



News Release

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ALLIANCE LAUNDRY HOLDINGS LLC REPORTS 2004 SALES AND EARNINGS

Ripon, WI (March 21, 2005) — Alliance Laundry Holdings LLC announced today results for the year ended December 31, 2004.

Net revenues for the full year 2004 increased \$13.4 million, or 5.1%, to \$281.0 million compared to \$267.6 million for the full year 2003. Net income for 2004 decreased \$4.1 million to \$11.8 million as compared to \$15.9 million for the same period in 2003. Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)* for 2004 was \$45.1 million compared with EBITDA of \$53.1 million for 2003.

The overall net revenue increase for the year of \$13.4 million was primarily attributable to higher commercial laundry revenue of \$8.6 million, higher service parts revenue of \$1.3 million and higher consumer laundry revenue of \$3.6 million. Net income for 2004 included \$5.6 million of non-cash compensation expense related to incentive units issued to our executives in 1998 and 2003; and \$4.8 million of expense related to an abandoned public offering of Income Deposit Securities. Net income for 2003 included \$0.8 million of costs associated with the settlement of a lawsuit against a former subsidiary in Argentina.

On January 27, 2005, ALH Holding Inc., an entity formed by Teachers' Private Capital, the private equity arm of Ontario Teachers' Pension Plan Board ("OTPP"), acquired 100% of the outstanding equity interests in Alliance Laundry Holdings LLC ("Alliance") pursuant to a unit purchase agreement for aggregate consideration of \$450.0 million. The management of Alliance continues to hold a significant investment in the Company.

In announcing the Company's results today, CEO and President Thomas F. L'Esperance said, "We are extremely pleased with our top line revenue growth of 5.1% for the twelve months ended December 31, 2004. Leading the way for the year was higher international equipment revenue of \$7.3 million and higher consumer laundry revenue of \$3.6 million resulting from our re-entry into the U.S. home laundry market."

"We have completed the purchase by OTPP of Alliance. Alliance's management is enthusiastic about the opportunities this partnership presents as we work together to execute our Company's growth objectives," said L'Esperance.

Alliance Laundry Holdings LLC is the parent company of Alliance Laundry Systems LLC (www.comlaundry.com), a leading North American manufacturer of commercial laundry products and provider of services for laundromats, multi-housing laundries, on-premise laundries and drycleaners. Alliance offers a full line of washers and dryers for light commercial use as well as large frontloading

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washers, heavy duty tumbler dryers, and presses and finishing equipment for heavy commercial use. The Company's products are sold under the 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. Based on our industry and debt financing experience, we believe that EBITDA is customarily used to provide useful information regarding a Company's ability to service existing debt, to sustain potential future increases in debt and to satisfy capital requirements. EBITDA, adjusted for certain non-recurring and non-cash items and as defined in the New Senior Credit Facility and the indenture governing the 2005 Senior Subordinated Notes (the "2005 Notes Indenture"), is also used to determine our compliance with key financial covenants under the New Senior Credit Facility and the 2005 Notes Indenture, 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 generally accepted accounting principles, including net income, as a measure of our operating results, and cash flows, as a measure of our liquidity. Because EBITDA is not calculated identically by all companies, the presentation herein may not be comparable to other similarly titled measures of other companies. 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. 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 for the year ended December 31, 2004.

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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, 2004 and 2003.

ALLIANCE LAUNDRY HOLDINGS LLC
CONSOLIDATED BALANCE SHEETS
(in thousands)

	December 31,	
	2004	2003
Assets		
Current assets:		
Cash.....	\$ 11,471	\$ 7,937
Accounts receivable (net of allowance for doubtful accounts of \$123 and \$257 at December 31, 2004 and 2003, respectively).....	5,611	9,157
Inventories, net.....	26,761	26,215
Beneficial interests in securitized accounts receivable.....	19,479	16,789
Prepaid expenses and other.....	1,088	898
Total current assets.....	64,410	60,996
Notes receivable, net.....	6,742	8,161
Property, plant and equipment, net.....	30,481	34,035
Goodwill.....	55,414	55,414
Beneficial interests in securitized financial assets.....	19,379	22,676
Debt issuance costs, net.....	5,751	7,636
Other assets.....	1,839	1,721
Total assets.....	\$ 184,016	\$ 190,639
Liabilities and Members' Deficit		
Current liabilities:		
Current portion of long-term debt	\$ 12,036	\$ 11,270
Revolving credit facility.....	-	-
Accounts payable.....	11,618	11,279
Other current liabilities.....	24,718	20,428
Total current liabilities.....	48,372	42,977
Long-term debt:		
Senior credit facility.....	118,218	145,975
Senior subordinated notes.....	110,000	110,000
Junior subordinated note.....	28,776	24,171
Other long-term debt.....	529	783
Other long-term liabilities.....	7,218	6,491
Mandatorily redeemable preferred units.....	6,000	-
Total liabilities.....	319,113	330,397
Commitments and contingencies		
Mandatorily redeemable preferred equity.....	-	6,000
Members' deficit.....	(135,097)	(145,758)
Total liabilities and members' deficit.....	\$ 184,016	\$ 190,639

