

February 12, 1998

Coinmach Laundry misrepresents S&P ratings implication.

Contrary to comments made by Coinmach Laundry Corporation's ("Coinmach Laundry") (NASDAQ: WDRY) (Price: \$25.00) Chairman of the Board, Director and Chief Executive Officer Stephen R. Kerrigan during a conference call held yesterday, Standard & Poor's ("S&P") debt rating does not validate management's calculation of free cash flow available to its equity holders.

Coinmach Laundry is a holding company with no operations or cash flow of its own. It owns all the issued and outstanding shares of Coinmach Corporation. All of Coinmach Corporation's real and personal property, plus Coinmach Laundry's ownership of Coinmach Corporation, are pledged to Bankers Trust Company. Bankers Trust Company and other banks are currently owed \$75 million. However, Bankers Trust Company has agreed to lend Coinmach Corporation the funds to purchase Macke Laundry, L.P. ("Macke"). After the Macke acquisition, Coinmach Laundry's interest will be subordinate to approximately \$612 million in secured and unsecured debt.

On February 3, 1998, Standard & Poor's assigned a BB- rating to Coinmach Corporation's bank debt. In issuing the bank debt's rating, S&P stated that the bank debt's security interest in substantially "all of the company's assets offers reasonable prospects for full recovery". "Full recovery" refers to "\$435 million bank loan facilities" and "all of the company's assets" refer all assets including the Macke assets. S&P states that including the \$214 million purchase of Macke it is only "reasonable" to assume that Coinmach Corporation's assets can be used to recover the \$435 million loan. However, in granting the rating S&P also stated it expects Coinmach Corporation to reduce its bank debt through a refinancing "over the near term". If not, the rating could be lowered because of concerns about the amount of secured debt "that has to be covered by the enterprise value". In other words, S&P appears concerned that even after the Macke acquisition there may be insufficient collateral to repay Coinmach Corporation's bank debt.

Coinmach Laundry shareholders need in excess of \$970 million of value just to break even. This is more than double the S&P rated bank debt. S&P has not issued an opinion on the value of Coinmach Laundry's common stock. S&P has not issued an opinion on the quality of Coinmach Laundry's earnings, stated EBITDA, capital expenditures, or analysis of the allocation of capital expenditures between alleged "growth" and "maintenance". We believe Coinmach Laundry's extraordinarily poor earnings negatively impact the "recovery" value of its assets. We further believe that Stephen R. Kerrigan misrepresented the significance of S&P's rating as to the value of Coinmach Laundry's stock.

Asensio & Company, Inc. has published an institutional report on Coinmach. The report assumes that Coinmach will obtain significant additional equity or subordinate convertible debt. This may not be the case. The market for Coinmach's grossly overvalued stock may be reduced as investors reevaluate its extremely limited prospects. However, even assuming a successful additional financing, Asensio & Company, Inc. believes Coinmach's stock will soon trade below \$5 per share. We see no possible outcome that can remotely justify Coinmach's current stock price.

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.