

Millwall Holdings PLC (“Millwall” or the “Company” or the “Group”)

Results announcement for the year ended 30 June 2010

Business Review

The successful 2009/10 season resulted in promotion to the Football League Championship, the second tier of English football below the FA Premier League. This was achieved by way of a second successive visit to Wembley for the League 1 play-off final which this year ended successfully after a 1-0 victory over Swindon Town in front of over 38,000 Millwall supporters who attended the game.

The results achieved by the team in the first half of last season produced 33 points and in the second period an impressive 52 points were earned which took the team within one point of an automatic promotion position finishing just behind Leeds United having been 20 points behind that team at the halfway stage. The combination of long serving player Neil Harris (in his testimonial year), and new signing Steve Morison, saw both score over 20 goals each during the season. The defence also played their part conceding only 15 league goals in the second half of the season. The team's home record was to prove crucial having lost only once throughout the whole of the season and recording the best home record in League 1. There were a total of 28 players used during the season (2009: 35).

We finished the 2009/10 league campaign with 85 points (2009: 82) and in 3rd position (2009: 5th) qualifying for the end of season play-offs for a second successive year. The team's run in the Carling Cup ended in round 2 with a lucrative fixture at local rivals and Premier League team West Ham United, losing 3-1 after extra time. Unfortunately, the costs involved in defending the Football Association charges brought against the Club for incidents at that game, of which the club were later to be proved innocent, meant that most of the income from that game was dissipated. This year Millwall reached the 3rd round of the FA Cup only losing to Championship side Derby County on penalties after a replay at their Pride Park stadium.

The average home league attendance was 10,385 (2009: 8,940) an increase of 17.5%, once again the club was in the top six average league attendance for the division.

A syndicated loan note facility of £3,500,000 carrying interest at 17% p.a. calculated daily and consolidated quarterly was made available to the Company in 2008, and was increased by £800,000 to £4,300,000 on 20 October 2009. On 18 December 2009 and 29 March 2010 additional facilities of £1,700,000 and £300,000 respectively were made available to the Company, carrying interest at 15% p.a. but otherwise on the same terms as the original facility. The undrawn balance of £453,000 (2009: £1,919,000) under these facilities is available to the Company until 1 July 2012 (having been extended since the year end).

During the year Loan Notes to the value of £48,000 were converted in accordance with their terms into 160 million ordinary shares.

During the year the repayment date of the Loan Notes due to Chestnut Hill Ventures LLC (“CHV”) and to Directors was extended to 31 March 2011. After the year end the repayment dates of Loan Notes due to other parties were extended to 31 July 2011.

A review of the Group's property development and regeneration activities is provided later in this report.

Results

Revenue for the year reflected a second consecutive Wembley appearance after reaching the League 1 play-off final. In a year during which the team performance was as successful as the previous season, there has been a very satisfactory increase in turnover of 15.3% (2009: 20%), mainly arising from further advances in match day income which showed a 22.3% increase (2009: 29%). Income has increased by 39% over the past 2 years.

Commercially the Club has had a full year benefit of having employed an experienced football Commercial Manager. The introduction of the on-line ticketing system has met the expectations of fans by providing a much improved match and season ticketing purchasing facility. Many more marketing initiatives have taken place resulting in a wider range of links with existing and potential sponsors and business partners. Income from both executive boxes and match day catering showed healthy increases over last year whilst other areas of activity reflected similar levels of income to the previous year.

The revenues from non-matchday conferencing and events, and retail sales were static for the year under review (2009: up 7.0%), although Central League awards increased by 27.5% (2009: 20.0%) reflecting additional levels of central awards and sponsorship via the Football League.

Total staff costs for the year at £6.4 million showed a very small increase on those for the previous year. The player related costs were generally lower than the previous period, although again this year extra costs arose in respect of loan players required as cover for injured players. However, team and management bonuses arising upon reaching the play-offs eradicated the anticipated savings.

The total wages to turnover ratio fell to 85% (2009: 97%) which is a pleasing downturn and the club hopes to continue this trend.

