

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action to be taken you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000, as amended.

If you have sold or transferred all of your Ordinary Shares in Preston North End plc, please send this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you have sold part only of your holding of Ordinary Shares in Preston North End plc, you should retain these documents.

The Directors, whose names appear on page 6 of this document, accept responsibility for all the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman which is set out on page 6 of this document and explains the background to and the rationale for the proposed Cancellation and re-registration of the Company as a private limited company and recommends that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

Preston North End Plc

(Incorporated and registered in England and Wales
under the Companies Act 1985 with registered number 01621060)

Proposed Cancellation of Admission to AIM, Re-Registration as Private Company & Notice of General Meeting

WH Ireland Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Preston North End plc and for no one else in connection with the Proposals and will not be responsible to anyone other than Preston North End plc for providing the protections afforded to clients of WH Ireland Limited or for providing advice in relation to the Proposals.

Notice convening a General Meeting of Preston North End plc to be held at The Great Room, Sir Tom Finney Stand, Deepdale Stadium, Sir Tom Finney Way, Deepdale, Preston, Lancashire PR1 6RU on 21 September 2010 is set out at the end of this document. Shareholders will find enclosed with this document a Form of Proxy for use in connection with the General Meeting. To be valid, the Form of Proxy must be signed and returned in accordance with the instructions printed thereon so as to be received by Equiniti Limited of Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZR as soon as possible but in any event by not later than 9.00 a.m. (London time) on 20 September 2010. Completion and posting of the Form of Proxy does not prevent a shareholder from attending and voting in person at the General Meeting.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Forms of Proxy in respect of the General Meeting	9.00am on 20 September 2010
General Meeting	21 September 2010
Expected date of cancellation of admission to trading on AIM	28 September 2010
Expected date of re-registration of Preston North End as a private limited company	28 September 2010

KEY STATISTICS

Existing Ordinary Shares	3,295,679
New Ordinary Shares in issue following the Capital Reorganisation	3,295,679
Deferred Shares in issue following the Capital Reorganisation	3,295,679

DEFINITIONS

The following definitions apply throughout this document and the Form of Proxy unless the context otherwise requires:

“Act”	the Companies Act 2006 (as amended)
“AIM”	a market operated by London Stock Exchange plc
“AIM Rules”	the rules governing the admission to and the operation of AIM published by London Stock Exchange plc as amended from time to time
“A Ordinary Shares”	Ordinary shares of 1p each in the capital of the Company following the Capital Reorganisation
“the Board” or “the Directors”	the directors of the Company at the date of this document
“Cancellation”	the proposed cancellation of the Company’s Ordinary Shares from admission to trading on AIM subject to the passing of Resolution [1] at the General Meeting
“Capital Reorganisation”	the reorganisation of the share capital of the Company, details of which are set out in Part I of this document
“Company” or “Preston North End”	Preston North End plc, a company incorporated in England and Wales with company number 01621060
“Club”	Preston North End Football Club
“Deepdale”	Deepdale PNE Holdings Limited, a company incorporated in England and Wales with company number 7232565
“Deferred Shares”	non-voting deferred shares of 99p each in the capital of the Company to be created as part of the Capital Reorganisation
“Existing Ordinary Shares”	the 3,295,679 Ordinary Shares in issue at the date of this document
“Form of Proxy”	the form of proxy enclosed with this document for use by holders of Ordinary Shares in connection with the General Meeting
“General Meeting”	the general meeting of the Company, convened for 9.00am (London time) on 21 September 2010, and any adjournment thereof, notice of which is set out at the end of this document
“New Ordinary Shares”	ordinary shares of 1p each in the capital of the Company following the Capital Reorganisation
“Offer”	the mandatory recommended cash offer made by Deepdale for the Ordinary Shares not already held by it full details of which are contained in the Offer Document
“Offer Document”	the document sent to Shareholders on 16 June 2010 setting out the terms of the Offer and incorporating a circular from the Board
“Ordinary Shares”	ordinary shares of £1 each in the capital of the Company
“Proposals”	the proposed cancellation of Admission to AIM, re-registration as a private limited company, Capital Re-organisation and the Resolutions
“Resolutions”	the resolutions to be proposed at the General Meeting, details of which are set out in the notice of General Meeting at the end of this document
“Shareholders”	holders of Ordinary Shares
“WH Ireland”	WH Ireland Limited

