PRESS RELEASE

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CAERPHILLY POST OFFICE® FUTURE SECURED – NEW PARTNERSHIP WITH WHSMITH

Post Office Ltd today announced a partnership with WHSmith to safeguard the future of main Post Office services in Caerphilly.

The partnership commits both parties to providing main Post Office services in the town and will see WHSmith manage the Caerphilly branch on behalf of Post Office Ltd. As with all franchise partners, WHSmith will manage the day-to-day operations with the full support and guidance of the Post Office to ensure the branch maintains service standards.

Post Office Ltd currently manages Caerphilly Post Office branch from premises in The Twyn. Under the new arrangement the branch will relocate and be carefully integrated into the existing WHSmith premises at Unit 4, Castle Court Shopping Centre, only 250 yards away from the current site.

The relocation follows the successful trial of six Post Offices in WHSmith stores last year. Customer response was positive, with the majority of customers welcoming the pleasant environment, good levels of customer service, convenient locations and extended opening hours.

WHSmith Area Manager, Debbie Lansdown said: "We are delighted to be working in partnership with the Post Office to ensure that main Post Office services continue to be available in the town. Following the positive

customer response to our Post Office trial last year, we are pleased to be able to bring the same improved service to Caerphilly.

"We will be providing the full range of Post Office services, alongside our own extensive product offer, from our store located in the heart of Caerphilly's shopping area. Our highly trained staff are committed to delivering an enhanced service with longer opening hours from a convenient location that is_fully accessible to all customers. At a time when so many branches face an uncertain future, this is good news for Post Office customers in Caerphilly"

WHSmith is one of the UK's leading retail groups, currently operating around 540 high street stores and around 130 retail units at airports, motorway service areas and train stations nationwide, selling a wide range of newspapers, magazines, stationery, books and entertainment products. The extensive selection of stationery and associated goods which WHSmith offers will complement the wide range of main Post Office services that will continue to be available at Caerphilly following the transfer.

Post Office Ltd's Stuart Taylor said: "This partnership between two well-known and valued high street brands is good news for customers and will enable us to both safeguard and enhance their Post Office services in the future."

"WHSmith's extensive retail experience and knowledge will ensure that Post Office customers continue to receive a high standard of service. The wide range of Post Office services currently available at this branch will remain, including personal banking, financial services, car tax renewal, the Post Office Card Account, passport checking, foreign currency and, of course, mail and parcel services."

ENDS

For further information, contact Royal Mail Group Communications on 029 2039 2500

For information relating to WHSmith, contact WHSmith Press Office on 0207 851 8850

NOTES TO EDITORS:

The decision to franchise the Caerphilly Post Office branch has been taken in principle. But before finalising the proposals, in line with the Code of Practice agreed nationally with the consumer council, Postwatch, Post Office Ltd is allowing eight weeks for customers and

representative groups to outline their views. The process is designed to focus on customer service aspects of the change such as opening hours, access and facilities but not on the actual decision to transfer the management of the branch.

Customers who regularly use the Post Office branch are invited to give feedback on the proposed opening hours of the branch, access arrangements and facilities available.

They should write to: Philippa Wright, National Consultation Manager, Post Office Ltd, c/o National Consultation Team, PO Box 2060, WATFORD WD18 8ZW **by 14 June 2007.**

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