Other expenses (excluding Depreciation and Amortisation) also showed a modest reduction to £4.1 million (2009: £4.2 million). This containment of operating costs has been achieved despite the costs of investment into the ticketing system and in the marketing activities, which should produce not only savings in future years but also provide a better service to our customers.

Income from player sales rose this year to £154,000 (2009: £71,000)

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 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 aged 24 years 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.

Prospects

Football

Having gained promotion to the Football League Championship, the Company will benefit from a substantial increase in Central allocations (TV Revenues and sponsorship income) from the Football League as well as an anticipated increase in attendances and related match day income. However, the latter of these will be affected by the team's performance and the club's position in the league. On the other hand, the costs of the playing squad and team management will increase to reflect costs appropriate for playing in a higher standard league. The Directors believe that the cost of the investment in the infrastructure of ticketing and marketing made last year will not have to be incurred this year and management is taking all the steps necessary to limit the costs of increased administration related to operating in a higher division.

Performances at the start of the 2010/11 season have been promising, having played the first 5 league games before suffering a defeat. The Directors believe that the squad is strong enough to establish itself this year as a team entirely comfortable in the Championship, with plans for promotion, whilst, of course, possible this season, being a longer term objective. So far this season the average home attendance for the first seven league games has been 12,150 (2009: 9,127 for first 7 league games), an increase of 33.1% reflecting a benefit of playing in a higher division. Corporate match day sales and retail reflect a similar increase and are in line with budgets.

The budgeted player wage costs for the current year shows a significant increase over the final costs for 2009/10 as would be expected in a higher division. There is now a core squad all of whom are part of the Club's ambition for the season and have contracts which expire later than the end of the 2010/11 season.

As ever the Directors and manager constantly review future player needs bearing in mind the continuing requirement to balance between protecting player asset values and offering extended player contracts.

Other football related income

The Club continues to develop the opportunities for the spectrum of services offered by the Club to sponsors and other business partnerships from catering to on-line sales and marketing. The new league status of the Club is leading to increased interest from a range of substantial businesses and the marketing team is working hard to turn this interest into financial benefits for the Club. Three key sponsors have signed three year contracts with the Club in recent months. The retail facilities are being reviewed with a view to improving the product range and methods of operation.

The Den

Revenues from the utilisation of the stadium on non-matchdays are expected to continue at a similar level to last year.

The Community

The Club continues to recognise the importance of the relationship with the broader community of South London and a key way of strengthening that link is the close co-operation with the work that is undertaken with the Millwall Community Scheme, reflected by our Chief Executive, Andy Ambler, acting as a Trustee. Together the Club and the Community Scheme work to help promote sports and other activities to the youth of this region of London. Recently a very successful Junior Lions Community Day sponsored by McDonalds, was enjoyed by 1,300 young people at The Den with the playing squad being in attendance. This was jointly promoted by the Club, its Junior Lions Committee and the Millwall Community Scheme giving a practical example of the Club working together to benefit the Millwall Community and to meet the shared common objectives held by each.

Communication

Communication lies at the heart of the activities, with the Fan on the Board providing a crucial link between Board and supporters. Regular meetings and forums take place with all levels of the Club's supporters and partners.

As a result of the resolution passed at the recent Extraordinary General Meeting of shareholders which agreed to a consolidation of shares and a gift of fractions arising to The Lions Trust, that organisation was gifted 10,173 shares representing 2.7% of the issued share capital. One of the objectives of The Lions Trust is to improve communications between the Club and its supporters and to enable the views of the Club's supporters to influence decision making.

Finance

The Company is principally financed by CHV by way of loans. In October 2009 the existing Unsecured Loan facility entered into with CHV was extended by £800,000 and in December 2009 it was extended by a further £1.7 million bringing the total of the unsecured loan facility with CHV to £6 million. In all £2.9 million was drawn down against CHV facilities during the year.