PART I
LETTER FROM THE CHAIRMAN OF
PRESTON NORTH END PLC

(Incorporated and registered in England and Wales
under the Companies Act 1985 with registered number 01621060)

Directors:

Maurice Lindsay (Chairman)
Derek Shaw (Director)
Kevin Abbott (Finance Director)
David Taylor (Non-Executive Director)
Anthony Hughes (Non-Executive Director)
Paul Newsham (Non-Executive Director)
David Robinson (Non-Executive Director)

Registered Office:

Sir Tom Finney Way
Deepdale
Preston
Lancashire
PR1 6RU

25 August 2010

To the holders of Existing Ordinary Shares

Dear Sir/Madam,

**Proposed Cancellation of Admission, Reorganisation,
Re-Registration as Private Limited Company & Notice of General Meeting**

1 Introduction

As you are aware an offer has been made by Deepdale for the Ordinary Shares not already held by it at a price of 5 pence per Ordinary Share in cash. Details of the Offer were set out in the Offer Document and accompanying form of acceptance dispatched to Shareholders on 16 June 2010. It was announced on 18 June 2010 that Deepdale had increased its holding of Ordinary Shares to 2,476,179 Ordinary Shares representing 75.13% of the total issued share capital of the Company.

As Deepdale holds over 75% of the existing issued share capital of Preston North End and as Deepdale has communicated to the Company a desire for it to have its Admission to AIM cancelled, it is now proposed that the admission to trading of the Ordinary Shares on AIM be cancelled and that the Company be re-registered as a private limited company.

The purpose of this document is to give you details of the Proposals and the proposed Resolutions and to ask you to vote in favour of the Resolutions at the General Meeting, notice of which is set out at the end of this document.

For the attention of Shareholders who have not yet accepted the Offer. The directors of the Company confirm today that the deadline for Shareholders to respond to the Offer ends at 1pm on 8 September 2010. As a consequence, Shareholders who have yet to respond have two weeks to reply before the offer period ends.

As at 24 August 2010, Deepdale had received valid acceptances of the Offer in respect of 495,284 Preston North End Shares. Together with the shares already held by Deepdale this represents approximately 90.47 per cent. of the existing issued share capital of the Company.

Shareholders who wish to accept the Offer, and have not yet done so are urged to do so as soon as possible. The procedure for acceptance is set out in paragraph 13 of Part III of the Offer Document.

Any Shareholders who have not received the Offer document should contact Equiniti Limited on 0871 384 2121 or, if calling from outside the UK, on +44 121 415 0299 between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday. Any queries concerning the procedure for the Offer, including any concerning a change of address or the loss of share certificates should also be directed to Equiniti Limited.

2 Material Changes

Since the date of the Offer Document, the Company reports the following material changes in information previously published:

Deepdale's shareholding

On 18 June 2010 the Company announced that Deepdale had acquired a total of 233,537 Ordinary Shares taking its aggregate holding up to 2,476,179 ordinary Shares representing 75.13% of the issued share capital of the Company.

On 1 July 2010 the Company announced that Deepdale had acquired a further 40,000 Ordinary Shares representing 1.21% of the issued share capital of the Company.

On 7 July 2010 the Company announced that Deepdale had received valid acceptances to the Offer in respect of 187,803 Ordinary Shares which, together with its existing holding, represented approximately 81.15% of the issued share capital of the Company. The Company also announced that the Offer would remain open until further notice.