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

	Years Ended December 31,		
	2004	2003	2002
Net revenues:			
Commercial and consumer laundry.....	\$ 242,811	\$ 230,663	\$ 219,653
Service parts.....	38,176	36,944	35,524
	<u>280,987</u>	<u>267,607</u>	<u>255,177</u>
Cost of sales.....	199,010	188,979	179,047
Gross profit.....	<u>81,977</u>	<u>78,628</u>	<u>76,130</u>
Selling, general and administrative expense.....	39,837	33,566	30,098
Securitization and other costs.....	-	-	10,920
Total operating expenses.....	<u>39,837</u>	<u>33,566</u>	<u>41,018</u>
Operating income.....	42,140	45,062	35,112
Interest expense.....	25,439	28,258	28,341
Loss from early extinguishment of debt.....	-	-	2,004
Costs related to abandoned public offerings.....	4,823	-	3,409
Other income (expense), net.....	<u>(42)</u>	<u>(830)</u>	<u>33</u>
Income before taxes.....	11,836	15,974	1,391
Provision for income taxes.....	71	55	56
Net income	<u>\$ 11,765</u>	<u>\$ 15,919</u>	<u>\$ 1,335</u>

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ALLIANCE LAUNDRY HOLDINGS LLC
SELECTED FINANCIAL DATA
(in thousands)

	Years Ended December 31,		
	2004	2003	2002
Cash flow data:			
Net cash provided by operating activities.....	\$ 34,880	\$ 30,393	\$ 22,775
Net cash used in investing activities.....	(4,101)	(3,590)	(2,563)
Net cash used in financing activities.....	(27,245)	(26,205)	(18,532)
Other data:			
EBITDA ⁽¹⁾	\$ 45,085	\$ 53,101	\$ 40,518
Capital expenditures.....	4,166	3,600	2,652
Reconciliation: EBITDA			
Net income.....	\$ 11,765	\$ 15,919	\$ 1,335
Provision for income taxes.....	71	55	56
Income before income taxes.....	<u>11,836</u>	<u>15,974</u>	<u>1,391</u>
Adjustments:			
Interest expense.....	25,439	28,258	28,341
Depreciation and amortization ⁽²⁾	9,695	10,886	13,293
Non-cash interest expense included in amortization above.....	<u>(1,885)</u>	<u>(2,017)</u>	<u>(2,507)</u>
EBITDA ⁽¹⁾	<u>\$ 45,085</u>	<u>\$ 53,101</u>	<u>\$ 40,518</u>

⁽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.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the Years Ended December 31, 2004 and 2003

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 North American stand-alone commercial laundry equipment industry's revenues are primarily driven by population growth and the replacement cycle of laundry equipment. With economic conditions having limited effect on the frequency of use, and therefore the useful life of laundry equipment, industry revenues have been relatively stable over time. Similarly, with a majority of our revenues generated by recurring sales of replacement equipment and service parts, we have experienced stable revenues even during economic slowdowns.

Sales of stand-alone commercial laundry equipment are the single most important driver of our revenues. In 2004, our net revenues from the sale of commercial laundry equipment were approximately \$239.2 million, which comprised over 85% of our total net revenues. The other main component of our revenues is the sale of high margin service parts. We offer immediate response service whereby many of our parts are available on a 24-hour turnaround for emergency repair parts orders. In 2004, our net revenues from the sale of service parts were approximately \$38.2 million, almost 14% of our total net revenues.

We estimate that our overall market share is approximately 38% in 2004. We have achieved steady revenues by building an extensive and loyal distribution network for our products, establishing a significant installed base of units and developing and offering a full innovative product line. As a result of our large installed base, a significant majority of our revenue is attributable to replacement sales of equipment and service parts.

