

Millwall Holdings Plc

Chairman's Statement

As Chairman of Millwall Holdings Plc I am pleased to announce our interim results for the six months to December 2009.

On the football side, we continue to make steady and encouraging progress and I believe the playing squad has improved over the past 12 months. With the football headlines dominated as much by finances as the matches these days it is also pleasing to announce a small reduction in operating losses compared to the same period last year.

The team are currently 3rd in League One having just beaten our local rivals Charlton Athletic 4-0 at The Den and then second placed Leeds United 2-0 at Elland Road. Having lost only one league game in 2010, we are currently on a superb run of form which has put us in a strong position to challenge either for automatic promotion or a Play-Off place once more.

The game against Charlton attracted our largest attendance for many years. As I stated in our last report attendances are a vital factor and I added that we must continue to try and increase our average. I am pleased to say that we have achieved an increase in our average attendance so far this season by 18% to 10,044 in comparison to the same number of games last season. We now have five or potentially with a Play-Off game six big matches remaining at home, which gives us the opportunity to improve further.

Other challenges remain, and pleasingly we were able to announce that we successfully defended the company and club after being charged by the Football Association in relation to the Carling Cup game at West Ham United in August last year. We were found not guilty by an independent commission of all charges and should never have been charged. Many football clubs and the board of the Football League were extremely supportive and I would like to thank all of them for their help. Ultimately it has cost nearly £100,000 to defend the case and having been found not guilty it is galling that we cannot, under current FA rules, claim our costs back. This situation does not seem fair and we will be looking into the regulations to see if this can be addressed.

As shareholders are aware the Company has been working to promote the regeneration of the area surrounding the Den. The world of planning and development are both complex and slow moving but we are determined and committed to making this project work. I am pleased to report that the campaign in which Millwall fans played a significant role, to ensure that the Surrey Quays station is fully funded, has been a successful one and with the London Borough of Lewisham playing the lead role this can only benefit the club and community.

At the same time there has been progress on the Local Development Planning Framework which is recommending the redesignation of the area which will enable a mixed use planning application to come forward. We also welcome its recommendation that the Millwall Football Club should lie at the heart of any regeneration. This document is now in its final phase of public consultation having secured support from all the key stakeholders and we are confident it will be finally adopted by the Council.

During this time we have been working closely with the Mayor in building our partnership as this will be vital if we are to effectively work together in any future redevelopment.

On financing and the capital structure of the Company the board continues to consider at all its options and will report back to shareholders in due course.

Finally, I would like to thank my fellow board members, the manager, players and all the staff for their continued dedication and of course the fans who make this football club such a very special place.

John G Berylson
Chairman
29 March 2010

Millwall Holdings Plc

Directors' Report

Unaudited interim results for the 6 months ended 31 December 2009

Principal risks and uncertainties

In common with many football clubs outside the Premiership the main business risk is the maintenance of a positive cash flow bearing in mind the uncertainty of turnover and the high cost of maintaining a playing squad on which the success of the Group's business is largely dependent. In order to achieve a positive cash flow there is the constant requirement to raise new finance and refinance existing facilities which, in turn, requires the continuing support of existing providers of those facilities. As part of its normal activities, the Football Club deals in the trading of player registrations and there is always a risk of significant and lasting injuries to players that may impair player values. Players of 24 years old or older are free to move between clubs once their contract has come to an end and the Board monitors expiry dates carefully with a view to renewing contracts or realising value.

Results from operations

Season ticket sales at 24 March stood at 5,319 (2008 H1 – 4,770) reflecting the loyalty of our core supporter base and the attractiveness of our “early bird” offerings for this season.

Revenue for the six months was £3.2 million (2008 H1 - £2.9 million). The increase in revenue is a result of the Football Club's share of the Carling Cup match against West Ham United and the run in the F.A.Cup. The loss from operations for the period on ordinary activities was £1.9 million (2008 H1 - £2.3 million) after taking account of £0.03 million profit (2008 H1 - £0.07 million profit) on disposal of players' registrations.

Staff costs of £2.9 million (2008 H1 - £3.1 million) have decreased mainly due to the fall in number of loan players used by the Football Club in the first six months.

Administrative expenses were £2.3 million (2008 H1 - £2.2 million). This increase is mainly attributable to an increase in the amortisation and depreciation expense.

Share based payments

During 2008 H1 the Company recognised share based payment charges of £14,000 which reflected the amount charged for that period in respect of total compensation of £183,000 being amortised over the two year vesting period. This amount was included within staff costs. No share based payment charges were recognised in the current period.

Profit on disposal of player registrations, £26,000 (2008 H1 - £69,000)

There has been very little activity in the transfer of young Centre of Excellence or other players.