On 8 July 2010 the Company announced that Deepdale had received valid acceptances to the Offer in respect of 236,236 Ordinary Shares which together with its existing holding represent approximately 82.62% of the issued share capital of the Company. The Company also announced that the Offer would remain open until further notice.

On 24 August 2010 Deepdale had received valid acceptances to the Offer in respect of 495,284 Ordinary Shares which together with its existing holding represent approximately 90.47% of the issued share capital of the Company.

On 25 August 2010 it was announced that the deadline for Shareholders to respond to the Offer ends at 1p.m. on 8 September 2010.

Financial position

On 21 June 2010 the Company announced that Guild Ventures Limited had advanced to the Company £470,000 by way of a loan (on the same terms as the existing loans from Guild Ventures Limited to the Company) to pay debts due to HM Revenue and Customs, being the PAYE liability for April 2010.

On 23 June 2010 the Company announced the winding up petition, served on the Company by HM Revenue and Customs had been dismissed following HM Revenue and Customs receipt of the requisite funds but that it had received a letter from HM Revenue and Customs informing the Company that it intended to take further legal action against Preston North End, as the Company had failed to make the payment arising in respect of PAYE liability for May 2010, which fell due on 19 June 2010 (approximately £435,000). At this time, it was announced that the presentation of the winding up petition had a significant impact on recent season ticket sales, a key source of revenue for the Company at this time of year, which in turn is impacting the Company's financial position. As the Company's current financial position remains uncertain, the Company's shares will remain suspended from trading on AIM pending clarification of the Company's financial position.

On 13 July and 19 July the Company announced that Guild Ventures Limited advanced to the Company sums of £500,000 and £200,000 respectively by way of loans (on the same terms as the existing loans from Guild Ventures Limited to the Company) to assist with on-going working capital requirements and the payment of debts due to HMRC. This cleared all outstanding amounts due to HMRC. This also brought the outstanding amounts that have been advanced to the Company by Guild Ventures Limited to £14.56m (including accrued interest).

Director changes

On 22 June 2010 the Company announced that Maurice Patrick Lindsay had been appointed as a director and Chairman of the Company. To date Maurice has not entered into a formal service agreement and is yet to receive any form of remuneration. On the same date it was announced that Derek Shaw stepped down from his role as Chairman, but remains a director of the Company.

Update to Offer document

On 6 August 2010 the Company announced that a letter had been sent to shareholders updating certain information in relation to the Offer explaining that, following Halliwells LLP being placed in administration, HBJ Gateley Wareing (Manchester) LLP had become the legal advisers to Deepdale and were satisfied that there were sufficient resources available to Deepdale to enable it to satisfy in full the total cash consideration payable under the terms of the offer, a confirmation that had previously been given by Halliwells LLP.

3 Cancellation of Admission

Following careful consideration, and given that over 75% of the issued share capital of the Company is now held by Deepdale, the Directors have concluded that it is no longer in the best interests of the Company or its Shareholders to maintain the admission to trading on AIM of the Ordinary Shares. It is also considered more appropriate for the Company to become a private limited company. The Directors believe that the Company's continued admission would:

- result in significant direct costs to the Company;
- result in a disproportionate amount of management time being spent in meeting the AIM Rules requirements and related regulatory requirements including reporting, disclosure and corporate governance; and
- no longer provide a realistic method of access to capital for the Company.

With the above factors in mind the Board has decided to propose cancelling admission to trading on AIM of the Ordinary Shares to focus on reducing the ongoing trading losses of the Company and to securing the financial future of the Club.

4 Effect of the Cancellation on Shareholders

The principal effects of the Cancellation would be that:

- there would no longer be a formal market mechanism enabling Shareholders to trade their shares on AIM or any other market or trading exchange;
- the Company would not be bound to announce material events, administrative changes or material transactions nor to announce interim or final results;
- the Company would no longer be required to comply with any of the additional specific corporate governance requirements for Company's admitted to trading on AIM; and
- the Company would no longer be subject to the AIM Rules and Shareholders will no longer be required to vote on certain matters as provided in the AIM Rules.

