

May 11, 1998

Coinmach suffers dramatic reduction in shareholder base.

Coinmach Laundry Corporation's (NASDAQ Symbol: WDRY) (Price: \$26.00) proxy statement filed May 1, 1998 shows four institutional shareholders owning over 5% of its shares. In total the institutions listed in the proxy owned approximately 33.5% and 52.4% of the company's shares outstanding and public float, respectively. However, Coinmach failed to include a fifth institution that owns over 5%. In a Form 13F filed on March 31, 1998 Warburg Pincus Asset Management, Inc. reported it owned 763,400 shares, equal to over 6% of the outstanding. Coinmach did not include these shares in its proxy filing. Including these shares, five institutions now own approximately 39.5% and 61.8% of the company's shares outstanding and public float, respectively.

As of December 16, 1997 Coinmach reported no institutional holders that owned over 5% of its shares. In approximately four months 5 holders have bought 57.8% of the float. This indicates that many Coinmach shareholders have sold, while a few have been persuaded to take large positions. A dozen accounts now own approximately 91% of Coinmach's public float.

This reduction in shareholders and resulting increase in ownership concentration occurred after it was shown that Coinmach's free cash flow claim is at the very least highly suspect. The truth is that Coinmach has had negative cash flow. In our view, Coinmach's use of alleged growth capital expenditures to claim it possesses free cash flow is completely fraudulent. Coinmach has admitted that its growth capital expenditures are merely a calculated average with no relationship to any increase in revenues or EBITDA.

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.