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**FOR IMMEDIATE RELEASE**

**DUANE READE HOLDINGS, INC. ISSUES STATEMENT REGARDING  
CHARGES AGAINST FORMER EXECUTIVES**

New York, NY – October 9, 2008 – Duane Reade Holdings, Inc. issued the following statement today following announcements by the United States Attorney's Office and the Securities and Exchange Commission of the filing of criminal and civil securities fraud charges against Anthony J. Cuti, a former CEO of the Company, and another former executive.

"Duane Reade has cooperated fully with the various government agencies in their investigations over the last 16 months and we are pleased to see this issue reach resolution," said John Lederer, Duane Reade's Chairman and Chief Executive Officer. "We are gratified that the government has concluded its investigation with no finding of any wrongdoing by the Company or any of its current executives. Most importantly, the actions taken today have no effect upon our current business and our financial condition is unaffected by these actions. Our business continues to perform well and we remain fully focused on elevating Duane Reade to the next level."

The indictment charges fraudulent and illegal activities that took place several years ago, between 2000 and the first half of 2005. The Company noted that a former executive, William Tennant, was also charged by the government. Mr. Tennant was employed by the Company until December, 2001 and was a consultant to the Company until April, 2005. Duane Reade terminated Mr. Cuti's employment in November, 2005.

As previously disclosed in May, 2007, the Company's Audit Committee, with the assistance of independent counsel, conducted an investigation into matters related to today's announcement. As a result of the investigation, the Company restated its financial results for the impacted historical periods and reported the results of its investigation to the United States Attorney's Office and the SEC.

## **About Duane Reade**

Founded in 1960, Duane Reade is the largest drug store chain in the metropolitan New York City area, offering a wide variety of prescription and over-the-counter drugs, health and beauty care items, cosmetics, greeting cards, photo supplies and photofinishing. As of September 27, 2008, the Company operated 246 stores.

*Except for historical information contained herein, the statements in this release and the accompanying discussion on the earnings conference call are forward-looking and made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. In addition, this document may contain statements, estimates or projections that constitute "forward-looking" statements as defined under U.S. federal securities laws. Forward-looking statements involve known and unknown risks and uncertainties, which may cause the Company's actual results in future periods to differ materially from forecasted or expected results. Those risks include, among other things, the competitive environment in the drug store industry in general and in the New York metropolitan area, the ability to open and operate new stores, the continued efforts by payers and government agencies to reduce prescription reimbursement rates and prescription drug benefits, the strength of the economy in general, the economic conditions in the New York greater metropolitan area, changes in federal and state laws and regulations, including the potential impact of changes in regulations surrounding the importation of pharmaceuticals from foreign countries and changes in laws governing minimum wage requirements, changes in the Company's operating strategy, capital expenditure plans or development plans, the Company's ability to attract, hire and retain qualified pharmacy and other personnel, the Company's significant indebtedness, labor disturbances, the continued impact of, or new occurrences of, terrorist attacks in the New York greater metropolitan area and any actions that may be taken in response, demographic changes, the Company's ability to limit fraud and shrink, the results of the Company's legal proceedings and recalls of pharmaceutical products due to health concerns or other reasons. Those and other risks are more fully described in Duane Reade's reports filed with the SEC from time to time, including its annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. Except to the extent otherwise required by federal securities laws, we do not undertake to publicly update or revise any forward-looking statements.*

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