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This document, which comprises a prospectus relating to the Open Offer, has been prepared in accordance with the Prospectus Rules and the AIM Rules, approved by the FSA in accordance with section 85 of FSMA and filed with the FSA in accordance with paragraph 3.2.1 of the Prospectus Rules. This document will be made available to the public in accordance with paragraph 3.2.1 of the Prospectus Rules by the same being made available at www.millwallholdingsplc.co.uk. This document can also be obtained on request from the Company's receiving agent, Computershare Investor Services PLC.

If you sell or have sold or otherwise transferred all of your Existing Ordinary Shares in certificated form before the date on which the Existing Ordinary Shares are marked ex-entitlement to the Open Offer by the London Stock Exchange ("ex-entitlement date"), please send this document together with the Application Form and Form of Proxy and the reply-paid envelope at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was made for delivery to the purchaser or transferee except that such documents should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including but not limited to the United States and the other Restricted Jurisdictions. If you sell or have sold or otherwise transferred only part of your holding of Existing Ordinary Shares you should refer to the instructions regarding split applications set out in the Application Form.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence on AIM at 8.00 a.m. on 20 December 2010.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.



Millwall Holdings plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 2355508)

**Open Offer of up to 1,129,830 New Ordinary Shares at £10 per New Ordinary Share
on the basis of 3 New Ordinary Shares for every 1 Existing Ordinary Share**

Notice of Extraordinary General Meeting

Capitalised terms have the meaning given to them in Part 8 of this document.

The whole of this document (and in particular the risk factors set out on pages 8 to 10 of this document) should be read. Shareholders should review the risk factors set out on pages 8 to 10 of this document for a discussion of certain factors that should be considered when deciding on what action to take in relation to the Open Offer or deciding whether or not to subscribe for New Ordinary Shares. Your attention is also drawn to the Chairman's letter in Part 1 of this document.

Qualifying non-CREST Shareholders will find an Application Form enclosed with this document. It is expected that Qualifying CREST Shareholders will receive a credit to their appropriate Stock Accounts in CREST in respect of their Open Offer Entitlements which will be enabled for settlement on 18 November 2010. Applications under the Open Offer may only be made by Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim arising out of a sale or transfer of Existing Ordinary Shares prior to the date on which the Existing Ordinary Shares were marked ex the entitlement to the Open Offer by the London Stock Exchange. If the Open Offer Entitlements are for any reason not enabled by 18 November 2010 or such later time as the Company may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements credited to the Stock Accounts in CREST. The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 16 December 2010. The procedure for application and payment is set out in Part 4 of this document, and if relevant, in the Application Form.

Notice of an Extraordinary General Meeting of the Company to be held at The Den, Zampa Road, London SE16 3LN at 11.30 a.m. or as soon as possible after the conclusion of the AGM on 17 December 2010 is set out at the end of this document. Shareholders will find enclosed with this document a Form of Proxy for use at the Extraordinary General Meeting. Whether or not you intend to attend the Extraordinary General Meeting in person, please complete and sign the Form of Proxy in accordance with the instructions printed on it and return it to the Company's registrars, Computershare, as soon as possible and, in any event so as to be received no later than 11.30 a.m. on 15 December 2010. The completion of the Form of Proxy will not prevent you from attending and voting in person at the Extraordinary General Meeting or any adjournment thereof, if you so wish and are entitled.

Singer Capital Markets Limited, which is authorised and regulated in the United Kingdom by the Financial Securities Authority, is acting exclusively for the Company and for no-one else in connection with the Open Offer and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Open Offer or Admission and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Open Offer or Admission or any other matter referred to in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Singer Capital Markets Limited by FSMA or the regulatory regime established thereunder, Singer Capital Markets Limited does not accept any responsibility whatsoever and makes no representation or warranty, express or implied, for the contents of this document including its accuracy, completeness or verification or for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Open Offer or Admission and nothing in this document is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. Singer Capital Markets Limited accordingly disclaims all and any liability whatsoever, whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement.

Neither the Existing Ordinary Shares nor the New Ordinary Shares have been or will be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the United States or any other Restricted Jurisdiction. Accordingly, unless an exemption under the Securities Act or other relevant securities laws is applicable, the New Ordinary Shares are not being and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into the United States or any other Restricted Jurisdiction, or to or for the account or benefit of any person resident in another Restricted Jurisdiction where such offer or sale would be unlawful.

All Overseas Shareholders and any person (including without limitation, a nominee, trustee or custodian) who has a contractual or legal requirement to forward this document and/or any of the accompanying documents to any jurisdiction outside the United Kingdom should read the information set out in paragraph 9 of Part 4 of this document.

This document does not constitute an offer, or the solicitation of an offer, to subscribe for or buy any New Ordinary Shares from or to any person in any jurisdiction to whom it is unlawful to make such an offer or solicitation in such jurisdiction and accordingly, this document and the Application Form are not for distribution in or into any such jurisdiction, except as determined by the Company in its sole discretion and pursuant to applicable laws.

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SUMMARY

The following summary should be read as an introduction to this document. Any decision to invest in the New Ordinary Shares should be based on the consideration of the document as a whole and not solely on this summary. Where a claim relating to the information contained in this document is brought before a court in a member state of the European Economic Area, the claimant may under the national legislation of that member state where the claim is brought, be required to bear the costs of translating this document before legal proceedings are initiated. Civil liability attaches to those persons who are responsible for this summary, including any translations of this summary, but only if the summary is misleading, inaccurate or inconsistent when read together with other parts of this document.

1. INTRODUCTION

The Company is the holding company of the Club, the owner and operator of Millwall F.C. which competes in the Championship division of The Football League. It is proposing to raise up to £7,837,530 in cash (before expenses) and reduce its borrowings by £3,460,770 (by the cancellation of Directors Loan Notes and CHV Loans in satisfaction of the subscription price for New Ordinary Shares) through the issue of up to 1,129,830 New Ordinary Shares (representing 300 per cent. of the Existing Ordinary Shares) at a price of £10 per New Ordinary Share by means of the Open Offer.

CHV and Constantine Gonticas, a Director, have irrevocably undertaken to the Company to subscribe for all of the New Ordinary Shares which they are entitled to under the Open Offer. In addition CHV, certain NFL Noteholders and certain Directors and their associates and associated companies, have agreed with the Company to underwrite up to £6,539,230 of the Open Offer.

On completion of the Open Offer, CHV (taken together with those persons with whom it is acting in concert for the purposes of Rule 9 of the City Code, if any) will potentially be interested in a maximum of 978,809 New Ordinary Shares, representing (together with rights to subscribe for Ordinary Shares held by it) a maximum of approximately 73.39 per cent. of the Fully Diluted Share Capital. Rule 9 of the City Code provides that CHV would normally be obliged under the City Code to make a general offer to Shareholders to acquire all of the Ordinary Shares not already owned by it, if its interests were to become 30 per cent. or more of the voting rights of the Company. The Panel may waive this obligation subject to the passing of a Whitewash Resolution. However, as Independent Shareholders holding more than 50 per cent. of the Company's Existing Ordinary Shares have confirmed to the Panel in writing that if a Whitewash Resolution was proposed at a general meeting, they would vote in favour of that resolution, the Panel has agreed to waive the obligation without requiring a Whitewash Resolution to be passed.

2. BACKGROUND TO AND REASONS FOR THE OPEN OFFER

The Board has explored a number of options to raise funds to provide working capital for the Club and enable the Company to reduce its level of borrowings. The Board does not currently have Shareholders' authority to raise cash through a non pre-emptive issue of Ordinary Shares and as a result, the Company can only raise funds either through additional borrowings (if available), or through a pre-emptive offer of Ordinary Shares to all Shareholders.

After consultation with its advisers, and having considered the limited options available to it, the Board has concluded that the most suitable course of action is to proceed with the Open Offer. The Board considers now to be an appropriate time to do this as Millwall F.C. has been promoted to the Championship division of The Football League and the Company therefore wishes to strengthen its balance sheet by reducing borrowings and the associated interest burden and to improve its working capital position.

3. THE OPEN OFFER

New Ordinary Shares are being offered to Qualifying Shareholders in the Open Offer, subject to the terms and conditions of the Open Offer, *pro rata* to their existing shareholdings at the Issue Price of £10 per New Ordinary Share on the basis of **3 New Ordinary Shares for every 1 Existing Ordinary Share** registered in the names of Qualifying Shareholders at the Record Date, and so in proportion for any other number of Existing Ordinary Shares held and registered in their names.

Subscription commitments

CHV has irrevocably undertaken to the Company to subscribe for all of the New Ordinary Shares which it is entitled to under the Open Offer which will result in CHV acquiring 319,998 New Ordinary Shares, representing approximately 28 per cent. of the New Ordinary Shares to be issued under the Open Offer and approximately 28 per cent. of the Enlarged Issued Share Capital if the Open Offer is fully subscribed. CHV's subscription obligations will be satisfied by the Cancellation of an equal amount of the CHV Loans in the following order of priority: (i) the 15% CHV Unsecured Debt; and (ii) the 17% CHV Unsecured Debt.

The Company has also received an irrevocable undertaking from Constantine Gonticas, a Director, to subscribe for all of the New Ordinary Shares to which he is entitled under the Open Offer. His subscription obligation will be satisfied by the Cancellation of £260,790 of his Directors Loan Notes. This will result in Constantine Gonticas acquiring 26,079 New Ordinary Shares representing approximately 2 per cent. of the New Ordinary Shares to be issued under the Open Offer and approximately 2 per cent. of the Enlarged Issued Share Capital if the Open Offer is fully subscribed.

Underwriting commitments

Pursuant to the Underwriting Agreement, certain of the Directors and their associates and associated companies, certain of the NFL Noteholders and CHV have agreed to underwrite the Open Offer up to a maximum of £6,539,230 by subscribing for up to 653,923 New Ordinary Shares (“**Underwritten Shares**”).

These Directors, their associates and associated companies and NFL Noteholders have agreed with the Company to subscribe for up to 101,778 New Ordinary Shares which are not the subject of valid applications under the Open Offer by other Shareholders to a maximum value of £1,017,780, representing, in aggregate, up to approximately 9.01 per cent. of the New Ordinary Shares to be issued under the Open Offer. Their subscription obligations will be satisfied as to £150,000 in cash and as to the balance by the Cancellation of an equal amount of the Directors Loan Notes or (as the case may be) the NFL Loan Notes (in the case of Constantine Gonticas, to the extent not utilised in satisfying his obligation in respect of his Open Offer Entitlement). In the event that the full underwriting commitment of these Directors, their associates and associated companies and NFL Noteholders is not utilised, they will each fulfil their underwriting obligation *pro rata* to their individual underwriting commitments.

CHV has agreed with the Company to subscribe for the balance of the Underwritten Shares not taken up by certain of the Directors, their associates and associated companies and the NFL Noteholders, representing up to approximately 48.87 per cent. of the New Ordinary Shares to be issued under the Open Offer. CHV's subscription obligations in respect of its underwriting commitment will be satisfied as to £2,000,000 in cash, and as to the balance by the Cancellation of an equal amount of the CHV Loans in the following order of priority (to the extent not utilised in satisfying CHV's subscription obligations in respect of its Open Offer Entitlement): (i) the 17% CHV Unsecured Debt; and (ii) the CHV Secured Debt.

None of CHV, the relevant Directors, their associates and associated companies or the relevant NFL Noteholders will receive any fees or commissions under the terms of the Underwriting Agreement nor will they be reimbursed any costs or expenses incurred in evaluating or participating in the Open Offer.

Conditions

The Open Offer is conditional, *inter alia*, upon:

- (a) the Minimum Amount being achieved;
- (b) the passing, without material amendment, of the Resolution;
- (c) Admission becoming effective by not later than 8.00 a.m. on 20 December 2010 (or such later time and date as the Company, CHV and SCM may agree, not being later than 14 January 2011); and
- (d) the Underwriting Agreement having become unconditional in all respects save for the condition relating to Admission and not having been terminated in accordance with its terms.

The Minimum Amount has been underwritten in cash pursuant to the terms of the Underwriting Agreement.

If the conditions are not fulfilled on or before 20 December 2010 (or such later date, being not later than 14 January 2011, as SCM, CHV and the Company may agree), application monies will be returned to Applicants without interest as soon thereafter as is practicable.

4. USE OF PROCEEDS OF THE OPEN OFFER

If the Open Offer is fully subscribed (without recourse to underwriting), the Company will reduce borrowings by £3,460,770 (by the Cancellation of Directors Loan Notes and CHV Loans) and raise £7,837,530 in cash. If the underwriting commitment is required to be fully utilised and no Shareholders (other than CHV and Constantine Gonticas) take up their Open Offer Entitlements, borrowings will be reduced by £7,850,000 (by the Cancellation of Loan Notes and CHV Loans) and cash of £2,150,000 will be raised.

Of the new monies raised in cash (based on only the Minimum Amount being achieved):

- approximately £500,000 will be used to pay for the costs incurred in connection with the Open Offer;
- £1,156,786 will be used to repay the balance of the NFL Loan Notes outstanding after the Cancellation of certain NFL Loan Notes;
- approximately £150,000 will be used to pay consultants, professional advisers and other costs in connection with the finalisation of the development plan for property regeneration of the area around The Den; and
- the remainder will be used to provide working capital to assist Millwall F.C. in meeting the challenges of participating in the Championship division of The Football League.

If the Open Offer is fully subscribed, the monies raised in excess of the Minimum Amount will be used to redeem the balance of the Directors Loan Notes including accrued but unpaid interest and PIK Notes issued in respect of the same (£442,173) and the NFL Loan Notes including accrued but unpaid interest and PIK Notes issued in respect of the same (£425,514) and up to £4,819,843 of the CHV Loans, which in each case remain outstanding after the cancellation of that part of the Directors Loan Notes and CHV Loans utilised to satisfy the subscription price for New Ordinary Shares under the Open Offer.

If the Open Offer is not fully subscribed and the underwriting commitment is required to be fully utilised and no Shareholders (other than CHV and Constantine Gonticas) take up their Open Offer Entitlements, no monies will be raised in excess of the Minimum Amount.

5. CURRENT TRADING AND PROSPECTS

The audited results of the Company for the year ended 30 June 2010 show that turnover for the year was £7.5 million, (2009: £6.5 million) resulting in a loss before taxation on ordinary activities of £5.0 million (2009: £5.2 million), whilst the loss before interest (2010: £1.5 million, 2009: £0.8 million), depreciation (2010: £0.3 million, 2009: £0.2 million), player amortisation (2010: £0.3 million, 2009: £0.3 million) and player trading (2010: £0.1 million, 2009: £0.1 million) was £3.0 million (2009: £4.0 million).

Average attendances for home league games for the first period of the 2009/10 season up to 31 December 2009 were 9,144 (8,739 for 2008/9) whilst for the remainder of the season, excluding the home leg of the play-off semi final, they rose to 12,679 (9,160 for 2008/9), giving a season's average of 10,835, up from 8,940 during the 2008/9 season.

The Company's accounts for the current financial year will reflect the impact of the promotion of Millwall F.C. to the Championship division of The Football League. One immediate benefit is the significant increase in the distribution of central sponsorship and broadcasting fees by The Football League and the so called solidarity payment received from the Premier League. Player and squad management costs will rise to reflect the higher league status and are expected to offset these increases in income.

The Group's prospects for the season 2010/11 will depend to a great extent on turnover generated by home attendances and progression in domestic cup competitions. Gate receipts are expected to increase, as indicated by season ticket sales, which have risen from approximately 4,950 for the 2009/10 season to approximately 6,500, an increase of 32 per cent., for the current season. For the first 9 home league games played this season, the average attendance has been 11,842 (for the first 9 home league games played during the 2009/10 season: 9,295), showing an increase of 27.4 per cent., reflecting a benefit of Millwall F.C. playing in a higher division of The Football League in the 2010/11 season. Throughout the season, the level of attendances will reflect the performance of Millwall F.C. and its position in the league.

As at 15 November 2010, Millwall F.C. has played 17 league games and is in 17th position in the Championship division of The Football League.

6. RISK FACTORS

The Company's business, financial condition, operating performance and prospects could be adversely affected by risks relating to the Group and its business. As a result, the value of its Ordinary Shares could decline and investors could lose all or part of their investment. The Directors consider the risks relating to the Group include:

- With the high cost of players, the heavy overheads facing football clubs and the uncertainty of turnover, any investment in a football club will carry a high element of risk.
- The success of the Group's business is largely dependent on Millwall F.C.'s first team's performance.
- There can be no assurance that football will retain its current popularity.
- Changes to the insolvency and bankruptcy related rules imposed by The Football Association and The Football League to which the Club is subject.
- It is not possible to predict match results and the income of the Group would be significantly affected by relegation from the Championship division of The Football League.
- Weak economic conditions in the United Kingdom may have a negative impact on match attendance and gate receipts as supporters may have less disposable income.
- Some income streams of the Club (such as television rights and related income) are dependent on arrangements to which the Club is not a party and over which the Club can exercise little or no influence.
- As well as the uncertainty relating to the retention of players and the amount of fees receivable on their transfers, it is not possible to guarantee the retention of managerial staff.
- The Company may seek to raise extra capital to take advantage of property development opportunities in the area surrounding the Club's stadium which arise in the future and for which major capital expenditure is required. Any additional equity financing may be dilutive to Shareholders, and debt financing, if available, may involve restrictions on financing and operating activities.
- On completion of the Open Offer, CHV (taken together with those persons with whom CHV is acting in concert for the purposes of Rule 9 of the City Code, if any) will potentially be able to exercise a significant degree of influence over matters requiring Shareholder approval.

RISK FACTORS

An investment in Ordinary Shares involves a high degree of risk. Accordingly, in addition to all other information set out in this document, prospective investors should consider carefully the specific risk factors set out below. The risks and uncertainties described below, which are not set out in any particular order of priority, are not the only ones that could impact on the Company. However they are the material risk factors facing the Company which are currently known to the Directors. Additional risks and uncertainties which are not presently known or which are currently deemed immaterial, may also have a material adverse effect on the business, financial condition and operational performance and prospects of the Company.

If any or a combination of the following risks actually occur, the Company's business, financial condition, capital resources, results or future operational performance or prospects could be materially and adversely affected. In such case the price of the Ordinary Shares could decline and investors may lose all or part of their investment.

RISKS RELATING TO THE GROUP AND ITS BUSINESS

Football Clubs

With the high cost of players, the heavy overheads facing football clubs and the uncertainty of turnover, any investment in a football club will carry a high element of risk.

The success of the Group's business is largely dependent on Millwall F.C.'s first team's performance. The performance of the first team affects the primary revenue areas of the Club and therefore the Company through its impact on match day revenue, media revenue and commercial and sponsorship revenue. Injuries, whether temporary or career ending, to key players or loss of form may also have an adverse effect upon the performance of the Millwall F.C. first team and consequently its position in the league and match attendance which may result in a loss of income for the Club. Such injuries or loss of form may also reduce the income for the Club that would otherwise have resulted from a transfer of that player's registration.

The Popularity of Football

There can be no assurance that football will retain its current popularity. Such a fall in popularity could have a detrimental impact on the income of the Club as a result of any fall in match day attendances, lower broadcasting revenue and reduced sponsorship income.

Football Creditors Rule

In accordance with the requirements of The Football League, in common with all FA member clubs, the articles of association of the Club, which owns the leasehold interest in the stadium and the other Group assets, provide that in the event of the winding up of the Club any surplus assets, i.e. after satisfying creditors and payment to the Company as its sole shareholder the amount paid-up on its shares, are to be paid to the Football Association Benevolent Fund or another charity.

Furthermore, the Club is subject to special insolvency and bankruptcy related rules imposed by The Football Association and The Football League (the "**Football Creditors Rule**"). Where a football club is in an insolvency situation, including but not limited to a formal insolvency procedure, that club's membership of or share in The Football League will be suspended. Such a suspension will not be lifted until certain football creditors of the football club are settled in full. The Football League can deduct monies due to the football club from central funds, such as media revenue, to settle any such creditors.

The Football Creditors Rule is beneficial to the Club because following the sale of a player registration to another club, if the payment of the transfer fee is deferred, then in the event of the insolvency of the buying club, the Club will be paid monies owed to it on the sale of a player registration before other creditors, such as HMRC. HMRC has made it clear that it intends to continue to challenge the validity of the Football Creditors Rule. A successful challenge to the Football Creditors Rule could have a detrimental effect on the Club's ability to recover outstanding player transfer fees.

Status of the Club and Results

It is not possible to predict match results and the income of the Group would be significantly affected by relegation from the Championship division of The Football League. Income from television rights,

solidarity payments, gate receipts, other match related income and income from the sale of merchandise will fluctuate depending on the success of the Millwall F.C.'s Club's first team. Your attention is drawn to the Company's audited financial results for the last three years set out in part 6 of this document.

Weak Economic Conditions

A significant amount of the Club's revenue derives from ticket sales to the Club's supporters. Income generated from gate receipts is highly dependent on the attendance at matches from supporters. A reduction in match day attendance could have a material adverse effect on the Club's match day revenues. Weak economic conditions in the United Kingdom may have a negative impact on match attendance and gate receipts as supporters may have less disposable income.

Third Party Contracts

Some income streams of the Club (such as television rights and related income) are dependent on arrangements to which the Club is not a party and over which the Club can exercise little or no influence.

The Transfer Market

The rules relating to the transfer of football players provide that players over 24 years of age who have completed their contract term are allowed to leave clubs without those clubs receiving a transfer fee. The situation is different for players under the age of 24 in which case a club is entitled to a compensation payment (usually set by an FA tribunal if the clubs cannot agree) provided that the club has first offered the player a further contract on no worse terms than the expiring contract. The Board has implemented a policy on transfers and contracts to mitigate against this risk.

Employees

As well as the uncertainty relating to the retention of players and the amount of fees receivable on their transfers, it is not possible to guarantee the retention of managerial staff.

RISKS ASSOCIATED WITH THE ORDINARY SHARES

Liquidity of the Ordinary Shares and volatility of their price

It may be more difficult for an investor to realise his or her investment in the Company on AIM than to realise an investment in a company whose shares or other securities are listed on the Official List or other similar stock exchange.

The AIM Rules are less demanding than those of the Official List and an investment in a share that is traded on AIM may involve a higher risk than an investment in shares listed on the Official List. The share price of publically traded companies can be highly volatile.

The price at which Ordinary Shares are traded and the price at which investors may realise their investment are influenced by a large number of factors, some specific to the Group and its operations and some which may affect quoted companies generally. Admission to AIM does not imply that there will be a liquid market in the Ordinary Shares.

Prospective investors should be aware that the value of the Ordinary Shares could go down as well as up, and investors may therefore not recover their original investment, especially as the market in the Ordinary Shares may have limited liquidity.

Future Funding

The Company may seek to raise extra capital in the future to take advantage of property development opportunities in the area surrounding the Club's stadium which arise in the future and for which major expenditure is required. Any additional equity financing may be dilutive to Shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed to participate in these property development opportunities, it may be required to reduce its involvement in any anticipated expansion or curtail the scope of such property development activities.

Possible major shareholding following the Open Offer

On completion of the Open Offer, CHV (taken together with those persons with whom CHV is acting in concert for the purposes of Rule 9 of the City Code, if any) will potentially be interested in a maximum of

1,097,033 New Ordinary Shares, representing a maximum of approximately 73.39 per cent. of the Fully Diluted Share Capital. As a consequence, following the Open Offer, CHV (taken together with those persons with whom CHV is acting in concert for the purposes of Rule 9 of the City Code, if any) will be able to exercise a significant degree of influence over matters requiring Shareholder approval (whether by way of ordinary or special resolution), including the approval of significant corporate transactions. The concentration of ownership may have the effect of delaying, preventing or deterring any change in control or ownership of the Group, could deprive Shareholders of an opportunity to receive a premium for their Ordinary Shares as part of a sale and might affect the market price of the Ordinary Shares. Furthermore, CHV may at any time after completion of the Open Offer sell all or part of its shareholding in the Company which could have an adverse impact on the market price of Ordinary Shares.

GENERAL

1. NOTICE TO ALL INVESTORS

Any reproduction or distribution of this document, in whole or in part, and any disclosure of its contents or use of any information contained in this document for any purpose other than considering an investment in the New Ordinary Shares is prohibited except to the extent such information is otherwise publicly available. By accepting delivery of this document, each offeree of the New Ordinary Shares agrees to the foregoing.

The distribution of this document and/or the Application Form and/or the transfer of the New Ordinary Shares into jurisdictions other than the United Kingdom may be restricted by law. Persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, such documents should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. The Application Form and the New Ordinary Shares are not transferable, except in accordance with, and the distribution of this document is subject to, the restrictions set out in paragraph 9 of Part 4 of this document. No action has been taken by the Company or by SCM that would permit an offer of the New Ordinary Shares or entitlement thereto or possession or distribution of this document or any other offering or publicity material or the Application Form in any jurisdiction where action for that purpose is required, other than in the United Kingdom. Shareholders with registered addresses in the United States or another Restricted Jurisdiction are referred to paragraph 9 of Part 4 of this document.

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by the Company or by SCM. Except to the extent imposed by FSMA and/or the Prospectus Rules and/or the AIM Rules, neither the delivery of this document nor any subscription or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Group since the date of this document or that the information in this document is correct as at any time subsequent to its date.

The contents of this document are not to be construed as legal, financial or tax advice. Each prospective investor should consult their own legal, financial or tax adviser for legal, financial or tax advice.

No statement in this document is intended as a profit forecast and no statement in this document should be interpreted to mean that the earnings per Ordinary Share for the current or future years would necessarily match or exceed the historical published earnings per Ordinary Share.

2. NO INCORPORATION OF WEBSITE

The content of the Company's website www.millwallholdingsplc.co.uk does not form part of this document.

3. DISCLOSURE REGARDING FORWARD LOOKING STATEMENTS

This document includes statements that are, or may be deemed to be, "forward looking statements". These forward looking statements can be identified by the use of forward looking terminology, including the terms "believes", "estimates", "plans", "anticipates", "expects", "intends", "projects", "target", "aim", "likely", "assumes", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. These forward looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Company or the Group (as applicable) concerning, amongst other things, the results of operations, financial condition, liquidity, prospects and growth strategies. By their nature, forward looking statements involve risks and uncertainties because they relate to future events and circumstances. A number of factors could cause actual events and developments to differ materially from those expressed or implied forward looking statements, including without limitation, conditions in the markets, market position of the Company, earnings, financial position, cash flows, return on capital, anticipated capital expenditure, changing business and other market conditions and general economic conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described in this document. Forward-looking statements contained in this document based on past trends or activities should not be taken as a representation that such trends or

activities will continue in the future. None of the statements made in this paragraph in any way obviates the requirements of the Group to comply with the Prospectus Rules, the AIM Rules or FSMA.

You are advised to read this document in its entirety, and, in particular, the sections of this document entitled “Summary”, “Risk Factors” and the paragraph headed “Operating and Financial Review” in Part 2 of this document for a further discussion of the factors that could affect the Group’s future performance and the business in which it operates. In light of these risks, uncertainties and assumptions, the events described in the forward looking statements in this document may not occur. The forward looking statements contained in this document speak only as of the date of this document. Other than in accordance with its legal or regulatory obligations (including under the Prospectus Rules and/or AIM Rules), neither the Company nor SCM undertake any obligation to update or revise publicly any forward looking statement, whether as a result of new information, future events or otherwise.

DIRECTORS, SECRETARY AND ADVISERS

Directors:	John G. Berylson (<i>Non-Executive Chairman</i>) Andy Ambler (<i>Chief Executive & Finance Director</i>) James T. Berylson (<i>Non-Executive Director</i>) Constantine Gonticas (<i>Non-Executive Director</i>) Trevor Keyse (<i>Non-Executive Director</i>) Demos Kouvaris (<i>Non-Executive Director</i>) Richard S. Press (<i>Non-Executive Director</i>)
Company Secretary:	Tom Simmons FCA
Registered and head office and business address of the Directors:	The Den Zampa Road London SE16 3LN
Nominated and Financial Adviser and Broker:	Singer Capital Markets Limited 1 Hanover Street London W1S 1YZ
Auditors and Reporting Accountant:	BDO LLP 55 Baker Street London W1U 7EU
Solicitors to the Company:	Davenport Lyons 30 Old Burlington Street London W1S 3NL
Registrars:	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS99 6ZZ
Receiving Agents:	Computershare Investor Services PLC Corporate Actions Projects Bristol BS99 6AH

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record date for entitlement under the Open Offer	close of business on 16 November 2010
Announcement of the Open Offer, publication of the Prospectus, posting of the Prospectus, Form of Proxy and Application Form	17 November 2010
Existing Ordinary Shares marked “ex” entitlement to Open Offer	17 November 2010
Open Offer Entitlements credited to Stock Accounts of Qualifying CREST Shareholders in CREST	18 November 2010
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST	4.30 p.m. on 10 December 2010
Latest time for depositing Open Offer Entitlements into CREST	3.00pm on 13 December 2010
Latest time and date for splitting Application Forms to satisfy <i>bona fide</i> market claims	11.00 a.m. on 14 December 2010
Latest time and date for receipt of Form of Proxy	11.30 a.m. on 15 December 2010
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction	11.00 a.m. on 16 December 2010
Extraordinary General Meeting	11.30 a.m.* on 17 December 2010
Admission effective and dealings commence in New Ordinary Shares and (where applicable) CREST members’ accounts credited in respect of New Ordinary Shares in uncertificated form	by 8.00 a.m. on 20 December 2010
Despatch of definitive certificates for New Ordinary Shares in certificated form	within 7 days of Admission

Notes:

1. The dates set out in the expected timetable of principal events above and mentioned throughout this document and in the Application Form may be adjusted by the Company, in consultation with SCM, in which event details of the new times and dates will be notified to the London Stock Exchange, the UKLA and where appropriate, to Shareholders.
2. Subject to certain restrictions relating to certain Qualifying Shareholders with registered addresses, or who are resident outside the UK. See paragraph 9 of Part 4 of this document.

