ended December 31, 2002.

Interest Expense. Interest expense for the year ended December 31, 2003 of \$28.3 million was unchanged as compared to interest expense for the year ended December 31, 2002. Lower cash interest expense resulting from a reduction in total debt outstanding was offset by higher cash interest expense related to the Junior Subordinated Note. Interest expense in 2003 includes an unfavorable non-cash adjustment of \$1.4 million to reflect changes in the fair values of an interest rate swap agreement. Interest expense in 2002 includes an unfavorable non-cash adjustment of \$1.8 million to reflect changes in the fair values of a similar interest rate swap agreement.

Other Income (Expense), Net. Other expense for the year ended December 31, 2003 was \$0.8 million as compared to other income of less than \$0.1 million for the year ended December 31, 2002. The 2003 other expense is comprised of costs associated with the settlement of a lawsuit against a former subsidiary in Argentina and losses on the sale of fixed assets. The 2002 other income is comprised entirely of gains on the sale of fixed assets.

Net Income. As a result of the aforementioned, net income for the year ended December 31, 2003 increased \$14.6 million to \$15.9 million as compared to \$1.3 million for the year ended December 31, 2002. Net income as a percentage of net revenues increased to 5.9% for the year ended December 31, 2003 from 0.5% for the year ended December 31, 2002.

Year Ended December 31, 2002 Compared to Year Ended December 31, 2001

Net Revenues. Net revenues for the year ended December 31, 2002 increased \$1.2 million, or 0.5%, to \$255.2 million from \$254.0 million for the year ended December 31, 2001. This increase was primarily attributable to higher commercial laundry revenue of \$0.4 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 \$3.0 million, and higher earnings from our off-balance sheet equipment financing program of \$0.6 million, which was partly offset by lower international revenue of \$3.2 million. The increase in North American equipment revenue was primarily due to price increases of approximately \$3.5 million and higher revenue from multi-housing laundries, and laundromats, partially offset by lower revenue from on-premise laundries. Revenue from international customers was lower due to the discontinuance of sales to a foreign customer under a private label contract and higher sales to the Mexican government in 2001 under a one-time contract.

Gross Profit. Gross profit for the year ended December 31, 2002 increased \$11.1 million, or 17.1%, to \$76.1 million from \$65.0 million for the year ended December 31, 2001. This increase was primarily attributable to the price increase and favorable manufacturing efficiencies, \$1.5 million of lower depreciation expense, and \$2.0 million of favorable impact in 2001 resulting from a change in accounting principle whereby goodwill is no longer amortized. Gross profit as a

percentage of net revenues increased to 29.8% for the year ended December 31, 2002 from 25.6% for the year ended December 31, 2001.

Selling, General and Administrative Expense. Selling, general and administrative expenses for the year ended December 31, 2002 increased \$1.4 million, or 5.0%, to \$30.1 million from \$28.7 million for the year ended December 31, 2001. The increase in selling, general and administrative expenses was primarily due to higher pension expense of \$1.4 million, higher independent development expenses of \$0.9 million, higher compensation expenses of \$0.9 million, and higher sales and marketing expenses of \$0.3 million, partially offset by lower expenses related primarily to the relocation of Cincinnati, Ohio production lines to Marianna, Florida of \$0.9 million and a lower loss on sales of qualified accounts receivable of \$0.8 million. Selling, general and administrative expenses as a percentage of net revenues increased to 11.7% for the year ended December 31, 2002 from 11.3% for the year ended December 31, 2001.

Securitization and Other Costs. Securitization and other costs for the year ended December 31, 2002 were \$10.9 million. The 2002 costs were due to transaction fees associated with a new asset backed facility. Securitization and other costs as a percentage of net revenues were 4.3% for the year ended December 31, 2002.

Operating Income. As a result of the aforementioned, operating income for the year ended December 31, 2002 decreased \$1.3 million, or 3.5%, to \$35.1 million from \$36.4 million for the year ended December 31, 2001. Operating income as a percentage of net revenues decreased to 13.8% for the year ended December 31, 2002 from 14.3% for the year ended December 31, 2001.

Interest Expense. Interest expense for the year ended December 31, 2002 decreased \$5.2 million, or 15.5%, to \$28.3 million from \$33.5 million for the year ended December 31, 2001. Interest expense in 2002 includes an unfavorable non-cash adjustment of \$1.8 million related to interest rate swap agreements entered into in 2002. Interest expense in 2001 included an unfavorable non-cash adjustment of \$0.9 million related to these agreements. Interest expense was also lower in 2002 as a result of lower interest rates and a reduction in total debt outstanding of \$22.0 million, or 6.5% since December of 2000.

Loss from Early Extinguishment of Debt. Loss from early extinguishment of debt for the year ended December 31, 2002 was \$2.0 million. We entered into an amended and restated credit agreement dated as of August 2, 2002. As a result, we recorded a loss on early extinguishment of debt of \$2.0 million at that time, to write-off unamortized debt issuance costs related to our prior term loan and revolving credit facilities.

Abandoned Canadian Public Offering. Abandoned Canadian public offering expense for the year ended December 31, 2002 was \$3.4 million of costs incurred while pursuing an initial public offering through a Canadian Income Trust. Due to market conditions, we determined that such a public offering was not advantageous to Alliance at that time.

Other Income (Expense), Net. Other income for the year ended December 31, 2002 was less than \$0.1 million as compared to other expense of \$0.1 million for the year ended December 31, 2001. The 2002 other income is comprised entirely of gains on the sale of fixed assets. The 2001 other expense is comprised entirely of losses on the sale of fixed assets.

Net Income Before Cumulative Effect of Accounting Change. As a result of the foregoing, net income before cumulative effect of accounting change for the year ended December 31, 2002 decreased \$1.4 million to a net income before cumulative effect of accounting change of \$1.3 million as compared to \$2.7 million for the year ended December 31, 2001. Net income before cumulative effect of accounting change as a percentage of net revenues decreased to 0.5% for the year ended December 31, 2002 from 1.1% for the year ended December 31, 2001.

Cumulative Effect of Accounting Change. Effective April 1, 2001, we adopted the provisions of Emerging Issues Task Force (EITF) Issue No. 99-20 "Recognition of Interest Income and Impairment on Purchased and Retained Beneficial Interests in Securitized Financial Assets." In accordance with the impairment provisions of EITF 99-20, upon adoption we recognized a \$2.0 million non-cash write-down of our retained interests in our securitization transactions.

Net Income. As a result of the aforementioned, net income for the year ended December 31, 2002 increased \$0.6 million to \$1.3 million as compared to \$0.7 million for the year ended December 31, 2001. Net income as a percentage of net revenues increased to 0.5% for the year ended December 31, 2002 from 0.3% for the year ended December 31, 2001.