

Our Ref: BB/JMD

15th December 2006

To: All Amicus Members at BA

Dear Colleague,

BA NAPS Consultation

Following the recent report back meeting for all Amicus Workplace Reps, I can now inform you that Amicus, along with our other Trade Union colleagues, met with the Company on Thursday 14th December.

At this meeting, the Trade Unions presented a joint submission for the Company to consider. This was significant as, up until now, the four Trade Unions involved were unable to agree on every aspect of our initial submissions. However, after in-depth discussions, we were able to suggest a way forward in which all parties may be able to reach an equitable solution.

The basis of our latest submission is as follows:-

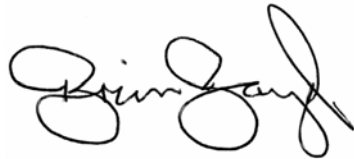
- Normal Retirement Age (NRA) of 60 for Flying Crew.
- NRA of 65 for Ground Staff.
- Accrual rate of a 56th for the NAPS 3 Scheme.
- Accrual rate of a 60th for the NAPS 4 Scheme.
- Pensionable pay at RPI cumulative.
- Pensions-in-Payment (LPI) up to 5%.
- No second stage for Flying Crew.
- Introduction of a Salary Sacrifice Scheme.
- A review process taking into account factors such as Company profitability and future mortality.
- Optional employee contributions - this would allow all employees the opportunity to buy back pension years from 60 to 55 and 65 to 60 respectively.
- A lowering of employee contribution rates to allow affordability in any buy back.

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Taking the above into account, the Trade Unions believe that, in order to provide the above benefits, the Company would have to increase their annual contribution from £272 million to £280 million. Having presented the above items to the Company, they took the opportunity to review the Trade Union figures. Although no final agreement has been reached, the Company have indicated that they would be prepared to explore further some of the items included in our submission. This includes the lowering of contribution rates and the introduction of the Salary Sacrifice Scheme. In addition to this, the Company have indicated that they may be willing to increase the funding from their current £272 million contribution.

Finally, the discussions are now at a crucial stage and we believe that, if all parties continue to work through the current difficulties, there may be an opportunity to return to our members with a revised benefits package which takes into account each individual's circumstances. We intend to meet with the Company until this has been achieved and I will report back to you after our next meeting.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Brian Boyd', with a stylized flourish at the end.

Brian Boyd
Lead Industrial Officer

c.c. Chris Jones
Gordon White
Denise Barber
Joe McGowan
Norman Southwell