The Board will however continue to:

- post information relating to the Company on its website at www.pnefc.net/page/companydetails;
- hold general meetings in accordance with the applicable statutory requirements and the Company's articles of association; and
- send Shareholders copies of the Company's audited accounts in accordance with the applicable statutory requirements.

The provisions of the City Code on Takeovers and Mergers will continue to apply to the Company for a period of ten years following the Cancellation and following the re-registration of the Company as a private limited company as further explained in paragraph 7 below.

Should Shareholders wish to sell their interest in the Company following closing of the Offer they should contact the Company secretary at the registered office of the Company.

5 Approving the Cancellation

In accordance with AIM Rule 41, the Company has notified the London Stock Exchange for the admission of Ordinary Shares trading on AIM to be cancelled on 28 September 2010 subject to the passing of the Resolutions. Accordingly, the notice of general meeting set out on pages 11, 12 and 13 of this document contains a special resolution to approve the application to London Stock Exchange plc for the Cancellation. If Resolution [1] is approved, it is expected that the Cancellation will take effect on 28 September 2010, being at least 20 business days following the date of this letter.

6 The Capital Reorganisation

In order for the nominal value of the Ordinary Shares to be closer to the true value of the Ordinary Shares the Directors consider that the nominal value of each ordinary share in the capital of the Company should be reduced to 1p.

Accordingly, it is proposed at Resolution [3] that each Ordinary Share be converted into one New Ordinary Share and one Deferred Share. The rights attaching to the Deferred Shares are set out in the articles of association as proposed to be amended pursuant to Resolution [2] and it should be noted that no application will be made for the New Ordinary Shares or the Deferred Shares to be admitted to trading on AIM or on any other recognised investment exchange.

In addition, it is proposed at Resolution [4] that a new class of shares known as “A Ordinary Shares” be created in the capital of the Company. The A Ordinary Shares in the Company will rank *pari passu* with the New Ordinary Shares. It should be noted that no application will be made for the A Ordinary Shares to be admitted to trading on AIM or on any other recognised investment exchange.

7 Re-Registration as a Private Limited Company

As Deepdale now holds over 75% of the existing issued share capital of Preston North End it is proposed that the admission to trading on AIM of the Ordinary Shares be cancelled and that the Company be re-registered as a private limited company with the name of Preston North End Limited. The Board believes there are no tangible benefits for the Company being a public limited company and feel it would be sensible for the Company to re-register as a private limited company. This is not being done in contemplation of a proposed transaction.

In addition, as the Company no longer intends to apply for its shares to be admitted to trading on any public equity market at the present time, it is not necessary for it to be a public company.

In accordance with section 97 of the Companies Act 2006, it is necessary for the Shareholders to pass a special resolution in a general meeting in order to re-register the Company as a private limited company. Resolution [7] in the notice of the General Meeting deals with this and the making of consequential amendments to the articles of association and such resolution is conditional upon the resolution approving the Cancellation being passed and the Cancellation taking place.

If the Resolution approving the re-registration of the Company as a private limited company is passed then, following the satisfaction of the conditions, the Company will file the requisite documents with the Registrar of Companies at Companies House along with the relevant fee for re-registration. The re-registration of the Company as a private limited company will become effective upon the Registrar of Companies issuing a certificate of incorporation on re-registration, which will be issued once the Registrar of Companies is satisfied that no valid application can be made to cancel the re-registration resolution.