Millwall Holdings Plc

Directors' Report (Continued)

Loss per share, 0.007p (2008 H1 – 0.007p)

The calculation of the basic and diluted loss per share is calculated based on the loss after taxation and on the weighted average number of shares in issue of 37,501,097,134 (2008 H1 – 37,501,097,134).

Working capital:

Despite net current liabilities of £7.5 million (2008 H1 - £2.1 million) the Board believes that the Group has the ability to manage its working capital on a day to day basis and has the ability to further draw down against the loan note facilities.

During the period a further £2.2 million (2008 H1 - £2.4 million) of loan notes were drawn down. As at 31 December 2009 total undrawn loan note facilities amounted to £2.9 million.

Key figures:

	6 Months Ended 31 December 2009 £'000 (unaudited)	6 Months Ended 31 December 2008 £'000 (unaudited)	Year Ended 30 June 2009 £'000 (audited)
Revenue	3,246	2,903	6,460
Staff costs	(2,902)	(3,068)	(6,260)
Other expenses	(2,274)	(2,173)	(4,711)
Other operating income – profit on players' registrations	26	69	71
Loss from operations	(1,904)	(2,269)	(4,440)
Loss before tax	(2,567)	(2,573)	(5,214)
Net (liabilities)/assets	(1,176)	2,885	663
(Decrease)/increase in cash and cash equivalents	(18)	61	187
Basic and diluted loss per share	(0.007)p	(0.007)p	(0.014)p

A Ambler
Director
29 March 2010

Millwall Holdings Plc

Consolidated statement of comprehensive income for the six months ended 31 December 2009

	Note	6 months ended 31 December 2009 (unaudited) £'000	6 months ended 31 December 2008 (unaudited) £'000	Year ended 30 June 2009 (audited) £'000
Revenue	2	3,246	2,903	6,460
Other income - profit on disposal of players' registrations		26	69	71
Staff costs		(2,902)	(3,068)	(6,260)
Amortisation of players' registrations		(127)	(93)	(287)
Depreciation of property plant and equipment		(146)	(128)	(258)
Total depreciation and amortisation expense		(273)	(221)	(545)
Other expenses		(2,001)	(1,952)	(4,166)
Loss from operations		(1,904)	(2,269)	(4,440)
Finance income		-	2	10
Finance expense		(663)	(306)	(784)
Loss before and after tax for the financial period and total comprehensive income		(2,567)	(2,573)	(5,214)
Attributable to:				
Equity shareholders		(2,567)	(2,573)	(5,214)
Loss per share				
Basic and diluted	3	(0.007)p	(0.007)p	(0.014)p

Millwall Holdings Plc

Consolidated balance sheet at 31 December 2009

	Note	31 December 2009 (unaudited) £'000	31 December 2008 (unaudited) £'000	30 June 2009 (audited) £'000
Non-current assets				
Intangible assets		265	454	392
Property, plant and equipment		14,941	15,006	15,037
		<u>15,206</u>	<u>15,460</u>	<u>15,429</u>
Current assets				
Inventories		113	124	61
Trade and other receivables		1,247	1,187	1,007
Cash and cash equivalents		373	265	391
		<u>1,733</u>	<u>1,576</u>	<u>1,459</u>
Total assets		<u>16,939</u>	<u>17,036</u>	<u>16,888</u>
Non-current liabilities				
Trade and other payables		(399)	-	(386)
Financial liabilities		(4,833)	(6,733)	(4,428)
Deferred income		(3,643)	(3,788)	(3,716)
Total Non-current liabilities		<u>(8,875)</u>	<u>(10,521)</u>	<u>(8,530)</u>
Current liabilities				
Trade and other payables		(2,356)	(2,615)	(2,019)
Financial liabilities		(6,034)	-	(4,636)
Deferred income		(850)	(1,015)	(1,040)
Total Current liabilities		<u>(9,240)</u>	<u>(3,630)</u>	<u>(7,695)</u>
Total liabilities		<u>(18,115)</u>	<u>(14,151)</u>	<u>(16,225)</u>
Net (liabilities)/assets		<u>(1,176)</u>	<u>2,885</u>	<u>663</u>
Equity				
Called up share capital	4	6,083	6,083	6,083
Share premium		15,120	15,120	15,120
Equity proportion of Convertible Loan Notes		181	181	181
Capital reserve		21,474	21,474	21,474
PIK note reserve		1,568	421	840
Retained deficit		(45,602)	(40,394)	(43,035)
Total Equity attributable to the shareholders of the parent		<u>(1,176)</u>	<u>2,885</u>	<u>663</u>

The interim unaudited balance sheet was approved and authorised for issue by the Board of Directors on 29 March 2010.

