

HELP US GET A FAIR HEARING ON THE WAY FORWARD FOR BA

Dear Shareholder

As the largest trade union across aviation, Unite represents some 28,000 employees at British Airways. We are taking this unusual step of writing to shareholders to ask for your support to secure an agreement with the company to safeguard the future of this airline. All we are asking is that BA's management give its employees a fair hearing.

BA is Britain's iconic national flag carrier with a reputation for world class customer service based on service delivery standards that are second to none and a proud, loyal and extremely dedicated workforce of just over 40,000.

We represent BA's proud, hard working, and conscientious employees. We share a common vision of our airline with you – BA's core shareholders - one which sees this company as:

- a premium airline, flying the flag for Britain as our national carrier
- a provider of world class, innovative customer service
- an airline against which competitors benchmark service delivery
- a provider of secure employment to proud, passionate people
- competitive but rewarding, growing and sustainable.

Our future success and your future success are entwined. We know that this is a difficult time for aviation. The company posted recorded loses for 2008/9, although these are widely accepted to be a consequence of escalating fuel prices and worsening trading conditions in core markets for BA; banking, insurance and finance.

Yet, the previous year – before the global financial collapse – BA posted record profits of £880million. Given the ongoing global market downturn, BA will not return to similar profitability anytime soon **but we firmly believe that the proposed changes from BA's management team cut so deep into operations that they could eliminate any hope the airline has of returning to its rightful position as the "world's leading airline".**

The way forward through these tough times can only be together. As staff, shareholders and management we have faced many very difficult challenges in recent years epitomised by the SARS outbreak in 2003 and the terrorist attack on the World Trade Centre in September 2001. BA, unlike many of its competitors, survived these stronger and more determined than ever to stay as the premier global carrier because we worked as a team.

Once again, the long term future of our airline, providing secure employment for workers now alongside the thousands that will follow, requires a clear, shared vision. This in turn underpins investment stability into the future.



This is why we want to work with BA to meet the challenges before us head on. And it is why Unite has tabled major proposals which would:

- reduce ongoing costs by some £130 million per annum
- provide for greater flexibility and more efficient work organisation
- introduce wage stability through a basic rate increase deferral for all until a return to company profitability
- see a pay cut of 2.61% to all basic rates (for cabin crew) in line with the deal already secured for BA's pilots
- reduce overall headcount levels by some 4000 (10%) by voluntary means including part time working, reduced hours and job share.

Despite our best efforts, our proposals have been conclusively rejected by BA as a sensible way forward. We cannot understand why the company would dismiss such significant savings and productivity measures. Our fear is it can only be because BA's management are opportunistically using the recession to force through changes which are more far-reaching.

Attempts to present these changes are as part of a 'fight for survival' are not only misguided – they are also talking down the airline of which we are fiercely proud, destabilising the business and putting in jeopardy the futures of 40,000 employees.

We believe that like us you see BA as a premium airline. So we appeal to you now to urge BA's management to step back from their objective of dismantling what puts this company above the others, which is its reputation for customer service and its astonishing staff.

We are not a low cost airline and cannot compete in this market. We do not employ cheap labour on short term contracts with little future with the company. We are a premier airline, a standard-setter. And it takes the best to be the best.

We are puzzled as to why BA's management do not share this view, pursuing instead:

- poorer contracts of employment from all employees
- the introduction of new contracts with non-negotiable conditions
- a two year pay and contractual increment freeze
- limitless 'total flexibility' across all employee groups
- the removal of contractual rights under disciplinary and grievance procedures
- the right of the company to 'outsource' to a third party any aspect of company work at any point in the future
- an end to lifetime career opportunities at BA, employing short-term, low-paid employees for no more than three to five years.

This is not our vision for BA. This is a nightmare, one which will see BA reduced to scrapping at the lower end of the labour market. Instead of being an employer proud of how it treats its employees, it will become one with only the bare legal minimum of protections in place.

The reputational damage of these changes will be profound and irreversible. The elite, high end brand that is BA will be lost. This is not our vision and we hope it is not yours. So we appeal to you today to please use your position as core shareholders of our company to express your desire that a mutually acceptable settlement be found. We need a solution that leaves us working together to secure the future of British Airways.

We have always been stronger together and always will be.

Unite, representing BA workers