* Or as soon as possible after the conclusion of the AGM.

ISSUE STATISTICS

Issue Price	£10
Number of Existing Ordinary Shares in issue on the date of this document	376,610
Basis of the Open Offer	3 New Ordinary Shares for every 1 Existing Ordinary Share
Number of New Ordinary Shares to be issued under the Open Offer*	1,000,000
Number of Ordinary Shares in issue on Admission*	1,376,610
Percentage of the Enlarged Issued Share Capital represented by the New Ordinary Shares*	72.64 per cent.
Estimated aggregate reduction in indebtedness of the Company (by the cancellation of Loan Notes and CHV Loans in satisfaction of the subscription price for New Ordinary Shares) and gross cash raised as result of the Open Offer*	£10,000,000
Gross cash proceeds of the Open Offer (exclusive of the reduction in indebtedness arising as a result of the cancellation of Loan Notes and CHV Loans used to satisfy the subscription price for New Ordinary Shares) available to the Company*	£2,150,000
Reduction in indebtedness of the Company arising as a result of the cancellation of Loan Notes and CHV Loans to satisfy the subscription price for New Ordinary Shares*	£7,850,000
Estimated net cash proceeds of the Open Offer (exclusive of the reduction in indebtedness arising as a result of the cancellation of Loan Notes and CHV Loans used to satisfy the subscription price for New Ordinary Shares) available to the Company*	£1,650,000
Market capitalisation on completion of the Open Offer at the Issue Price*	£13,766,100

* Assumes the underwriting commitment is fully utilised in accordance with the Underwriting Agreement and no Shareholders (other than CHV and Constantine Gonticas) take up their Open Offer Entitlements.

PART 1

LETTER FROM THE CHAIRMAN OF THE COMPANY

Millwall Holdings plc

(Incorporated and registered in England & Wales with registered number 2355508)

Directors:

John G. Berylson (*Chairman*)
Andy Ambler (*Chief Executive*)
James T. Berylson (*Non-Executive Director*)
Constantine Gonticas (*Non-Executive Director*)
Trevor Keyse (*Non-Executive Director*)
Demos Kouvaris (*Non-Executive Director*)
Richard S. Press (*Non-Executive Director*)

Registered office

The Den
Zampa Road
London
SE16 3LN

17 November 2010

Dear Shareholder,

Proposed Open Offer of up to 1,129,830 New Ordinary Shares

INTRODUCTION

It was announced today that the Company proposes to raise up to £7,837,530 in cash (before expenses) and reduce its borrowings by £3,460,770 (by the cancellation of Directors Loan Notes and CHV Loans in satisfaction of the subscription price for the New Ordinary Shares), through the issue of up to 1,129,830 New Ordinary Shares (representing 300 per cent. of the Existing Ordinary Shares) at a price of £10 per New Ordinary Share by means of the Open Offer. The Open Offer is subject to the approval of Shareholders at the Extraordinary General Meeting.

The Issue Price of £10 per New Ordinary Share represents a premium of approximately 25.79 per cent. to the Closing Price of £7.95 per New Ordinary Share on 15 November 2010 (being the latest practicable dealing day prior to the announcement of the Open Offer).

CHV and Constantine Gonticas, a Director, have irrevocably undertaken to the Company to subscribe for all of the New Ordinary Shares which they are entitled to under the Open Offer. In addition CHV, certain NFL Noteholders and certain Directors, their associates and associated companies have agreed with the Company to underwrite up to a maximum of £6,539,230 of the Open Offer by undertaking to subscribe for up to a maximum of 653,923 New Ordinary Shares which are not the subject of valid applications under the Open Offer by other Shareholders. In this manner, £10,000,000 of the maximum subscription of £11,298,300 for New Ordinary Shares under the Open Offer is underwritten either by way of cash paid or debt reduction. Neither CHV nor the relevant Directors and their associates and associated companies and NFL Noteholders will receive any fees or commissions under the terms of the Underwriting Agreement and will not be reimbursed any costs or expenses incurred in evaluating or participating in the Open Offer. Further details of the Underwriting Agreement are set out in paragraph 3 of Part 4 of this document.

CHV currently holds 106,666 Existing Ordinary Shares representing 28.32 per cent. of the Existing Ordinary Shares. On completion of the Open Offer, CHV (taken together with those persons with whom CHV is acting in concert for the purposes of Rule 9 of the City Code, if any) will potentially be interested in a maximum of 978,809 New Ordinary Shares, representing (together with rights to subscribe for Ordinary Shares held by it) a maximum of approximately 73.39 per cent. of the Fully Diluted Share Capital. Rule 9 of the City Code provides that CHV would normally be obliged under the City Code to make a general offer to Shareholders to acquire all of the Ordinary Shares not already owned by it, if its interests (taken together with those persons with whom CHV is acting in concert for the purposes of Rule 9 of the City Code, if any) were to become 30 per cent. or more of the voting rights of the Company. The Panel is entitled to waive the requirement for a Rule 9 Offer subject to a Whitewash Resolution being passed. If shareholders of a company who are independent of the person who would otherwise be required to make a Rule 9 Offer hold more than 50 per cent. of the Company's shares capable of being voted on

such a resolution confirm in writing to the Panel that they would vote in favour of a Whitewash Resolution the Panel may waive the requirement for a Rule 9 Offer to be made without requiring a Whitewash Resolution to be passed (or for a circular to be prepared in accordance with Section 4 of Appendix 1 to the City Code). As Independent Shareholders holding more than 50 per cent. of the Existing Ordinary Shares have confirmed to the Panel in writing that if a Whitewash Resolution was proposed at a general meeting, they would vote in favour of that resolution, in this instance, the Panel has agreed to waive the obligation to make a Rule 9 Offer without requiring a Whitewash Resolution to be passed.

The purpose of this document is to explain the background to and terms of the Open Offer, to explain why the Directors consider the proposed issue to be in the best interests of the Company and its Shareholders as a whole and to seek Shareholder approval of the Open Offer and the allotment of the New Ordinary Shares.

BACKGROUND TO AND REASONS FOR THE OPEN OFFER

On 11 December 2009, a general meeting of the Company was held to consider, pursuant to section 656 of the Act, whether any and if so, what steps should be taken to deal with the situation that the net assets of the Company were less than 50 per cent. of its called up share capital. Since that time your Board has explored a number of options to address this position and to raise funds to provide working capital for the Club and enable the Company to reduce its level of borrowings. The ability of your Board to raise cash through the issue of Ordinary Shares, which would increase the Company's net assets and reduce its borrowings, has been restricted on a non-pre-emptive basis because Shareholders holding in excess of 25 per cent. of the Existing Ordinary Shares who voted on the relevant resolutions seeking the authority (which companies generally have) to allow the flexibility to issue shares without first offering them to all Shareholders pro rata to their shareholdings, voted against the resolutions. As a result, the Company can only raise funds either through additional borrowings (if available), which would further weaken its balance sheet and increase the amount of interest payable, or through a pre-emptive offer of Ordinary Shares to all Shareholders.

After consultation with its advisers, and having considered the limited options available to it, your Board has concluded that the most suitable course of action is to proceed with the Open Offer. The Board considers now to be an appropriate time to do this as Millwall F.C. has been promoted to the Championship division of The Football League and the Company therefore wishes to strengthen its balance sheet by reducing borrowings and the associated interest burden and to improve its working capital position.

Over the past 3 years, your Board has made considerable progress in strengthening the executive management of the Group and improving the utilisation of Club facilities. The appointment of Andy Ambler in 2009 as Chief Executive Officer (he was previously Finance Director) has been followed by the recruitment of a Head of Commercial Activities and by the strengthening of the Group's financial and marketing teams. Nevertheless, further investment in the infrastructure and administration may need to be made as Millwall F.C. develops.

It is anticipated that the Club will benefit in the current football season from a substantial increase in turnover, predominately as a result of league central sponsorship and broadcasting fees, an uplift in gate receipts and the so called solidarity payment received from the Premier League. The Club continues to make efforts to increase income from other sources at The Den such as further sponsorship and the provision of conference and banqueting facilities.

The playing squad currently comprises 28 professionally contracted players. As Millwall F.C. continues its first season after returning to the Championship division of The Football League following five years in League 1, it is faced with higher team and squad management costs and as a result of the recent promotion, the manager may seek to reinforce the squad over time. Without the funds raised by the Open Offer, the Company would have to rely on additional loans from CHV for its working capital needs which would further weaken its balance sheet and increase the interest burden on the Company.

During the past 3 years, the Group has also continued 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 and part of the proceeds of the Open Offer will be used for this purpose.

To provide the Group with the working capital required for at least 12 months from the date of this document and to enable it to progress the development plan for the area surrounding the Club's stadium and to reduce its borrowings, your Board is seeking to raise a minimum amount (excluding the reduction of debt as a result of the Cancellation of Loan Notes and CHV Loans) of £2,150,000 in cash under the Open Offer (the "**Minimum Amount**").

The Board considers it prudent to seek to raise in excess of the Minimum Amount to further strengthen the balance sheet of the Company. Firm commitments have been obtained from CHV and Constantine Gonticas, a Director, to subscribe for New Ordinary Shares under the Open Offer in a total amount of £3,460,770 to be satisfied by the Cancellation of Directors Loan Notes and CHV Loans and from CHV, certain of the Directors and their associates and associated companies and certain of the NFL Noteholders to subscribe for New Ordinary Shares not taken up by other Shareholders under the Open Offer to a total amount of £6,539,230 (of which £2,150,000 will be paid for in cash and £4,389,230 satisfied by the Cancellation of the Loan Notes and CHV Loans). Whilst the Open Offer is conditional upon the Minimum Amount being achieved, the Minimum Amount has been underwritten in cash pursuant to the terms of the Underwriting Agreement.

FINANCIAL INFORMATION AND CURRENT TRADING AND PROSPECTS

Your attention is drawn to Part 6 of this document which gives information on the financial periods of the Company ended 30 June 2010. I specifically draw your attention to the audited results of the Company for the year ended 30 June 2010. The results show that turnover for the year was £7.5 million, (2009: £6.5 million) resulting in a loss before taxation on ordinary activities of £5.0 million (2009: £5.2 million), whilst the loss before interest (2010: £1.5 million, 2009: £0.8 million), depreciation (2009: £0.2 million), player amortisation (2010: £0.3 million, 2009: £0.3 million) and player trading (2010: £0.1 million, 2009: £0.1 million) was £3.0 million (2009: £4.0 million). The outstanding loans at 30 September 2010, as disclosed in the Statement of Indebtedness set out on page 112, amounted to £15.5 million.

Average attendances for home league games for the first period of the 2009/10 season up to 31 December 2009 were 9,144 (8,739 for 2008/9) whilst for the remainder of the season, excluding the home leg of the play-off semi final, they rose to 12,679 (9,160 for 2008/9), giving a season's average of 10,835, up from 8,940 during the 2008/9 season.

The Company's accounts for the current financial year will reflect the impact of the promotion of Millwall F.C. to the Championship division of The Football League. One immediate benefit is the significant increase in the distribution of central sponsorship and broadcasting fees by The Football League and the so called solidarity payment received from the Premier League. Player and squad management costs will rise to reflect the higher league status and are expected to offset these increases in income.

The Group's financial prospects for the season 2010/11 will depend to a great extent on turnover generated by home attendances and progression in domestic cup competitions. Gate receipts are expected to increase, as indicated by season ticket sales, which have risen from approximately 4,950 for the 2009/10 season to approximately 6,500, an increase of 32 per cent., for the current season. For the first 9 home league games played this season, the average attendance has been 11,842 (for the first 9 home league games played during the 2009/10 season: 9,295), showing an increase of 27.4 per cent., reflecting a benefit of Millwall F.C. playing in a higher division of The Football League in the 2010/11 season. Throughout the season, the level of attendances will reflect the performance of the team and its position in the league.

As at 15 November 2010, Millwall F.C. has played 17 league games and is in 17th position in the Championship division of The Football League.

The Group continues to exploit the facilities at The Den to increase income from the stadium on non-match days, for example by the provision of banqueting and conference facilities.

THE OPEN OFFER

The Company is proposing to raise up to £7,837,530 in cash (before expenses) and reduce its borrowings by £3,460,770 (by the cancellation of Directors Loan Notes and CHV Loans in satisfaction of the

subscription price for New Ordinary Shares) through the issue of up to 1,129,830 New Ordinary Shares by means of the Open Offer. The Open Offer is subject, *inter alia*, to Shareholder approval.

Details of the Open Offer

New Ordinary Shares are being offered to Qualifying Shareholders in the Open Offer, subject to the terms and conditions set out in this document, *pro rata* to their existing shareholdings at the Issue Price of £10 per New Ordinary Share on the following basis:

3 New Ordinary Shares for every 1 Existing Ordinary Share

registered in the names of Qualifying Shareholders at the Record Date, and so in proportion for any other number of Existing Ordinary Shares held and registered in their names.

The Open Offer is not being made by way of this document in any jurisdiction other than the EEA but will be made to Qualifying Shareholders with registered addresses in such jurisdictions as described in paragraph 9 of Part 4 of this document.

The Issue Price for each New Ordinary Share is £10 and this represents a premium of approximately 25.79 per cent. to the Closing Price for the Existing Ordinary Shares on 15 November 2010 (being the latest practicable dealing day prior to the announcement of the Open Offer).

Qualifying Shareholders may apply for any number of New Ordinary Shares up to their maximum Open Offer Entitlement which, in the case of Qualifying non-CREST Shareholders, is equal to the number of Open Offer Entitlements shown on their Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Open Offer Entitlements standing to the credit of their Stock Account in CREST. No application in excess of a Qualifying Shareholder's *pro rata* maximum entitlement will be met and any Qualifying Shareholder so applying will be deemed to have applied for his or her maximum Open Offer Entitlements only. Qualifying Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating their entitlements under the Open Offer. Valid applications up to Qualifying Shareholders' *pro rata* Open Offer Entitlements will be satisfied in full. The New Ordinary Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

If valid applications are not received for all of the New Ordinary Shares, up to 653,923 New Ordinary Shares not so applied for will be subscribed at the Issue Price pursuant to the Underwriting Agreement.

The New Ordinary Shares, when issued, will be fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares in issue, including the right to receive all dividends and other distributions (if any) declared, made or paid on or after, or by reference to a record date on or after, the date of their issue.

The Open Offer is conditional, *inter alia*, upon:

- (a) the Minimum Amount being achieved;
- (b) the passing, without material amendment, of the Resolution;
- (c) Admission becoming effective by not later than 8.00 a.m. on 20 December 2010 (or such later time and date as the Company, CHV and SCM may agree, not being later than 14 January 2011); and
- (d) the Underwriting Agreement having become unconditional in all respects save for the condition relating to Admission and not having been terminated in accordance with its terms.

The Minimum Amount has been underwritten in cash pursuant to the terms of the Underwriting Agreement.

If the conditions are not fulfilled on or before 20 December 2010 (or such later date, being not later than 14 January 2011, as SCM, CHV and the Company may agree), application monies will be returned to Applicants without interest as soon thereafter as is practicable. Similarly application monies relating to invalid applications will, to the relevant extent, be returned to Applicants without interest at their own risk.

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and dealings for normal settlement in the New Ordinary Shares will commence at 8.00 a.m. on 20 December 2010.

Application will be made for the Open Offer Entitlements for Qualifying CREST Shareholders to be admitted to CREST. It is expected that such Open Offer Entitlements will be admitted to CREST on 18 November 2010 and enabled for settlement in CREST on 18 November 2010. Applications through the

means of the CREST system may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

Qualifying non-CREST Shareholders will have received an Application Form with this document which sets out their maximum entitlement to New Ordinary Shares as shown by the number of Open Offer Entitlements allocated to them. Qualifying CREST Shareholders will receive a credit to their appropriate Stock Accounts in CREST in respect of their Open Offer Entitlements on 18 November 2010.

The Open Offer is not a “rights issue”. Qualifying Shareholders’ entitlements under the Open Offer are not transferable unless to satisfy *bona fide* market claims and the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should be aware that, unlike in the case of a rights issue, any New Ordinary Shares not applied for under the Open Offer will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer, but will be taken up, to a maximum of 653,923 New Ordinary Shares, under the Underwriting Agreement with the net proceeds being retained for the benefit of the Company.

For Qualifying non-CREST Shareholders, completed Application Forms accompanied by payment in full must be returned by post in the reply paid envelope provided to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE so as to arrive as soon as possible and in any event no later than 11.00 a.m. on 16 December 2010. For Qualifying CREST Shareholders, the relevant CREST instructions must have settled as explained in this document by no later than 11.00 a.m. on 16 December 2010.

Further information on the Open Offer and the terms and conditions on which it is made, including the procedure for application and payment, is set out in Part 4 of this document and, where relevant, in the Application Form.

Subscription commitments

CHV has irrevocably undertaken to the Company to subscribe for all of the New Ordinary Shares which it is entitled to under the Open Offer. This will result in CHV acquiring 319,998 New Ordinary Shares, representing approximately 28 per cent. of the New Ordinary Shares to be issued under the Open Offer and approximately 28 per cent. of the Enlarged Issued Share Capital if the Open Offer is fully subscribed. CHV’s subscription obligations in respect of its Open Offer Entitlement will be satisfied by the Cancellation of an equal amount of the CHV Loans in the following order of priority: (i) the 15% CHV Unsecured Debt; and (ii) the 17% CHV Unsecured Debt.

The Company has also received an irrevocable undertaking from Constantine Gonticas, a Director, to subscribe for all of the New Ordinary Shares to which he is entitled under the Open Offer. His subscription obligation will be satisfied by the Cancellation of £260,790 of his Directors Loan Notes. This will result in him acquiring 26,079 New Ordinary Shares representing approximately 2 per cent. of the New Ordinary Shares to be issued under the Open Offer and approximately 2 per cent. of the Enlarged Issued Share Capital if the Open Offer is fully subscribed.

Underwriting commitments

Pursuant to the Underwriting Agreement certain of the Directors and their associates and associated companies, certain of the NFL Noteholders and CHV have agreed with the Company to underwrite the Open Offer up to a maximum of £6,539,230 by subscribing for up to 653,923 New Ordinary Shares (“**Underwritten Shares**”).

These Directors and their associates and associated companies and NFL Noteholders have agreed with the Company to subscribe for up to 101,778 New Ordinary Shares which are not the subject of valid applications under the Open Offer by other Shareholders to a maximum value of £1,017,780, representing, in aggregate, up to approximately 9.01 per cent. of the New Ordinary Shares to be issued under the Open Offer. Their subscription obligations will be satisfied as to £150,000 in cash and as to the balance by the Cancellation of an equal amount of the Directors Loan Notes or (as the case may be) NFL Loan Notes (in the case of Constantine Gonticas, to the extent not utilised in satisfying his obligation in respect of his Open Offer Entitlement). In the event that the full underwriting commitment of these Directors and their associates and associated companies and NFL Noteholders is not utilised, they will each fulfil their underwriting obligation *pro rata* to their individual underwriting commitments.

Richard S. Press is a Director of the Company and is also a holder of or is associated with holders of both Directors Loan Notes and NFL Loan Notes.

CHV has agreed with the Company to subscribe for the balance of the Underwritten Shares not taken up by certain of the Directors and their associates and associated companies and the NFL Noteholders, representing up to approximately 48.87 per cent. of the New Ordinary Shares to be issued under the Open Offer. CHV's subscription obligations in respect of its underwriting commitment will be satisfied as to £2,000,000 in cash and as to the balance by the Cancellation of an equal amount of the CHV Loans in the following order of priority (to the extent not utilised in satisfying CHV's subscription obligations in respect of its Open Offer Entitlement): (i) the 17% CHV Unsecured Debt; and (ii) the CHV Secured Debt.

None of CHV, the relevant Directors and their associates and associated companies or the relevant NFL Noteholders will receive any fees or commissions under the terms of the Underwriting Agreement nor will they be reimbursed any costs or expenses incurred in evaluating or participating in the Open Offer.

Further details of the Underwriting Agreement are set out in paragraph 3 of Part 4 of this document.

Increase in net assets and impact on earnings

Overall, if the underwriting commitment is fully utilised and no Shareholders (other than CHV and Constantine Gonticas) take up their Open Offer Entitlements after the deduction of the costs incurred in connection with the Open Offer, there will be an increase in the net assets of the Company of up to £9.5 million, thereby increasing net assets from a deficit of £5.1 million, as shown in the audited balance sheet of the Company as at 30 June 2010, into positive net assets of up to £4.4 million. In addition, the interest payable by the Company on the CHV Loans, NFL Loan Notes and Directors Loan Notes will be reduced by an estimated maximum of £1.3 million per annum. A pro-forma balance sheet setting out the net asset position of the Company after completion of the Open Offer is set out in Section B of Part 6 of this document.

DIRECTORS' INTENTIONS AND UNDERWRITING ARRANGEMENTS

As stated above, certain Directors have undertaken on behalf of themselves and their associated companies to subscribe for, in aggregate, 346,077 New Ordinary Shares pursuant to the Open Offer. Certain Directors on behalf of themselves and/or their associates and associated companies have also committed to subscribe for up to 624,197 New Ordinary Shares pursuant to the Underwriting Agreement.

Details of the number of New Ordinary Shares each Director has agreed to subscribe for under the Open Offer and the Underwriting Agreement, subject to the Open Offer becoming unconditional, are set out in paragraph 3 of Part 4 of this document.

USE OF PROCEEDS

If the Open Offer is fully subscribed (without recourse to underwriting), the Company will reduce borrowings by £3,460,770 (by the Cancellation of Directors Loan Notes and CHV Loans) and raise £7,837,530 in cash.

If the underwriting commitment is fully utilised in accordance with the Underwriting Agreement and no Shareholders (other than CHV and Constantine Gonticas) take up their Open Offer Entitlements borrowings will be reduced by £7,850,000 (by the Cancellation of Loan Notes and CHV Loans) and cash of £2,150,000 will be raised.

Of the new monies raised in cash (based on only the Minimum Amount being achieved):

- approximately £500,000 will be used to pay for the costs incurred in connection with the Open Offer;
- £1,156,796 will be used to repay the balance of the NFL Loan Notes outstanding after the Cancellation of certain NFL Loan Notes;
- approximately £150,000 will be used to pay consultants, professional advisers and other costs in connection with the finalisation of the development plan for property regeneration of the area around The Den; and
- the remainder will be used to provide working capital to assist Millwall F.C. in meeting the challenges of participating in the Championship division of The Football League.

If the Open Offer is fully subscribed, the monies raised in excess of the Minimum Amount will be used to redeem the balance of the Directors Loan Notes including accrued but unpaid interest and PIK Notes issued in respect of the same (£442,173) and the NFL Loan Notes including accrued but unpaid interest and PIK Notes issued in respect of the same (£425,514) and up to £4,819,843 of the CHV Loans, which in

each case remain outstanding after the cancellation of that part of the Directors Loan Notes and CHV Loans utilised to satisfy the subscription price for New Ordinary Shares under the Open Offer.

If the Open Offer is not fully subscribed and the underwriting commitment is required to be fully utilised and no Shareholders (other than CHV and Constantine Gonticas) take up their Open Offer Entitlements, no monies will be raised in excess of the Minimum Amount.

Any CHV Loans, PIK Notes and accrued but unpaid interest not repaid out of the proceeds of the Open Offer will remain outstanding on the terms of the relevant loan agreements details of which are set out in paragraph 6 of Part 7 of this document.

THE CITY CODE ON TAKEOVERS AND MERGERS

The proposed acquisition by CHV of New Ordinary Shares pursuant to its subscription for its Open Offer Entitlements and New Ordinary Shares subscribed for pursuant to the Underwriting Agreement gives rise to certain considerations under the City Code. Brief details of the Panel, the City Code and the protections they afford to Shareholders are described below.

The City Code is issued and administered by the Panel. The City Code applies to all takeover and merger transactions, however effected, where the offeree company is, *inter alia*, a listed or unlisted public company with its place of central management in the United Kingdom. The Company is such a company and Shareholders are entitled to the protections afforded by the City Code.

Under Rule 9 of the City Code, any person who acquires, whether by way of a series of transactions over a period of time or not, an interest (as defined in the City Code) in shares which, taken together with shares in which he is already interested and in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the City Code, is normally required by the Panel to make a general offer to all the other shareholders of that company to acquire their shares (a “Rule 9 Offer”).

Similarly, when any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, a Rule 9 Offer will normally be required if any further interest in shares is acquired by any such person, or any person acting in concert with him.

A Rule 9 Offer must be made in cash and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of that company during the 12 months prior to the announcement of the offer.

CHV (taken together with those persons with whom CHV is acting in concert for the purposes of Rule 9 of the City Code, if any) currently holds 106,666 Existing Ordinary Shares representing 28.32 per cent. of the Existing Ordinary Shares. It also holds CHV Loans which, together with interest accrued to the Record Date, will amount to £2,626,221 that are convertible into a maximum of 87,541 Ordinary Shares and warrants to subscribe for up to 30,683 Ordinary Shares together representing (on conversion of its convertible loan and that part of the interest accrued thereon as is convertible and exercise in full of all of the warrants) 45.4 per cent. of the Existing Fully Diluted Share Capital.

On completion of the Open Offer, CHV (taken together with those persons with whom CHV is acting in concert for the purposes of Rule 9 of the City Code, if any) will potentially be interested in a maximum of 1,097,033 Ordinary Shares, representing a maximum of approximately 73.39 per cent. of the Fully Diluted Share Capital. Details of the conversion rights attaching to the CHV Loans which are convertible and the warrants are set out in paragraph 6 of Part 7 of this document. A table setting out CHV’s maximum interest in Ordinary Shares after completion of the Open Offer (assuming CHV subscribes for the maximum number of New Ordinary Shares under the Underwriting Agreement) is set out below.

Current Number of Ordinary Shares held by CHV	106,666
CHV Open Offer Entitlement	319,998
CHV underwriting commitment	552,145
Conversion of Loan Notes and PIK Notes into Ordinary Shares	87,541
Conversion of Warrants into Ordinary Shares	30,683
Total number of Ordinary Shares in which CHV could potentially be interested	<u>1,097,033</u>
Total Number of Shares included in Fully Diluted Share Capital calculation	<u>1,494,834</u>
Per cent. of Fully Diluted Share Capital in which CHV could potentially be interested	73.39%

Following completion of the Open Offer, CHV (taken together with those persons with whom CHV is acting in concert for the purposes of Rule 9 of the City Code, if any) will potentially be interested in shares carrying 30 per cent. or more of the Fully Diluted Share Capital but possibly may not hold shares carrying more than 50 per cent. of the Fully Diluted Share Capital and, in such case, any further increase in that interest in shares will be subject to the provisions of Rule 9 of the City Code.

Following completion of the Open Offer, CHV (taken together with those persons with whom CHV is acting in concert for the purposes of Rule 9 of the City Code, if any) will potentially hold more than 50 per cent. of the Fully Diluted Issued Share Capital and may accordingly increase its interests in shares without incurring any obligation under Rule 9 of the City Code to make a general offer.

Under Note 1 on the Notes on the Dispensations from Rule 9 of the City Code, the Panel is entitled to waive the requirement to make a Rule 9 Offer if, *inter alia*, the shareholders of a company who are independent of the person who would otherwise be required to make an offer (taken together with those persons with whom that shareholder is acting in concert for the purposes of Rule 9 of the City Code, if any) pass a Whitewash Resolution. Furthermore, the Panel may waive the requirement for a Whitewash Resolution to be considered at a general meeting (and for a circular to be prepared in accordance with Section 4 of Appendix 1 to the City Code) if shareholders of the company who are independent of the person who would otherwise be required to make an offer (taken together with those persons with whom that shareholder is acting in concert for the purposes of Rule 9 of the City Code, if any) holding more than 50 per cent. of the company's shares capable of being voted on such a resolution confirm in writing that they would vote in favour of the Whitewash Resolution were one to be put to the shareholders of the company at a general meeting.

