

# Royal Mail Wholesale

28<sup>th</sup> February 2011

Dear Customer,

## Confirmation of Access Prices for 2011/12

On the 16<sup>th</sup> February 2011 Postcomm confirmed its 'minded to' decision to accept Royal Mail's request for additional allowed revenues, which would allow it to increase prices on bulk mail to help maintain the pace of the modernisation programme required to safeguard the provision of the universal postal service.

As we previously stated, we have thought carefully about these price increases. We know no-one likes to pay more. We are conscious of the difficult economic circumstances our customers are facing. However, we do need to increase our prices to ensure we can continue providing the services you need at the quality you expect. We are also continuing our £2 billion investment programme to modernise our operations to achieve this.

Following Postcomm's decision, we can now confirm the indicative Access prices that RMW published on the 3<sup>rd</sup> February 2011 will take effect from 9<sup>th</sup> May 2011.

There are just two price changes to the indicative prices, already published.

Firstly, we are able to further discount Royal Mail Advertising Mail® by 0.1p per item to 2.0p. This continues to improve the Return on Investment of Advertising Mail and brings the total obtainable discount to 2.7p per item on items up to 250g when postings also include Royal Mail Responsible Mail® Intermediate discount.

We can now confirm that our proposals to offer further enhancements to our Advertising Mail service will be introduced earlier than intended. The availability of the discounts to extend to Large Letter format items and the Saturday delivery option will now apply from the 9<sup>th</sup> May 2011. The large letter discount will apply at 2p for 250g, and for weights above 250g, at an equivalent percentage discount to that applied at 250g.

Secondly, the Zonal pricing variances to the National prices have been updated slightly to become even more cost reflective, as shown in the table below.

### Zonal Pricing (Variance From National):

	Urban	Suburban	National	Rural	London
Letter	-10.9%	0.3%	0.0%	11.0%	9.9%
Large Letter	-11.1%	-0.6%	0.0%	12.0%	10.8%
Packet	-15.1%	-2.7%	0.0%	30.4%	0.7%
A3	-15.1%	-2.7%	0.0%	30.4%	0.7%

All other price changes will be as previously indicated in our notice issued on the 3<sup>rd</sup> February 2011.

Full details of all our prices for Tariff 2011/12 are now available on our website at [www.royalmailwholesale.com](http://www.royalmailwholesale.com) and will come into effect from the 9<sup>th</sup> May 2011.

Yours sincerely,

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

**Jenny Ledger**  
**Commercial Director**