

19 November 2007

Dear resident,

Consultation - Formation of A2Dominion Housing Group

I would like to thank you for the very positive response you gave to the consolidation of our existing landlords to form A2 Home Ownership which will become your new landlord in February 2008.

You may also remember that in your last newsletter we advised you that we were currently considering a merger with another organisation - Dominion Housing Group - a similar sized housing association that works in London and the South East. The reason we are considering this proposal is that A2, like all housing providers in our sector, needs to respond to the government's drive to work with larger, more efficient housing organisations.

The move will ensure that we reinforce our financial strength and continue to improve services to our residents. The merger provides an opportunity for us to bring real additional benefits and improvements to residents. The new Group will be a regional housing force with over 30,000 homes in management. As a result, we will be able to offer residents an increased choice of housing across a range of tenures over a larger geographical area.

The most important fact in the proposal is that there will be no change to your legal rights as a tenant or leaseholder. If you are a tenant, your rent, your tenancy, and most importantly your rights will be unaffected. If you are a leaseholder, your lease, your service charges and your rights will also remain unaffected. The main change you will notice is the change of name of the parent Group from A2 Housing Group to A2Dominion Housing Group and the change of name of your landlord from A2 Home Ownership to A2Dominion Home Ownership.

We have enclosed a leaflet outlining the benefits of the merger as well as hopefully answering other questions you may have.

In accordance with the provisions of the Housing Corporation's Charter for Applicants and Residents, A2 Housing Group would like to seek your comments on this proposal.

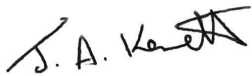
If you wish to comment, or if you have any questions about the proposal, please complete the enclosed freepost card or contact us using our new A2Dominion Feedback service (details enclosed).

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Please respond by 7 January 2008 so that your views can be taken into account by A2 Housing Group's Board of Management.

Much work is needed before we can finalise the merger and we look forward to receiving any comments that you may have. I can reassure you that A2 Housing Group is seeking to look after the interests of current and future residents in considering these proposals.

Yours sincerely

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

John Knevett
Group Chief Executive