The following Shareholders:

	No. of Existing Ordinary Shares	Percentage of Independent Ordinary Shares
Graham Ferguson Lacey (held by Sports Regeneration Limited, Forest Nominees Limited and Graham Ferguson Lacey)	62,699	23.22
William Shenkman (held by Lynchwood Nominees Limited as his nominee)	27,322	10.12
Oracle Management Limited	17,499	6.48
Trevor Keyse (shares held by Rowanmoor Trustees and Trevor and June Keyse)	12,655	5.10
Millwall Supporters' Society Limited	10,204	3.78
Constantine Gonticas	8,693	3.22

who, in aggregate, are interested in 139,072 Existing Ordinary Shares, representing 51.52 per cent. of the Independent Ordinary Shares, have each confirmed in writing to the Panel:

1. that they have absolute discretion over the manner in which its respective Existing Ordinary Shares are voted and that these Existing Ordinary Shares are held free of all liens, pledges, charges and encumbrances;
2. that:
 - (a) save for the fact that they are Shareholders, there is no connection between them and CHV; and
 - (b) they do not have any interest or potential interest, whether commercial, financial or personal, which is conditional on the outcome of the Open Offer; and
 - (c) they are Independent Shareholders; and
3. that, in connection with the Open Offer:
 - (a) they have consented to the Panel granting a waiver from the obligation for CHV to make a Rule 9 Offer;
 - (b) subject to Independent Shareholders holding more than 50 per cent. of the shares capable of being voted on a Whitewash Resolution giving separate confirmations in writing, they consent to the Panel dispensing with the requirement that Independent Shareholders approve a Whitewash Resolution at a general meeting of the Company; and
 - (c) they would vote in favour of a Whitewash Resolution were such a resolution put to the Independent Shareholders at a general meeting.

In giving the confirmations referred to above, each of the Independent Shareholders acknowledged:

1. that, if the Panel receives written confirmation from Independent Shareholders holding more than 50 per cent. of the shares capable of being voted on a Whitewash Resolution, the Panel will approve a waiver from the obligation of CHV to make a Rule 9 Offer without the requirement for the waiver having to be approved by Independent Shareholders at a general meeting (an “Accelerated Panel Waiver”); and
2. that, if no general meeting is held to approve a Whitewash Resolution:
 - (a) there will not be an opportunity for any other person to make any alternative proposal to the Company conditional on such Whitewash Resolution not being approved by Independent Shareholders;
 - (b) there would not be an opportunity for any other Shareholders to make known their views on the waiver of the obligation for CHV to make a Rule 9 Offer; and
 - (c) there would be no requirement for the Company either: (i) to obtain and make known to the Shareholders competent independent advice under Rule 3 of the City Code on a Rule 9 Offer by CHV and the waiver of the obligation for CHV to make a Rule 9 Offer; or (ii) to publish a circular to Shareholders in compliance with Appendix 1 of the City Code in connection with this matter.

Independent Shareholders also confirmed that they would not sell, transfer, pledge, charge or grant any option or other right over, or create any encumbrance over, or otherwise dispose of their Existing Ordinary Shares until after the conclusion of the EGM.

Following the receipt of written confirmation from the Independent Shareholders named above, the Panel has agreed to grant a waiver from the normal requirements of Rule 9 of the City Code and has waived the requirement for a Whitewash Resolution to be considered at the EGM (and for a circular to be prepared in accordance with Section 4 of Appendix 1 to the City Code).

EXTRAORDINARY GENERAL MEETING

In order to implement the Open Offer it is necessary to obtain Shareholders’ approval of the Resolution set out in the notice of the EGM which you will find on page 122 of this document. The Extraordinary General Meeting will be held at 11.30 a.m. or as soon as possible after the conclusion of the AGM on 17 December 2010 when the following ordinary resolution will be proposed as a composite ordinary resolution to:

- (a) amend the maximum nominal amount of shares that may be allotted by the Company to £22,332,878.45 divided into 2,000,000 ordinary shares of £10 each and 2,592,087,167 deferred shares of 0.09p each, representing an increase of 102.64 per cent. in the maximum nominal value of shares that may be allotted by the Company;
- (b) authorise the Directors, at any time during the period of five years from the date of the passing of the resolution, to allot equity securities (as defined by section 560 of the Act) of the Company having an aggregate nominal value of up to £11,298,300 representing 300 per cent. of the Company’s issued ordinary share capital as at 15 November 2010 (being the latest practicable date prior to the publication of this document) in relation to the Open Offer; and
- (c) approve the terms of the Open Offer.

The Resolution is in addition to and will not affect any authority in respect of section 551 of the Act granted to the Directors at the Annual General Meeting to be held at 11.00 a.m. on 17 December 2010 immediately prior to the EGM.

OVERSEAS SHAREHOLDERS

The attention of Shareholders who are citizens or residents of countries other than the United Kingdom or who have a registered address outside the United Kingdom, is drawn to the section entitled “Overseas Shareholders” in paragraph 9 of Part 4 of this document. Such Shareholders must satisfy themselves as to the applicable laws and their observance thereof.

TAXATION

Further information regarding United Kingdom taxation in connection with the Open Offer is set out in paragraph 9 of Part 7 of this document. Shareholders who are in any doubt as to their taxation position or who are subject to tax in any other jurisdiction should consult their professional adviser as soon as possible.

INFORMATION ON THE NEW ORDINARY SHARES

The New Ordinary Shares, which will be issued subject to and in accordance with the Act and the Articles, will be sterling denominated ordinary shares of £10 each in the capital of the Company with the ISIN number GB00B68GQL44.

The New Ordinary Shares will be in registered form. Subject to the provisions of the CREST Regulations, the Directors may permit the holding of such New Ordinary Shares in uncertificated form and title to such shares may be transferred by means of a relevant system (as defined in the CREST Regulations). Where New Ordinary Shares are held in certificated form, share certificates will be sent to the registered members by first class post. Where New Ordinary Shares are held in CREST, the relevant Stock Account of the registered members will be credited. Computershare Investor Services PLC has responsibility for maintaining the Company's register of members.

The New Ordinary Shares will, when issued, be fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares in issue, including the right to receive all dividends and other distributions (if any) declared, made or paid on or after, or by reference to a record date on or after, the date of their issue.

ADMISSION TO TRADING AND DEALING ARRANGEMENTS

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective on 20 December 2010 and that dealings for normal settlement in the New Ordinary Shares will commence at 8.00 a.m. on 20 December 2010.

Subject to the satisfaction of the conditions of the Open Offer, the New Ordinary Shares to be issued under the Open Offer will be registered in the names of the persons to whom they are issued, either:

- (i) in certificated form, with the relevant share certificate expected to be dispatched by post, at the Applicant's risk, within seven days of Admission; or
- (ii) in CREST, with delivery (to the designated CREST Stock Account) of the New Ordinary Shares applied for expected to take place on 20 December 2010 unless the Company exercises its right to issue New Ordinary Shares in certificated form.

It is expected that the results of the Open Offer will be announced on a Regulatory Information Service on 17 December 2010.

No temporary documents of title will be issued. All documents or remittances sent by or to an Applicant, or as he/she may direct, will be sent through the post at his/her risk.

ACTION TO BE TAKEN IN RESPECT OF THE EXTRAORDINARY GENERAL MEETING

A Form of Proxy is enclosed with this document for use by Shareholders at the Extraordinary General Meeting. Whether or not Shareholders intend to be present at the Extraordinary General Meeting, Shareholders are requested to complete, sign and return the Form of Proxy by post in the reply paid envelope provided to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE as soon as possible but in any event so as to arrive no later than 11.30 a.m. on 15 December 2010. The completion and return of the Form of Proxy will not preclude Shareholders from attending the EGM and voting in person should they so wish.

ACTION TO BE TAKEN IN RESPECT OF APPLICATIONS FOR NEW ORDINARY SHARES

If you are a Qualifying non-CREST Shareholder, you will find enclosed with this document an Application Form to apply for New Ordinary Shares under the Open Offer. The Application Form gives details of your maximum entitlement under the Open Offer (as shown by the number of Open Offer Entitlements allocated to you). If you wish to take up any or all of your entitlement to New Ordinary Shares under the Open Offer, you should complete and return the Application Form in accordance

with the procedure for application set out in paragraph 4.1 of Part 4 of this document and in the Application Form.

If you are a Qualifying CREST Shareholder, no Application Form is enclosed and you will receive a credit to your appropriate Stock Account in CREST in respect of the Open Offer Entitlements representing your maximum entitlement under the Open Offer. You should refer to the procedure for application set out in paragraph 4.2 of Part 4 of this document.

If you do not wish to apply for any New Ordinary Shares under the Open Offer you should not complete or return the Application Form. **Shareholders are nevertheless requested to complete and return the Form of Proxy in order for their votes to be counted at the Extraordinary General Meeting.**

The latest time for applications under the Open Offer to be received, whether from Qualifying non-CREST Shareholders or from Qualifying CREST Shareholders, is 11.00 a.m. on 16 December 2010. The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have Open Offer Entitlements credited to your Stock Account in CREST in respect of such entitlement. The procedures for application and payment are set out in Part 4 of this document. Further details also appear in the Application Form which has been sent to Qualifying non-CREST Shareholders. If you take no action, your entitlements will lapse.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer. Further details of the Open Offer are set out in the letter from SCM in Part 4 of this document and, where relevant, in the Application Form accompanying this document.

If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA immediately if you are in the United Kingdom or, if you are not, from another appropriately authorised independent professional adviser.

ADDITIONAL INFORMATION

Your attention is specifically drawn to the additional information in Parts 2 to 7 of this document. You are advised to read the whole of this document rather than relying on the summary information set out in this letter.

RELATED PARTY TRANSACTION

The agreement of CHV and certain of the Directors and their associates and associated companies with the Company to underwrite up to £6,241,970 of the Open Offer will constitute a related party transaction under AIM Rule 13. CHV is a substantial shareholder of the Company and John G. Berylson and Demos Kouvaris are directors of both the Company and CHV and James Berylson, a Director, is also connected with CHV.

In accordance with AIM Rule 13, the Director who is not party to the Underwriting Agreement nor connected with CHV (being Andy Ambler) having consulted with SCM, the Company's nominated adviser for the purposes of the AIM Rules, and the Company's financial adviser for the purposes of this Open Offer, considers that the terms of the Underwriting Agreement are fair and reasonable insofar as Shareholders are concerned and they are in the best interests of the Company and its Shareholders as a whole.

In giving advice to the Independent Director, SCM has taken into account the Independent Director's commercial assessments.

RECOMMENDATION

The Independent Director (being Andy Ambler who is not party to the Underwriting Agreement nor connected with CHV) considers that the Open Offer is in the best interests of the Company and its Shareholders as a whole. Accordingly, the Independent Director recommends Shareholders to vote in favour of the Resolution to be proposed at the EGM.

Myself, Demos Kouvaris, James T. Berylson, Constantine Gonticas, Trevor Keyse and Richard S. Press as parties to the Underwriting Agreement or being connected to parties to the Underwriting Agreement, took no part in the Board's decision to recommend that Shareholders vote in favour of the Resolution.

CHV and certain other Shareholders have also provided irrevocable undertakings to vote in favour of the Resolution in respect of their own beneficial holdings and holdings over which they exercise voting control, amounting in aggregate to 129,114 Existing Ordinary Shares, representing approximately 34.28 per cent. of the Existing Ordinary Shares.

Yours faithfully

John G. Berylson

Non-Executive Chairman

PART 2

INFORMATION ON THE GROUP

HISTORY AND DEVELOPMENT OF THE GROUP

The Group consists of the Company and its wholly owned subsidiaries, the Club and Millwall Properties Limited. The Company acts as a holding company and does not currently take part in any other trading activity. The Club is the owner and operator of Millwall F.C. which competes in the Championship division of The Football League. Millwall Properties Limited was incorporated to progress the development of plans for the regeneration of the area surrounding The Den stadium.

The Company was incorporated on 6 March 1989. It went into administration in January 1997 from which it emerged in June 1997. Since that time, Millwall F.C. has spent time in both the Championship division of The Football League and League 1, having last been relegated to League 1 at the end of the 2005/06 season. Millwall F.C. reached a play-off position in the 2008/09 season but lost in the final at Wembley. In the following season, 2009/10, it again reached the play-offs, this time achieving a 1-0 victory over Swindon Town at Wembley in May 2010 to achieve promotion to the Championship division of The Football League for the current season. In the 2003/04 season Millwall F.C. reached the final of the FA Cup but was beaten by Manchester United at the Millennium Stadium in Cardiff. In the following season, it played, for the first time in its history, in the UEFA Cup.

OPERATING AND FINANCIAL REVIEW

RESULTS FOR THE THREE FINANCIAL PERIODS ENDED 30 JUNE 2010

A summary of the trading results for the Group for the three financial periods ended 30 June 2010 which have been extracted without material adjustment from the audited accounts of the Company set out in Part 6 of this document is set out below.

Summary of Results

	13 months ended 30 June 2008 £'000	Year ended 30 June 2009 £'000	Year ended 30 June 2010 £'000
Income	6,280	6,531	7,605
Staff costs	(6,313)	(6,260)	(6,357)
Other expenses	(5,637)	(4,711)	(4,695)
Net Finance expense	(445)	(774)	(1,511)
Loss on ordinary activities	<u>(6,115)</u>	<u>(5,214)</u>	<u>(4,958)</u>
Loss per share	(2,172)p	(1,390)p	(1,321)p

The three financial periods ended on 30 June 2010 have seen Millwall F.C. play in League 1 during which it finished 17th in the 2007/08 season, 5th in the 2008/09 season and 3rd in the 2009/10 season. The results reflect a growth in income reflecting the improved performance of Millwall F.C., whilst the Group's principal outgoings on staff costs have remained relatively static over the period. There has also been tight control over other operating expenses which has resulted in operating loss before interest falling from £5.650 million in the thirteen month period ended 30 June 2008 to £4.440 million and £3.447 million in the years ended 30 June 2009 and 2010 respectively as shown in Part 6 of this document. However, interest costs have increased to reflect the growing level of high interest bearing borrowings over the period. Nonetheless, the loss on ordinary activities shows a reduction in each of the periods under review.

Revenue

Analysis of Income

	13 months ended 30 June 2008 £'000	Year ended 30 June 2009 £'000	Year ended 30 June 2010 £'000
Turnover			
Match day	3,016	3,881	4,746
Central League awards	491	589	751
Commercial	1,860	1,990	1,954
	<u>5,367</u>	<u>6,460</u>	<u>7,451</u>
Other income			
Profit on disposal of players' registrations	913	71	154
	<u>6,280</u>	<u>6,531</u>	<u>7,605</u>

Turnover

The turnover of the Group has increased significantly by 39 per cent. over the past 2 years. Turnover, which for the thirteen months to 30 June 2008 was down by 3 per cent. on the previous year, increased by 20 per cent. and 15 per cent. in the years ended 30 June 2009 and 2010 respectively, mainly as a result of increased match day attendances reflecting the improved performance of the Millwall F.C. first team over the period.

Turnover of the Group comprises the following main income streams:

Match related income

Match ticket sales, season ticket sales, executive box sales, executive club ticket sales, food and beverage sales, match programme sales and television and media fees.

Other football related income

Supporters club membership subscriptions, merchandise sales, The Football League central distributions and Football Association prize monies. In addition to the above, the Club also trades in player registrations as part of its ordinary activities.

Non-football related income

Conference and seminar fees, hospitality functions and stadium hire/location fees.

Ticket sales

One of the key revenues for the Club is the sale of match tickets, either by season tickets or on a match-by-match basis. Match ticket revenue and average crowd statistics are as follows:

	Football seasons		
	2007/08	2008/09	2009/10
Average home league attendees	8,668	8,940	10,835
Number of season ticket sales	4,550	4,200	4,950
Match-day revenue	£3.016m	£3.881m	£4.746m
League position at end of period	17th	5th	3rd

Season ticket sales for the current 2010/11 season have shown a 33 per cent. increase over the 2009/10 season, with sales increasing to approximately 6,500 season tickets.

The revenue for the financial period 2007/08 was generated from 23 home league matches and 2 cup matches during the 2007/08 football season; for the financial period 2008/09 it was generated from 24 home league matches and 3 cup matches during the 2008/09 football season and for the financial period 2009/10 it was generated from 24 home league games and 4 cup matches during the 2009/10 football season. The rise in match day revenue reflects the increased attendances each year and both 2009 and 2010 have benefited from Millwall F.C.'s appearance at the Wembley play-offs.

Television and The Football League central distributions

The contracts from both television rights and league sponsorship deals are negotiated by The Football League on behalf of its 72 member clubs. In addition, The Football League receives funds known as a solidarity payment from the FA Premier League. Television income is distributed to clubs dependent upon which of the three divisions of The Football League the club competes in, and is split between a guaranteed sum and further sums dependent upon the number of live televised games in which a member club appears. Additional television revenues are earned if a club plays in a live televised fixture in either The FA Cup or The Football League Cup. The majority of the central sponsorship income and solidarity payments from the FA Premier League are awarded to clubs that play in the Football League Championship, who share that revenue equally amongst the 24 clubs in that division.

Central award and television revenues over the past three years are as follows:

	Periods ended 30 June		
	2008 £'000	2009 £'000	2010 £'000
FL and FA central awards	491	589	751
Contingent broadcasting fees	22	85	126
Total	<u>513</u>	<u>674</u>	<u>877</u>

The Football League and Football Association central awards and contingent TV fees have increased each year both as a result of an increase in the central allocation and the higher number of televised games in the last two years reflecting the improving league position of Millwall F.C.

Sponsorship, merchandising and advertising

	Periods ended 30 June		
	2008 £'000	2009 £'000	2010 £'000
Sponsorship and advertising	452	439	410
Merchandising	609	777	766
Total	<u>1,061</u>	<u>1,216</u>	<u>1,176</u>

These sources of revenue have remained relatively static over the period under review.

The number of home matches is a key factor to the revenue generated from sponsorship, merchandising and advertising. During the 2007/2008 season, 25 home matches were staged compared to 27 during the 2008/2009 season and 28 during the 2009/2010 season. Merchandising sales have benefited from Millwall F.C.'s appearances in the play-off finals in the 2008/2009 and 2009/2010 seasons.

Sponsorship income is mainly derived from shirt sponsors for both home and away kits, although a number of regular small sponsorship opportunities provide income. Millwall F.C. has a club shop and online facilities where the income principally arises from the sale of replica kits.

Catering, conference and other income

	Periods ended 30 June		
	2008 £'000	2009 £'000	2010 £'000
Conference catering income	490	508	500
Other income	287	181	152
Total	<u>777</u>	<u>689</u>	<u>652</u>

Included in match day income in the table of turnover on page 29 above, is match day catering of £232,000, £286,000 and £353,000 in the period ended 30 June 2008, and the years ended 30 June 2009 and 2010.

The revenue is driven by match day and non-match day trade all year round. Non-ticket match day income is principally derived from the sale of food and beverages in the bars and hospitality boxes and executive member areas. On non-match days revenue is generated from conferences and other functions. The stadium is an attractive venue for conferences, reflecting a competitive pricing policy for a venue close to Central London with good capacity and parking facilities.

Other Income

The Club trades in player registrations as part of its ordinary activities and the profits realised in the periods under review were:

	Financial periods		
	13 months ended 30 June 2008 £'000	Year ended 30 June 2009 £'000	Year ended 30 June 2010 £'000
Profit on sale of player registrations	913	71	154

Although the Directors recognise that to maintain an acceptable budgetary position it may be necessary that the Club realises, from time to time, the maximum value from the development of home grown and recruited talent, it is not part of the Group's working capital requirements that there should be such realisations from its portfolio of registered players.

Staff Costs

	Periods ended 30 June		
	2008 £'000	2009 £'000	2010 £'000
Amounts relating to players and management	3,966	3,887	3,833
Other staff costs	1,765	1,775	1,833
Social security costs	580	585	584
Pension costs	2	13	107
Total	6,313	6,260	6,357

The average number of staff employed by the Group is set out below:

	Football Team Management	Administrative and Ground Staff	Players
Period ended 30 June 2008	7	55	46
Period ended 30 June 2009	7	59	46
Period ended 30 June 2010	9	58	41

In addition the Club employs temporary staff on match days.

The cost of player and management wages is material to the business as it represents the largest Group cost. Player and management wages include: basic salary, appearance fees, individual bonus payments, team bonus payments and benefits in kind. Control over player wages over the period has been exercised through detailed cost projection and comparison to budget. Other costs include those of staging matches i.e. stewards and other match day staff, full time administration staff and the cost of sales staff associated with turnover.

An important performance indicator is the proportion of staff costs to turnover. This has fallen in each period from 117 per cent. in the period ended 30 June 2008 to 97 per cent. and 85 per cent. in the years ended 30 June 2009 and 2010 respectively. However, the level for 2008 reflects the thirteen month period having included June 2008, a month with no football fixtures and therefore the lowest income generating month of the calendar year.

Playing Squad

The Millwall F.C. first team is managed by Kenny Jackett, who was appointed in November 2007, and his team, which includes Joe Gallan as his assistant and Richard Shaw as coach. The full time football management team is responsible for on pitch performance and includes physiotherapists, a scouting team and medical staff. The management team is complemented by part time analysts and providers of other services as and when the management team requires them.

The playing squad currently comprises 28 professionally contracted players.

One of the uncertainties faced by Millwall F.C. and indeed all football clubs is that of reduced income through relegation. The Club has taken steps to reduce this risk by structuring some players' contracts such that in the event of relegation their basic pay would be reduced by 25 per cent. for the period Millwall F.C. remains in the lower division. In addition to this, in the event of relegation, the Club would

reassess its playing squad and consider, if necessary, transferring saleable players, loaning out others and terminating contracts where practicable with a view to building a squad appropriate to the division in which it plays.

Centre of Excellence

In 2009 Millwall F.C. relinquished its participation in the FA Academy programme for youth player development in order to reduce costs. It now operates an FA Centre of Excellence for youth players with Scott FitzGerald as the Head of Youth. The youth team plays in The Football League Youth Alliance League using Millwall F.C.'s training ground facilities for both training and fixtures.

Millwall F.C. places great emphasis on its youth development policy. Three established members of the first team, Paul Robinson, the captain, Tony Craig and Alan Dunne have all passed through the youth programme and this season further youth players have been added to the first team squad, for example John Marquis. The Directors consider the development of young players to be important to establishing an economically viable first team at Millwall F.C.

Other staff costs

The number of administrative staff has increased by a net 3 over the period as a result of the investment in a strengthened marketing and customer focused team, which is reflected in the higher level of costs in the year ended 30 June 2010.

Other administrative expenses

Analysis of Operating Costs

	13 months ended 30 June 2008 £'000	Year ended 30 June 2009 £'000	Year ended 30 June 2010 £'000
Overheads	4,002	3,966	3,899
Costs of Regeneration programme	1,200	200	212
Amortisation of players' registrations	126	287	320
Depreciation	309	258	264
	5,637	4,711	4,695

Central overheads

The central operating overheads include those for staging matches at the stadium, costs associated with turnover such as purchases of merchandise, catering supplies and the printing of the match day programme, together with the running costs of the stadium such as rent, power, communication and other similar costs. These have fallen in each period from 75 per cent. of turnover in the period ended 30 June 2008 to 61 per cent. and 52 per cent. in the years ended 30 June 2009 and 2010 respectively.

Over the period the central overhead costs have shown little variation from year to year. Savings have been made to the operating costs, despite the increased match day costs that arise from the rising attendances each year.

Costs of Regeneration Programme

During the period ended 30 June 2008 the Group incurred significant expenditure on the preliminary research, surveys and preparatory planning of the potential regeneration and development of the property adjacent to The Den. The expenditure on this scheme was substantially reduced during 2008 and the costs for the latter two years comprise the costs of continuing research and advice as the redevelopment plans were slowly moving towards more formal proposals being formulated.

Amortisation of players' registrations

The costs of acquiring and retaining player registrations, including signing-on fees, are capitalised as intangible assets and amortised over the period of the players' contracts with appropriate adjustments for any diminutions in value assessed to have taken place. The amortisation charge in any period will be affected by the impact of the cost of new registrations and the proceeds from the disposal of players' contracts which lead to variances each year. It is therefore likely that the charge will increase in those years where costs exceed proceeds and vice versa as demonstrated in the table below.

The key performance indicator is the cash flow from the purchase and sale of players' contracts which are summarised as follows:

	Periods ended 30 June		
	2008 £'000	2009 £'000	2010 £'000
Payments to acquire player			
Registrations	(381)	(343)	(739)
Proceeds from disposal of player			
Registrations	695	277	167
Net cash inflow	<u>314</u>	<u>(66)</u>	<u>(572)</u>

Historically the Club has sold players' registrations to fund operating losses. However, with few exceptions, the levels of transfer values for players outside of The Premier League no longer provides a source of substantial cash flow and is not now relied upon by the Club to provide working capital.

Net Interest costs

Analysis of Net Interest Costs

	13 months ended 30 June 2008 £'000	Year ended 30 June 2009 £'000	Year ended 30 June 2010 £'000
Payable			
Bank loans and overdrafts	5	–	–
Interest on Loan Notes	468	779	1,511
Other	3	5	–
	<u>476</u>	<u>784</u>	<u>1,511</u>
Interest on bank deposits	<u>(31)</u>	<u>(10)</u>	<u>–</u>
	<u>445</u>	<u>774</u>	<u>1,511</u>

The Group no longer use bank loans as a source of finance. The interest on Loan Notes accrues at rates varying from 9 per cent. per annum up to 17 per cent. per annum, this higher rate accruing on Loan Notes issued in November 2008. This gives rise to the increasing interest costs which reflect the additional borrowings of £4.7 million during the period ended 30 June 2008 and £4.2 million and £3.2 million during the years ended 30 June 2009 and 30 June 2010 respectively.

Loss per Ordinary Share

The reductions in the loss per ordinary share of 69p are almost entirely due to the decreased loss attributable to Shareholders. The issue of 3,000,000,000 ordinary shares of 0.01p in June 2007, and the issue of 9,430,156,667 ordinary shares of 0.01p in June 2008 will have had no material effect upon the weighted average number of shares in issue in the 13 month period ended 30 June 2008, but will have been a major cause in the reduced loss per share in the year ended 30 June 2009. The issue of 160,000,000 ordinary shares of 0.001p in April and May 2010 will have had no material effect on the loss per share for the year ended 30 June 2010.

SUMMARY BALANCE SHEETS

A summary of the balance sheets of the Group at the end of the three financial periods ended 30 June 2010 which have been extracted without material adjustment from the accounting information on the Company set out in Part 6 of this document is set out below.

Balance sheet

	30 June 2008 £'000	30 June 2009 £'000	30 June 2010 £'000
Fixed assets			
Intangible assets	291	392	661
Tangible assets	15,127	15,037	14,826
	<u>15,418</u>	<u>15,429</u>	<u>15,487</u>
Current assets			
Inventories	66	61	51
Debtors: due within one year	1,104	1,007	968
Cash and cash equivalents	204	391	760
	<u>1,374</u>	<u>1,459</u>	<u>1,779</u>
Creditors: amounts falling due within one year	(3,642)	(8,465)	(18,296)
Net current liabilities	<u>(2,268)</u>	<u>(7,006)</u>	<u>(16,517)</u>
Total assets less current liabilities	<u>13,150</u>	<u>8,423</u>	<u>(1,030)</u>
Creditors: amounts falling due after more than one year	<u>(8,127)</u>	<u>(8,600)</u>	<u>(4,057)</u>
Net assets	<u>5,023</u>	<u>(177)</u>	<u>(5,087)</u>
Capital and reserves			
Share capital	6,083	6,083	6,099
Share premium	15,120	15,120	15,152
Equity component of convertible loan notes	181	181	181
Capital reserve	21,474	21,474	21,474
Profit and loss account	(37,835)	(43,035)	(47,993)
Equity shareholders' funds	<u>5,023</u>	<u>(177)</u>	<u>(5,087)</u>

The principal movements in the assets shown in the balance sheets are the increases in creditors due both within one year and over one year. At 30 June 2008 the Group had total creditors of £11.8 million which increased by £5.3 million to £17.1 million, almost exclusively in short term liabilities, at 30 June 2009 and by a further £5.2 million to £22.3 million at 30 June 2010. At this latter date there has been a movement from liabilities due after one year into liabilities due within one year as long term loans moved closer to their repayment dates. The increase of total liabilities over the two years ended 30 June 2010 amounts to £10.6 million, which includes £7.6 million relating to loans entered into by the Company and £2.3 million relating to interest accrued but unpaid on these loans.

These loans have been raised as the means of funding the losses incurred over the period, which resulted in the reduction in the net assets of the Company from £5.0 million at 30 June 2008 to a deficiency of assets amounting to £5.1 million at 30 June 2010.

CASH FLOWS

A summary of the cash flows of the Group for the three financial periods ended 30 June 2010 which have been extracted without material adjustment from the audited accounts of the Company set out in Part 6 of this document is set out below.

Cash flow

	13 months ended 30 June 2008 £'000	Year ended 30 June 2009 £'000	Year ended 30 June 2010 £'000
Net outflow from operating activities	(6,435)	(3,818)	(2,234)
Net cash inflow from returns on investments and servicing finance	23	5	0
Capital expenditure and financial investment			
– Purchase of tangible fixed assets	(36)	(168)	(65)
– Purchase of players' registrations	(381)	(343)	(739)
– Proceeds of sale of tangible fixed assets	0	0	0
– Proceeds of sale of players' registrations	695	277	167
	278	(234)	(637)
Net cash inflow from financing	5,595	4,234	3,240
(Decrease)/increase in cash	(539)	187	369

The above summary should be read in conjunction with the financial information set out in Part 6 of this document.

