



24th March 2011

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CONDITION 7 NOTIFICATION:

Mailsort 1400, Advertising Mail 1400 and Sustainable Mail 1400 posted in Trays

Dear Philip,

I am writing to formally notify you, under Condition 7 of our Licence, that we will make an amendment to the Mailsort 1400, Advertising Mail 1400 and Sustainable Mail 1400 products on 27th June 2011. From this date, customers will be able to post 1400 Letter and Large Letter format items in trays. This will be a new option alongside the other accepted forms of presentation. We would like to make this available as soon as possible but are mindful of the waiting period required by Condition 7.

Currently Mailsort 1400, Advertising Mail 1400 and Sustainable Mail 1400 Letter and Large Letter items may only be posted in bags or according to the 'Unbagged' specification. The move to also allow posting in trays will benefit those customers that prefer trays to bags owing to the processing and mail hygiene benefits that trays provide. It will also mean that for the first time, Mailsort Large Letter format mailers will be able to utilise trays (Mailsort Letter posters can already use trays with Mailsort 70, 120 & 700, with Sustainable Mail 70, 120 & 700 and with Advertising Mail 70 & 120).

To post Mailsort 1400, Advertising Mail 1400 and Sustainable Mail 1400 in trays, customers will be required to have at least 100 Letters or 25 Large Letters per Direct selection. Any quantities less than this can still be presented in trays, but must be amalgamated into Residue selections. This differs from the current requirement for 1400 bagged & unbagged mailings where customers are required to have at least 25 Letters or 5 Large Letters per Direct selection. In addition and as is also the case with Mailsort 70, 120 & 700, Sustainable Mail 70, 120 & 700 and Advertising Mail

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70 & 120 in trays, the maximum permitted weight of a tray will be 10kg compared to a maximum bag weight of 11kg.

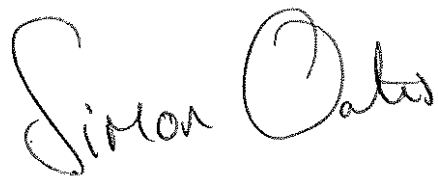
As with bags and the Unbagged specification, customers may not mix formats in tray mailings. Mailings must only comprise of either all Letter format items or all Large Letter format items. In addition, customers may only use trays on Mailsort 1400, Advertising Mail 1400 and Sustainable Mail 1400 when using either the Mailsort 2 or Mailsort 3 variants. Trays may not be used to post Mailsort 1400 1 owing to constraints arising by the need to transport some 1st class post via air conveyance.

Other access conditions for 1400 trays such as minimum mailing volumes will be unchanged from those applicable to bags or the Unbagged specification.

Any Mailsort 1400, Advertising Mail 1400 or Sustainable Mail 1400 customer that does not wish to use trays to post after the 27th June can continue with their current posting arrangements with no change.

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,

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

Simon Oates
Director of Regulatory Strategy