We believe that continued population expansion in North America will continue to drive steady demand for garment and textile laundering by all customer groups that purchase commercial laundry equipment. We anticipate growth in demand for commercial laundry equipment in international markets as well, especially in developing countries where laundry processing has historically been far less sophisticated than in North America. In addition, customers are increasingly trading up to equipment with enhanced functionality, thereby raising average selling prices. Customers are also moving towards equipment with increased water and energy efficiency as the result of government and consumer pressure and a focus on operating costs.

Recent Developments. On January 27, 2005, ALH Holding Inc. (“ALH”), an entity formed by Teachers’ Private Capital, the private equity arm of Ontario Teachers’ Pension Plan Board, or OTPP, acquired 100% of the outstanding equity interests in Alliance Holdings for aggregate consideration of approximately \$450.0 million. In connection with such acquisition, the members of our senior management acquired approximately \$7.4 million of newly issued shares of common stock of ALH, and our other management employees acquired approximately \$2.2 million of newly issued shares of ALH common stock in exchange for equity interests in Alliance Holdings and cash pursuant to a management share offering. A portion of the aggregate acquisition consideration was used to repay our then existing indebtedness, redeem our then outstanding preferred equity interests and pay certain fees and expenses payable in connection with the consummation of the acquisition and the financing transactions described below, and the balance was paid to Alliance Holdings’ former equity holders. We refer to the acquisition of Alliance Holdings and the related management investments in ALH as the “Acquisition.” The Acquisition was financed with approximately \$350.0 million of debt financing described below, the management equity, approximately \$107.4 million of new equity capital from OTPP and available cash.

As a result of the Acquisition, all of the outstanding equity interests of Alliance Laundry are owned by Alliance Holdings, all of the equity interests of Alliance Holdings are owned by ALH and approximately 91.8% of the capital stock of ALH is owned by OTPP. The remaining capital stock of ALH is held by management.

In connection with the closing of the Acquisition, we consummated the following financing transactions, (the “Financing Transactions” which we refer to, together with the Acquisition, as the “Transactions”):

- the closing of the issuance of \$150.0 million of 8 ½% senior subordinated notes due January 15, 2013, which we refer to as the “2005 Senior Subordinated Notes”. The proceeds from the 2005 Senior Subordinated Notes offering were \$149.3 million;
- the closing of Alliance Laundry’s new \$250.0 million senior secured credit facility, which we refer to as the “New Senior Credit Facility,” consisting of a six-year \$50.0 million revolving credit facility and a seven-year \$200.0 million term loan facility; and
- the settlement of the tender offer and consent solicitation, or the tender offer, initiated by us on January 4, 2005 for the \$110.0 million aggregate principal amount of our then outstanding 1998 Senior Subordinated Notes. The tender offer expired at 5:00 PM New York City time on February 2, 2005, and approximately 5.10% of the total principal amount of the 1998 Senior Subordinated Notes remained outstanding after the consummation of the tender offer. We redeemed the remaining 1998 Senior Subordinated Notes in accordance with the indenture governing such notes on March 7, 2005.

The financial statements as of and for the years ended December 31, 2004 and 2003 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 18, 2005, which includes our audited financial statements as of and for the years ended December 31, 2004 and 2003.

RESULTS OF OPERATIONS

The following table provides our historical net revenues for the periods indicated:

	Years Ended December 31,		
	2004	2003	2002
	(dollars in millions)		
Commercial and consumer laundry.....	\$ 242.8	\$ 230.7	\$ 219.7
Service parts.....	38.2	36.9	35.5
	<u>\$ 281.0</u>	<u>\$ 267.6</u>	<u>\$ 255.2</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,		
	2004	2003	2002
Net revenues.....	100.0%	100.0%	100.0%
Cost of sales.....	70.8%	70.6%	70.2%
Gross profit.....	29.2%	29.4%	29.8%
Selling, general and administrative expense.....	14.2%	12.6%	11.7%
Securitization and other costs.....	0.0%	0.0%	4.3%
Operating income.....	15.0%	16.8%	13.8%
Net income.....	4.2%	5.9%	0.5%

Year Ended December 31, 2004 Compared to Year Ended December 31, 2003

Net Revenues. Net revenues for the year ended December 31, 2004 increased \$13.4 million, or 5.1%, to \$281.0 million from \$267.6 million for the year ended December 31, 2003. This increase was primarily attributable to higher commercial laundry revenue of \$8.6 million, higher service parts revenue of \$1.3 million and higher consumer laundry revenue of \$3.6 million. The increase in commercial laundry revenue was due primarily to higher international revenue of \$7.3 million and higher North American equipment revenue of \$1.5 million, which were partly offset by lower earnings from our off-balance sheet equipment financing program of \$0.2 million. Revenue from international customers was higher in the Middle East, Africa, Asia and Europe and was driven by favorable selling prices resulting from the weaker United States dollar. The increase in consumer laundry resulted from our re-entry into this marketplace, following the expiration of a non-compete agreement in late 2004. The increase in North American equipment revenue was primarily due to higher revenue from on-premise laundries and drycleaners, partially offset by lower revenue from multi-housing laundries and laundromats.