Whilst the loss before taxation in the year ended 30 June 2009 was £901,000 less than that for the previous year, the cash utilised in operations reduced by £2.6 million. This further improvement of £1.7 million is partly explained by the 2008 period loss reflecting increased profits of £1.213 million on the disposal of players' registrations and leasehold property interests, and the 2009 loss reflecting an increase of £308,000 in finance expense, these items not being treated as operating cash flows.

During the year ended 30 June 2010, the loss before taxation showed a small reduction of £256,000 and the cash utilised in operations reduced by £1.6 million. This reflects in the main, an increased accrual of interest of £727,000 and positive movements in working capital of £750,000 due to an increase in general creditors with other small movements. Net cash outflow from investment activities increased by £413,000 due mainly to increased expenditure on player registrations which increased this year by £396,000

CAPITAL RESOURCES

During the period under review the majority of resources needed to fund the operations of the Group have, in the main, been provided by way of loans with the major element of this being increasing indebtedness to CHV. In the 13 month period ended 30 June 2008 the Company issued shares for a consideration of £3.7 million and in the three financial periods since 1 June 2008, additional loans of £12.2 million have been raised.

Resolutions to disapply the statutory pre-emption rights on the issue of Ordinary Shares for cash were proposed at annual general meetings of the Company held in 2007, 2008 and 2009. The disapplication would have given the Directors the authority to issue up to £2,000,000 in nominal value of ordinary shares for cash without the requirement to make a pre-emptive offer to Shareholders. As the resolutions were not approved by the necessary majority of Shareholders, the Company has been severely constrained and is only able to raise money by way of a pre-emptive offer or debt.

The Company now looks to use new equity capital to be raised by the Open Offer to reduce indebtedness through the repayment of significant amounts of its loans. Without the funds raised by the Open Offer, the Company would have to rely on additional loans from CHV for its working capital needs.

During the periods covered by the financial information noted above, the following ratios are relevant to an understanding of capital structure and liquidity:

	At 30 June 2008	At 30 June 2009	At 30 June 2010
Debt to equity ratio	0.934	(55.559)	(2.874)
Quick ratio	<u>0.359</u>	<u>0.165</u>	<u>0.094</u>

The debt/equity ratio has been slowly increasing over the periods, which is a direct result of losses incurred in each period by the Company which has the effect of decreasing equity funds. Such losses have been funded from borrowings. The increase in debt relates mainly to the provision of CHV Loans and NFL Loan Notes. Details of these loans are set out in note 14 and note 15 on pages 81 and 82 of Part 6 of this document.

Changes in debt and equity funding since 31 May 2007 are as follows:

	Audited		
	Periods ended 30 June		
	2008	2009	2010
	£'000	£'000	£'000
Proceeds of share placements/issues	900	—	—
Associated costs of share issues	—	—	—
Capital grant received	—	—	—
Finance lease and hire purchase capital repayments	—	—	—
Receipts from new borrowings	4,695	4,234	3,240
Net cash inflow/(outflow)	<u>5,595</u>	<u>4,234</u>	<u>3,240</u>

During the 13 month period ended 30 June 2008 and the year ended 30 June 2010, share capital was issued both for cash and by way of conversion of CHV Convertible Debt, Directors' Loan Notes and NFL Loan Notes and PIK Notes in respect of the same as follows:

Issue of Ordinary Share Capital

	Ordinary shares of 0.01p Issued	Nominal Value £	Consideration Received £
Private Placings			
19 June 2007	3,000,000,000	300,000	900,000
Conversion of CHV Convertible Debt and Loan Notes and PIK Notes			
20 June 2008	8,329,746,667	832,975	2,498,924
25 June 2008	1,100,410,000	110,041	330,123
22 April 2010	60,000,000	6,000	18,000
27 May 2010	<u>100,000,000</u>	<u>10,000</u>	<u>30,000</u>

A table containing further information on the Loan Notes and CHV Loans (in each case excluding accrued interest and PIK Notes) is set out below.

Lender	Facility	Repayment Date	Amount drawn and outstanding at	Available facility
			30 September 2010 £'000	£'000
CHV	Facility Agreement 1 – Facility A	1 July 2012	1,800	–
	Facility Agreement 1 – Facility B	1 July 2012	3,000	–
	Facility Agreement 2 – Facility A	1 July 2012	4,300	–
	Facility Agreement 2 – Facility B	1 July 2012	1,404	1,696
NFL Noteholders	£1,500,000 Secured Convertible NFL Loan Notes 2010	31 July 2011*	1,151	–
Constantine Gonticas and Keyse Holdings Limited	£300,000 Unsecured Non-Convertible Directors' Loan Notes 2010	31 March 2011	300	–
Constantine Gonticas, Keyse Holdings Limited and Jeanne L. Press	£300,000 Unsecured Non-Convertible Loan Notes 2011	31 March 2011	300	–
			15,455	1,696

* Or, if at least £1,500,000 gross funds are raised in an equity issue, on the fifth business day following the closing of such issue.

Details of the conversion rights attached to the CHV Convertible Debt, Directors' Loan Notes and NFL Loan Notes are set out in paragraph 1 of Part 7 of this document.

Borrowings and the maturity profile of these borrowings are analysed as follows:

	Audited Periods ended 30 June		
	2008 £'000	2009 £'000	2010 £'000
Loan Notes (excluding PIK Notes) and CHV Loans	4,252	8,589	11,884
Interest accrued	105	475	387
PIK Notes	333	840	2,348
Total borrowings	4,690	9,904	14,619
In less than one year or on demand			
Loan Notes (excluding PIK Notes) and CHV Loans	–	4,161	11,884
Interest accrued	–	475	387
PIK Notes	333	770	2,348
	333	5,406	14,619
In more than one year but less than two years			
Loan Notes (excluding PIK Notes) and CHV Loans	4,252	4,428	–
Interest accrued	105	–	–
PIK Notes	–	70	–
	4,357	4,498	–
Total borrowings	4,690	9,904	14,619

The capitalisation and indebtedness statement in paragraph 13 of Part 7 of this document records the financial indebtedness of the Group as at 30 September 2010.

The table above shows the substantial increase that has occurred in the level of Group borrowings over the three financial periods, the principal source of which has been by way of CHV Loans.

CHV has made available facilities to the Group totalling £14 million, of which £13.7 million had been drawn down as at 15 November 2010, leaving £0.3 million available to the Group.

The cash flow statements in Part 6 of this document show that the Group utilises cash mainly in the funding of operating losses. The net outflow of cash on servicing of finance relates to the payment of interest charged on loans from CHV and others.

The currency in which cash and cash equivalents are held is pounds sterling. All borrowings are at a range of fixed rates and no financial instruments are used for hedging purposes. Further information is provided in notes 14 and 15 to the Financial Information for the three financial periods ended 30 June 2010 set out in Part 6 of this document.

The Group's treasury activities are controlled by management and cash is monitored on a daily basis by financial management and at least one director of the Company. Short term cash flows are prepared for the Directors on those occasions where closer management of cash is required. All of this helps ensure that short term cash requirements are identified in good time.

To date all covenants relating to the Group's shareholder and other loans have been complied with and there are no current known issues which may affect the Group's ability to obtain appropriate loan facilities in the foreseeable future.

The Company has not during the accounting periods ended 30 June 2008 and 30 June 2009 declared dividends and has for the period ended 30 June 2010 insufficient funds and distributable reserves to pay a dividend.

Currency exposure

The Group had no foreign currency exposure during the three financial periods ended 30 June 2010. The Group does not currently have extensive transactions denominated in foreign currencies and does not therefore engage in any form of currency hedging transactions.

PART 3

DIRECTORS

1. DIRECTORS

The Board comprises the following persons:

John G. Berlyson, *Non-Executive Chairman, aged 57*

John is based in the USA and has been chairman and chief executive of Chestnut Hill Ventures, LLC, a major shareholder in the Company, since 2002. Previously he was the President of GCC Investments, LLC, a subsidiary of GC Companies Inc. John graduated from Harvard Business School in 1979. He received an MBA from Harvard University, an AB Degree from Brown University and an MS from New York University. He is currently a director of Manifold Capital Corp. and a partner of JD Capital Partners LLC. He has been Chairman of the Company since March 2007.

Andy Ambler, *Chief Executive and Finance Director, aged 44*

Andy qualified as an accountant in 1991 and spent the next eight years working in the property industry for Hypo bank in the City of London and then for HPR Limited in the West End. In 1999 he was asked to join the executive board of Fulham F.C. as finance director and held a variety of other positions over seven years with Fulham including business operations director. During his time at Fulham he was intrinsically involved in the financial strategy which resulted in the club reducing losses and recording its first ever profit making season under the chairmanship of Mohamed Al Fayed. He was also involved in the planning for and the redevelopment of the return to Fulham's home ground of Craven Cottage, having implemented a successful two year ground share arrangement at nearby Loftus Road Stadium. Andy was also a trustee of the club's award-winning Community Sports Trust Charity. He became finance director of the Company in 2007 and Chief Executive in 2009.

James T. Berylson, *Non-Executive Director, aged 29*

James, is a resident of the USA. He graduated with a BA from Harvard College in 2004 and currently is employed as an investment analyst by Serengeti Asset Management, a multi-strategy investment firm based in New York City. Previously, he was at Goldman Sachs & Co where he worked in both the Special Situations Group and before that the Leveraged Finance Department. James became a Director in August 2010. James is the son of John G. Berylson.

Constantine Gonticas, *Non-Executive Director, aged 43*

Constantine is managing partner of Novator LLP, a London based investment fund which belongs to a family-owned group of companies. Prior to his current position he was an investment banker specialising in mergers and acquisitions at Credit Suisse First Boston and at Merrill Lynch. He has a law degree from Oxford University. Constantine became a Director in December 2005.

Trevor Keyse, *Non-Executive Director, aged 63*

Trevor is a successful businessman in the South East London area whose main interests were in the timber and plywood industry. He owned his own businesses for many years until he sold them in 2005. Trevor is now developing new business interests in both commercial and residential property. He became a Director in May 2006.

Demos Kouvaris, *Non-Executive Director, aged 45*

Demos is based in the USA and has been chief operating officer and chief financial officer of Chestnut Hill Ventures, LLC., since 2002. He was previously vice president of finance for GCC Investments, LCC. He holds a BS in accountancy from Boston College and is a certified public accountant. He is currently a partner of JD Capital Partners, LLC. and a director of Vanguard Modular Building Systems, LLC. Demos joined the Board in 2006.

Richard S. Press, *Non-Executive Director*, aged 71

Richard is a resident of the USA, based in Boston, who serves globally as a corporate director and advisor, primarily in the financial services and insurance sectors. Since 2006 he has been a member of the board of Transatlantic Holdings Inc, a financial services company based in New York, and currently serves as chairman of the board. Prior to joining Transatlantic Holdings Inc, he was, from 1994 to 2006, a senior vice president and director of the insurance asset management group of Wellington Management Company LLC, a Boston based company, managing assets on behalf of clients globally. Richard joined the Board in March 2010.

2. DIRECTORS' LETTERS OF APPOINTMENT AND EMOLUMENTS

- (a) John G. Berylson entered into a letter of appointment with the Company dated 28 March 2007 pursuant to which he agreed to act as Non-Executive Chairman and Director of the Company. His appointment is terminable, *inter alia*, immediately if he is removed by CHV while the CHV Secured Loan remains outstanding and upon not less than one months' notice given by either party to the other thereafter. He is not entitled to fees or remuneration in respect of his directorship but will be entitled to reimbursement of expenses. There is no provision for compensation to be payable on termination of the appointment. John was appointed by CHV which has a right to appoint two Directors whilst the CHV Secured Loan remains outstanding and a third director whilst the 15% CHV Unsecured Debt and the 17% CHV Unsecured Debt remain in place.
- (b) Andy Ambler entered into an agreement with the Company dated 2 April 2007 pursuant to which he agreed to act as Finance Director of the Company. On 27 May 2009 he was appointed Chief Executive. His appointment is terminable, *inter alia*, on six months written notice served by either party on the other. His salary is currently £115,000 per annum with a performance related bonus of up to 50 per cent. of basic salary. Other than the requirement to give 6 months' written notice, there is no provision for compensation to be payable on termination of the agreement.
- (c) James T. Berylson entered into a letter of appointment with the Company dated 19 October 2010 pursuant to which he agreed to act as a Non-Executive Director of the Company. His appointment is terminable, *inter alia*, upon not less than six months' notice given by the Company or three months given by him. He is not entitled to fees or remuneration in respect of his directorship but will be entitled to reimbursement of expenses. There is no provision for compensation to be payable on termination of the appointment. James was appointed by CHV which has a right to appoint two Directors whilst the CHV Secured Loan remains outstanding and a third director whilst the 15% CHV Unsecured Debt and the 17% CHV Unsecured Debt remain in place.
- (d) Constantine Gonticas entered into a letter of appointment with the Company dated 20 March 2006 pursuant to which he agreed to act as a Non-Executive Director of the Company. His appointment is terminable, *inter alia*, upon not less than six months' notice given by the Company or three months given by him. He is not entitled to fees or remuneration in respect of his directorship but will be entitled to reimbursement of expenses. There is no provision for compensation to be payable on termination of the appointment.
- (e) Trevor Keyse entered into a letter of appointment with the Company dated 16 June 2006 pursuant to which he agreed to act as a Non-Executive Director of the Company. His appointment is terminable, *inter alia*, upon not less than six months' notice given by the Company or three months given by him. He is not entitled to fees or remuneration in respect of his directorship but will be entitled to reimbursement of expenses. There is no provision for compensation to be payable on termination of the appointment.
- (f) Demos Kouvaris entered into a letter of appointment with the Company dated 28 March 2007 pursuant to which he agreed to act as a Non-Executive Director of the Company. His appointment is terminable, *inter alia*, immediately if he is removed by CHV while the CHV Secured Loan remains outstanding and upon not less than one months' notice given by either party to the other thereafter. He is not entitled to fees or remuneration in respect of his directorship but will be entitled to reimbursement of expenses. There is no provision for compensation to be payable on termination of the appointment. Demos was appointed by CHV, which has a right to appoint two Directors whilst the CHV Secured Loan remains outstanding and a third director whilst the 15% CHV Unsecured Debt and the 17% CHV Unsecured Debt remain in place.
- (g) Richard S. Press entered into a letter of appointment with the Company dated 19 October 2010 pursuant to which he agreed to act as a Non-Executive Director of the Company. His appointment

is terminable, *inter alia*, upon not less than six months' notice given by the Company or three months given by him. He is not entitled to fees or remuneration in respect of his directorship but will be entitled to reimbursement of expenses. There is no provision for compensation to be payable on termination of the appointment.

- (h) Save as disclosed in paragraphs 2(a) to (g) above, there are no service contracts existing or proposed between any Director and the Company, the Club or Millwall Properties Limited.
- (i) As set out above, save for Andy Ambler, no director is entitled to fees or remuneration in respect of his directorship (including contingent or deferred compensation). The aggregate remuneration paid and benefits in kind granted to the Directors and former directors (which was paid to Andy Ambler and former Director Heather Rabbatts) for the financial year ended 30 June 2010 amounted to £168,000. The aggregate remuneration and benefits in kind to be granted to Directors for the current financial year to 30 June 2011, under the arrangements in force at the date of this document (all of which will be paid to Andy Ambler), are estimated to be not more than £172,500.

Save as disclosed in paragraph 2 (b) above, no amounts have been set-aside for pension or similar benefits for the Directors in the financial year ending 30 June 2011.

3. EMPLOYEES

The average number of staff employed by the Group is as set out below:

	Football Team Management	Administrative and Ground Staff	Players
As at 30 June 2008	7	55	46
As at 30 June 2009	7	59	46
As at 30 June 2010	9	58	41

In addition the Club employs temporary staff on match days.

4. CORPORATE GOVERNANCE

Statement of compliance with the UK Corporate Governance Code

As at the date of this document, the Company does not fully comply with the UK Corporate Governance Code.

The main provisions of the UK Corporate Governance Code which have not been complied with are as follows:

- The audit committee consists of five non-executive directors, two of whom (John Berylson and Demos Kouvaris) are not regarded as independent for the purposes of the UK Corporate Governance Code. The provisions of the UK Corporate Governance Code require the audit committee to consist of at least two members, who should all be independent non-executive directors. Taking account of the size of the Group and the nature of its operations, the current audit committee is considered adequate.
- The remuneration committee consists of three non-executive directors two of whom (John Berylson and Demos Kouvaris) are not regarded as independent for the purposes of the UK Corporate Governance Code. The provisions of the UK Corporate Governance Code require the remuneration committee to consist of at least two independent non-executive directors and consequently the Company is not compliant with this provision. Taking account of the size of the Group, the nature of its operations and the level of directors' remuneration, the current remuneration committee is considered adequate.
- There is no formal nomination committee; the Directors collectively consider appointments to the Board. The provisions of the UK Corporate Governance Code require that all listed companies' nomination committees should lead the process for board appointments and make recommendations to the Board. Taking into account the size of both the Group and the Board, the lack of a formal nomination committee is considered to be appropriate.
- The Company does not have a senior independent director as the provisions of the UK Corporate Governance Code require. Taking into account the size of both the Group and the Board, the lack of a senior independent director is considered to be appropriate.

- There is no formal process of performance evaluation. However, the performance of individual board members is continually reviewed by the Board.
- The Group does not currently have a formal internal audit function. Taking into account the size of both the Group and the Board, the lack of a formal internal audit function is considered to be appropriate. The Board reviews this periodically, taking into account the size of the Group and the nature of its operations.

The Board

The Board currently consists of Andy Ambler, Chief Executive and Finance Director and six non-executive directors (John G Berylson, James T. Berylson, Constantine Gonticas, Trevor Keyse, Demos Kouvaris and Richard S. Press). The Board normally meets at least six times a year and otherwise as required. The Board has a majority of non-executive directors of which three are considered independent directors.

All Directors are subject to re-election at the first AGM after their appointment and, in accordance with the Code and the Articles, submit themselves for re-election in rotation at least every three years.

Communication

The Company places a great deal of importance on communication with its Shareholders in order to understand the views of major shareholders. The Company publishes its full report and accounts each year. The full report and accounts are available to all Shareholders, and to other parties, on request, who have an interest in the Group's performance. Regular communication with Shareholders also takes place via the Company website www.millwallholdingsplc.co.uk.

The Board, or representatives thereof, meets with its institutional shareholders on request and all Shareholders have the opportunity to put questions at the Company's annual general meeting and the Board makes a presentation at the meeting to highlight the key business developments during the financial year.

Maintenance of a sound system of internal control

The Board has applied Principle C.2 of the UK Corporate Governance Code by determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. The Board is responsible for the Group's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

In compliance with Provision C.2.1 of the UK Corporate Governance Code, the Board continuously reviews the effectiveness of the Group's system of internal control and risk management. The Board's monitoring covers all controls, including financial, operational and compliance controls. It is based principally on reviewing reports from management to consider whether any significant weaknesses are promptly remedied and indicate a need for more extensive monitoring. This assessment considers all significant aspects of internal control. The audit committee assist the Board in discharging its review responsibilities.

Audit Committee

The Board has an audit committee comprising John Berylson, Demos Kouvaris, Constantine Gonticas, Trevor Keyse and Richard S. Press (non-executive directors). The remit of the audit committee includes discussion with the auditors of the audit approach and of reports produced by the auditors detailing the results of their work. The committee meets at least once a year.

The audit committee is responsible for ensuring the financial performance of the Group is properly reported on and monitored, for meeting with the auditors and reviewing the reports of the auditors relating to the Group's accounts and internal control systems.

The audit committee has sole responsibility for assessing the independence of the external auditors, BDO LLP. The committee has had due regard to the document published in November 2003 by the Institute of Chartered Accountants in England and Wales (ICAEW) 'Reviewing Auditor Independence: guidance for audit committees'. Each year the committee undertakes to:

- Seek reassurance that the external auditors and their staff have no family, financial, employment, investment or business relationship with the Company. To this end the committee requires the

external auditor and its associates to confirm this in writing, and detail the procedures which the auditor has carried out in order to make this confirmation.

- Confirm that all partners engaged in the audit process are rotated at least every five years.
- Assess the likely impact on the auditors' independence and objectivity before awarding any contract for additional services. It is Company policy to require the auditors, together with at least two other firms, to tender for all non-audit assignments where the fee is in excess of £20,000.
- Have as an agenda item at regular intervals auditor independence issues at each audit committee meeting.

Remuneration Committee

The Board has a remuneration committee comprising of John Berylson, Demos Kouvaris and Constantine Gonticas (non-executive directors). Of the members of the Board, only Heather Rabbatts (who resigned from the Board on 9 June 2010) and Andy Ambler were entitled, in their capacity as Board members, to receive any remuneration, but all Directors are entitled to reimbursement of reasonable and proper expenses. This policy is subject to periodic review. The committee meets once a year with all committee members in attendance with further meetings if required. The remuneration committee considers all material elements of remuneration policy, remuneration and incentives of executive directors and management with reference to professional advice (where appropriate) in accordance with the UK Corporate Governance Code and makes recommendations to the Board. The Board is responsible for implementing the recommendations and agreeing the remuneration packages for individual directors.

PART 4

LETTER FROM SINGER CAPITAL MARKETS LIMITED IN RESPECT OF THE OPEN OFFER

17 November 2010

Dear Shareholder,

Proposed Open Offer of up to 1,129,830 New Ordinary Shares at £10 per New Ordinary Share

1. INTRODUCTION

As explained in the letter from your Chairman set out in Part 1 of this document, the Company is proposing to raise up to £7,837,530 in cash (before expenses) and reduce its borrowings by £3,460,770 (by the cancellation of Directors Loan Notes and CHV Loans in satisfaction of the subscription price for New Ordinary Shares) by way of the Open Offer of up to 1,129,830 New Ordinary Shares at £10 per New Ordinary Share.

Qualifying Shareholders are being offered the right to subscribe for New Ordinary Shares in accordance with the terms of the Open Offer.

CHV and Constantine Gonticas, a Director, have irrevocably undertaken to the Company to subscribe for all of the New Ordinary Shares which they are entitled to under the Open Offer. In addition CHV, certain NFL Noteholders and certain Directors and their associates and associated companies have agreed with the Company to underwrite up to a maximum of £6,539,230 of the Open Offer by undertaking to subscribe for up to a maximum of 653,923 New Ordinary Shares which are not the subject of valid applications under the Open Offer by other Shareholders. In this manner, £10 million of the maximum subscription of £11.29 million for New Ordinary Shares under the Open Offer is underwritten either by way of cash paid or debt reduction. Neither CHV nor the relevant Directors or their associates and associated companies nor the NFL Noteholders will receive any fees or commissions under the terms of the Underwriting Agreement and will not be reimbursed any costs or expenses incurred in evaluating or participating in the Open Offer. Further details of the Underwriting Agreement are set out in paragraph 3 of this Part 4.

This letter and, in the case of Qualifying non-CREST Shareholders, the Application Form contain the formal terms and conditions of the Open Offer. Your attention is drawn to the letter from your Chairman in Part 1 of this document which sets out the background to and reasons for the Open Offer.

2. DETAILS OF THE OPEN OFFER

Subject to the fulfilment of the terms and conditions referred to below, and where relevant set out in the Application Form, SCM, as agent for and on behalf of the Company, hereby invites Qualifying Shareholders to apply for New Ordinary Shares at the Issue Price, payable in full in cash on application (free of all expenses) on the basis of:

3 New Ordinary Shares for every 1 Existing Ordinary Share

registered in their names at the Record Date and so in proportion for any other number of Existing Ordinary Shares then held and registered in their names.

Qualifying non-CREST Shareholders' Open Offer Entitlements are shown on the Application Form.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer as will holdings under different designations and in different accounts.

The Issue Price of £10 per New Ordinary Share represents a premium of approximately 25.79 per cent. to the Closing Price of £7.95 on 15 November 2010 (the latest practicable date prior to the publication of this document).

Qualifying Shareholders may apply for any number of New Ordinary Shares up to their Open Offer Entitlement, which in the case of Qualifying non-CREST Shareholders, is equal to the number of Open

Offer Entitlements shown on their Application Form or, in the case of qualifying CREST Shareholders, is equal to the number of Open Offer Entitlements standing to the credit of their Stock Account in CREST. No application in excess of a Qualifying Shareholder's Open Offer Entitlement will be met. If the number of New Ordinary Shares applied for by a Qualifying Shareholder exceeds his or her Open Offer Entitlement, that applicant will be deemed to have applied for his or her Open Offer Entitlement. Any monies received from an Applicant in excess of the amount due in respect of his/her application or deemed application will be returned to the Applicant without interest at the Applicant's sole risk within 14 days by way of cheque.

The action to be taken in relation to the Open Offer depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have Open Offer Entitlements credited to your Stock Account in CREST in respect of such entitlement.

If you have received an Application Form with this document, please refer to paragraph 4.1 of this Part 4. If you hold your Existing Ordinary Shares in CREST and have received a credit of Open Offer Entitlements to your CREST Stock Account, please refer to paragraph 4.2 of this Part 4 and also to the CREST Manual for further information on the CREST procedures referred to below.

The Open Offer is not a "rights issue". Qualifying CREST Shareholders should note that although the Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements under the Open Offer may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Qualifying non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded. Unlike in the case of a rights issue, any New Ordinary Shares not applied for under the Open Offer will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer, but will be taken up, to a maximum of 653,923 New Ordinary Shares, under the Underwriting Agreement with the net proceeds being retained for the benefit of the Company.

The Open Offer will remain open for acceptance until 11.00 a.m. on 16 December 2010.

The Existing Ordinary Shares are traded on AIM. Application will be made to the London Stock Exchange for the New Ordinary Shares being issued pursuant to the Open Offer to be admitted to trading on AIM. It is expected that Admission will become effective on 20 December 2010 and that dealings for normal settlement in the New Ordinary Shares will commence at 8.00 a.m. on 20 December 2010. The New Ordinary Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

Application will be made for the Open Offer Entitlements to be admitted to CREST. The Open Offer Entitlements are expected to be admitted to CREST with effect from 18 November 2010.

The New Ordinary Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares including the right to participate in all dividends and other distributions (if any) declared, made or paid on or after the date of their issue. Further details of the rights attaching to the Ordinary Shares are set out in paragraphs 5 and 6 of Part 5 of this document.

The Open Offer is conditional, *inter alia*, upon:

- (a) the Minimum Amount being achieved;
- (b) the passing, without material amendment, of the Resolution;
- (c) Admission becoming effective by not later than 8.00 a.m. on 20 December 2010 (or such later time and date as the Company, CHV and SCM may agree, not being later than 14 January 2011); and
- (d) the Underwriting Agreement having become unconditional in all respects save for the condition relating to Admission and not having been terminated in accordance with its terms.

If the conditions to the Open Offer are not satisfied (or, if capable of waiver, waived on or before the relevant time or date), the Open Offer will not proceed and any Open Offer Entitlements admitted to CREST will be disabled. Any application monies received from Applicants will be returned to them without interest at the Applicant's sole risk.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

If you are in any doubt as to the action you should take, or the contents of this document, you are recommended to seek your own personal financial advice as soon as possible from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser duly authorised under FSMA if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

3. SUBSCRIPTION AND UNDERWRITING COMMITMENTS AND UNDERWRITING AGREEMENT

CHV has irrevocably undertaken to the Company to subscribe for all of the New Ordinary Shares which it is entitled to under the Open Offer. This will result in CHV acquiring 319,998 New Ordinary Shares, representing approximately 28 per cent. of the New Ordinary Shares to be issued under the Open Offer and approximately 28 per cent. of the Enlarged Issued Share Capital if the Open Offer is fully subscribed. CHV's subscription obligations in respect of its Open Offer Entitlement will be satisfied by the Cancellation of an equal amount of the CHV Loans in the following order of priority: (i) the 15% CHV Unsecured Debt; and (ii) the 17% CHV Unsecured Debt.

The Company has also received an irrevocable undertaking from Constantine Gonticas, a Director, to subscribe for all of the New Ordinary Shares to which he is entitled under the Open Offer. His subscription obligations will be satisfied by the Cancellation of £260,790 of his Directors Loan Notes. This will result in Constantine Gonticas acquiring 26,079 New Ordinary Shares representing approximately 2 per cent. of the New Ordinary Shares to be issued under the Open Offer and approximately 2 per cent. of the Enlarged Issued Share Capital if the Open Offer is fully subscribed.

CHV, certain Directors (being Constantine Gonticas, Trevor Keyse (through his company Keyse Holdings Limited) and Richard S. Press), Jeanne Press (wife of Richard S. Press) and certain NFL Noteholders (including The Press Childrens' Trust, a trust for the benefit of the children of Richard S. Press) and the Company have entered into the Underwriting Agreement. Pursuant to the Underwriting Agreement these Directors and their associates and associated companies, certain of the NFL Noteholders and CHV have agreed with the Company to underwrite the Open Offer up to a maximum of £6,539,230 by subscribing for up to 653,923 New Ordinary Shares ("**Underwritten Shares**").

