



30th March 2011

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Copied for information to:

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CONDITION 7 NOTIFICATION:

Change to Royal Mail Tracked[®] for customers posting over 300k items per year

Dear Philip,

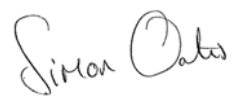
I am writing to formally notify you, under Condition 7 of our Licence, that we will make an amendment to the Royal Mail Tracked[®] terms and conditions on 1st July 2011. We would like to make this beneficial optional change as soon as possible but are mindful of our obligation to stand still for 3 months.

Royal Mail Tracked customers who post more than 300 thousand items per annum access the RDC network where the size of items is measure through a volumetric scanner. Customers who post boxes within polylopes often have the dimensions of the polylope measured which can be larger than the box inside. It is the volume of the box that is important and it is this, not the volume indicated by the polylope, that should be used to derive a price. Without this change customers will continue to be charged a price that does not reflect the volume of the box within the polylope. From 1st July 2012 customers will be given the opportunity to state that their boxes are of a certain volume. Actual box prices will be verified on a regular basis and used to make adjustments to a customer's price. A change will be made to the application form to reflect this change to the general conditions of access. All customers who posting over 300k items per year and posting items in polylopes will have the option to state actual box sizes.

A copy of this letter has been sent to Consumer Focus and will be published on Royal Mail's website within four working days.

Yours sincerely,

Cont...

A handwritten signature in black ink that reads "Simon Oates". The signature is written in a cursive, slightly slanted style.

Simon Oates, Director of Regulatory Strategy