8 Resolutions

A notice convening the General Meeting to be held at The Great Room, Sir Tom Finney Stand, Deepdale Stadium, Sir Tom Finney Way, Deepdale, Preston, Lancashire PR1 6RU on 21 September 2010 is set out at the end of this document. At the General Meeting, the following Resolutions will be proposed:

- (a) a special resolution to approve the Cancellation;
- (b) a special resolution amending the articles of association of the Company creating the rights attaching to the Deferred Shares and A Ordinary Shares;
- (c) an ordinary resolution to sub-divide each Ordinary Share into one New Ordinary Share and one Deferred Share;
- (d) an ordinary resolution to create a new class of A Ordinary Shares in the capital of the Company;
- (e) an ordinary resolution to authorise the Directors to allot relevant securities;
- (f) a special resolution to allow the Directors, subject to the limits set out in that resolution, to issue New Ordinary Shares and A Ordinary Shares for cash on a non-pre-emptive basis; and
- (g) a special resolution to, subject to the Cancellation becoming effective, approve the re-registration of the Company as a private limited company.

9 Action to be taken

A Form of Proxy is enclosed for use at the General Meeting. Whether or not you intend to be present at the meeting you are requested to complete, sign and return the Form of Proxy to the Company's registrars, Equiniti Limited of Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZR as soon as possible but in any event so as to arrive not later than 9.00am on 20 September 2010. The completion and return of a Form of Proxy will not preclude you from attending the meeting and voting in person should you subsequently wish to do so.

10 Recommendation

The Directors consider that the terms of the Proposals are fair and reasonable and in the best interests of the Company and its Shareholders. Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the Resolutions. Deepdale has given an irrevocable undertaking to the Company to vote in favour of the Resolutions.

Yours faithfully

Maurice Lindsay
Chairman

NOTICE OF GENERAL MEETING

PRESTON NORTH END PLC

NOTICE IS HEREBY GIVEN that a general meeting of the Company will be held at The Great Room, Sir Tom Finney Stand, Deepdale Stadium, Sir Tom Finney Way, Deepdale, Preston, Lancashire PR1 6RU on 21 September 2010 at 9.00am for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary or special resolutions (as indicated):

SPECIAL RESOLUTIONS

- 1 **THAT**, the cancellation of the admission of the Company's ordinary shares of £1 each in the capital of the Company to trading on AIM, a market operated by London Stock Exchange plc, be and is hereby approved (the "**Cancellation**") and that the directors of the Company be and are hereby authorised to take all steps which are necessary or desirable in order to effect the Cancellation.
- 2 **THAT** the articles of association of the Company be and are hereby amended as follows:
 - (a) Article 3 shall be renumbered article 3.1;
 - (b) by the insertion of the following as a new article 3.2 after the existing article 3.1:
 - 3.2 in addition, there shall exist as from the date of passing of this Resolution a class of Deferred Shares of £0.99 each in the capital of the Company and which shall have the following restrictions in respect of the rights attaching to them:
 - 3.2.1 no right to receive any dividends;
 - 3.2.2 no right to participate in any return on capital until the Ordinary Shares have received a return on capital of £10,000,000 per Ordinary Share; and
 - 3.2.3 no right to receive notice of, or to attend or speak at, any general meeting of the Company.
 - (c) by the insertion of the following as a new article 3.3:
 - 3.3 in addition, there shall exist as from the date of passing of this Resolution a class of A Ordinary Shares of £0.01 each in the capital of the Company which shall rank *pari passu* with the New Ordinary Shares.