These Directors and their associates and associated companies and NFL Noteholders have agreed with the Company to subscribe, for up to 101,778 New Ordinary Shares which are not the subject of valid applications under the Open Offer by other Shareholders to a maximum value of £1,017,780, representing, in aggregate, up to approximately 9.01 per cent. of the New Ordinary Shares to be issued under the Open Offer. Their subscription obligations will be satisfied as to £150,000 in cash and as to the balance by the Cancellation of an equal amount of the Directors Loan Notes or (as the case may be) NFL Loan Notes (in the case of Constantine Gonticas, to the extent not utilised in satisfying his subscription obligations in respect of his Open Offer Entitlement). In the event that the full underwriting commitment of these Directors and their associates and associated companies and NFL Noteholders is not utilised, they will each fulfil their underwriting obligation pro rata to their individual underwriting commitments.

CHV has agreed with the Company to subscribe for the balance of the Underwritten Shares not taken up by certain of the Directors and their associates and associated companies and the NFL Noteholders, representing up to approximately 48.87 per cent. of the New Ordinary Shares to be issued under the Open Offer. CHV's subscription obligations in respect of its underwriting commitment will be satisfied as to £2,000,000 in cash and as to the balance by the Cancellation of an equal amount of the CHV Loans in the following order of priority (to the extent not utilised in satisfying CHV's subscription obligations in respect of its Open Offer Entitlement): (i) the 17% CHV Unsecured Debt; and (ii) the CHV Secured Debt.

Details of the individual underwriting commitments and the manner in which their subscriptions will be satisfied are set out in the table below.

Underwriter	Number of New Ordinary Shares
Chestnut Hill Ventures LLC	552,145
Roy Lennox	25,567
Keyse Holdings Limited	24,663
J. Press	16,435
R. Press	15,000
The Press Childrens' Trust	12,824
C. Gonticas	3,130
Standard Bank Trust Company (Mauritius) Limited	2,748
Maritime Orient & Near East Agency Limited	1,411
Combined	653,923

None of CHV, the relevant Directors and their associates and associated companies or the relevant NFL Noteholders will receive any fees or commissions under the terms of the Underwriting Agreement nor will they be reimbursed any costs or expenses incurred in evaluating or participating in the Open Offer.

The Underwriting Agreement is subject, *inter alia*, to the satisfaction of the following conditions on or before 20 December 2010 (or such later date not being later than 14 January 2011 as CHV (on behalf of itself and the Co-Underwriters) and the Company may agree):

- (i) publication of this document to Qualifying Shareholders (other than the Overseas Shareholders);
- (ii) the Resolution having been duly passed; and
- (iii) Admission becoming effective.

CHV, on behalf of itself and the Co-Underwriters, is entitled, *inter alia*, to terminate the Underwriting Agreement if at any time before Admission an event or omission, matter or circumstance has occurred which, in the reasonable opinion of CHV (on behalf of itself and the Co-Underwriters), is or will or may be materially prejudicial to the Group taken as a whole or there has been a material adverse change affecting the business, management, financial or trading position or prospects, shareholders' funds or results of the Company or any other member of the Group, which, in the opinion of CHV (on behalf of itself and the Co-Underwriters) acting reasonably would be likely to prejudice materially the success of the Open Offer or which would make it impracticable or inadvisable to proceed with the Open Offer or with Admission.

Further details of the Underwriting Agreement and the irrevocable commitments are set out in paragraph 5 of Part 7 of this document.

4. PROCEDURE FOR APPLICATION AND PAYMENT

The action to be taken by you in respect of the Open Offer depends on whether at the relevant time you have an Application Form in respect of your entitlement under the Open Offer or you have Open Offer Entitlements credited to your CREST Stock Account in respect of such entitlement.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

Subject to the provisions of paragraph 8 of this letter entitled "Settlement and Dealings", Qualifying Shareholders who hold their Existing Ordinary Shares in certificated form will be allotted and issued New Ordinary Shares in certificated form to the extent that their entitlement to New Ordinary Shares arises as a result of holding Existing Ordinary Shares in certificated form. Qualifying Shareholders who hold part of their Existing Ordinary Shares in uncertificated form will be allotted New Ordinary Shares in uncertificated form to the extent that their entitlement to New Ordinary Shares arises as a result of holding Existing Ordinary Shares in uncertificated form.

Qualifying Shareholders who do not want to apply for New Ordinary Shares under the Open Offer should take no action and should not return or complete the Application Form.

4.1 If you have an Application Form in respect of your entitlement under the Open Offer

Qualifying non-CREST Shareholders will have received an Application Form enclosed with this document. The Application Form shows the number of Existing Ordinary Shares registered in your

name on the Record Date. It also shows the maximum number of New Ordinary Shares for which you are entitled to apply under the Open Offer, on the basis set out in paragraph 2 above, as shown by the Open Offer Entitlements allocated to you. You may apply for less, but not more than your Open Offer Entitlement should you wish to do so. Valid applications up to your Open Offer Entitlement will be accepted in full.

You may hold an Application Form by virtue of a *bona fide* market claim.

The instructions and other terms set out in the Application Form, form part of the terms of the Open Offer.

Market Claims

Applications for New Ordinary Shares under the Open Offer may only be made on the Application Form which is personal to the Qualifying non-CREST Shareholder(s) named thereon and may not be assigned, transferred or split except to satisfy *bona fide* market claims in relation to the purchase of Existing Ordinary Shares through the market prior to 17 November 2010, the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to the Open Offer. Application Forms may be split, but only to satisfy *bona fide* market claims, up to 10.00 a.m. on 14 December 2010. The Application Form represents only a right to apply for New Ordinary Shares. It is not a negotiable document and cannot be traded. A Qualifying non-CREST Shareholder who has, prior to the ex-entitlement date, sold or otherwise transferred some or all of their Existing Ordinary Shares should contact their stockbroker, bank or other agent authorised under FSMA through whom the sale or transfer was effected as soon as possible and refer to the instructions regarding split applications set out in the Application Form, as the invitation to subscribe for New Ordinary Shares under the Open Offer may be a benefit which can be claimed from them by purchasers or transferees.

If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in the paragraph below entitled “Deposit of Open Offer Entitlements into, and withdrawal from CREST”.

Application Procedures

Qualifying non-CREST Shareholders wishing to apply for all or any of the New Ordinary Shares to which they are entitled should complete and sign the Application Form in accordance with the instructions thereon and return it, by post in the reply paid envelope provided to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE with a remittance for the full amount payable to “Computershare Investor Services PLC re Millwall Holdings plc – Open Offer” and crossed “A/C payee only”, so as to arrive as soon as possible and in any event no later than 11.00 a.m. on 16 December 2010, at which time the Open Offer will close. Application Forms received after this time will not be accepted.

Applications, once made, will be irrevocable (save for any statutory withdrawal rights arising after the publication of a prospectus supplementing this document).

Qualifying non-CREST Shareholders who do not wish to apply for any of the New Ordinary Shares to which they are entitled should not return a completed Application Form to the Receiving Agents. They are, however, requested to complete and return the Form of Proxy.

SCM and the Company reserve the right (but shall not be obliged) to treat an Application Form as valid and binding on the person(s) by whom or for whose benefit it is lodged even if such an Application Form is not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required or which otherwise does not strictly comply with the terms and conditions of the Open Offer. SCM and the Company further reserve the right (but shall not be obliged) to accept either Application Forms and remittances received after 11.00 a.m. on 16 December 2010 but not later than 2.00 p.m. on 16 December 2010 or applications in respect of which remittances are received before 2.00 p.m. on 16 December 2010 from authorised persons (as defined in FSMA) specifying the number of New Ordinary Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two business days. If an Application Form is sent by post, Qualifying non-CREST Shareholders are recommended to allow at least four business days for delivery. Applications will not be acknowledged.

Payments

All payments by Qualifying non-CREST Shareholders must be by cheque or banker's draft in pounds sterling drawn on an account at a bank or building society in the United Kingdom, the Channel Islands or the Isle of Man which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided for members of any of those companies, and must bear the appropriate sorting code in the top right hand corner and be for the full amount payable on application. Any application which does not fulfil these requirements will be treated as invalid.

Cheques must be drawn on the personal account of the individual investor where they have a sole or joint title to the funds. Third party cheques, other than building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by endorsing the cheque/banker's draft, may not be accepted. The account name should be the same as that shown on the Application Form. Payment by BACS, CHAPS or electronic transfer will not be accepted.

Cheques or banker's drafts should be made payable to "Computershare Investor Services PLC re Millwall Holdings plc – Open Offer" and crossed "A/C payee only".

Any person returning an Application Form with a remittance in the form of a cheque thereby warrants that the cheque will be honoured on first presentation. Cheques and banker's drafts will be presented for payment on receipt. The Company reserves the right to instruct Computershare to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. If cheques or banker's drafts are presented for payment before the conditions of the Open Offer are satisfied, the application monies will be held in a separate bank account until all conditions are met. If the Open Offer does not become unconditional by 8.00 a.m. on 20 December 2010 (or such later time and/or date, being not later than 8.00 a.m. on 14 January 2011, as SCM, CHV and the Company may agree), the Open Offer will lapse and all application monies will be returned to Applicants without interest (at their sole risk), as soon as practicable thereafter. If any cheque is not honoured on first presentation, the relevant application may be deemed to be invalid.

Incorrect sums

If an Application Form encloses a payment for an incorrect sum, the Company through Computershare reserves the right:

- (i) to reject the application in full and return the cheque or banker's draft or refund the payment to the Qualifying non-CREST Shareholder in question (without interest);
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of New Ordinary Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the Qualifying non-CREST Shareholder in question (without interest); or
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all of the New Ordinary Shares referred to in the Application Form, refunding any unutilised sums to the Qualifying non-CREST Shareholder in question (without interest).

Effect of valid application

All documents and remittances sent by post by, to, from or on behalf of an Applicant (or as the Applicant may direct) will be sent at the Applicant's own risk. By completing and delivering an Application Form, you (as the Applicant(s)):

- (a) request that the New Ordinary Shares to which you will become entitled be issued to you on the terms set out in this document and the Application Form and subject to the Articles;
- (b) agree that all applications and contracts resulting therefrom under the Open Offer shall be governed by and construed in accordance with, the laws of England;
- (c) represent and warrant that you are not and are not applying on behalf of any Shareholder who is, a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction and you are not applying with a view to re-offering, re-selling, transferring or delivering any of the New Ordinary Shares

which are the subject of your application to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction except where proof satisfactory to the Company has been provided to the Company that you are able to accept the invitation by the Company free of any requirement which the Company (in its absolute discretion) regards as unduly burdensome, nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for New Ordinary Shares under the Open Offer;

- (d) represent and warrant that you are not and nor are you applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986;
- (e) confirm that in making such application you are not relying on any information or representation relating to the Company other than that contained in this document and, you accordingly agree that no person responsible solely or jointly for this document or any part of it or involved in the preparation of it, shall have any liability for any such other information or representation and you further agree that having had the opportunity to read this document you will be deemed to have had notice of all information concerning the Company contained in it;
- (f) represent and warrant that you are the Qualifying Shareholder originally entitled to the Open Offer Entitlement or, that you have received some or all of your Open Offer Entitlement from a person other than the Company by virtue of a *bona fide* market claim;
- (g) represent and warrant to the Company and SCM that you have the right, power and authority, and have taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise your rights, and perform your obligations under any contracts resulting therefrom and that you are not a person otherwise prevented by legal or regulatory restrictions from applying for New Ordinary Shares or acting on behalf of any such person on a non-discretionary basis; and
- (h) confirm to the Company and SCM that in making the application you are not relying and have not relied on SCM or any person affiliated with SCM in connection with any investigation of the accuracy of any information contained in this document or your investment decision.

All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH. Please note Computershare cannot provide financial advice on the merits of the Open Offer or as to whether you should take up your entitlement.

If you do not wish to apply for the Open Offer Shares under the Open Offer, you should take no action and should not complete or return the Application Form. You are, however, encouraged to vote at the Extraordinary General Meeting by completing and returning the enclosed Form of Proxy.

4.2 If you have Open Offer Entitlements credited to your Stock Account in CREST.

General

Subject as provided in paragraph 9 of this Part 4 in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his Stock Account in CREST of his Open Offer Offer Entitlements equal to the maximum number of New Ordinary Shares for which he is entitled to apply under the Open Offer.

The CREST Stock Account to be credited will be an account under the participating ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Open Offer Entitlements have been allocated.

If for any reason the Open Offer Entitlements cannot be admitted to CREST by, or the Stock Accounts of Qualifying CREST Shareholders cannot be credited by, 5.00 p.m. or such later time as the Company may decide on 18 November 2010, an Application Form will be sent out to each

Qualifying CREST Shareholder in substitution for the Open Offer Entitlements which should have been credited to his Stock Account in CREST. In these circumstances, the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive Application Forms.

CREST members who wish to apply for some or all of their *pro rata* entitlements to New Ordinary Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Computershare Investor Services PLC, the Receiving Agents on 0870 707 1185, or if calling from outside the UK +44 870 707 1185. Computershare cannot give financial or taxation advice or comment on the merits of the Open Offer. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for some or all of your *pro rata* entitlement to New Ordinary Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

Market Claims

The Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Qualifying CREST Shareholder originally entitled or by virtue of a *bona fide* market claim transaction. Transactions identified by Euroclear's Claims Processing Unit as "cum" the Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) will thereafter be transferred accordingly.

USE Instructions

CREST members who wish to apply for New Ordinary Shares in respect of all or some of their Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an Unmatched Stock Event ("USE") instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a Stock Account of Computershare under the participant ID and member account ID specified below, with a number of Open Offer Entitlements corresponding to the number of New Ordinary Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of Computershare in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of New Ordinary Shares referred to in (i) immediately above.

Content of USE instructions

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of New Ordinary Shares comprised in the relevant Open Offer Entitlement for which application is being made (and hence that part of the Open Offer Entitlement to New Ordinary Shares being delivered to Computershare);
- (ii) the ISIN of the Open Offer Entitlement. This is GB00B62Y1Y24;
- (iii) the participant ID of the accepting CREST member;
- (iv) the member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of Computershare, in its capacity as CREST receiving agents: this is 3RA33;
- (vi) the member account ID of Computershare, in its capacity as CREST receiving agent: this is MILLWALL;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of New Ordinary Shares referred to in (i) above;

- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 16 December 2010; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 16 December 2010.

In order to assist prompt settlement of the USE instruction CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format share note field); and
- (ii) a priority of at least 80.

Qualifying CREST Shareholders, CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 16 December 2010 in order to be valid is 11.00 a.m. on that date.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 20 December 2010 or such later time and date as the Company, CHV and SCM may agree, being not later than 8.00 a.m. 14 January 2011, the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agents will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, within 14 days thereafter. Any interest earned on such monies will be retained for the benefit of the Company.

Depositing of Open Offer Entitlements into, and withdrawal from, CREST

A Qualifying non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in the Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim). Similarly, Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing so to deposit the entitlement set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 16 December 2010.

In particular, having regard to normal processing times in CREST and on the part of Computershare, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person's entitlement under the Open Offer is set out in such Application Form, as Open Offer Entitlements in CREST is 3.00 p.m. on 13 December 2010, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting the withdrawal of Open Offer Entitlements from CREST is 4.30 p.m. on 10 December 2010, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 11.00 a.m. on 16 December 2010.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and Computershare by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 2 of the Application Form, and a declaration to the Company and Computershare from the relevant CREST member(s) that it/they is/are not citizen(s) or resident(s) of a Restricted Jurisdiction and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of the *bona fide* market claim.

Validity of application

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 16 December 2010 will constitute a valid application under the Open Offer.

CREST procedures and timings

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 16 December 2010. In this connection, CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Incorrect sums

If a USE instruction includes a CREST payment for an incorrect sum, the Company through Computershare reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question (without interest);
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of New Ordinary Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question, (without interest); or
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all of the New Ordinary Shares referred to in the USE instruction, refunding any unutilised sums to the CREST member in question (without interest).

Effect of valid application

A CREST member who makes or is treated as making a valid application in accordance with the above procedures will thereby:

- (i) pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to Computershare's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (ii) request that the New Ordinary Shares to which he will become entitled be issued to him on the terms set out in this document subject to the Articles;
- (iii) agree that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (iv) represent and warrant that he is not and is not applying on behalf of any Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the New Ordinary Shares which are the subject of his application to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which the Company (in its absolute discretion) regards as unduly burdensome, nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for New Ordinary Shares under the Open Offer;

- (v) represent and warrant that he is not and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986;
- (vi) confirm that in making such application he is not relying on any information or representation relating to the Company other than that contained in this document and, accordingly, agrees that no person responsible solely or jointly for this document or any part of it or involved in the preparation of it, shall have any liability for such other information or representation and further agrees that having had the opportunity to read this document, he will be deemed to have had notice of all the information concerning the Company contained in it;
- (vii) represent and warrant that he is the Qualifying CREST Shareholder originally entitled to the Open Offer Entitlement or that he has some or all of his Open Offer Entitlement from a person other than the Company by virtue of a *bona fide* market claim;
- (viii) represent and warrant to the Company and SCM that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for New Ordinary Shares or acting on behalf of any such person on a non-discretionary basis; and
- (ix) confirm to the Company and SCM that in making the application he is not relying and has not relied on SCM or any person affiliated with SCM in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

Company's discretion as to rejection and validity of applications

The Company may in its sole discretion:

- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part 4;
- (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which Computershare receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or Computershare has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. The matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member (or where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member (or where applicable) the CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for New Ordinary Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by Computershare in connection with CREST.

5. WITHDRAWAL RIGHTS

Persons wishing to exercise statutory withdrawal rights pursuant to section 87Q(4) of FSMA after the publication by the Company of a prospectus supplementing this document must do so by lodging a written notice of withdrawal (which shall not include a notice sent by any form of electronic communication)

which must include the holder reference number, full name and address of the person wishing to exercise statutory withdrawal rights and, if such person is a CREST member, the participant ID and the member account ID of such CREST member with Computershare, by post in the reply paid envelope provided to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, so as to be received no later than two business days after the date on which the supplementary prospectus is published. Notice of withdrawal is effective at the time a written notice is posted and not at the time of receipt. Notice of withdrawal given by any other means or which is deposited with or received by Computershare after expiry of such period will not constitute a valid withdrawal. The Company will not permit the exercise of withdrawal rights after payment by the relevant Qualifying Shareholder of its subscription in full and the allotment of New Ordinary Shares to such Qualifying Shareholder becoming unconditional. In such event Shareholders are advised to seek independent legal advice.

6. MONEY LAUNDERING REGULATIONS

(i) Holders of Application Forms

The verification of identity requirements of the Money Laundering Regulations 2007 will apply and verification of the identity of the Applicant(s) for New Ordinary Shares may be required. If an Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations 2007, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent's stamp should be inserted in the Application Form.

If the value at the Issue Price of the New Ordinary Shares for which you are applying does not exceed €15,000 (or the sterling equivalent being approximately £13,000) (and is not one of a series of linked applications, the aggregate value of which exceeds that amount), you should not be required to satisfy the verification of identity requirements described below. However, if such a value exceeds that amount, then failure to provide the necessary evidence of identity may result in your application being treated as invalid or in delaying acceptance of your application.

In order to avoid your application being treated as invalid or acceptance of your application being delayed, all payments should be made by means of a cheque drawn by the person named in the Application Form (or one of such persons). If this is not practicable and you use a cheque drawn by a third party (for example, a building society cheque or banker's draft), you should:

- write the name, address, date of birth and shareholder reference number of the person named on the Application Form (or one of such persons) on the back of the cheque, building society cheque or banker's draft;
- if a building society cheque or banker's draft is used, ask the building society or bank to endorse the name, account number and shareholder reference number of the person whose building society or bank account is being debited on the cheque or banker's draft; and
- if you are making the application as agent for one or more persons, indicate on the Application Form whether you are a UK or EC regulated person or institution (e.g. a bank or broker) and specify your status. If you are not a UK or EC regulated person or institution, you should contact Computershare Investor Services PLC Corporate Actions Projects, Bristol, BS99 6AH.

If you deliver your Application Form personally by hand, you should ensure that you have with you evidence of your identity bearing your photograph (e.g. your passport). In any event, if it appears to Computershare that an Applicant is acting on behalf of some other person, further verification of the identity of any person on whose behalf the Applicant appears to be acting may be required. In relation to any application in respect of which the necessary verification of the identity of the Applicant or the person on whose behalf the Applicant appears to be acting has not been received on or before 11.00 a.m. on 16 December 2010 the Company and SCM may, in their absolute discretion, elect to treat the relevant application as invalid and/or delay the allotment of the relevant number of New Ordinary Shares until the necessary verification has been provided. If an Application Form is treated as invalid the money paid in respect of the application will be returned (at the Applicant's risk and without interest).

By lodging an Application Form, each Qualifying Shareholder undertakes to provide such evidence of its identity at the time of lodging the Application Form or, at the absolute discretion of the

Company and SCM, at such specified time thereafter as may be requested to ensure compliance with the Money Laundering Regulations 2007.

Computershare is entitled, in its absolute discretion, to determine whether verification of identity requirements apply to any Applicant and whether such requirements have been satisfied. Neither Computershare, nor the Company nor SCM shall be responsible or liable to any person for any loss or damage suffered as a result of the exercise of their discretion hereunder.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, Computershare has not received evidence satisfactory to it as aforesaid, the Company or SCM may treat the relevant application as invalid, in which event, the monies payable on acceptance of the Open Offer will be returned (at the Applicant's risk) without interest to the account of the bank or building society on which the relevant, cheque or banker's draft was drawn.

Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company, Computershare and SCM from the applicant that the Money Laundering Regulations 2007 will not be breached by application of such remittance.

(ii) **Open Offer Entitlements in CREST**

If you hold your Open Offer Entitlements and apply for New Ordinary Shares in respect of all or some of your Open Offer Entitlements as agent, for one or more persons, and you are not a UK or EU regulated person or institution (e.g. a UK financial institution) then, irrespective of the value of the application, Computershare is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact Computershare before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the Applicant to provide promptly to Computershare such information as may be specified by Computershare as being required for the purposes of the Money Laundering Regulations 2007. Pending the provision of evidence satisfactory to Computershare as to identity, Computershare may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the New Ordinary Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the New Ordinary Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

7. TIMES AND DATES

The times and dates set out in the expected timetable of principal events at the beginning of this document may be adjusted by agreement between the Company, CHV and SCM in which event details of the new times and dates will be notified to AIM and an announcement made on a Regulatory Information Service approved by AIM and, where appropriate, to Qualifying Shareholders.

If a supplementary prospectus is issued by the Company two or fewer business days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this document, the latest date for acceptance under the Open Offer shall be extended to the date that is three business days after the date of issue of the supplementary prospectus (and the dates and times of principal events due to take place following such date shall be extended accordingly).

8. SETTLEMENT AND DEALINGS

The result of the Open Offer is expected to be announced on 17 December 2010. Application will be made to the London Stock Exchange for the New Ordinary Shares for which valid applications are made pursuant to the Open Offer to be admitted to trading on AIM. Subject to the Open Offer becoming unconditional in all respects (save only as to Admission), it is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence at 8.00 a.m. on 20 December 2010.

Application will be made for the Open Offer Entitlements to be admitted to CREST. The Open Offer Entitlements are expected to be admitted to CREST as soon as possible after 8.00 a.m. on 18 November 2010. Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m.

on 16 December 2010 (the latest date for applications under the Open Offer). If the conditions to the Open Offer described in this document are satisfied or waived, New Ordinary Shares will be issued in uncertificated form to those persons who submitted a valid application for New Ordinary Shares by utilising the CREST application procedures and whose applications have been accepted by the Company on the day on which such conditions are satisfied (expected to be 8.00 a.m. on 20 December 2010). On this day, Computershare will instruct Euroclear to credit the appropriate Stock Accounts of such persons with such persons' entitlements to New Ordinary Shares with effect from Admission (expected to be 20 December 2010). The Stock Accounts to be credited will be accounts under the same participant IDs and member account IDs in respect of which the USE instruction was given.

Subject to the conditions of the Open Offer being satisfied or waived, all New Ordinary Shares to be issued in uncertificated form are expected to be credited to the appropriate CREST Stock Accounts on 20 December 2010, unless the Company exercises the right to issue such shares in certificated form, in which case definitive certificates are expected to be despatched by post within seven days of Admission. Subject as aforesaid, definitive certificates for the New Ordinary Shares to be issued in certificated form are expected to be despatched by post within seven days of Admission. No temporary documents of title will be issued. Pending despatch of definitive share certificates, transfers of New Ordinary Shares by Qualifying non-CREST Shareholders will be certified against the share register held by Computershare.

All documents or remittances sent by, to, from or on behalf of an Applicant (or his agent as appropriate) will (in the latter case) be sent through the post and will (in both cases) be at the risk of the Applicant. Qualifying Shareholders whose Existing Ordinary Shares are held in CREST should note that they will be sent no confirmation of the credit of the New Ordinary Shares to their CREST Stock Account nor any other written communication by the Company in respect of the issue of the New Ordinary Shares.

Notwithstanding any other provision in this document, the Company reserves the right to send you an Application Form instead of crediting the relevant Stock Account with Open Offer Entitlements and/or to issue any New Ordinary Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST), or on the part of the facilities and systems operated by Computershare in connection with CREST. This right may be exercised if CREST member account details held by Computershare on behalf of Shareholders are incorrect or if Computershare is unable for any reason to credit the CREST member account.

9. OVERSEAS SHAREHOLDERS

General

If you are resident in any jurisdiction other than the United Kingdom you are advised to consult an appropriate professional adviser without delay.

The making or acceptance of the Open Offer to or by persons who are resident in, or citizens of, or who have a registered address in, countries other than the United Kingdom (“**Overseas Shareholders**”) may be affected by the laws or regulatory requirements of the relevant jurisdiction.

No person receiving a copy of this document and/or the Application Form and/or receiving a credit of Open Offer Entitlements to a Stock Account in CREST in any jurisdiction other than the United Kingdom may treat the same as constituting an invitation or offer to him, nor should he in any event use such Application Form or credit of Open Offer Entitlements to a Stock Account in CREST, unless in the relevant jurisdiction, such an invitation or offer could lawfully be made to him or such Application Form or credit of Open Offer Entitlements to a Stock Account in CREST could lawfully be used or dealt with, and any transaction following from such use or dealing could be effected without contravention of any legislation or other local regulatory requirements. Receipt of this document and/or an Application Form or the crediting of Open Offer Entitlements to a Stock Account in CREST does not constitute an invitation or offer to Overseas Shareholders in the territories in which it would be unlawful to make an invitation or offer and in such circumstances this document and/or any Application Form are sent for information only. It is the responsibility of any person receiving a copy of this document and/or an Application Form and/or receiving a credit of Open Offer Entitlements to a Stock Account in CREST outside the United Kingdom and wishing to make an application for any New Ordinary Shares to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such other territory.

Persons (including, without limitation, nominees and trustees) receiving an Application Form and/or a credit of Open Offer Entitlements to a Stock Account in CREST should not in connection with the Open Offer distribute or send the Application Form or transfer the Open Offer Entitlements to any person in, or citizen or resident of, or in or into a Restricted Jurisdiction or any other jurisdiction where to do so would or might contravene local securities laws or regulations.

If an Application Form or a credit of Open Offer Entitlements to a Stock Account in CREST is received by any person in any such jurisdiction, or by the agent or nominee of such a person, he must not seek to take up New Ordinary Shares except that the Company reserves the right to permit the Overseas Shareholders to take up their entitlements to New Ordinary Shares if they can prove to the satisfaction of the Company (in its sole discretion) that such action, and/or the sending of the Application Form to, or the crediting of the Stock Account of such Overseas Shareholders will not result in a contravention of any applicable legal or regulatory requirements. Any person who does forward an Application Form or transfer Open Offer Entitlements into any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section. The Company reserves the right to reject an Application Form or transfer of Open Offer Entitlements from or in favour of Qualifying Shareholders in any such jurisdiction or persons who are acquiring New Ordinary Shares for resale in any such jurisdiction.

The Company reserves the right, in its absolute discretion, to treat as invalid any application for New Ordinary Shares under the Open Offer if it appears to the Company or its agents that such application or acceptance may involve a breach of the laws or regulatory requirements or if in respect of such application the Company has not been given the relevant warranty concerning overseas jurisdictions set out in the Application Form or this document, as appropriate.

The above comments are intended as a general guide only and do not constitute a definitive statement of the specific laws affecting Overseas Shareholders.

Overseas Shareholders who are in any doubt as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their entitlement to New Ordinary Shares should consult an appropriate professional adviser without delay.

Notice in the London Gazette

In accordance with section 562 (3) of the Act, the Open Offer to Qualifying Shareholders who do not have a registered address within an EEA State and who have not given to the Company an address within an EEA State for the serving of notices will (subject to the conditions of the Open Offer) be made by the Company causing a notice to be published in the London Gazette on the day following the date on which the Application Forms are despatched, stating where copies of this document and the Application Forms may be inspected, or in certain circumstances, obtained on personal application by or on behalf of such Qualifying Shareholders. Such Qualifying Shareholders may be able to participate in the Open Offer if they satisfy themselves that, and in the case of those Qualifying Shareholders with registered addresses in, or residents of, the United States, Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa, they are able to prove to the Company and SCM that, the receipt, or acceptance, of the Open Offer in such jurisdiction will not breach local security laws.