In March 2010 £300,000 Unsecured Non-Convertible Loan Notes 2011 were issued to Directors or related parties, repayable on 31 March 2011. On the same day CHV and holders of the £300,000 Unsecured Non-Convertible Loan Notes 2010, being a Director and by an associate of a Director, agreed to extend the repayment dates of all existing Loan Notes to 31 March 2011.

In April and May 2010, Secured Convertible NFL Loan Notes 2010 amounting to £48,000 were converted into 160,000,000 Ordinary Shares of 0.01p, issued at a price of 0.03p.

In August 2010 it was announced that the holders of the Secured Convertible NFL Loan Notes 2010 had agreed to extend the repayment dates from various dates in July and August 2010 to 31 July 2011.

It has been announced today that the Company proposes to raise up to £11.2 million before expenses with a minimum of £10 million by way of an Open Offer to shareholders. Full details of this are set out in a separate Circular to shareholders and a Prospectus. One purpose of the fund raising is to improve the balance sheet of the Company by eliminating the deficiency of assets at 30 June 2010 shown by the consolidated balance sheet and providing a base of net assets suitable to facilitate future development. Another purpose is to enable the Company to make substantial repayments of existing loans. Should shareholders approve the resolutions concerning the Open Offer, the loans and accrued interest from all sources other than CVH, amounting to £2.3 million will be repaid in full. It is expected that up to £8.0

million of the loans from CHV will be repaid if the Open Offer is fully subscribed. CHV have agreed that the repayment date for the balance of loans will be extended from 31 March 2011 to 1 July 2012.

The proposed Open Offer will also raise at least £2.2 million in cash. Should the Open Offer be approved, CHV has agreed to provide a conditional additional drawdown facility of £1.4 million.

Regeneration

The Company continues to assess the opportunities open to it to develop both the Club's stadium (without of course affecting the football stadium facilities) and property in the immediate area surrounding the stadium. An outline scheme was recently put forward by an adjacent landowner which covers a major regeneration of the area around The Den. The Company is in the process of reviewing the proposal, and is hopeful of being able to incorporate its plans into the wider scheme to ensure that the development of the Club's ground and any surrounding land fits in with the Club's vision and achieves a solution that best suits the needs of both Millwall F.C.'s supporters and the local community. Whilst no major capital expenditure is envisaged, the Group may incur further costs to finalise the development plan.

In parallel to this has been the work to support the new station at Surrey Quays where there is a budget shortfall in the current provision. The Group has participated significantly in the campaign and provided thousands of signatures to support the case for Transport for London closing the final cost gap. The issue is not the building of the line or the proposal for the new station but just the fitting out costs. It is anticipated that the decision will be made shortly. Clearly the case for the station and the regeneration plans are mutually interlinked; with one reinforcing the other.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2010

| | Year ended 30 June 2010 Total £000 | Year ended 30 June 2009 Total £000 |
|---|---|---|
| Revenue | 7,451 | 6,460 |
| Other income – profit on disposal of player's registrations | 154 | 71 |
| Staff costs | (6,357) | (6,260) |
| Amortisation of players' registrations | (320) | (287) |
| Depreciation of property, plant and equipment | (264) | (258) |
| Total depreciation and amortisation expense | (584) | (545) |
| Other expenses | (4,111) | (4,166) |
| Loss from operations | (3,447) | (4,440) |
| Finance income | — | 10 |
| Finance expense | (1,511) | (784) |
| Loss before taxation | (4,958) | (5,214) |
| Tax expense | — | — |
| Loss after tax for the financial year and total comprehensive loss | (4,958) | (5,214) |
| Attributable to: | | |
| Equity holders of the parent | (4,958) | (5,214) |
| Loss per share – basic and diluted (2009-restated) | (1,321)p | (1,390)p |

