

WHSmith Travel division expands with the acquisition of UNS Hospitals and the announcement of a franchise agreement with RoadChef

WH Smith PLC has acquired UNS Group Limited ('UNS Hospitals') for a cash consideration of £19m. The transaction will be funded from existing cash resources and available bank facilities and will strengthen WHSmith's presence in hospitals across the UK. The acquisition will be earnings neutral in 2007/08 and earnings accretive in 2008/09.

UNS Hospitals trades as United News and has 72 retail units and 8 Caffe Nuovo coffee shops in 62 hospitals throughout the UK. UNS Hospitals has developed a leading position in the hospital sector and has a strong and experienced management team. WHSmith currently has 8 units trading in 7 hospitals and this acquisition significantly strengthens our presence in this growing channel. Exceptional integration costs will be around £1m in the current financial year.

WH Smith PLC also announces a franchise agreement with RoadChef to open travel units in all 29 RoadChef motorway service areas. This announcement follows a successful trial at the RoadChef service area on the M1 at Watford Gap.

Kate Swann, WHSmith Group Chief Executive, said:

"The acquisition of UNS Hospitals creates further growth opportunities for our Travel business. The hospital channel is under developed and the combination of the experienced UNS management team and the WHSmith brand and offer will bring benefits for customers.

"We look forward to working with RoadChef to extend our motorway service area offer, bringing WHSmith products and services direct to the motorist."

- Ends -

Enquiries:

WH Smith PLC

Sue Barratt

Media Relations

020 7851 8850

Mark Boyle

Investor Relations

020 7851 8820

Brunswick

Tom Buchanan

020 7404 5959

Anna Jones

NOTE TO EDITORS

WH Smith PLC is made up of 547 High Street stores, 218 Travel units at airports and stations, 123 Travel units at motorway service area locations including RoadChef and 8 Travel units in 7 hospitals throughout the UK. The High Street business sells a wide range of newspapers, magazines, stationery, books and entertainment products, while WHSmith Travel sells a tailored range of newspapers, magazines, books and confectionery products for people on the move. In addition, WHSmith Direct – www.whsmith.co.uk - serves customers on the internet 24 hours a day.

UNS Group Ltd is a leading retailer in the hospital sector. Trading as United News, it has 72 units and 8 Caffè Nuovo coffee shops in 62 hospitals locations across the UK. The units range in size between 150 and 2,000 sq ft. The business has approximately 600 employees and is based in Leeds from where it will continue to operate.