However, in order to facilitate acceptance of the Open Offer made to such Qualifying Shareholders by virtue of such publication, Application Forms will also be posted to Qualifying Shareholders who are Overseas Shareholders (other than those in a Restricted Jurisdiction).

Accordingly, Qualifying Shareholders who have no registered address within an EEA State and who have not given the Company an address within an EEA State for service of notices, may accept the Open Offer either by returning the Application Form posted to them in accordance with the instructions set out therein, or (in the case of Qualifying Shareholders with registered addresses in, or who are residents of, any Restricted Jurisdiction) by obtaining copies thereof from Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH.

Qualifying Shareholders will not be entitled to participate in the Open Offer unless they meet the legal requirements needed to establish their eligibility to participate in the Open Offer to the satisfaction of the Company.

10. TAXATION

Your attention is drawn to the section headed “UK Taxation” set out in paragraph 9 of Part 7 of this document. **Any Qualifying Shareholders who are in any doubt as to their tax position or who are subject to tax in any other jurisdiction should consult an appropriate professional adviser without delay.**

11. GOVERNING LAW AND JURISDICTION

The terms and conditions of the Open Offer as set out in this document and the Application Form shall be governed by and construed in accordance with, the laws of England. The Courts of England and Wales shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document and the Application Form.

By making an application under the Open Offer in accordance with the provisions of this document and (where applicable) the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the Courts of England and Wales and waive any objection to proceedings in any such court on the grounds of venue or on grounds that proceedings have been brought in an inconvenient forum.

12. FURTHER INFORMATION

Your attention is drawn to the letter from your Chairman which is set out in Part 1 of this document and to the further information set out in Parts 2 to 7 (inclusive) of this document and to the terms and conditions set out in the enclosed Application Form.

Yours faithfully

Jeff Keating

Joint Head of Corporate Finance

PART 5

INFORMATION RELATING TO THE NEW ORDINARY SHARES

1. DESCRIPTION OF THE TYPE AND CLASS OF SECURITIES BEING OFFERED

The New Ordinary Shares will be ordinary shares with a nominal value of £10 each. Following the Open Offer, the Company will have one class of ordinary shares, the rights of which are set out in the Articles.

The ISIN of the New Ordinary Shares will be GB00B68GQL44.

The New Ordinary Shares will be issued credited as fully paid and free from all liens, equities, charges, encumbrances and other interests, and will rank *pari passu* in all respects with the Existing Ordinary Shares including the right to participate in full in all dividends and distributions on the ordinary share capital of the Company declared, made or paid after the date of Admission.

2. LEGISLATION UNDER WHICH THE NEW ORDINARY SHARES HAVE BEEN CREATED

The New Ordinary Shares will be created under the Act.

3. ADMISSION TO AIM

Application has been made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective, and that dealings in the New Ordinary Shares will commence, by no later than 8.00 a.m. on 20 December 2010.

The Existing Ordinary Shares in issue at the date of this document are already admitted to trading on AIM.

No application has been or will be made for the Existing Ordinary Shares or any New Ordinary Shares to be listed or traded on any stock exchange other than AIM.

4. FORM AND CURRENCY OF THE NEW ORDINARY SHARES

The New Ordinary Shares will, when issued, be in registered form and will be capable of being held in certificated and uncertificated form. The registrars of the Company are Computershare Investor Services PLC.

Title to the certificated New Ordinary Shares will be evidenced by entry in the register of members of the Company and title to uncertificated New Ordinary Shares will be evidenced by entry in the operator register maintained by Euroclear (which forms part of the register of members of the Company).

No share certificates will be issued in respect of the New Ordinary Shares in uncertificated form. If any such shares are converted to be held in certificated form, share certificates will be issued in respect of those shares in accordance with applicable legislation.

The New Ordinary Shares will be denominated in pounds sterling.

5. RIGHTS ATTACHED TO THE NEW ORDINARY SHARES

Each New Ordinary Share will rank *pari passu* in all respects with each Existing Ordinary Share and will have the same rights (including voting and dividend rights and rights on a return of capital) and restrictions as each Existing Ordinary Share, as set out in the Articles.

Pursuant to the Act, all holders of New Ordinary Shares will have the right to attend and vote at general meetings of the Company or to appoint a proxy to attend and vote at such meetings on their behalf. Shareholders who are present in person or by proxy or (being a corporation) are present by a duly appointed representative at a general meeting, can vote on a show of hands and will have one vote each. On a poll, every Shareholder present in person, by a duly appointed representative or by proxy will have one vote for every share held. At any general meeting, a resolution put to the vote of the meeting will be decided on a show of hands unless a poll is demanded.

Subject to the Act, any equity shares issued by the Company for cash must first be offered to Shareholders in proportion to their holdings of Ordinary Shares. The Act allows for the disapplication of pre-emption rights which may be waived by a special resolution of the Shareholders, either generally or specifically, for a maximum period not exceeding five years. The Company has no current disapplication of the statutory

pre-emption rights save in relation to the issue of shares on exercise of warrants and the conversion of such part of the NFL Loan Notes and the CHV Loans and interest accrued thereon as is convertible into Ordinary Shares, pursuant to special resolutions passed at the extraordinary general meeting of the Company held on 28 March 2007. Details of the warrants, Loan Notes and CHV Loans and procedures for converting them are set out in paragraph 6 of Part 7 of this document.

Furthermore the Company may only issue shares if and to the extent that the Directors have been authorised by Shareholders, by way of an ordinary resolution, to issue those shares. The Directors of the Company currently have the following authority to issue shares:

- (1) authority in respect of the issue of shares on exercise of warrants and the conversion of such part of the NFL Loan Notes and the CHV Convertible Debt and interest accrued thereon as is convertible into Ordinary Shares, pursuant to resolutions passed at the extraordinary general meeting of the Company held on 28 March 2007; and
- (2) authority under section 551 of the Act to allot shares in the Company up to an aggregate nominal amount of £2,000,000 pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 11 December 2009, The Directors are not however able to allot shares without making a pre-emptive offer to Shareholders because a resolution to disapply the statutory pre-emption rights on the issue of Ordinary Shares for cash was not approved by the necessary majority of Shareholders.

If the Company is wound up (whether the liquidation is voluntary, under supervision of the Court or by the Court), the liquidator can, with the authority of an extraordinary resolution of the Shareholders and any other sanction required by applicable law, divide among the Shareholders the whole or any part of the assets of the Company. This applies whether the assets consist of property of one kind or of different kinds. For this purpose, the liquidator can set such value as he considers fair upon any property and decide how such division is carried out as between the Shareholders. The liquidator can transfer any part of the assets to trustees upon such trust for the benefit of the Shareholders as the liquidator, acting under that resolution, decides.

Whilst the Ordinary Shares are not redeemable, the Company may purchase or contract to purchase any of the Ordinary Shares on or off market, subject to the Act and any other applicable regulatory requirements. The Company may only purchase Ordinary Shares out of distributable reserves or the proceeds of a new issue of shares made for the purpose of funding the repurchase.

The Articles do not contain any provisions relating to conversion of the Ordinary Shares.

6. DIVIDENDS

Subject to the Act, if the Directors consider that the financial position of the Company justifies the declaration of a dividend, they can determine to pay an interim dividend. Subject to the Act, the Shareholders can resolve to pay a dividend by passing an ordinary resolution. Such a dividend cannot exceed the amount recommended by the Directors.

Dividends are payable to persons registered as Shareholders on the record date relating to the relevant dividend.

All dividends will be divided and paid in proportions based on the amounts paid up on the Ordinary Shares during any period for which the dividend is paid.

Any dividend or other money payable in cash relating to an Ordinary Share can be paid by sending a cheque, warrant or similar financial instrument payable to the Shareholder who is entitled to it by post addressed to his or its registered address or it can be sent by post to someone else named in a written instruction from the Shareholder (or all joint Shareholders) and to the address specified in that instruction. A dividend can also be paid by inter-bank transfer or by other electronic means (including payment through CREST) approved by the Directors, directly to an account with a bank or other financial institution (or other organisations operating deposit accounts if allowed by the Company) in the United Kingdom named in a written instruction from the person entitled to receive the payment. Cheques, warrants and similar financial instruments are sent, and payment in any other way is made, at the risk of the person who is entitled to the money. The Company is treated as having paid a dividend if the cheque, warrant or similar financial instrument is cleared or if a payment is made through CREST, bank transfer or other electronic means. The Company will not be responsible for a payment which is lost or delayed.

The Company can stop sending dividend payments through the post, or cease using any other method of payment (including payment through CREST), for any dividend if: (a) for two consecutive dividends the

dividend payments sent through the post have been returned undelivered or been left uncashed for a period of at least six months; or (b) for any one dividend, the dividend payment sent through the post has been returned undelivered or remains uncashed for a period of at least six months, and reasonable enquiries have failed to establish any new address of the registered Shareholder. Subject to the Articles, the Company must recommence sending dividend payments if requested in writing by the Shareholder, or the person entitled to a share by law.

If a dividend or other money has not been claimed for 12 years after being declared or becoming due for payment, it will be forfeited and go back to the Company.

The Company has had during its last three full accounting periods insufficient funds and distributable reserves to pay a dividend.

7. RESOLUTIONS, AUTHORISATIONS AND APPROVALS RELATING TO THE NEW ORDINARY SHARES

On 17 December 2010, at the annual general meeting, an ordinary resolution will be considered by the holders of the Existing Ordinary Shares and, if thought fit, passed to generally and unconditionally authorise the Directors, until the conclusion of the next annual general meeting of the Company, to allot shares and rights to subscribe for or convert into shares in accordance with section 551 of the Act up to an aggregate nominal amount of £2,000,000.

On 17 December 2010, at the Extraordinary General Meeting, the following resolution will be considered by the holders of the Existing Ordinary Shares and, if thought fit, passed (in addition to the authorities referred to above) to:

- (a) amend the maximum nominal amount of shares that may be allotted by the Company to £22,332,878.45 divided into 2,000,000 ordinary shares of £10 each and 2,592,087,167 deferred shares of 0.09p each; and
- (b) authorise the Directors to allot and issue Ordinary Shares up to a nominal value of £11,298,300 in connection with the Open Offer.

8. DESCRIPTION OF RESTRICTIONS ON FREE TRANSFERABILITY

Save as set out below, the New Ordinary Shares will be freely transferable.

The Company may, under the Act, send out statutory notices to those it knows or has reasonable cause to believe have an interest in its shares, asking for details of those who have an interest in its shares, and the extent of their interest in a particular holding of shares. When a person receives a statutory notice and fails to provide any information required by the notice within the time specified in it and the shares which are the subject of the notice represent in aggregate at least 0.25 per cent. of that class of share, the Directors can, pursuant to the Articles, decline to register any transfer of the shares which are the subject of the statutory notice. Such restriction will cease to apply seven days after an excepted transfer of the shares, subject to the restrictions or when all information the subject of the statutory notice has been received by the Company in a form satisfactory to the Directors.

The Directors may, without giving any reason, refuse to register the transfer of any Ordinary Shares which are not fully paid. They may also decline to register a transfer of Ordinary Shares in favour of more than four persons jointly, if the transfer is not duly stamped (if required) or it is in favour of a minor, infant, bankrupt or a person with a mental disorder.

9. MANDATORY BIDS, SQUEEZE-OUT AND SELL-OUT RULES RELATING TO THE NEW ORDINARY SHARES

(a) Mandatory bid

The City Code applies to the Company. Under the City Code, if an acquisition of Ordinary Shares were to increase the aggregate holding of the acquiror and its concert parties to shares carrying 30 per cent. or more of the voting rights in the Company, the acquiror and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for the Ordinary Shares by the acquiror or its concert parties during the previous 12 months. This requirement would also be triggered by any acquisition of shares by a person holding (together with its concert parties) shares carrying between 30 and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the voting rights.

(b) **Squeeze-out**

Under the Act, if an offeror were to acquire or contract to acquire 90 per cent. of the Ordinary Shares to which the offer relates within four months of making its offer, it could then compulsorily acquire the remaining 10 per cent. It would do so by sending a notice to outstanding Shareholders telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding Shareholders. The consideration offered to the Shareholders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer.

(c) **Sell-out**

The Act would also give minority Shareholders in the Company a right to be bought out in certain circumstances by an offeror who had made a takeover offer. If a takeover offer related to all the Ordinary Shares and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90 per cent. of the Ordinary Shares to which the offer relates, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares.

The offeror would be required to give any Shareholder notice of its right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises his/her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

10. PUBLIC TAKEOVER BIDS IN THE LAST AND CURRENT FINANCIAL YEARS

There have been no public takeover bids by third parties in respect of the share capital of the Company in the last or current financial years.

11. TAXATION

Please see paragraph 9 of Part 7 of this document for information relating to UK taxation (including a discussion of UK stamp duty reserve tax which is relevant to holders of Ordinary Shares, irrespective of their tax residence).

PART 6

SECTION A

**ACCOUNTANT'S REPORT AND HISTORICAL FINANCIAL
INFORMATION RELATING TO THE GROUP**

**PART A
ACCOUNTANT'S REPORT ON THE GROUP**



BDO LLP
55 Baker Street
London
W1U 7EU

The Directors
Millwall Holdings plc
The Den
Zampa Road
London SE16 3LN

17 November 2010

Singer Capital Markets Limited
1 Hanover Street
London W1S 1YZ

Dear Sirs

**Millwall Holdings plc (the “Company”) and its subsidiary undertakings
(together, the “Group”)**

INTRODUCTION

We report on the financial information set out in Part B of Section A of Part 6. This financial information has been prepared for inclusion in the prospectus dated 17 November 2010 of Millwall Holdings plc (the “Prospectus”) on the basis of the accounting policies set out in note 1 to the financial information. This report is required by item 20.1 of annex I of the Commission Regulation (EC) No. 809/2004 (the “PD Regulation”) and is given for the purpose of complying with that item and for no other purpose.

RESPONSIBILITIES

The directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRSs”).

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Prospectus, and to report our opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of annex I of the PD Regulation consenting to its inclusion in the Prospectus.

BASIS OF OPINION

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and

whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

OPINION

In our opinion, the financial information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the Group as at the dates stated and of its consolidated losses for the years then ended in accordance with IFRSs.

DECLARATION

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of annex I of the PD Regulation of the PD Regulation.

Yours faithfully

BDO LLP

Chartered Accountants

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

SECTION A – PART B
HISTORICAL FINANCIAL INFORMATION ON THE GROUP

MILLWALL HOLDINGS PLC

CONSOLIDATED INCOME STATEMENTS

	Notes	13 months ended 30 June 2008 £'000	Year ended 30 June 2009 £'000	Year ended 30 June 2010 £'000
Revenue	1,2	5,367	6,460	7,451
Other income – profit on disposal of players' registrations		913	71	154
Staff costs	5	(6,313)	(6,260)	(6,357)
Amortisation of players' registrations	9	(126)	(287)	(320)
Depreciation of property, plant and equipment	10	(309)	(258)	(264)
Total depreciation and amortisation expense		(435)	(545)	(584)
Other expenses		(5,202)	(4,166)	(4,111)
Loss from operations	4	(5,670)	(4,440)	(3,447)
Finance income	3	31	10	–
Finance expense	3	(476)	(784)	(1,511)
Loss before taxation		(6,115)	(5,214)	(4,958)
Tax expense	7	–	–	–
Loss for the year/period attributable to: Equity holders of the Company		(6,115)	(5,214)	(4,958)
Loss per share – basic and diluted		(2,172)p	(1,390)p	(1,321)p

CONSOLIDATED BALANCE SHEETS

	Notes	13 months ended 30 June 2008 £'000	Year ended 30 June 2009 £'000	Year ended 30 June 2010 £'000
ASSETS				
Non-current assets				
Intangible assets	9	291	392	661
Property, plant and equipment	10	15,127	15,037	14,826
		<u>15,418</u>	<u>15,429</u>	<u>15,487</u>
Current assets				
Inventories	11	66	61	51
Trade and other receivables	12	1,104	1,007	968
Cash and cash equivalents		204	391	760
		<u>1,374</u>	<u>1,459</u>	<u>1,779</u>
Total assets		<u>16,792</u>	<u>16,888</u>	<u>17,266</u>
Non-current liabilities				
Trade and other payables	13	–	(386)	(486)
Financial liabilities	14	(4,357)	(4,498)	–
Deferred income	13	(3,770)	(3,716)	(3,571)
Total non-current liabilities		<u>(8,127)</u>	<u>(8,600)</u>	<u>(4,057)</u>
Current liabilities				
Trade and other payables	13	(2,239)	(2,019)	(2,100)
Financial liabilities	14	(333)	(5,406)	(14,619)
Deferred income	13	(1,070)	(1,040)	(1,577)
Total current liabilities		<u>(3,642)</u>	<u>(8,465)</u>	<u>(18,296)</u>
Total liabilities		<u>(11,769)</u>	<u>(17,065)</u>	<u>(22,353)</u>
Net assets		<u>5,023</u>	<u>(177)</u>	<u>(5,087)</u>
EQUITY				
Called up share capital	15,20	6,083	6,083	6,099
Share premium	20	15,120	15,120	15,152
Equity proportion of Convertible Loan Notes	20	181	181	181
Capital Reserve	20	21,474	21,474	21,474
Retained deficit	20	(37,835)	(43,035)	(47,993)
Total equity attributable to the shareholders of the Company		<u>5,023</u>	<u>(177)</u>	<u>(5,087)</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	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	Retained deficit £'000	Total equity £'000
1 June 2007	2,507	2,333	12,634	219	21,474	(31,884)	7,283
Share issues	1,156	–	2,311	–	–	–	3,467
Equity proportion of convertible loan notes issued	–	–	–	224	–	–	224
Conversion to share capital of equity proportion of convertible loan notes	87	–	175	(262)	–	–	–
Share based payment	–	–	–	–	–	164	164
Loss for the period	–	–	–	–	–	(6,115)	(6,115)
30 June 2008	3,750	2,333	15,120	181	21,474	(37,835)	5,023
1 July 2008	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	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 CASH FLOW STATEMENTS

	13 months ended 30 June 2008 £'000	Year ended 30 June 2009 £'000	Year ended 30 June 2010 £'000
Cash flows from operating activities			
Loss before taxation	(6,115)	(5,214)	(4,958)
Share based payments	497	14	–
Depreciation on property, plant and equipment	309	258	264
Amortisation of intangible assets	126	287	320
Amortisation of grants	(98)	(82)	(82)
Amortisation of prepaid finance fees	–	103	103
Profit on disposal of players registrations	(913)	(71)	(154)
Profit on disposal of property, plant and equipment	(300)	–	12
Finance income	(31)	(10)	–
Finance expense	476	784	1,511
	<hr/>	<hr/>	<hr/>
Cash flows from operating activities before changes in working capital	(6,049)	(3,931)	(2,984)
Decrease in inventory	27	5	10
(Increase)/decrease in trade and other receivables	(303)	(109)	51
(Decrease)/increase in trade and other payables and deferred income	(110)	217	689
	<hr/>	<hr/>	<hr/>
Cash generated from operations	(6,435)	(3,818)	(2,234)
Investing activities			
Purchase of property, plant and equipment	(36)	(168)	(65)
Proceeds on disposal of players registrations	695	277	167
Purchase of players registrations	(381)	(343)	(739)
Interest received	31	10	–
	<hr/>	<hr/>	<hr/>
Net cash generated by investing activities	309	(224)	(637)
Financing activities			
Proceeds from issue of new share capital	900	–	–
Proceeds issue of convertible loan notes	3,022	–	–
Proceeds from issue of loan notes	1,673	4,234	3,240
Interest paid	(8)	(5)	–
	<hr/>	<hr/>	<hr/>
Net cash generated by financing activities	5,587	4,229	3,240
Net (decrease)/increase in cash and cash equivalents	(539)	187	369
Cash and cash equivalents at the start of the year	743	204	391
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	204	391	760
	<hr/>	<hr/>	<hr/>

During the year, £48,000 (2009: £nil, 2008: £2,829,050) of convertible loan notes were converted into ordinary shares of the Company.

NOTES TO THE ACCOUNTS

1. Accounting policies

Basis of preparation

The financial information has been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively “IFRS”) issued by the International Accounting Standards Board (“IASB”) as adopted by the European Union (“adopted IFRSs”) and in accordance with those parts of the Act that remain applicable to Group’s reporting under IFRS.

The financial information is presented in sterling, rounded to the nearest thousand. It is prepared under the historical cost basis.

Going Concern

The Board has considered the adoption of the going concern basis and the source of funds from the Open Offer, and has concluded that the basis has been appropriately adopted in the financial information.

New standards and interpretations

The following new amendment, applied for the first time from 1 July 2009, has had an effect on the financial statements of the Group:

- IAS 1 (Amendment) – Presentation of Financial Statements. As a result of the application of this amendment the Group has elected to replace the Income Statement with a single Statement of Comprehensive Income. The amendment does not change the recognition or measurement of transactions and balances in the financial statements.

The IASB and the International Financial Reporting Interpretations Committee have issued the following standards and interpretations that are mandatory for later accounting periods and which have not been adopted early for the year ended 30 June 2010. These are:

- Improvements to IFRSs (2009) – The improvements in this Amendment clarify the requirements of IFRSs and eliminate inconsistencies within and between Standards. They are generally effective for accounting periods beginning on or after 1 January 2010 and have been endorsed for use in the EU.
- IFRS 2 (Amendment) – Group Cash-settled Share-based Payment Transactions (effective for accounting periods beginning on or after 1 January 2010) provides clarification over the accounting treatment where share-based payments are made on behalf of another group entity. This has been endorsed for use in the EU.
- IAS 32 (Amendment) – Classification of Rights Issues (effective for accounting periods beginning on or after 1 February 2010) addresses the accounting for rights issues that are not denominated in the functional currency of the issuer. This has been endorsed for use in the EU.
- IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments (effective for accounting periods beginning on or after 1 July 2010) addresses transactions in which an entity issues equity instruments to a creditor in return for the extinguishment of all or part of a financial liability. This has been endorsed for use in the EU.
- IAS 24 (Amendment) – Related Party Disclosures (effective for accounting periods beginning on or after 1 January 2011) revises and simplifies the definition of a related party. This has been endorsed for use in the EU.
- Improvements to IFRSs (2010) – The improvements in this Amendment clarify the requirements of IFRSs and eliminate inconsistencies within and between Standards. They are generally effective for accounting periods beginning on or after 1 January 2011 but have not yet been endorsed for use in the EU.
- IFRS 9 – Financial Instruments (effective for accounting periods beginning on or after 1 January 2013) will eventually replace IAS 39 in its entirety. However, to date the Standard has focused on the classification and measurement of financial assets only. This has not yet been endorsed for use in the EU.

The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Group's financial statements in the period of initial application, other than on presentation and disclosure.

The IASB has also issued or revised IFRS 1 and IFRIC 14 (IAS 19) which are not relevant to the operations of the Group.

Basis of consolidation

The financial information incorporates the results of the Company and entities controlled by the Company (its subsidiaries, Millwall Football and Athletic Company (1985) Plc and Millwall Properties Limited). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. The consolidated financial information presents the financial results of the Company and its subsidiaries (the Group) as if they formed a single entity.

The results of subsidiaries acquired or disposed during the period are included in the consolidated income statements from the effective date of acquisition or up to the effective date of disposal, as appropriate, using the purchase method.

Where necessary, adjustments are made to the results of subsidiaries to bring the accounting policies used into line with those used by the Group.

Players' registrations

The costs associated with the acquisition of players' registrations are initially recorded at fair value of the consideration payable at the date of acquisition as intangible fixed assets. These costs are fully amortised over the period of the respective players' contracts.

For the purposes of impairment reviews, acquired players' registrations are classified as a single cash-generating unit until the point at which it is made clear that the player is no longer an active member of the playing squad. In these circumstances the carrying value of the player's registration is reviewed against a measurable net realisable value.

Acquired players' registrations are classified as "Assets held for sale" on the balance sheet if, at any time, it is considered that the carrying amount of a registration will be recovered principally through sale and an active programme is in place to sell the player. The measurement of the registration is the lower of: (a) fair value (less costs to sell); and (b) carrying value. Amortisation of the asset is suspended at the time of reclassification, although impairment charges are made if applicable.

Signing on fees

Signing on fees are charged, on a straight line basis, to the income statement over the period of the player's contract. Prepayments/accruals arising at each period end are included within prepayments and accrued income or accruals within current assets or current liabilities, as appropriate. Where a player's registration is transferred, any signing on fee payable in respect of future periods are charged against the profit/(loss) on disposal of players' registrations in the period in which the disposal is recognised.

Transfer Fees

Transfer fees receivable are recognised in the period in which the registration is transferred and any profit or loss arising is dealt with in the income statement. Contingent transfer fees receivable are recognised once the contingent conditions have been met.

Property, plant and equipment

Property, plant and equipment are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life on a straight line basis, as follows:

Long leasehold premises	– 1% per annum
Fixtures and fittings	– 20% per annum
Motor vehicles	– 25% per annum

Residual value is initially calculated on prices prevailing at the date of acquisition. Residual value is reviewed in each financial period and any changes to initial estimates are reflected in the period of change.

Inventory

Inventories are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price, less further costs expected to be incurred to sell. Provision is made for obsolete, slow moving or defective items where appropriate.

Impairment of non-financial assets (excluding inventories)

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Impairment charges are included in the other expenses line item in the consolidated income statement.

Taxation

Corporation tax payable is provided on taxable profits at the rates that are substantively enacted or enacted at the balance sheet date.

Deferred taxation

Deferred income tax is calculated using the balance sheet asset-liability method of tax allocation for all temporary differences arising between the book value of assets and liabilities and their tax bases, except for differences arising on:

- the initial recognition of goodwill,
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, and
- investments in subsidiary where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that there will be future taxable profits on which this asset can be charged. Deferred income tax assets are reduced to the extent that it is no longer likely that a sufficient taxable benefit will arise.

Deferred taxation balances are calculated at rates either enacted or substantively enacted at the balance sheet date and are shown on the balance sheet separately from current tax assets and liabilities and categorised among non-current items.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either the same taxable group company or different group entities which intend to either settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Pension costs and other post retirement benefits

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Where the Group is a member of a multi-employer scheme and a reliable identification of its assets and liabilities cannot be made then in accordance with IAS 19: "Employee Benefits" the contributions to the scheme are accounted for as though the scheme were a defined contribution scheme.

Financial instruments

Financial assets and liabilities are recognised when the Group becomes party to the contractual provisions of the instrument. The Group holds the following financial assets and liabilities.

Financial assets

Loans and receivables: These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods

and services to customers (trade debtors), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value and then subsequently carried at amortised cost using the effective rate method.

Financial liabilities

Other financial liabilities: Other financial liabilities include the following items: Trade payables and other short-term monetary liabilities, which are initially recognised at fair value. Bank borrowings are initially recognised at fair value being the amount advanced net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the balance sheet. “Interest expense” in this context includes initial transaction costs and premia payable on redemption, as well as any interest payable while the liability is outstanding.

Convertible financial instruments

The proceeds received on issue of the Company’s convertible financial instruments are allocated into their financial liability and equity instrument components and presented separately in the balance sheet. On initial recognition, the financial liability component is determined by reference to the fair value of a similar liability that does not have an associated equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole, the amount separately determined for the liability component.

The amount initially attributed to the liability component equals the fair value of the liability discounted at the Company’s estimated cost of capital. In subsequent years, following initial recognition, the liability element is stated at amortised cost under the effective interest method. The discount is unwound with the movement taken to profit or loss and over time the carrying value of the liability component accumulates to the value of the financial liability.

Transaction costs that are related to the issue of a compound financial instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of proceeds. The amounts initially allocated to the financial liability and equity instrument components are not subsequently re-measured.

Where the convertible financial instrument is converted at maturity, the carrying value of amounts recognised as a financial liability at maturity are transferred to equity.

Where the convertible financial instrument is extinguished before its maturity through an early redemption or repurchase, and when the original conversion privileges are unchanged, the redemption consideration paid (including any transaction costs) are allocated to the instrument’s liability and equity components at the date of repurchase using the same method that was used in the original allocation of proceeds received from the convertible instrument’s issue between those separate components on initial recognition.

The difference between the consideration allocated to the liability component and its carrying value are recognised in profit or loss and the amount of consideration relating to the equity component is recognised in equity.

Cash and cash equivalents

Cash and cash equivalents comprises cash balances and call deposits all with maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the balance sheet.

Finance income

Interest income is accrued on a time basis, by reference to the principal outstanding and under the effective interest method.

Leased assets

Finance leases are those which transfer substantially all of the risks and rewards of ownership to the lessee. Assets held under finance leases are capitalised as property, plant and equipment and are depreciated over the shorter of the lease term or their useful economic life. The capital elements of future lease obligations

are included within borrowings, while the interest elements are charged to the income statement over the period of the lease to produce a constant rate of charge on the balance of capital repayments outstanding.

All other leases are operating leases, the rentals on which are charged to the income statement on a straight-line basis over the lease term.

Trade and other payables and receivables

Trade and other payables and receivables on normal terms are stated at their nominal value, less, in the case of receivables, any impairment losses that may be required.