A Ambler
Director

Millwall Holdings Plc

Consolidated statement of changes in equity for the six months ended 31 December 2009

	Ordinary Shares of 0.01p each £'000	Deferred Shares of 0.09p each £'000	Share premium account £'000	Equity component of Convertible Loan Notes £'000	Capital reserve £'000	PIK note reserve £'000	Retained deficit £'000	Total £'000
At 1 July 2008 (audited)	3,750	2,333	15,120	181	21,474	333	(37,835)	5,356
Total comprehensive income for the period	-	-	-	-	-	-	(2,573)	(2,573)
Share based compensation	-	-	-	-	-	-	14	14
PIK notes issued	-	-	-	-	-	88	-	88
At 31 December 2008 (unaudited)	3,750	2,333	15,120	181	21,474	421	(40,394)	2,885
Total comprehensive income for the period	-	-	-	-	-	-	(2,641)	(2,641)
PIK notes issued	-	-	-	-	-	419	-	419
At 30 June 2009 (audited)	3,750	2,333	15,120	181	21,474	840	(43,035)	663
Total comprehensive income for the period	-	-	-	-	-	-	(2,567)	(2,567)
PIK notes issued	-	-	-	-	-	728	-	728
At 31 December 2009 (unaudited)	3,750	2,333	15,120	181	21,474	1,568	(45,602)	(1,176)

Millwall Holdings Plc

Consolidated cash flow statement for the six months ended 31 December 2009

	6 months ended 31 December 2009 (unaudited) £'000	6 months ended 31 December 2008 (unaudited) £'000	Year ended 30 June 2009 (audited) £'000
Operating activities			
Loss for the period	(2,567)	(2,573)	(5,214)
Share based payments	-	14	14
Depreciation on property, plant and equipment	146	128	258
Amortisation of intangible assets	127	93	287
Amortisation of grants	(41)	(41)	(82)
Amortisation of prepaid finance fees	51	-	103
Profit on disposal of players' registrations	(26)	(69)	(71)
Finance income	-	(2)	(10)
Finance expense	663	306	784
Cash flow from operations before changes in working capital	(1,647)	(2,144)	(3,931)
(Increase)/decrease in inventory	(52)	(58)	5
Increase in trade and other receivables	(239)	(83)	(109)
(Decrease)/increase in trade and other payables and deferred income	(300)	136	217
Cash generated from operations	(2,238)	(2,149)	(3,818)
Investing activities			
Purchase of property, plant and equipment	(7)	(7)	(168)
Proceeds on disposal of players' registrations	25	69	277
Purchase of players' registrations	(25)	(211)	(343)
Interest received	-	2	10
Net cash generated by investing activities	(7)	(147)	(224)
Financing activities			
Proceeds from issue of loan notes	2,227	2,360	4,234
Interest paid	-	(3)	(5)
Net cash generated by financing activities	2,227	2,357	4,229
Net (decrease)/increase in cash and cash equivalents	(18)	61	187
Cash and cash equivalents at start of period	391	204	204
Cash and cash equivalents at end of period	373	265	391

1 Accounting Policies

Principal accounting policies

Millwall Holdings Plc is a limited liability company incorporated and domiciled in the United Kingdom. The principal accounting policies applied in the preparation of these interim consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

These interim financial statements have been prepared using the recognition and measurement principles of International Accounting Standards, International Financial Reporting Standards and Interpretations adopted by the European Union (collectively EU adopted IFRS's).

The accounting policies applied are consistent with those described in the Annual Report and Financial Statements for the year ended 30 June 2009, except as described below. These policies are expected to be applied to the Group's full year financial statements for the year ending 30 June 2010.

IAS 1: "Presentation of Financial Statements (Revised)" includes the requirement to present a Statement of Changes in Equity as a primary statement and introduces the possibility of either a single Statement of Comprehensive Income (combining the Income Statement and a Statement of Comprehensive Income) or to retain the Income Statement with a supplementary Statement of Comprehensive Income. The first option has been adopted by the Group in the preparation of the interim financial statements. As this standard is concerned with presentation only it does not have any impact on the results or net assets of the Group.

The financial information for the six months ended 31 December 2009 and the six months ended 31 December 2008 is unaudited and does not constitute the statutory accounts of the Group for those periods.

The financial information for the full year ended 30 June 2009 has however been extracted from the statutory financial statements of Millwall Holdings Plc for that financial year, prepared in accordance with the recognition and measurement principles of EU adopted IFRS's. A copy of the statutory financial statements for that year has been delivered to the Registrar of Companies. The auditor's report on those financial statements was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under section 498(2) or 498(3) of the Companies Act 2006.

