

May 13, 1998

Coinmach fails to disclose BT Alex Brown interest conflict.

Bankers Trust Company is Coinmach's lead lender and the administrative agent of its January 8, 1997 Credit Agreement. BT Alex. Brown is a wholly owned subsidiary of Bankers Trust. BT Alex. Brown acted as the lead underwriter for Coinmach's recent secondary equity offering. It also maintains a Strong Buy rating on its stock and performs other services for Coinmach to assist in the company's stock promotion.

Bankers Trust was a direct beneficiary of BT Alex. Brown's Coinmach stock sale. Coinmach used \$23.5 million, which equaled 47% of the net proceeds it received from the BT Alex. Brown led secondary, to repay a portion of its Bankers Trust debt. Coinmach had insufficient cash flow to refinance or repay its debt to Bankers Trust without the BT Alex. Brown led underwriting. Coinmach failed to clearly disclose the details of this transaction and Bankers Trust's inherent conflict of interest anywhere in its prospectus.

After funding a partial repayment from the BT Alex. Brown stock sale proceeds, Coinmach was able to use an amended Bankers Trust Credit Facility to finance its \$214 million Macke acquisition entirely on debt. We believe this debt financing substantially exceeds the amount any reasonable lender would have provided to either Coinmach or Macke. Coinmach has neither sufficient income nor cash flow to service its Bankers Trust debt. We believe that Bankers Trust is relying exclusively on another equity-related offering for repayment of its loan.

As a result of the above, we seriously question BT Alex. Brown's ability to provide investors with independent advice and a fair opinion of the quality of Coinmach's financials and its operating results. In particular, we question BT Alex. Brown's willingness to investigate Coinmach's false growth capital expenditure and free cash flow claims. Acknowledgement that Coinmach has spent over \$100 million in capital expenditures without generating any internal growth or free cash flow would likely cause Bankers Trust to write-down a portion of its loans. Coinmach has over \$600 million in debt.

Coinmach Laundry Corporation (NASDAQ: WDRY) (Price: \$26.3125)

Short selling involves a risk not associated with the purchase of stock including, but not only limited to, unlimited loss and stock borrowing risks. Additional information is available upon request.