Other payables, on deferred terms, in particular the purchase of players' registrations, are recorded at their fair value on the date of the transaction and subsequently at amortised cost.

Other receivables on deferred terms, in particular the proceeds from sales of players' registrations, are recorded at their fair value at the date of sale and subsequently at amortised cost less allowances for impairment.

Share based payment

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the income statement on a straight line basis over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

In addition where the terms and conditions of options are modified before they vest, the incremental increase in the fair value of the options, measured immediately before and after the modification, is also charged to the income statement over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the income statement is charged with the fair value of goods and services received. If it is not possible to identify the fair value of these goods or services provided, the income statement is charged with the fair value of the equity instruments granted.

The fair value of options granted is calculated using the Black-Scholes model.

Revenue recognition

Revenue represents income receivable from the Group's principal activities excluding transfer fees and value added tax. Revenue is recognised at the fair value of the consideration receivable. Revenue is split between three categories of income stream; Match Day, Central League Awards and Commercial.

Match Day

Match Day revenue represents income receivable from all match day activities from Millwall games at The Den, together with the share of gate receipts from cup games not played at The Den. The share of gate receipts payable to the other participating club for domestic cup matches played at The Den is treated as a reduction in revenue. Season ticket revenue is recognised over the period of the football season as home matches are played.

Central League Awards

Central League Award revenue represents the Basic Award and the Solidarity Award from the Football League. These awards are recognised over the financial period to which they relate.

Commercial

Commercial revenue comprises income receivable through sponsorship, shop revenue, use of the conference and catering facilities at The Den on non-match days and sundry other income. Sponsorship contracts are recognised over the duration of the contract, either on a straight line basis, or over the period of the football season, as appropriate based on the terms of the contract. Catering revenues are recognised

on an earned basis. Revenue from sale of branded products is recognised at the point of dispatch when significant risks and rewards of ownership is deemed to have been transferred to the buyer.

Deferred income

All income received in advance of football activities, such as season ticket revenue, league awards, advertising, sponsorship and broadcasting revenues are treated as deferred income and released to income over the period or number of matches to which they relate.

Grants

Grants relating to property, plant and equipment are treated as deferred income and released to the income and released to the income statement as the assets concerned are depreciated. Other grants are credited to the income statement as the related expenditure is incurred.

2. Segmental analysis

The Group has one main business segment in the current year and preceding period, that of professional football operations. As a result, no additional business segment information is required to be provided. It operates in one geographical segment, the United Kingdom, and accordingly no geographical segment is required to be provided. Chief operating decisions are made primarily by the board.

Notwithstanding this, a voluntary analysis of the revenue streams is given below:

	13 months ended 30 June 2008 £'000	Year ended 30 June 2009 £'000	Year ended 30 June 2010 £'000
Match day	3,016	3,881	4,746
Central League Awards	491	589	751
Commercial	1,860	1,990	1,954
	<u>5,367</u>	<u>6,460</u>	<u>7,451</u>

3. Finance income and expense

	13 months ended 30 June 2008 £'000	Year ended 30 June 2009 £'000	Year ended 30 June 2010 £'000
Finance income			
Interest on bank deposits	31	10	–
Finance expense			
Bank loans and overdrafts	5	–	–
Interest on loan notes	468	779	1,511
Other	3	5	–
	<u>476</u>	<u>784</u>	<u>1,511</u>

4. Loss from operations

Loss from operations is stated after charging/(crediting):

	13 months ended 30 June 2008 £'000	Year ended 30 June 2009 £'000	Year ended 30 June 2010 £'000
Depreciation and amounts written off property, plant and equipment			
– owned	301	254	264
– held under finance leases and hire purchase contracts	8	4	–
Amortisation of grant	(98)	(82)	(82)
Amortisation of player registrations	126	87	320
Operating lease rentals			
– land and property	168	237	237
Auditors' remuneration			
– audit of company financial information	5	5	5
– audit of financial information of subsidiaries	35	35	35
– taxation services	14	14	8
– other services	13	13	2
Directors' remuneration	309	167	149
Profit on sale of players registrations	(913)	(71)	(154)
Share based payments	164	14	–
	<u> </u>	<u> </u>	<u> </u>

5. Staff costs

The average monthly number of employees in the Group (including executive Directors) was:

	13 months ended 30 June 2008	Year ended 30 June 2009	Year ended 30 June 2010
Football team management	7	7	9
Administrative and ground staff	55	59	58
Players	46	46	41
	<u> </u>	<u> </u>	<u> </u>
	108	112	108

In addition, the Group employs, on average, a further 105 (2009: 90, 2008: 120) temporary staff on match days.

Aggregate remuneration comprised:

	13 months ended 30 June 2008 £'000	Year ended 30 June 2009 £'000	Year ended 30 June 2010 £'000
Wages and salaries	5,731	5,662	5,666
Social security costs	580	585	584
Pension costs	2	13	107
	<u> </u>	<u> </u>	<u> </u>
	6,313	6,260	6,357

6. Directors' emoluments

	13 months ended 30 June 2008 £'000	Year ended 30 June 2009 £'000	Year ended 30 June 2010 £'000
Directors' emoluments	309	167	149
Share based payments	164	14	–
Pension costs	–	13	18
Total directors' emoluments	473	194	167

Payments made to money purchase pension schemes were made in respect of one director (2009: one, 2008: none).

Payments to money purchase pension schemes for the highest paid director were £18,000 (2009: £nil, 2008: £nil).

7. Tax expense

No taxation charge arises due to the incidence of losses incurred and capital allowances claimed during the year (2009: £nil, 2008: £nil).

The tax assessed for the year/period differs to the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	13 months ended 30 June 2008 £'000	Year ended 30 June 2009 £'000	Year ended 30 June 2010 £'000
Loss on ordinary activities before tax	(6,115)	(5,214)	(4,958)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 28% (2009: 28%, 2008: 29.5%)	(1,803)	(1,460)	(1,388)
Effects of:			
Expenses not deductible for tax purposes	545	120	121
Losses for which deferred tax assets are not recognised	1,258	1,340	1,267
Total tax charge for the period/year	–	–	–

Deferred tax

At 30 June 2010 the Group had estimated tax losses carried forward of £49.6 million (2009: £45.3 million, 2008: £40.1 million), subject to the agreement of HM Revenue & Customs. After assessing the prospects for the 2011 financial year the board has decided to not recognise any deferred tax asset as it is prudent to estimate that no losses will be utilised in that period. The amount of the unprovided deferred tax asset at 28% (2009: 28%, 2008: 28%) is calculated at £13.9 million (2009: £12.7 million, 2008: £11.2 million).

At 30 June 2010 the Group had £8.4 million (2009: £8.4 million, 2008: £8.1 million) of unclaimed capital allowances. These have not been recognised as the board cannot prudently estimate that these will be utilised in the forthcoming period. The amount of the unprovided deferred tax asset is calculated as £2.4 million (2009: £2.4 million, 2008: £2.3 million).

At 30 June 2010 the Group had capital losses carried forward of £4.7 million (2009: £4.7 million, 2008: £4.7 million). These have not been recognised as the board cannot prudently estimate that these will be utilised in the forthcoming period. The amount of the unprovided deferred tax asset is calculated as £1.3 million (2009: £1.3 million, 2008: £1.3 million).

8. 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, 2008: £6,115,000) and on 375,205 (2009: 375,011, 2008: 281,512) ordinary shares of £10 each, being the weighted average number of ordinary shares in issue and ranking for dividend during the year.

There is no potential dilution on the loss per ordinary share in 2010, 2009 or 2008 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, 2008: 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 30 June 2010, the Company had gross convertible debt, including PIK notes and accrued interest, of £4,034,000 (2009: £3,734,000, 2008: £3,416,000) in issue, potentially convertible to 113,418 (2009: 105,215, 2008: 113,874) ordinary shares of £10 each, which could dilute earnings per share in the future. There are also a further 3,068,328,600 (2009: 3,068,328,600, 2008: 3,068,328,600) warrants outstanding, which are exercisable, at any time, at a price of .04p.

9. Intangible assets

	Players' Registrations
	£'000
Cost	
1 June 2007	325
Additions	381
Disposals	(279)
30 June 2008	<u>427</u>
1 July 2008	427
Additions	388
Disposals	(150)
30 June 2009	<u>665</u>
1 July 2009	665
Additions	614
Disposals	(252)
30 June 2010	<u>1,027</u>
Amortisation	
1 June 2007	289
Charge for the period	126
Disposals	(279)
30 June 2008	<u>136</u>
1 July 2008	136
Charge for the period	287
Disposals	(150)
30 June 2009	<u>273</u>
1 July 2009	273
Charge for the period	320
Disposals	(227)
30 June 2010	<u>366</u>
Net book value	
30 June 2008	<u>291</u>
30 June 2009	<u>392</u>
30 June 2010	<u>661</u>

Included in the net book value of players' registrations are three registrations at net book values at 30 June 2010 of £242,000, £132,000 and £99,000 (2009: three at £123,000, £106,000 and £90,000, 2008: two at £101,000 and £133,000). The respective remaining useful lives of these registrations are three years, one year and two years respectively. Two of these players were acquired during the year ended 30 June 2010 (One: 2009, Two: 2008) with the other two in the previous period.

10. Property, plant and equipment

	Long leasehold premises £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost				
1 June 2007	17,957	3,183	42	21,182
Additions	–	36	–	36
Disposals	(328)	–	–	(328)
30 June 2008	17,629	3,219	42	20,890
1 July 2008	17,629	3,219	42	20,890
Additions	–	168	–	168
Disposals	–	–	–	–
30 June 2009	17,629	3,387	42	21,058
1 July 2009	17,629	3,387	42	21,058
Additions	–	65	–	65
Disposals	–	(12)	–	(12)
30 June 2010	17,629	3,440	42	21,111
Amortisation				
1 June 2007	2,498	2,963	30	5,491
Charge for the period	209	96	4	309
Disposals	(37)	–	–	(37)
30 June 2008	2,670	3,059	34	5,763
1 July 2008	2,670	3,059	34	5,763
Charge for the period	176	78	4	258
Disposals	–	–	–	–
30 June 2009	2,846	3,137	38	6,021
1 July 2009	2,846	3,137	38	6,021
Charge for the period	176	84	4	264
Disposals	–	–	–	–
30 June 2010	3,022	3,221	42	6,285
Net book value				
30 June 2008	14,959	160	8	15,127
30 June 2009	14,783	250	4	15,037
30 June 2010	14,607	219	–	14,826

Included in amounts classified as long leasehold premises are the costs associated with the building of a football stadium at Senegal Fields.

Included in the net book value of motor vehicles and fixtures and fittings is £nil (2009: £3,862, 2008: £12,320) relating to assets acquired under finance lease and hire purchase agreements. The depreciation charge for the year in respect of these assets is £4,000 (2009: £3,924, 2008: £7,930).

11. Inventories

	13 months ended 30 June 2008 £'000	Year ended 30 June 2009 £'000	Year ended 30 June 2010 £'000
Goods for resale	66	61	51

Goods for resale include an amount of £37,000 (2009: £40,000, 2008: £40,000) carried at fair value less costs to sell. The amount of inventories recognised as an expense during the year was £362,000 (2009: £405,000, 2008: £336,000).

12. Trade and other receivables

	13 months ended 30 June 2008 £'000	Year ended 30 June 2009 £'000	Year ended 30 June 2010 £'000
Trade receivables	461	375	481
Other receivables	38	5	4
Prepayments and accrued income	605	627	483
	<u>1,104</u>	<u>1,007</u>	<u>968</u>

All amounts shown under trade receivables in respect of the current year fall due for payment within one year.

In the directors' opinion the carrying value of trade and other receivables are stated at their fair value, after deduction of appropriate allowances for irrecoverable amounts, as these assets are not interest bearing and receipts occur over a short period. They are therefore subject to an insignificant risk of changes in value. All trade and other receivables that are neither past due nor impaired are considered recoverable.

At 30 June 2010 trade receivables of £68,000 (2009: £65,000, 2008: £72,000) were past due but not impaired. They relate to customers with no default history. The ageing analysis of these receivables is as follows:

	13 months ended 30 June 2008 £'000	Year ended 30 June 2009 £'000	Year ended 30 June 2010 £'000
Up to 3 months	–	–	–
3 to 6 months	72	65	68
	<u>72</u>	<u>65</u>	<u>68</u>

13. Trade and other payables

	13 months ended 30 June 2008 £'000	Year ended 30 June 2009 £'000	Year ended 30 June 2010 £'000
Trade and other payables	1,511	1,264	816
Taxation and social security	349	341	852
Accruals	379	414	432
	<u>2,239</u>	<u>2,019</u>	<u>2,100</u>
Deferred income	1,070	1,040	1,577
	<u>3,309</u>	<u>3,059</u>	<u>3,677</u>
Non-current:			
Trade and other payables	–	81	116
Accruals	–	305	370
	<u>–</u>	<u>386</u>	<u>486</u>
Deferred income	3,770	3,716	3,571
	<u>3,770</u>	<u>4,102</u>	<u>4,057</u>

Included within deferred income is:

- an amount of £1,514,000 (2009: £977,000, 2008: £918,000) relating to amounts received in advance, in respect of season tickets, executive boxes and sponsorship relating to the following year.
- unamortised grants totalling £2,696,000 (2009: £2,778,000, 2008: £2,860,000) received in respect of the long leasehold premises and other fixtures and fittings.
- unamortised proceeds of £938,000 (2009: £1,000,000, 2008: £1,063,000) from the sale of the Training Ground in excess of market value which are being amortised on a straight line basis over 20 years to 2025.

All financial liabilities are classified as financial liabilities at amortised cost. In the directors' opinion the carrying values of trade and other payables are stated at their fair value as they are not interest bearing and payments occur over a short period. They are therefore subject to an insignificant risk of changes in value. All trade and other payables are considered to be payable within 60 days.

14. Financial liabilities

	13 months ended 30 June 2008 £'000	Year ended 30 June 2009 £'000	Year ended 30 June 2010 £'000
Current:			
Amounts relating to convertible loan notes	–	1,554	2,737
Interest accrued on convertible loan notes	–	475	387
Amounts relating to loan notes	–	2,607	9,147
PIK Notes	333	770	2,348
	<u>333</u>	<u>5,406</u>	<u>14,619</u>
Non-current:			
Amounts relating to convertible loan notes	2,579	1,128	–
Interest accrued on convertible loan notes	105	–	–
Amounts relating to loan notes	1,673	3,300	–
PIK Notes	–	70	–
	<u>4,357</u>	<u>4,498</u>	<u>–</u>

Amounts relating to convertible loan notes refer to the financial liability component of the Company's issued convertible loan notes. The liability element of the convertible loan is recognised in accordance with the accounting policy as set out in note 1. The convertible loan notes carry interest at 9 per cent. per annum compounded quarterly.

Interest on the convertible loan notes is, at the option of the Company, paid by the issue of Payment in Kind (PIK) notes. The PIK Notes are convertible into ordinary shares in accordance with the terms of the loan agreement.

Amounts relating to convertible loan notes are stated net of unamortised deferred transaction costs of £nil (2009: £103,000, 2008: £206,000).

The convertible loan notes are secured by a fixed and floating charge over the current and future assets of the Group.

Details of the terms of the other loan instruments are provided in note 17.

	Amounts relating to loan notes			Amounts relating to convertible loan notes			Total		
	30 June 2008 £'000	30 June 2009 £'000	30 June 2010 £'000	30 June 2008 £'000	30 June 2009 £'000	30 June 2010 £'000	30 June 2008 £'000	30 June 2009 £'000	30 June 2010 £'000
Amount payable									
– within one year	–	2,607	9,147	333	2,324	5,085	333	4,931	14,232
– after one year but within two	1,673	3,300	–	2,579	1,198	–	4,252	4,498	–
	<u>1,673</u>	<u>5,907</u>	<u>9,147</u>	<u>2,912</u>	<u>3,522</u>	<u>5,085</u>	<u>4,585</u>	<u>9,429</u>	<u>14,232</u>

15. Share capital

	13 months ended 30 June 2008	Year ended 30 June 2009	Year ended 30 June 2010
Allotted, called up and fully paid			
Ordinary shares of 0.01p each	37,501,097,134	37,501,097,134	37,661,097,134
Deferred shares of 0.09p each	2,592,087,167	2,592,087,167	2,592,087,167
	<u>40,093,184,301</u>	<u>40,093,184,301</u>	<u>40,093,184,301</u>

	13 months ended 30 June 2008 £'000	Year ended 30 June 2009 £'000	Year ended 30 June 2010 £'000
Allotted, called up and fully paid			
Ordinary shares of 0.01p each	3,750	3,750	3,766
Deferred shares of 0.09p each	2,333	2,333	2,333
	<u>6,083</u>	<u>6,083</u>	<u>6,099</u>

Conversion of Loan Notes

	Ordinary Shares 0.01p Issued	Nominal Value £	Consideration Received £
22 April 2010	60,000,000	6,000	18,000
27 May 2010	100,000,000	10,000	30,000

Consolidation

As described in note 21 below, the Company's shares were consolidated after 30 June 2010. The disclosures below reflect shares authorised and in issue prior to the consolidation.

Deferred shares

The rights attaching to the deferred shares which were not admitted to trading on AIM render them effectively valueless. The deferred shares do not carry any voting rights or rights to payment of a dividend. On a winding up of the Company or on a return of capital the deferred shares entitle the shareholders only to the repayment of the amounts paid up on those shares after the repayment of the capital paid up on the ordinary shares and the payment of £100,000 on each ordinary share. The deferred shares are non redeemable.

Convertible Loan Notes

At 30 June 2010 £5,779,000 (2009: £5,779,000, 2008: £5,779,000) of Convertible Loan Notes had been drawn down with £2,951,000 (2009: £2,999,000, 2008: £2,999,000) remaining unconverted. This debt is potentially convertible into 9,836,666,667 (2009: 9,998,056,666, 2008: 9,998,056,666) ordinary shares. The lender has the right to convert the loan notes by giving notice in writing to the Company at any time up to 10 April 2010. If exercised the price paid for each ordinary share will be 0.03p.

The convertible loan notes have 3,068,328,600 (2009: 3,068,328,600, 2008: 3,068,328,600) warrants attached, which are exercisable, at any time, at a price of .04p.

Unapproved Share Options

At 30 June 2009, options were outstanding over 1,166,666,666 shares (2009: 1,166,666,666, 2008: 1,166,666,666), all of which were held by a director.

Number of options	Date of Grant	Exercise period	Exercise price pence per share
666,666,666	28 March 2007	27 March 2014	0.03
500,000,000	28 March 2007	27 March 2014	0.04
<u>1,166,666,666</u>			

Under the unapproved scheme, options vest as follows; half in 12 months; half in 24 months from the date of issue.

	2008 Weighted Average Price (pence)	2008 Number	2009 Weighted Average Price (pence)	2009 Number	2010 Weighted Average Price (pence)	2010 Number
Outstanding at the beginning of the period/year	0.036	1,901,916,666	0.034	1,166,666,666	0.034	1,166,666,666
Lapsed during the period/year	0.04	(735,250,000)	–	–	(0.34)	(1,166,666,666)
Outstanding at the end of the period/year	0.034	1,166,666,666	0.034	1,166,666,666	–	–

Share based payment

The Group operates one equity settled share based remuneration scheme for employees and the unapproved scheme for executive directors, certain senior management and contractors.

The exercise price of options outstanding at the end of the year ranged between .03p and .04p (2009: .03p and .04p, 2008: .03p and .04p) and their weighted contractual life was 5.25 years (2009: 5.25 years, 2008: 5.75 years).

Of the total number of options outstanding at the end of the year, nil (2009: nil, 2008: nil) had vested and were exercisable at the end of the year.

The share based remuneration expense comprises:

	13 months ended 30 June 2008 £'000	Year ended 30 June 2009 £'000	Year ended 30 June 2010 £'000
Equity settled options	164	14	–

The share based remuneration expense above represents the amount charged for the year for total compensation of £183,000 being amortised over the two year vesting period.

16. Financial commitments and contingent assets/liabilities

(a) *Non-cancellable operating leases*

The total value of minimum lease payments in respect of property leases are due as follows:

	13 months ended 30 June 2008 £'000	Year ended 30 June 2009 £'000	Year ended 30 June 2010 £'000
Not later than one year	228	237	237
Later than one year but no later than five years	1,006	1,047	1,047
Later than five years	9,614	9,336	9,099
	10,848	10,620	10,383

(b) *Pensions*

The football club is one of 54 participating employers in the Football League Limited Pension and Life Assurance Scheme. Until 31 August 1999, this scheme was a defined benefit scheme. After that date, the scheme was closed to new members and a new scheme started to provide benefits on a defined contribution basis.

Contributions to the defined benefit scheme were determined in accordance with the advice of independent qualified actuaries on the basis of triennial valuations using the projected unit credit method. The most recent valuation for which financial information is currently available was conducted on 31 August 2008 on scheme data.

The valuation carried out on 31 August 2008 was in accordance with the Statutory Minimum Funding Requirement basis laid out in the Pensions Act 1995. This valuation showed that the deficit had decreased although as people are generally living longer, the Actuary had to take into his calculations the fact that pensions will be in payment longer.

The valuation has indicated that the Club's share of the deficit was £126,978 as at 1 April 2006. This is being repaid over a ten year period, at a monthly repayment of £1,636 from September 2009.

At 30 June 2010 1 (2009: 1, 2008: 1) of the subsidiary's employees was a member of the scheme. Contributions were paid by the subsidiary being 10.4 per cent. (2009: 10.4 per cent., 2008: 10.4 per cent.) of the member's pensionable salary for the period. The Group is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis so the scheme has been treated as a multi-employer scheme in this financial information. The directors do not believe any deficiency will be material for the Group.

Certain other employees of the Group, except for football players who are responsible for their own pension arrangements, are eligible to be members of defined contribution schemes. The assets of any schemes are held in funds separate from the Group.

(c) ***Transfer fees payable/receivable***

Under the terms of certain contracts with other football clubs in respect of player transfers, additional amounts would be receivable/payable by the Company if conditions as to future team selection are met. The maximum that could be receivable is £Nil (2009: £Nil, 2008: £25,000). The maximum that could be payable is £30,000 (2009: £105,000, 2008 £150,000). These amounts have not been provided for in the financial information.

17. Nature and extent of financial instruments

The Group's financial instruments include the following:

- trade and other receivables;
- trade and other payables;
- cash and cash equivalents;
- accruals;
- convertible loan notes;
- non convertible loan notes; and
- PIK Notes.

Categories of Financial Instruments

Classifications of financial assets

	13 months ended 30 June 2008 £'000	Year ended 30 June 2009 £'000	Year ended 30 June 2010 £'000
Trade receivables	461	375	481
Other receivables	38	5	4
Cash and cash equivalents	204	391	760
Total financial assets classified as loans and receivables at amortised cost	703	771	1,245

Classifications of financial liabilities

	13 months ended 30 June 2008 £'000	Year ended 30 June 2009 £'000	Year ended 30 June 2010 £'000
Trade and other payables	1,860	2,224	1,786
Accruals (including accrued interest on loan notes)	484	719	1,189
Amounts relating to convertible loan notes	2,579	2,682	2,737
Amounts relating to loan notes	1,673	5,907	9,147
Amounts relating to PIK Notes	333	840	2,348
Total financial assets classified as loans and receivables at amortised cost	6,929	12,372	17,207

Financial Instruments – Risk Management

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Interest rate risk
- Liquidity risk

The Group does not trade in financial instruments or carry out derivative transactions. There is no foreign currency exposure.

Credit risk

Credit risk arises principally from the Group's trade and other receivables and cash at bank and cash equivalent.

It is the risk that the counterparty fails to discharge their obligations and could reduce the amount of future cash inflows from financial assets on hand at the balance sheet date.

The Group manages this risk by using a reputable bank and requesting references from customers that are previously unknown to the Group.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group considers the interest rates available when deciding where to place cash balances. The Group has no material exposure to interest rate risk.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and repayments of its liabilities. It is the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities.

The Group's policy is to ensure that it will have sufficient cash available to it to allow it to meet its liabilities when they become due. The Group has, at the year end, undrawn loan facilities of £453,000 (2009: £1,119,000 2008: £1,627,000) and has arranged an increase in its facility of £1,400,000, as shown in note 18.

The maturity analysis of financial liabilities is shown in note 14.

Interest bearing financial assets

Financial assets include sterling balances on deposit which may be withdrawn on demand. Interest is earned on cleared balances at market rate as and when monetary deposits are made. At 30 June 2010 the Group had £584,000 on deposit (2009: £301,000, 2008: £148,000).

Convertible Loan Notes

The convertible loan notes carry interest at 9 per cent. per annum calculated daily and consolidated quarterly. At the option of the Company the interest may be settled by the issue of PIK (Payment in Kind) Notes which have the same terms as the loan notes to which they relate and carry the same interest terms. The convertible loan note facility was fully drawn down at the start and end of the year and is available to the Company until 1 July 2012.

Loan Notes (Non-convertible)

The £3,300,000 loan note facility carries interest at 10 per cent. per annum calculated daily and consolidated quarterly. The facility is fully drawn (2008: £1,627,000 undrawn) and is available to the Company until 1 July 2012.

A syndicated loan note facility of £4,300,000 carrying interest at 17 per cent. per annum and £1,700,000 carrying interest at 15 per cent. per annum calculated daily and consolidated quarterly was made available to the Company in 2008. The undrawn balance of £453,000 (2009: £1,118,000, 2008: £1,627,000) is available to the Company until 1 July 2012 (having been extended during the year).

At the option of the Company the interest on all non-convertible loan notes may be settled by the issue of PIK Notes which have the same terms as the loan notes to which they relate and carry the same interest terms.

Fair values

The fair value of the financial assets and liabilities at 30 June 2010, 30 June 2009 and 30 June 2008 are not materially different from their book values.

Capital disclosures

The Group's key management personnel define capital as the Company's cash holding, loan notes (both convertible and non-convertible) and equity share capital.

The Group's objective when managing capital is to safeguard the entity's ability to continue as a going concern, so that it can begin to provide returns for shareholders and benefits for other stakeholders.

The Group does not consider it has a significant risk due to the profile of its customer.

In order to maintain or adjust the capital structure the Company may sell assets to reduce debt.

18. Related Party Transactions

John G. Berylson (non-executive Chairman) and Demos Kouvaris (non-executive director) are respectively Chairman, Chief Operating Officer and Chief Financial Officer of CHV the company which has advanced lines of credit to the Company through convertible and non-convertible loan notes. The convertible facility is for £5,000,000, which was fully drawn at the start and end of the year and of which £3,200,000 has previously been converted to share capital. A balance of £1,800,000 (2009: £1,800,000, 2008: £1,800,000) remains drawn down and unconverted at the year end. CHV made a further facility of loan notes available totalling a further £3,000,000, which carry interest at 10 per cent. per annum Messrs. C. Gonticas and T. Keyse, non-executive directors, subscribed for a further £300,000 of these loan notes. At 30 June 2010 £3,300,000 (2009: £3,300,000, 2008: £1,673,000) of these facilities had been drawn down leaving no further balance (2009: £nil, 2008: £1,627,000) available to draw down. CHV made a further facility of loan notes available totalling £3,500,000 on 25 November 2008, amended to £4,300,000 on 20 October 2009 and which was further increased to £6,000,000 before the Annual General Meeting on 11 December 2009. At 30 June 2010 £5,547,000 (2009: £2,381,000, 2008: £1,673,000) had been drawn down leaving a total balance of £453,000 (2009: £3,119,000, 2008: £1,627,000) still available under this increased facility. On 15 November 2010 the available loan note facilities were revised to make available to the Company a further facility of £1.4 million, after the Open Offer.

The remuneration of key management personnel, who are considered to be the board of directors, is shown in note 6. In addition, Heather Rabbatts received fees totalling £45,000 (2009: nil, 2008: nil) for consultancy services provided to the Group in the year.

19. Accounting estimates and judgements

Critical accounting judgements in applying the Group's policies

The preparation of financial information under IFRSs requires management to make judgements, estimates and assumptions that affect the application of 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.

Certain critical accounting judgements made in applying the Group's accounting policies are described below:

Acquired players' registrations

In assessing whether the registration of any individual player requires reclassification to "Assets held for sale" and, if so, whether any impairment charge is required, the Directors will apply the accounting policy detailed in note 1.

Share based payments

In determining the fair value of equity based payments and the related charge to the income statement, the Group makes assumptions about future events and market conditions. In particular, judgement must be made as to the likely number of shares that will vest, and the fair value of each award granted. The fair value is determined using a valuation model which is dependant on further estimates, including the Group's future dividend policy, employee turnover, the timing with which options will be exercised and the future volatility in the price of the Company's shares. Such assumptions are based on publicly available information and reflect market expectations and advice taken from qualified personnel. Different assumptions about these factors to those made by the Group could materially affect the reported value of share based payments.

Useful lives of intangible assets

Intangible assets are amortised over the length of the players' contract which is deemed to be their useful lives and managements estimates as to their continuing usefulness to the football side.

Useful lives of property, plant and equipment

Property, plant and equipment are amortised or depreciated over their useful lives. Useful lives are based on management estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness.