ORDINARY RESOLUTIONS

- 3 **THAT**, subject to and conditional upon the passing of the resolutions numbered [1] and [2] in this notice of general meeting, the sub-division and reclassification of each ordinary share of £1 each in the capital of the Company into one ordinary share of 1 pence each in the capital of the Company ("**New Ordinary Shares**") and one deferred share of 99 pence each in the capital of the Company ("**Deferred Shares**"), such New Ordinary Shares and Deferred Shares having the rights and being subject to the obligations set out in the articles of association of the Company as amended pursuant to resolution [2] above, be and is hereby authorised.
- 4 **THAT**, subject to and conditional upon the passing of the resolutions numbered [1] and [2] in this notice of general meeting, the creation of a new class of shares known as "A Ordinary Shares" be created in the capital of the Company, which will rank *pari passu* with the New Ordinary Shares and have the rights and be subject to the obligations set out in the articles of association of the Company as amended pursuant to resolution [2] above, be and is hereby authorised.
- 5 **THAT**, in substitution for all existing and unexercised authorities and powers, the directors of the Company be and they are hereby generally and unconditionally authorised for the purpose of section 551 Companies Act 2006 (the "**Act**") to exercise all or any of the powers of the Company to allot shares in the Company or to grant rights to subscribe for, or to convert any security into, shares in the Company (such shares and rights being together referred to in this resolution as "**Relevant Securities**") up to an aggregate nominal value of £20,000,000 to such persons at such times and generally on such terms and conditions as the directors may determine (subject always to the articles of association of the Company), provided that this authority shall, unless previously renewed, varied or revoked by the Company in general meeting, expire on the day before the fifth

anniversary of the date on which this resolution is passed save that the directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require Relevant Securities to be allotted after the expiry of such period and the directors of the Company may allot Relevant Securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.

SPECIAL RESOLUTIONS

- 6 **THAT**, subject to and conditional upon the passing of the resolution numbered [5] in this notice of general meeting and in substitution for all existing and unexercised authorities and powers, the directors of the Company be and they are hereby empowered pursuant to section 570 Companies Act 2006 (the “**Act**”) to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred upon them by resolution [5] as if section 561 of the Act did not apply to any such allotment provided that this authority and power shall expire on the day before the fifth anniversary of the date of the passing of this resolution, save that the Company may, before the expiry of such period, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.
- 7 **THAT**, subject to and conditional upon the passing of the resolution numbered [1] in this notice of general meeting and on the Cancellation taking effect:
- (a) in accordance with the provisions of section 97 Companies Act 2006, the company be re-registered as a private company limited by shares under the name Preston North End Limited; and
 - (b) the articles of association of the Company be and are hereby further amended by deleting the words “Public Company Limited By Shares” and “Preston North End plc” on the front cover and in the headings to the articles and replacing them with the words “Private Company Limited By Shares” and “Preston North End Limited”, respectively.

BY ORDER OF THE BOARD



.....
Secretary

Date: 25th August 2010

Registered office:

*Sir Tom Finney Way
Deepdale
Preston
Lancashire
PR1 6RU*

NOTES:

- 1 A member of the Company entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to exercise any of his rights to attend, speak and vote at that meeting on his behalf. If a member appoints more than one proxy, each proxy must be entitled to exercise the rights attached to different shares. A proxy need not be a member of the Company.
- 2 A proxy may only be appointed using the procedures set out in these notes and the notes to the proxy form. To appoint a proxy, a member may complete, sign and date the enclosed proxy form and deposit it at the office of the Company’s Registrars, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZR by 9.00 a.m. on 20 September 2010. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be enclosed with the proxy form.
- 3 In order to revoke a proxy appointment, a member must sign and date a notice clearly stating his intention to revoke his proxy appointment and deposit it at the office of the Company’s Registrars, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZR by 9.00 a.m. on 20 September 2010.

- 4 Any corporation which is a member of the Company may authorise one or more persons (who need not be a member of the Company) to attend, speak and vote at the meeting as the representative of that corporation. A certified copy of the board resolution of the corporation appointing the relevant person as the representative of that corporation in connection with the meeting must be deposited at the office of the Company's Registrars prior to the commencement of the meeting.
- 5 The right to vote at the meeting shall be determined by reference to the register of members of the company. Only those persons whose names are entered on the register of members of the Company at 6pm on 20 September 2010 shall be entitled to attend and vote in respect of the number of shares registered in their names at that time. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and/or vote at the meeting.