

For: Duane Reade Inc.
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FOR IMMEDIATE RELEASE

UNITE HERE WORKERS SECURE CONTRACT WITH DUANE READE

New York, New York, February 9, 2005 -- The bargaining team for UNITE HERE workers and Duane Reade Inc. recently agreed to a one year agreement providing improvements in wages and benefits. The contract will be retroactive to the April 1, 2004 date of the prior contract's expiration.

Workers will receive a wage increase of \$.30/hour with back pay to cover the time between the contract expiration and ratification. Workers also negotiated additional paid leave and bonuses for staff with many years of service, and improved language for dealing with various matters, including health and safety on the job.

"This contract makes tremendous strides in all areas of concern to the Duane Reade workers," says John Gillis, Manager of the New York Joint Board of UNITE HERE. "With improvement in wages and benefits, as well as working conditions."

Duane Reade's Chairman, Anthony Cuti, underscored Duane Reade's commitment to fair bargaining with legitimate and ethical labor leadership. Bruce Raynor, General President of UNITE HERE, complimented union and company negotiators on reaching a fair settlement and continuing the mutually productive relationship that has benefited the employees and allowed Duane Reade to prosper and grow as a company.

UNITE HERE is the merged union of hospitality, gaming, apparel, textile and laundry workers. The new union represents nearly half a million workers in the US, Canada and Puerto Rico. Learn more about them at www.unitehere.org.

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 25, 2004, the Company operated 255 stores. Duane Reade maintains a website at <http://www.duanereade.com>.

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