Consolidated Statement of Changes in Equity

For the year ended 30 June 2010

| | 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 Equity £000 |
|--------------------------------|--|--|-------------------------------------|--|----------------------------|-----------------------------|-----------------------------|-------------------------|
| 1 July 2008 | | | | | | | | |
| As previously reported | 3,750 | 2,333 | 15,120 | 181 | 21,474 | 333 | (37,835) | 5,356 |
| Prior year adjustment (note 3) | — | — | — | — | — | (333) | — | (333) |
| As restated | 3,750 | 2,333 | 15,120 | 181 | 21,474 | — | (37,835) | 5,023 |
| Share based payment | — | — | — | — | — | — | 14 | 14 |
| Loss for the year | — | — | — | — | — | — | (5,214) | (5,214) |
| 30 June 2009 | 3,750 | 2,333 | 15,120 | 181 | 21,474 | — | (43,035) | (177) |
| 1 July 2009 | | | | | | | | |
| As previously reported | 3,750 | 2,333 | 15,120 | 181 | 21,474 | 840 | (43,035) | 663 |
| Prior year adjustment (note 3) | — | — | — | — | — | (840) | — | (840) |
| As restated | 3,750 | 2,333 | 15,120 | 181 | 21,474 | — | (43,035) | (177) |
| New Shares issued | 16 | — | 32 | — | — | — | — | 48 |
| Loss for the year | — | — | — | — | — | — | (4,958) | (4,958) |
| 30 June 2010 | 3,766 | 2,333 | 15,152 | 181 | 21,474 | — | (47,993) | (5,087) |

Consolidated Statement of Financial Position

30 June 2010

| | 30 June 2010 £000 | 30 June 2009 £000 (As restated) | 30 June 2008 £000 (As restated) |
|--------------------------------|----------------------------------|--|--|
| Non-current assets | | | |
| Intangible assets | 661 | 392 | 291 |
| Property, plant and equipment | 14,826 | 15,037 | 15,127 |
| | 15,487 | 15,429 | 15,418 |
| Current assets | | | |
| Inventories | 51 | 61 | 66 |
| Trade and other receivables | 968 | 1,007 | 1,104 |
| Cash and cash equivalents | 760 | 391 | 204 |
| | 1,779 | 1,459 | 1,374 |
| Total assets | 17,266 | 16,888 | 16,792 |
| Non-current liabilities | | | |
| Trade and other payables | (486) | (386) | — |

| | | | |
|---|-----------------|-----------------|-----------------|
| Financial liabilities | — | (4,478) | (4,670) |
| Deferred income | (3,571) | (3,716) | (3,770) |
| Total non-current liabilities | (4,057) | (8,600) | (8,460) |
| Current liabilities | | | |
| Trade and other payables | (2,100) | (2,019) | (2,239) |
| Financial liabilities | (14,619) | (5,406) | — |
| Deferred income | (1,577) | (1,040) | (1,070) |
| Total current liabilities | (18,296) | (8,465) | (3,309) |
| Total liabilities | (22,353) | (17,065) | (11,769) |
| Net (liabilities)/assets | (5,087) | (177) | 5,023 |
| Equity | | | |
| Called up share capital | 6,099 | 6,083 | 6,083 |
| Share premium | 15,152 | 15,120 | 15,120 |
| Equity proportion of Convertible Loan Notes | 181 | 181 | 181 |
| Capital reserve | 21,474 | 21,474 | 21,474 |
| Retained deficit | (47,993) | (43,035) | (37,835) |
| Total equity attributable to the shareholders of the parent (in deficit) | (5,087) | (177) | 5,023 |

Consolidated Statement of Cash Flows

For the year ended 30 June 2010

| | Year ended 30 June 2010 Total £000 | Year ended 30 June 2009 Total £000 |
|---|---|--|
| Cash flows from operating activities | | |
| Loss before taxation | (4,958) | (5,214) |
| Share based payments | — | 14 |
| Depreciation on property, plant and equipment | 264 | 258 |
| Amortisation of intangible assets | 320 | 287 |
| Amortisation of grants | (82) | (82) |
| Amortisation of prepaid finance fees | 103 | 103 |
| Profit on disposal of players' registrations | (154) | (71) |
| Profit on disposal of property, plant and equipment | 12 | — |
| Finance income | — | (10) |
| Finance expense | 1,511 | 784 |
| Cash flows from operating activities before changes in working capital | (2,984) | (3,931) |
| Decrease in inventory | 10 | 5 |
| Decrease/(increase) in trade and other receivables | 51 | (109) |
| Increase in trade and other payables and deferred income | 689 | 217 |
| Net cash generated from operations | (2,234) | (3,818) |

