



LSG consolidates Heavy-Duty operations in the US.



June 16, 2005

LSG has decided to move its UK Futurail© manufacturing to the US and at the same time to group all its current JENSEN heavy-duty operations on one site in the US.

Jensen UK, also known under the Futurail© brand name, will move its production to the current plant in Panama City, Florida. Furthermore, all heavy-duty operations in Charlotte North-Carolina, will also be transferred to the existing Panama City location by June 30, 2006.

Over the last 12 months various options have been addressed in order to increase the competitive situation of LSG's heavy-duty operations. By grouping 3 operations into the Panama City location the following will be achieved:

- One center for US Heavy-Duty competence
- The Futurail© division of LSG will be producing in it's largest market
- Efficiency gains in overheads
- Decreased USD exposure
- Minimum investment

The know-how transfer between the UK and the US has been secured as a substantial part of the Futurail© management and engineering staff will be moved to the US. A part of the sales and installation staff will remain in Europe and will be integrated within our German or UK Heavy-Duty sales and service operations.

The US is the largest market for Heavy-Duty equipment and LSG expects to be able to secure and expand its strong market position with this move. The grouping in the US will add substantial know-how to their current operations and allow LSG to cater for the increasing automation needs of the US heavy-duty laundry market.

Profile

Laundry Systems Group is one of the major suppliers for the laundry industry. Customers include coin laundries, commercial laundries, on-premise laundries (hotels, hospitals, cruise ships) and textile rental companies. The product range varies from stand-alone washer extractors, dryers, ironers over transportation and handling systems, tunnel washers, separators, feeders, folders to the complete project management for fully-equipped and professionally managed industrial laundries. LSG has operations in 11 countries, serves

customers in more than 80 countries and employs some 1300 employees worldwide. Since 1997 the company has been quoted on Euronext.

This press release is also available on the corporate website (www.lsg.be).

(End of press release)

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Note to the editors: for more information, please contact:

LAUNDRY SYSTEMS GROUP:

Jesper Jensen, *Chief Executive Officer*

Erik Vanderhaegen, *Chief Financial Officer*

Scarlet Janssens, *Investor Relations Manager*

Tel. +32.2.482.33.80

E-mail : investor@lsg.be