Gross Profit. Gross profit for the year ended December 31, 2004 increased \$3.4 million, or 4.3%, to \$82.0 million from \$78.6 million for the year ended December 31, 2003. This increase was primarily attributable to margins associated with higher product sales volume, a price increase and lower depreciation expense of \$1.1 million, which were partially offset by steel cost increases, higher nickel and chrome surcharges of \$4.8 million related to stainless steel purchases and higher employee medical expenses of \$1.1 million. Gross profit was not affected to the full extent of recent steel market conditions as we have steel purchase agreements in place. When these agreements expire in early 2005, we will be subject to prevailing steel prices at that time. As a result of the recent escalation in the cost of steel and the negative impact from nickel and chrome surcharges related to stainless steel purchases, we published a price increase, effective on December 1, 2004, which is expected to offset anticipated steel cost increases. Gross profit as a percentage of net revenues decreased to 29.2% for the year ended December 31, 2004 from 29.4% for the year ended December 31, 2003, primarily as a result of the increases in steel related components and medical expense increases.

Selling, General and Administrative Expense. Selling, general and administrative expenses for the year ended December 31, 2004 increased \$6.2 million, or 18.7%, to \$39.8 million from \$33.6 million for the year ended December 31, 2003. The increase in selling, general and administrative expenses was primarily due to recognition of \$5.6 million of non-cash compensation expense related to incentive units issued to our executives in 1998 and 2003, higher sales and marketing expenses of \$1.2 million and higher independent development costs of \$0.4 million, which were partially offset by lower pension expense of \$1.0 million. Selling, general and administrative expenses as a percentage of net revenues increased to 14.2% for the year ended December 31, 2004 from 12.6% for the year ended December 31, 2003.

Operating Income. As a result of the aforementioned, operating income for the year ended December 31, 2004 decreased \$3.0 million, or 6.5%, to \$42.1 million from \$45.1 million for the year ended December 31, 2003. Operating income as a percentage of net revenues decreased to 15.0% for the year ended December 31, 2004 from 16.8% for the year ended December 31, 2003.

Interest Expense. Interest expense for the year ended December 31, 2004 decreased \$2.9 million, or 10.0%, to \$25.4 million from \$28.3 million for the year ended December 31, 2003. Interest expense in 2004 includes a favorable non-cash adjustment of \$0.2 million to reflect changes in the fair values of an interest rate swap agreement. Interest expense in 2003 included an unfavorable non-cash adjustment of \$1.4 million to reflect changes in the fair values of an interest rate swap agreement. Interest expense was also lower in 2004 as a result of lower interest rates and a reduction in total debt outstanding of \$45.0 million, or 14.3% since December of 2002.

Costs Related to Abandoned Public Offerings. Costs related to abandoned public offerings for the year ended December 31, 2004 were \$4.8 million with no similar costs in the prior year. During 2004, we pursued an initial public offering of Income Deposit Securities for which we incurred offering related expenses and for which we capitalized debt and offering related costs totaling \$4.8 million. As a result of abandoning the Income Deposit Securities offering, we have written off all related capitalized costs in 2004.

Other Income (Expense), Net. Other expense for the year ended December 31, 2004 was less than \$0.1 million as compared to other expense of \$0.8 million for the year ended December 31, 2003. The 2003 other expense is comprised of costs associated with the settlement of a lawsuit against a former subsidiary in Argentina.

Net Income. As a result of the aforementioned, net income for the year ended December 31, 2004 decreased \$4.1 million to \$11.8 million as compared to \$15.9 million for the year ended December 31, 2003. Net income as a percentage of net revenues decreased to 4.2% for the year ended December 31, 2004 from 5.9% for the year ended December 31, 2003.

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. We did not incur any securitization and other costs for the year ended December 31, 2003. 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 promissory notes. 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.

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.