| | | |
|---|--------------|--------------|
| investing activities | | |
| Purchase of property, plant and equipment | (65) | (168) |
| Proceeds on disposal of players' registrations | 167 | 277 |
| Purchase of players' registrations | (739) | (343) |
| Interest received | — | 10 |
| | <hr/> | <hr/> |
| Net cash generated by investing activities | (637) | (224) |
| Financing activities | | |
| Proceeds from issue of loan notes | 3,240 | 4,234 |
| Interest paid | — | (5) |
| | <hr/> | <hr/> |
| Net cash generated by financing activities | 3,240 | 4,229 |
| Net increase in cash and cash equivalents | 369 | 187 |
| Cash and cash equivalents at start of year | 391 | 204 |
| | <hr/> | <hr/> |
| Cash and cash equivalents at end of year | 760 | 391 |

Notes

1. Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRS) issued by the International Accounting Standards Board as adopted by the European Union and in accordance with those parts of the Companies Act 2006 that remain applicable to groups reporting under IFRS.

The financial statements are presented in sterling, rounded to the nearest thousand. They are prepared under the historical cost basis.

2. Loss per ordinary share

The calculation of loss per ordinary share is based on the loss for the year of £4,958,000 (2009: £5,214,000) and on 375,205 (2009: 375,011) new ordinary shares, being the weighted average number of ordinary shares in issue and ranking for dividend during the year, but adjusted for the effects of the share conversion referred to in note 4, except in so far as the elimination of fractional entitlements is concerned. There is no potential dilution on the loss per ordinary share in 2010 or 2009 and therefore there is no difference between basic and diluted earnings per share. As at 30 June 2010 the number of options which could potentially dilute basic earnings per share in the future was Nil (2009: 1,166,666,666). These were not included in the calculation of diluted earnings per share because they were anti-dilutive for the periods presented. In addition to share options, as at 30 June 2010, the Company had gross convertible debt, including PIK notes and accrued interest of £4,034,000 (2009: £3,734,000) in issue, potentially convertible to 113,418 (2009: 105,215) ordinary shares of £10 each, which could dilute earnings per share in the future.

3. Prior year adjustment

In prior years the Company established a reserve to which it credited interest charged on convertible loan notes settled by the issue of "PIK notes" rather than cash. In re-examining this treatment it has concluded that the characteristics of the PIK notes have more of an element of debt than of equity, and have consequently reallocated them to liabilities. There is no effect on reported results but net assets reported at 30 June 2009 have been reduced by £840,000 (2008: £333,000). Prior year figures have been restated where appropriate.

4. Post balance sheet events

On 4 October 2010, the Company approved a resolution effecting the conversion of 100,000 ordinary shares of 0.01p each into one new ordinary share of £10 nominal value, and dealing with fractional entitlements.

On 17 November 2010 the Company issued a prospectus under which an open offer of up to 1,129,830 new ordinary shares at £10, on the basis of three new ordinary shares for each one ordinary share held (post the conversion referred to above).

The open offer is subject to shareholder approval, but is underwritten up to £10 million (gross of expenses of issue), and has been irrevocably accepted by shareholders owning more than 30% of the Company's issued share capital

5. The directors do not recommend payment of a dividend.

6. The audited financial statements will be available to shareholders on 17 November 2010.

7. The financial information set out in this announcement does not constitute the Group's statutory accounts for the year ended 30 June 2010 but is derived from the 2010 Annual Report.

Statutory accounts for 2009 have been delivered to the Registrar of Companies. The statutory accounts for the year ended 30 June 2010 will be delivered to the Registrar of Companies following the Company's annual general meeting.

The auditors have reported on those accounts; their reports were unqualified, and did not contain statements under section 498(2) or (3) Companies Act 2006

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