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Copied for information to:

9th February 2011

Nigel Woods & Natasha Dare
Consumer Focus
4th floor, Artillery House
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LONDON
SW1P 1RT

CONDITION 7 NOTIFICATION:

Cleanmail[®] entry volume reduction
Mailsort[®] 3 on Saturday
9th May price changes

Dear Philip,

This letter provides three months' notice of two non-price changes. We note that Postcomm's November document permits the ability to provide 8 weeks' notice of the price changes that will take effect in May 2011 for non price (or headroom) controlled products. This letter details the affected products.

Cleanmail[®] entry volume reduction

I am writing to formally notify you, under Condition 7 of our Licence, that we will reduce the minimum entry volume for Cleanmail[®] services¹ from 1,000 to 500 items on 9th May 2011. Reducing the entry level will enable more customers to post machineable mail and to share the consequential benefits and therefore meet known customer requirements to make cost savings from their mailing activity and access to products easier. This introduces a new beneficial option and we would like to offer this as soon as possible but are mindful of our Condition 7 obligation to wait for 3 months. Changes will be made to relevant product documentation in due course.

Mailsort[®] 3 on Saturday

I also formally notify you that Mailsort[®] 3 will be delivered on Saturdays from 9th May 2011. Currently Mailsort 3 is specified for delivery 5 days a week from Monday to Friday. From the 9th of May 2011 Mailsort[®] 3 will be delivered 6 days a week from Monday to Saturday. Mailsort[®] 1 & 2 are both delivered 6 days a week from Monday to Saturday, so this change will bring Mailsort[®] 3 into line with these other Mailsort[®] variants. Changes will be made to relevant product documentation in due course.

¹ Cleanmail[®], Cleanmail Advance[®] and Cleanmail Plus[®]

9th May price changes

In order to comply, as far as possible, with Condition 7 I would like to inform you that the products listed in Annex 1 will be subject to a price change on 9th May 2011. These products are captured by Condition 7 but are not price (or headroom) controlled. Indicative prices will be made available on or around 17th Feb 2011 and final prices will be published on 14th March 2011. This is in keeping with Postcomm's minded-to decision as expressed in paragraph 5.114 of Postcomm's document, 'Laying the foundations for a sustainable postal service - Annex 3'.

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, reading 'M Waples', is displayed on a light grey rectangular background.

Mark Waples
Commercial Policy Manager

Annex 1 – Products that will be subject to a price change on 9th May 2011, are captured by Condition 7 but are not price (or headroom) controlled

Services that are not Controlled Services under Condition 21, including:

Mailsort[®] 3 120

mailmedia[®]

Special Delivery[™] Next Day and 9am sold on account

Royal Mail Tracked[®] Services (including Royal Mail Tracked Next Day)

Royal Mail Heavyweight[™]

Big Book[™]

Safebox[™]

Postal Voting[™]

Early Extraction[™]

Pre-sorted Delivery[™]

Royal Mail Pouch Services[™]