



UNITE UPDATE

INDUSTRIAL ACTION — PAY FREEZE AND CONCESSIONS (007/2012)

4th June 2012

Dear Colleague,

Following on from the recent consultative ballot (in which our members delivered an overwhelming vote in favour of action in response to the Company's continued and sustained attacks on our terms and conditions), Unite must now proceed to an official industrial action ballot. **Your ballot paper will arrive shortly after June 11th.** This decision is most unfortunate and has not been taken lightly or in haste, but is as a result of the Company's unwillingness to move, or negotiate, in a meaningful manner around Pay and Concessions. **Unite has been left with no alternative.** In addition to the attack on Pay and Concessions, we have recently suffered the loss of the ACM rank and redundancies. We also know that Thomas Cook is only part way through its "shopping list" – there are more cuts to come.

The "anti-union" propaganda has now started from the Company. The recent letter from Frank Pullman is attempting to lay full responsibility for any damage to the business at the door of Unite. This could not be further from the truth. **Your representatives have done everything in our power to find an amicable outcome to this situation.** We felt very positive following the last meeting with Ian Ailles. There had been significant movement from your Committee, with three reasonable and affordable proposals put forward by Unite (these can be viewed in our last update from May 26th). Movement from the Company could easily have resolved the situation. **The response from Ian Ailles however fell well short of expectations and demonstrated yet again Thomas Cook's bullying approach of 'like it or lump it.'**

IMPORTANT: Read the information on the next two pages and keep it in mind when the Company march full on with their anti-union campaign and blame game.



Pictured Left:

**TCX's Ts & Cs Shopping Trolley:
But what's on their shopping list?
Find out on page 3.....**

Page 1 of 3

Business Background:
(the bits they are not shouting about and you won't find in Frank Pullman's letter)

- *UK Independent and Specialist bookings are up 10%;*
- *Group revenue has increased 3% year on year;*
- *Central Europe and Germany bookings are up 2%;*
- *Northern Europe bookings up 5% over the past four weeks;*
- *The Group losses of £262.7m are mainly due to poor performance across the North America and French businesses over the winter. Whilst this amount seems huge, Thomas Cook had a pre-fleet reduction cost base of £9 billion;*
- *Frank Meysmen has stated that the recent bank deal is "not onerous" (not difficult) for the business;*
- *Recent efforts to stabilise the business will boost UK profits by £140 million over the next three years - £30 million more than previously thought;*
- *Regardless of the current economic climate, tourism is a growth industry;*
- *Thomas Cook Airlines is efficient.*

Our Position and View:

Thomas Cook aims to make profit over the next three years, 50% from revenue and 50% from **COST CUTTING**. This is why we know that Thomas Cook is only part way through its "shopping list" of attacks on our terms and conditions. **Further cuts are looming!**

The pay freeze is unacceptable, especially as the cabin crew have had to suffer below inflation increases over the past few years. **The Company will not even deliver on an existing collective agreement around flight allowances and holiday pay.**

Last year the cabin crew hit a target of £48 million in revenue which delivers around £24 million profit for the Thomas Cook business - an average of £16,000 per crew member. Ask yourself when did those at the top, who are keeping their huge salary and benefits packages, whilst destroying ours, last serve a customer?! Those at the top, who are making these "necessary" decisions, do not in any real terms deliver any value to either our customers or the revenue of the business. These individuals just add a massive cost and want us to be grateful for having a job! **Be under no illusion - there is wealth in Thomas Cook, it is just not being distributed in a fair manner, or in recognition of those who truly contribute to the success and profitability of the business.**

Frank Pullman says that other areas of the business are being supportive of the recent decisions. It is hardly a level playing field! On an average cabin crew salary of £15,000, the loss of the concession scheme could equate to a 12% pay cut. The higher your salary the less of a detriment is felt. **The lowest paid, who incidentally generate the lion's share of the profit for the business, are being hit hardest again - just as it was with the loss of our pension scheme last year!**

Unite and your Committee want to help in the 'recovery' of the business and recognise the recent financial issues it has faced - most of which were brought about by the poor decisions made by greedy and obscenely paid directors who are still trying to protect themselves from any hardship by inflicting loss and hardship on us. **Unite and your Committee however do not believe that attacking the terms and conditions of the front line staff, will help recovery or is in any way productive.** It is also unacceptable and immoral that at the same time as our terms and conditions are being eroded, those at the top are keeping everything and the result of our Consultative ballot clearly demonstrates that cabin crew members support the stance of their Union. **If Thomas Cook is broken, it is broken from top to bottom – everyone must contribute and contribute proportionally to their salary and benefits. Protecting the lowest paid staff is paramount, as we can least afford any loss.**

Be very clear, there is no desire from Unite or your Committee to enter into a dispute with Thomas Cook. Just as Frank Pullman has asked you to contact your representatives, we would ask you to contact Ian Ailles (ian.ailles@thomascook.com) and urge him to reconsider his position regarding the recent proposals and so avoid a "potentially damaging dispute." **It does not have to be this way** - Unite and your Committee's door remains open to the Company should they show a willingness to reconsider and engage in **meaningful** talks.

Cabin crew do not have that many benefits left - if we do not stand united together now, we will soon have nothing left to protect!

In case you need a reminder as to what is next for attack if we do nothing, please see the 'TCX SHOPPING LIST'. As always, please contact one of your local reps if you want to discuss any of this information.

In Unity,

Your Reps