The company has not applied IAS 34: "Interim Financial Reporting" in the preparation of these interim financial statements.

Significant accounting judgements and estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Millwall Holdings Plc

Notes forming part of the interim financial statements for the 6 months ended 31 December 2009
(Continued)

1 Accounting policies (Continued)

Significant accounting judgements and estimates (Continued)

The critical accounting judgements made in applying the Group's accounting policies are the same as those disclosed in the statutory financial statements for the year ended 30 June 2009.

Going concern

The Directors continually monitor the financial position of the Group, taking into account the latest cash flow forecasts and the ability of the Group to generate cash and raise funds. The Directors have prepared the interim financial statements on a going concern basis having had regard to the cash flow projections for the period to 31 March 2011.

While there will always remain some inherent uncertainty the Directors remain confident that they will be able to manage the Group's finances and operations so as to achieve the forecasted cash flows and, as a result, that it is appropriate to draw up these interim financial statements on a going concern basis.

The interim financial statements do not include any adjustments that would result if the going concern basis of preparation were to become no longer appropriate.

Basis of consolidation

The consolidated Group interim financial statements incorporate the results of Millwall Holdings Plc and its subsidiary undertakings, The Millwall Football and Athletic Company (1985) Plc and Millwall Properties Limited, using the acquisition accounting method.

2 Turnover analysis

An analysis of the revenue streams from the Group's professional football operations is given below:

	6 months ended 31 December 2009 (unaudited)	6 months ended 31 December 2008 (unaudited)	Year ended 30 June 2009 (audited)
Match day	1,737	1,730	3,881
Central League awards	484	343	589
Commercial	1,025	830	1,990
	<hr/>	<hr/>	<hr/>
	3,246	2,903	6,460
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Millwall Holdings Plc

Notes forming part of the interim financial statements for the 6 months ended 31 December 2009 (Continued)

3 Loss per share

Basic loss per share is calculated as follows (the effect of all potential ordinary shares is anti-dilutive):

	6 months ended 31 December 2009 (unaudited)	6 months ended 31 December 2008 (unaudited)	Year ended 30 June 2009 (audited)
Loss after taxation for the period	£2,567,000	£2,573,000	£5,214,000
Weighted average number of shares	37,501,097,134	37,501,097,134	37,501,097,134
Basic and diluted loss per share	0.007p	0.007p	0.014p

There is no potential dilution on the loss per ordinary share in any of the reported periods and therefore there is no difference between basic and diluted earnings per share. As at 31 December 2009 the number of options which could potentially dilute basic earnings per share in the future was Nil (2008 H1 – 1,166,666,666). These have not been included in the calculation of diluted earnings per share because they are anti-dilutive for the periods presented. In addition to share options, as at 31 December 2009, the Company had gross convertible debt of £2,999,000 in issue (2008 H1 – £2,785,000), potentially convertible to 9,996,666,666 (2008 H1 – 9,283,333,333) ordinary shares and PIK notes issued of £1,568,000 (2008 H1 - £421,000) potentially convertible to 5,226,666,666 (2008 H1 – 1,403,333,333) ordinary shares, which could dilute earnings per share in the future. There are also a further 3,068,328,600 (2008 H1 – 3,068,328,600) warrants outstanding which are exercisable, at any time, at a price of .04p.

Millwall Holdings Plc

Notes forming part of the interim financial statements for the 6 months ended 31 December 2009
(Continued)

4 Share capital

	<u>Authorised</u>					
	31 December 2009 Number	31 December 2008 Number	30 June 2009 Number	31 December 2009 £'000	31 December 2008 £'000	30 June 2009 £'000
Ordinary shares of 0.01p each	86,881,838,777	86,881,838,777	86,881,838,777	8,688	8,688	8,688
Deferred shares of 0.09p each	2,592,087,167	2,592,087,167	2,592,087,167	2,333	2,333	2,333
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>Allotted, called up and fully paid</u>					
	31 December 2009 Number	31 December 2008 Number	30 June 2009 Number	31 December 2009 £'000	31 December 2008 £'000	30 June 2009 £'000
Ordinary shares of 0.01p each	37,501,097,134	37,501,097,134	37,501,097,134	3,750	3,750	3,750
Deferred shares of 0.09p each	2,592,087,167	2,592,087,167	2,592,087,167	2,333	2,333	2,333
Total	<u> </u>	<u> </u>	<u> </u>	<u>6,083</u>	<u>6,083</u>	<u>6,083</u>

5 Interim Results

A copy of these interim results will be made available on the Company's website
www.millwallholdingsplc.co.uk