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DUANE READE AND CONSUMER HEALTH SERVICES SIGN AFFILIATION AGREEMENT WITH CONTINUUM HEALTH PARTNERS TO EXPAND PATIENT ACCESS IN NEW YORK CITY

~Allows Physicians Practicing at Duane Reade's Walk-In Center to Have Admitting Privileges at St. Luke's and Roosevelt Hospitals~

NEW YORK, NY, and WASHINGTON, D.C., – August 16, 2007 – Duane Reade Holdings, Inc., the leading drugstore chain in metropolitan New York and Consumer Health Services, Inc. (“CHS”), the premier manager of on-site physician centric consumer healthcare, have announced a formal affiliation agreement with Continuum Health Partners, one of the major hospital and healthcare providers in the New York City area. This agreement allows the *DR Walk-In Medical Care* sites operated by the Endres Bowers Medical Group, PC to provide patients with integrated medical care with Continuum affiliated New York City hospitals. Currently, CHS manages four *DR Walk-In Medical Care* sites within Manhattan-based Duane Reade stores, with plans under this new agreement to expand services over the next several years.

Under the agreement, *DR Walk-In Medical Care*'s current Manhattan locations will be affiliated with Continuum's St. Luke's-Roosevelt Hospital Center. *DR Walk-in Medical Care*'s signage and promotional materials will be updated to reflect the new alliance. Physicians at affiliated locations will have admitting privileges at the St. Luke's-Roosevelt Hospital Center providing patients with the opportunity to have greater access to specialists at some of New York City's top healthcare facilities. Additional walk-in sites in Manhattan and Brooklyn are planned and will be affiliated with Beth Israel Medical Center and Long Island College Hospital, also institutions in the Continuum network.

“The partnership with Continuum is an important milestone for CHS, *DR Walk-In Medical Care* sites and their rapidly growing base of patients,” said James D’Orta, M.D., Chairman of Consumer Health Services. “This affiliation will ensure that patients visiting the sites will be assured of immediate quality healthcare along with follow-up care with an established high quality health system for all of their medical needs.”

“Our affiliation will provide New Yorkers, particularly those challenged by access issues, with another option for quality healthcare, particularly through *DR Walk-In Medical Care*'s dramatically expanded hours of physician availability,” said Stanley Brezenoff, President and CEO of Continuum. “We are delighted to be affiliating with CHS and the practices under their management located at Duane Reade in order to bring Continuum's services to more New Yorkers and to ensure a smoother transition for referrals to specialties and hospitalization, if needed.”

“We are pleased to be part of an initiative to provide New Yorkers with access to affordable, top quality and convenient healthcare, in addition to allowing *DR Walk-In Medical Care* patients a seamless transition to quality New York hospitals,” said Jerry Ray, Senior Vice President of Pharmacy with Duane Reade. “We are committed to

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being a leading destination for health and wellness services in the New York metro market, and we look forward to working with CHS, *DR Walk-In Medical Care* and Continuum Health Partners to continue to enhance the availability of health and wellness services in the New York metro market.”

In May 2007, Duane Reade worked with CHS and Endres Bowers Medical Group, PC to launch *DR Walk-in Medical Care*. The physician’s and other healthcare providers practicing at these sites provide New Yorkers with convenient access to high-quality, episodic-care services at affordable prices, with the unique option to see on-site physicians on a walk-in basis for immediate examination and treatment. *DR Walk-In Medical Care* offers New Yorkers routine physical exams and basic treatment services for low-to-mildly acute illnesses and minor injuries, as well as health screenings, medical tests and vaccinations, where all commercial insurance is accepted.

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 June 30, 2007, the Company operated 244 stores.

About Consumer Health Services:

Launched in 2006, Consumer Health Services, Inc. (CHS) has emerged as the nation’s premier manager of on-site consumer health centers. CHS implements its model through extensive collaboration and work with leading, Insurance Companies, local healthcare delivery systems, doctors, nurses, physician assistants to offer quick, convenient, physician-directed care for individuals where they shop, where they work and where they travel. Today, more national retailers, like Duane Reade based in New York City, hospitality companies and large employers are turning to CHS as a partner of choice to launch and manage successful consumer health centers that deliver an exceptional customer experience. To learn more about CHS, visit us online at www.chscorp.com.

About Continuum Health Partners of New York City:

Continuum Health Partners was created in January 1997 as the parent company for the partnership between three distinguished voluntary teaching hospitals: Beth Israel Medical Center, St. Luke’s Hospital and Roosevelt Hospital. Building upon the strength of these institutions, Continuum began the development of a broad-based, integrated health services network extending throughout the New York metropolitan region. Within two years, Long Island College Hospital, located in the Brooklyn Heights/Cobble Hill section of Brooklyn, and The New York Eye and Ear Infirmary, located on Second Avenue and 14th Street in Manhattan and the oldest specialty hospital in the Western Hemisphere, joined the Continuum family, broadening the influence of each member institution and the partnership as a whole. Continuum has an annual operating budget of almost \$3 billion and delivers inpatient care in six major hospital facilities in Manhattan and Brooklyn. The Continuum network also encompasses ambulatory health centers and group and private practice settings throughout the New York metropolitan region. Continuum operates more than 2,700 certified beds; provides for over 650,000 days of inpatient care and over 1.3 million outpatient visits; has more than 4,500 affiliated physicians; and a work force of over 15,500 individuals, making it the sixth largest private employer in the New York metropolitan region.

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