



8 February 2007

To all Members  
Amicus/CMA Sector  
Royal Mail Group

Dear Colleague

### **Royal Mail Group Announcements**

By the time you read this you will have seen the communication from Royal Mail or the press articles that are appearing.

I met with Adam Crozier this morning when he outlined the position to me. It is clear there are some challenges facing us but that there may well be opportunities that arise from this and the Chief Executive reaffirmed the commitment to discuss, in detail, all of the issues facing the company quickly with Amicus/CMA.

The agreement Royal Mail has struck with the Government, published this morning, can only assist in taking the organisation forward. Our primary objective has to be to secure continued employment for our members as well as, as a minimum, retaining the pension benefits for those existing pension scheme members. Having done so, we then need to concentrate our efforts in the run up to April, and the 6 months after that, to ensure that we get the best possible set of arrangements for pensions in the future.

In respect of investment in the business and the restructuring work in the Post Office network, Adam Crozier confirmed it was his intention to arrange a series of early meetings with Amicus/CMA when we can start talking in detail about the business plans that will deliver on these proposed changes.

The situation for our members in Royal Mail Group has been uncertain for far too long. This announcement gives us an opportunity to understand and get involved in the changes that will happen in Royal Mail's effort to fight off increased competition.

I am not jumping up and down about these announcements. What I want to do is to have an early series of exchanges with Royal Mail, at business unit level where the changes will be implemented, when Amicus can be engaged in the important debate about the future of the business. A prosperous business means job security. In that we have to have a shared objective

On the point of the "phantom" share scheme our position has not altered one iota. We believe that our members who have contributed to the changes in the company's fortunes – improved quality of service, reduced absenteeism, better productivity et al – should be rewarded. However, any scheme that could lead to the privatisation of Royal Mail will be vigorously opposed by us.

I will write to you again when some of the exchanges referred to above have taken place.

A handwritten signature in black ink that reads 'P. K. Reed'.

**National Secretary**