20. Reserves

Reserve	Description and purpose
Share capital	Amount subscribed for ordinary and deferred share capital at nominal value.
Share premium	Amount subscribed for ordinary and deferred share capital in excess of nominal value.
Equity proportion of Convertible Loan Notes	The residual equity element of the convertible loan note instrument after deducting all liability components.
Capital Reserve	Amount arising on cancellation of deferred shares and share premiums in prior years.
Retained deficit	Retained deficit Cumulative net gains and losses recognised in the consolidated income statement.

21. Post balance sheet events

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

On 15 November 2010, the terms of the CHV Loans were amended to extend the term of the facilities to 1 July 2012. In addition the available loan facilities were revised to make available to the Company a facility of £1.4 million after the Open Offer.

SECTION B

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE GROUP

PART A ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE GROUP



BDO LLP
55 Baker Street
London
W1U 7EU

The Directors
Millwall Holdings plc
The Den
Zampa Road
London SE16 3LN

17 November 2010

Singer Capital Markets Limited
1 Hanover Street
London W1S 1YZ

Dear Sirs

Millwall Holdings plc (the "Company")

PRO FORMA FINANCIAL INFORMATION

We report on the unaudited pro forma statement of net assets (the "Pro Forma Financial Information") set out in Part B of Section B of Part 6 of the prospectus dated 17 November 2010 which has been prepared on the basis described in the notes to the Pro Forma Financial Information, for illustrative purposes only, to provide information about how the open offer of new ordinary shares in the Company might have affected the financial information presented on the basis of accounting policies adopted by the Company in preparing the financial statements for the year ended 30 June 2010.

This report is required by item 20.2 of annex I of the Commission Regulation (EC) No. 809/2004 (the "PD Regulation") and is given for the purpose of complying with that item and for no other purpose.

RESPONSIBILITIES

It is the responsibility of the directors of the Company to prepare the Pro Forma Financial Information in accordance with item 20.2 of Annex I of the PD Regulation.

It is our responsibility to form an opinion, as required by item 7 of Annex II of the PD Regulation as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of annex I of the PD Regulation consenting to its inclusion in the Prospectus.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

BASIS OF OPINION

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the Directors.

We planned and performed our work so as to obtain the information and explanations which we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

OPINION

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

DECLARATION

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of annex I of the PD Regulation.

Yours faithfully

BDO LLP

Chartered Accountants

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

SECTION B – PART B
UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE GROUP

The following unaudited pro forma statement of net assets of the Group (the “pro forma financial information”) is based on the consolidated net assets of the Group as at 30 June 2010, set out in the audited consolidated financial information on the Company for the year ended on that date, and has been prepared to illustrate the effect on the consolidated net assets of the Group as if the Open Offer was completed on 30 June 2010.

The pro forma financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and does not, therefore, represent the Group’s actual financial position or results.

The pro forma financial information has been prepared under International Financial Reporting Standards as adopted by the EU and on the basis set out in the notes set out below. The pro forma financial information is stated on the basis of the accounting policies adopted in the last consolidated financial statements of the Company.

	The Group As at 30 June 2010 (note 1) £'000	Adjustments			Pro forma net assets of the Group £'000
		Net Open Offer proceeds (note 2) £'000	Redemption of NFL Loan Notes (note 3) £'000	Extension of CHV loan terms (note 4) £'000	
ASSETS					
Non-current assets					
Intangible assets	661	–	–	–	661
Property, plant and equipment	14,826	–	–	–	14,826
	<u>15,487</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>15,487</u>
Current assets					
Inventories	51	–	–	–	51
Trade and other receivables	968	–	–	–	968
Cash and cash equivalents	760	1,650	(1,157)	–	1,253
	<u>1,779</u>	<u>1,650</u>	<u>(1,157)</u>	<u>–</u>	<u>2,272</u>
Total assets	<u>17,266</u>	<u>1,650</u>	<u>(1,157)</u>	<u>–</u>	<u>17,759</u>
Non-current liabilities					
Trade and other payables	(486)	–	–	–	(486)
Financial liabilities	–	–	–	(5,612)	(5,612)
Deferred income	(3,571)	–	–	–	(3,571)
Total non-current liabilities	<u>(4,057)</u>	<u>–</u>	<u>–</u>	<u>(5,612)</u>	<u>(9,669)</u>
Current liabilities					
Trade and other payables	(2,100)	–	–	–	(2,100)
Financial liabilities	(14,619)	7,850	1,157	5,612	–
Deferred income	(1,577)	–	–	–	(1,577)
Total current liabilities	<u>(18,296)</u>	<u>7,850</u>	<u>1,157</u>	<u>5,612</u>	<u>(3,677)</u>
Total liabilities	<u>(22,353)</u>	<u>7,850</u>	<u>1,157</u>	<u>–</u>	<u>(13,346)</u>
Net assets	<u>(5,087)</u>	<u>9,500</u>	<u>–</u>	<u>–</u>	<u>4,413</u>

Notes:

- The net assets of the Group at 30 June 2010 have been extracted without material adjustment from the financial information on the Group for the year ended 30 June 2010 set out in Part B of Section B of Part 6 of this document.

Adjustments:

- The pro forma statement of net assets on page 90 has been prepared on the basis that no Shareholders (other than CHV and Constantine Gonticas) take up their Open Offer Entitlement and therefore the Underwriting Agreement is fully utilised and only the Minimum Amount is raised in cash.

	<u>Basis of settlement</u>	
	Cash £'000	Cancellation or repayment of Loan Notes and CHV Loans £'000
CHV and Constantine Gonticas have irrevocably undertaken to the Company to subscribe for all of the New Ordinary Shares which they are entitled to under the Open Offer, to be satisfied by the Cancellation of £3.46 million of Loan Notes and CHV Loans	–	3,460
CHV, certain of NFL Noteholders and certain of the Directors have agreed with the Company to underwrite up to £6.54 million of the Open Offer. The underwriting will be satisfied by at least £2.15 million in cash, the balance to be satisfied by the Cancellation of the equivalent value of a Loan Notes and CHV Loans		
CHV	2,000	3,521
NFL Noteholders	–	426
Directors (and associates)	150	443
	<u>2,150</u>	<u>7,850</u>
The estimated expenses of the transaction are £0.5 million	(500)	–
	<u>1,650</u>	<u>7,850</u>
3. NFL Loan Notes totalling £1.157 million will be redeemed for cash, the balance of the NFL Loan Note holders having elected to convert their loan notes to equity shares under the Underwriting Agreement.	<u>(1,157)</u>	<u>1,157</u>
	<u>493</u>	<u>9,007</u>
4. On 15 November 2010, the terms of the CHV Loans were amended to extend the term of the facilities until 1 July 2012. As a result, if the Underwriting Agreement is fully utilised all remaining financial liabilities will be classified as non-current.		

5. In the event that the Open Offer is fully subscribed the proceeds, and uses thereof, would be as set out in the table below.

	<u>Basis of settlement</u>	
	Cash £'000	Cancellation or repayment of loan notes £'000
CHV and Constantine Gonticas have irrevocably undertaken to the Company to subscribe for all of the New Ordinary Shares which they are entitled to under the Open Offer, to be satisfied by the Cancellation of £3.46 million of Loan Notes and CHV Loans	–	3,460
Subscriptions under the Open Offer	7,837	–
	<u>7,837</u>	<u>3,460</u>
The estimated expenses of the transaction are £0.5 million	(500)	–
Net proceeds of the Open Offer	<u>7,337</u>	<u>3,460</u>
Repayment of debt:		
NFL Loan Notes	(1,582)	1,582
Directors Loan Notes	(442)	442
CHV Loans	<u>(4,820)</u>	<u>4,820</u>
Net increase in cash and decrease in debt after repayment of the Loan Notes and CHV Loans	<u>493</u>	<u>10,304</u>

The Directors have stated that any additional cash raised if the Open Offer is fully subscribed will be applied to repay the NFL Loan Notes, which the Company is contractually obliged to do, and to repay the Directors Loan Notes and the CHV Loans which remain outstanding after the cancellation of part of those loan notes in satisfaction of the subscription price for New Ordinary Shares under the Open Offer, in that order of precedence. The potential maximum repayment of debt on this basis is set out in the table above.

The net asset position of the Company would increase by a further £1.3 million in comparison to the net assets if only the Minimum Amount is raised and the Underwriting Agreement is fully utilised, as set out in notes 2 and 3 above.

6. No account has been taken of the financial performance of the Group since 30 June 2010, nor of any other event save as disclosed above.

PART 7

ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENT

- 1.1 The Directors, whose names and functions appear in paragraph 1 of Part 3, and the Company accept individual and collective responsibility for the information contained in this document. To the best of the knowledge of the Directors and the Company (who have taken all reasonable care to ensure 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.

The Company

- 1.2 The Company was incorporated in England on 6 March 1989 under the Companies Act 1985 with registered number 2355508 as a public limited company with the name Jorranban (No. 25) PLC. The Company is domiciled in the United Kingdom. On 19 September 1989 the Registrar of Companies issued a certificate under section 117 of the Companies Act 1985 to enable the Company to commence carrying on any trade or business whatsoever and act as a holding company. By special resolution passed on 23 August 1989 the name of the Company was changed to Millwall Holdings plc.
- 1.3 The liability of the members of the Company is limited.
- 1.4 The Company is the holding company of the Group engaged primarily in the operation of a professional football club and its related activities.
- 1.5 The Company has the following significant subsidiary undertakings, being those considered by the Company to be likely to have a significant effect on the assessment of the assets and liabilities, financial position and/or profits and losses of the Group:

Name	Place and date of Incorporation	Main Activity	Issued and fully paid share capital	Percentage of shares owned
Millwall Football and Athletic Company (1985) plc	UK 20 June 1985	Football Club	400,000 ordinary shares of £1 each	100%
Millwall Properties Limited	UK 19 June 2006	Developer in the regeneration of the area surrounding The New Den stadium	1 ordinary share of £1	100%

The registered office of the Company, the Club and Millwall Properties Limited is at The Den, Zampa Road, London, SE16 3LN. The telephone number is 020 7232 1222.

2. SHARE CAPITAL

- 2.1 The table below sets out the maximum amount of shares that may be allotted by Company and the issued share capital of the Company as at the date of this document and as each will be immediately after the completion of the Open Offer assuming that: (i) the underwriting commitment is fully utilised and no Shareholders (other than CHV and Constantine Gonticas) take up their Open Offer Entitlements; and (ii) the Open Offer is fully subscribed:

	Maximum Ordinary Shares £	No. of Ordinary Shares	Issued and Fully Paid Ordinary Shares £	No. of Issued and Fully Paid Ordinary Shares
At the date hereof:	5,454,480 ⁽¹⁾	545,448 ⁽¹⁾	3,766,010	376,610
At Admission assuming the underwriting commitment is fully utilised and no Shareholders (other than CHV and Constantine Gonticas) take up their Open Offer Entitlements	15,454,480 ⁽¹⁾	1,545,448 ⁽¹⁾	13,766,010	1,376,610
At Admission assuming the Open Offer is fully subscribed	16,752,780 ⁽¹⁾	1,675,278 ⁽¹⁾	15,064,400	1,506,440

(1) Maximum No./£ Ordinary Shares comprises the aggregate of No./£ Issued and Fully Paid Ordinary Shares as set out in the above table and each of: CHV Convertible Debt (£600,000/60,000 Ordinary Shares); NFL Loan Notes (£383,806/38,381 Ordinary Shares); PIK Notes (£397,744/39,774 Ordinary Shares); and Warrants (£306,830/30,683 Ordinary Shares).

- 2.2 The following alterations in the share capital of the Company have taken place in the three years preceding the date of this document all of which shares were issued upon the conversion of Loan Notes and CHV Loans:
- 2.2.1 On 20 June 2008 the Company issued 8,329,746,667 ordinary shares of 0.01 penny each, having a nominal value of £832,975 for a consideration of £2,498,924.
- 2.2.2 On 25 June 2008 the Company issued 1,100,410 ordinary shares of 0.01 penny each, having a nominal value of £110,041 for a consideration of £330,133.
- 2.2.3 On 22 April 2010 the Company issued 60,000,000 ordinary shares of 0.01 penny each, having a nominal value of £6,000 for a consideration of £18,000.
- 2.2.4 On 27 May 2010 the Company issued 100,000,000 ordinary shares of 0.01 penny each, having a nominal value of £10,000 for a consideration of £30,000.
- 2.2.5 Pursuant to the terms of the CHV Convertible Debt and the NFL Loan Notes, convertible PIK Notes have been issued in lieu of interest every three months since interest began to accrue on the same, save that in respect of the CHV Convertible Debt, no convertible PIK Notes have been issued since March 2010 and in respect of the NFL Loan Notes, no convertible PIK Notes have been issued since August 2010. The total value of the convertible PIK Notes issued during the last three years is £990,252, which is convertible into 30,190 Ordinary Shares.
- 2.3 On 4 October 2010 by ordinary resolution of the Company every 100,000 of the issued and unissued ordinary shares of 0.01 penny each in the capital of the Company was consolidated into one Existing Ordinary Share.
- 2.4 Save as disclosed in paragraphs 2.1 and 2.2 of this document, in the three years preceding the date of this document there have been no issues of share or loan capital of the Company or its subsidiaries and no share or loan capital of the Company or its subsidiaries is presently under option or is the subject of an agreement, conditional or unconditional, to be put under option.
- 2.5 At the annual general meeting of the Company held on 11 December 2009, an ordinary resolution generally and unconditionally authorising the Directors, until the conclusion of the next annual general meeting of the Company, to allot relevant securities in accordance with section 551 of the Act up to an aggregate nominal amount of £2,000,000 was passed.
- 2.6 It is proposed that at the Extraordinary General Meeting, a resolution be passed to:
- amend the maximum nominal amount of shares that may be allotted by the Company to £22,332,878.45 divided into 2,000,000 ordinary shares of £10 each and 2,592,087,167 deferred shares of 0.09p each; and
 - in addition to the authority referred to in paragraph 2.7 below, authorise the Directors to allot and issue Ordinary Shares up to a nominal value of £11,298,300 in connection with the Open Offer and approve the Open Offer.

- 2.7 At the annual general meeting of the Company to be held immediately before the EGM, an ordinary resolution will be proposed seeking to generally and unconditionally authorise the Directors, until the conclusion of the next annual general meeting of the Company, to allot shares and rights to subscribe for or convert into shares in accordance with section 551 of the Act up to an aggregate nominal amount of £2,000,000.
- 2.8 The Company has no current disapplication of the statutory pre-emption rights save in relation to the issue of shares on exercise of warrants and the conversion of such part of the NFL Loan Notes and the CHV Loans and interest accrued thereon as is convertible into Ordinary Shares, pursuant to special resolutions passed at the extraordinary general meeting of the Company held on 28 March 2007. Details of the warrants, Loan Notes and CHV Loans and procedures for converting them are set out in paragraph 6 of Part 7 of this document.

Share Option Scheme

3.1 Summary

The Millwall Holdings Plc Unapproved Share Option Scheme 2006 (the “Unapproved Scheme”) enables options over Ordinary Shares to be granted.

The scheme is administered by the Board, acting on the recommendations of the remuneration committee which consists wholly or mainly of non-executive directors of the Company.

No options have been granted under the Unapproved Scheme.

The Unapproved Scheme

1. *Introduction*

Amendments to the Unapproved Scheme do not require HMRC approval.

2. *Eligible Employees*

All directors, including non-executive directors, and employees of the Group (other than those due to retire within two years) are eligible to participate in the Unapproved Scheme at the discretion of the Board.

There is no requirement for any employee to satisfy a specified number of working hours per week to be eligible to participate in the Unapproved Scheme.

3. *Grant of Options*

The Board may at any time and from time to time within ten years of the date of adoption of the Unapproved Scheme, at its discretion, grant to any qualified person one or more options to acquire Ordinary Shares.

Options may not be granted at a date more than ten years after the adoption date.

Every option is personal to the participant and other than in the event of death is not capable of being transferred or assigned.

Options are granted by Board resolution and options will be evidenced by a certificate under seal, the date of grant being the date of the certificate. No consideration is payable for the grant of an option.

4. *Exercise Price*

Subject to variation of the capital structure of the Company, the subscription price payable on the exercise of an option shall be a price determined by the Board which should not be less than the nominal value of any Ordinary Share.

5. *Exercise of Options*

An option may be exercised at any time within five years from the date of grant subject to the discretion of the Board which may determine an appropriate period for exercise at the date of grant, and subject to the satisfaction of any performance criteria imposed at the date of grant.

In the event of a take-over, reconstruction or winding up of the Company if the option is not otherwise exercisable at that time a participant may exercise his options immediately during the period of three months beginning with the time when the person making the offer has obtained control of the Company (and corresponding three month periods in other events).

A participant may exercise an option in respect of all or a part being a multiple of 10,000 of the shares which are subject to an option by a prescribed procedure including payment to the Company of the total subscription price for those shares.

The Company will apply to the London Stock Exchange for the shares issued to the participant to be admitted to listing, or to be admitted to trading on AIM (as appropriate).

Shares issued will rank *pari passu* with other Ordinary Shares then in issue but will not participate in any dividend or other rights attaching to the shares by reference to a date preceding the date of issue.

Options not exercised within the exercise provisions specified in the Rules, will lapse.

6. *Limits*

An employee must not be granted an option if the aggregate market value (by reference to valuation at the date of grant) of shares issuable under option and held by that employee pursuant to the Unapproved Scheme and any other share option scheme exceeds four times his salary as at the relevant date of grant. There is no such financial limit applied to grants awarded to directors who are not full time employees and other provisions of the Scheme applicable to employees such as cessation of employment rules do not apply to them.

7. *Variation of Share Capital*

In the event that any variation in the issued share capital of the Company is effected after the date of adoption of the Unapproved Scheme, then the subscription price and/or the number of shares subject to an option may be adjusted by the Board in such manner as it in its absolute discretion determines to be appropriate. Any such adjustment must be confirmed in writing by the auditors, to be in their opinion, fair and reasonable.

No adjustment shall be made, if it would cause the subscription price of a share to be less than its nominal value, or if it would cause the aggregate subscription price payable on the exercise of an option in full to be increased.

The Board will make appropriate adjustments in the above manner to reflect the Consolidation prior to the issue of any options under the Unapproved Scheme.

8. *Amendment*

The Board may make and vary such regulations for the implementation and administration of the Unapproved Scheme as they think fit.

9. *Termination*

The Unapproved Scheme may be terminated at any time by the Board or by the Company in general meeting and on such termination no further options may be granted, but the subsisting rights of the participants are not affected by such termination.

3. ARTICLES OF ASSOCIATION

The Articles have not yet been updated to take into account changes appropriate to the Company as a consequence of the Act. The Directors proposed resolutions to effect such changes at the 2007, 2008 and 2009 annual general meetings of the Company which were not approved by the requisite majority of Shareholders.

The principal objects of the Company are set out in Clause 4 of its Memorandum of Association (which are deemed to form part of its Articles, pursuant to section 28 of the Act) and are, *inter alia*, to carry on the business of a holding company and to carry on the business of proprietors, operators, promoters or organizers of sports and leisure activities.

The Articles contain provisions, *inter alia*, to the following effect:

3.1 Share capital

The share capital of the Company is divided into ordinary shares and deferred shares.

The deferred shares do not entitle the holders to receive notice of or vote at any general meeting of the Company, to receive a dividend or other distribution or to share in a distribution of the assets or the profits of the Company (unless and until the holders of the ordinary shares have received the monies paid up on the ordinary shares and the sum of £100,000,000 (adjusted following the Consolidation) per ordinary share. The Company is authorised to transfer on behalf of the holders of the deferred shares, any deferred share to such person(s) as the Company may determine and without making any payment to the holders of the deferred shares. The rights attaching to the deferred shares shall not be varied by the passing of, *inter alia*, any resolution cancelling the deferred shares or the redemption and repurchase by the Company of its own shares or by the creation or issue of further shares ranking *pari passu* with or in priority to the deferred shares.

Under the Act, there is no longer a concept of authorised share capital. The provision set out in the Articles as to the amount of the Company's authorised share capital will continue to operate as a restriction on the number of shares in the Company that may be allotted.

3.2 Voting rights

Subject to any special terms as to voting upon which any share may be issued, on a show of hands every member who is present in person or being a corporation is represented by a duly authorised representative and in each case is entitled to vote shall have one vote and upon a poll every member present in person or by proxy and entitled to vote shall have one vote for every share held by him. A proxy need not be a member of the Company. Pursuant to section 324 of the Act, which overrides the Articles, a proxy is entitled to vote on a show of hands.

3.3 Variation of class rights and changes in capital

The rights attached to any class of share may, subject to the provisions of applicable law, be modified varied or abrogated: (a) in such manner (if any) as may be provided by those rights; or (b) in the absence of such provision either with the consent in writing of the holders of at least three-fourths in nominal value of the issued shares of that class (but subject always to the provisions of section 633 of the Act) or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the issued shares of that class. At any such separate general meeting (other than an adjourned meeting) the necessary quorum is two persons personally present or by proxy holding or representing in nominal value at least one-third of the capital paid up on the issued shares of the class in question with the quorum for any adjourned meeting being one such person present or by proxy.

The Company in general meeting may by ordinary resolution:

- (a) consolidate and divide its share capital into shares of a larger amount;
- (b) subject to applicable laws sub-divide its share capital into shares of a smaller amount and may determine that the shares resulting from such sub-division may have special or preferred rights and may be subject to special restrictions;
- (c) cancel any shares which have not been taken up or agreed to be taken up by any person and diminish the number of shares that may be allotted in the Company by the amount of the shares so cancelled;
- (d) increase the number of shares that may be allotted in the Company by such sum to be divided into shares of such amount, as the resolution shall prescribe; and
- (e) subject to applicable laws, purchase its own shares or enter into an agreement to purchase its own shares.

The Company in general meeting may by special resolution, subject to applicable laws and to the rights attaching to existing shares, reduce its share capital, any capital redemption reserve fund or any share premium account in any manner.

3.4 Suspension of Rights

If a member or any other person appearing to be interested in shares held by such shareholder has been duly served with notice under section 793 of the Act and is in default in supplying to the

Company within 14 days (or such longer period as may be specified in such notice) the information thereby, required, then (if the Directors so resolve) such member shall not be entitled to vote or to exercise any right conferred by membership in relation to meetings of the Company in respect of the shares which are the subject of such notice. Where the holding represents more than 0.25 per cent. of the issued shares of that class, the payment of dividends may be withheld, and such member shall not be entitled to transfer such shares otherwise than by an arm's length sale.

3.5 **Annual General Meeting**

An annual general meeting is to be held once every year at such time and place as may be determined by the Directors. The Articles provide that annual general meetings should be held within a period of not more than 15 months after the holding of the last preceding annual general meeting. However, the Company is also subject to section 336(1) of the Act which provides that annual general meetings should be held within a period of not more than 6 months from the beginning with the day following its accounting reference date. Annual general meetings are called on 21 days notice in writing, exclusive of the day of which it is served or deemed to be served and of the day on which the meeting is to be held, and is to be given to all members on the register at the close of business on a day determined by the Company, such day being not more than 21 days before the day that the notice of meeting is sent. The annual general meeting may be called on shorter notice providing all members entitled to attend and vote thereat agree.

3.6 **Extraordinary General Meeting**

Extraordinary general meetings may be called whenever the Directors think fit or when one has been requisitioned in accordance with the Act. An extraordinary general meeting at which it is proposed to pass a special resolution or a resolution of which special notice has been given to the Company shall be called on 21 days' notice in writing. Any other extraordinary general meeting is to be called on 14 days' notice in writing exclusive of the day on which it is served or deemed to be served and the day on which it is to be held. An extraordinary general meeting can be called on shorter notice if a majority in number of the members having a right to attend and vote at the extraordinary general meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right, consent. Two members present in person or by proxy and entitled to vote shall be a quorum for all purposes.

3.7 **Dividends**

Subject to applicable laws and to any preferential or other special rights attached to any shares issued by the Company the profits of the Company available for distribution and which the Company shall so determine to distribute by way of dividend shall be apportioned and paid to the members entitled thereto proportionately to the amounts paid up on the shares.

Subject to applicable laws, the Board may, with the prior authority of an ordinary resolution, either direct that dividends may be satisfied by the distribution of specific assets or by the allotment to those holders of a particular class of shares who have elected to receive them, further shares of that class or ordinary shares ("new shares") instead of cash in respect of all or part of a dividend specified by the resolution. The new shares may be allotted instead of dividend(s) declared or paid within a period which may not end later than the beginning of the fifth annual general meeting following the date of the meeting at which the resolution is passed. The new shares will rank *pari passu* with each other and with every other paid share of the same class in issue on the record date for the dividend in respect of which the right of election has been offered but they will not rank for a dividend or other distribution which has been declared or paid by reference to that record date.

Any dividend unclaimed after a period of 12 years from the date such dividend is payable shall be forfeited and shall revert to the Company.

3.8 **Distribution of assets on winding-up**

If the Company is wound up, the liquidator may, with the authority of an extraordinary resolution and subject to applicable laws, divide among the members in kind the whole or any part of the assets of the Company and may determine subject as provided in the Articles how such division shall be carried out as between members or different classes of members (if any).

3.9 **Transfer**

A transfer of shares may be effected by transfer in writing in any usual form or in any other form approved by the Board. The transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered into the register of members in respect thereof. The Board may, in its absolute discretion, and without assigning any reason, refuse to register any transfer of any share or renunciation of a renounceable letter of allotment unless all of the following conditions are satisfied:

- (a) it is in respect of a share which is fully paid up;
- (b) it is in respect of only one class of share;
- (c) it is in favour of a single transferee or renounee or not more than four joint transferees or renounees;
- (d) it is duly stamped (if required);
- (e) it is delivered for registration at the registered office of the Company or such other place as the Board may decide, accompanied by the certificate for the shares to be transferred (save in the case of a transfer by a recognised person to whom no certificate was issued or in the case of a renunciation) and such other evidence as the Board may reasonably require to prove the title of the transferor or person renouncing and the due execution by him of the transfer or renunciation or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so; and
- (f) it is not in favour of a minor, infant, bankrupt or person with mental disorder.

Save as aforesaid, the Articles contain no restrictions as to the free transferability of fully paid shares.

The Directors' power to refuse to register partly paid shares is subject to a proviso that such refusal does not prevent dealings in the shares from taking place on an open and proper basis.

3.10 **Directors**

No shareholding qualification is required by a Director.

The Directors may from time to time appoint any other person to be a Director either to fill a casual vacancy or by way of addition to the Board. The Director so appointed shall hold office until the dissolution of the annual general meeting following next after his appointment unless he is reappointed during such meeting.

The Directors shall be entitled to pay out of the funds of the Company to the Directors as fees in each year an aggregate sum not exceeding £100,000 as the Directors may determine, such sum to be divided among such Directors in such proportion as they may agree or, in default of agreement, equally provided that any Director holding the office for part of a year shall unless otherwise agreed be entitled only to a proportionate part of such fee. The Company may by ordinary resolution increase the amount of the fees payable. The Directors shall also be entitled to be repaid all reasonable travel, hotel and other expenses properly incurred by them in the performance of their duties as directors, including their expenses of travelling to and from Board or committee or general meetings and any expenses incurred by them in obtaining independent professional advice. Directors holding employment or executive office may be paid a fixed sum or participate in profits in addition to or in place of the payment of a fee.

The Directors may grant reasonable additional remuneration and expenses to any member of the Board, who at the request of the Board renders any special or extra services to the Company or goes or resides abroad, by way of a lump sum, participation in profits or otherwise as the Directors shall determine.

Subject to applicable laws the Directors may from time to time appoint one or more of their body to be the holder of any executive office including the office of managing or joint or assistant managing director on such terms and for such period as they may determine.

The Directors may confer upon a Director holding an executive office any of the powers, authorities and discretions exercisable by the Directors upon such terms and conditions as they think fit.

Subject to applicable laws and to duly declaring his interest a Director: (a) may hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of Director on such terms as to remuneration and otherwise as the Board shall arrange. Any Director may act by himself or through his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services; (b) may enter into or be interested in any contract to which the Company is a party or in which it is interested; (c) shall not be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise and no such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested shall be liable to be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

A Director may hold office as a director or other officer or be otherwise interested in any other company of which the Company is a member or in which the Company is otherwise interested and unless otherwise agreed shall not be liable to account to the Company for any remuneration or other benefits receivable by him as a director or other officer of or by virtue of his interest in such other company.

Save as set out below a Director shall not vote in respect of any contract, or arrangements or any other proposal to which the Company is or is to be a party in which he has any interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not vote or be counted in the quorum on any resolution concerning his own appointment as the holder of any office or place of profit with the Company or any company in which the Company is interested, including the fixing or varying of the terms of his appointment or the termination thereof.

A Director shall, in the absence of some other interest than is indicated below, be entitled to vote and be counted in the quorum in respect of any resolution concerning any of the following matters namely:

- (a) the giving of any guarantee, security or indemnity to him in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiaries;
- (b) the giving of any guarantee security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by giving of security;
- (c) a contract, arrangement, transaction or proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting thereof;
- (d) a contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning any other company in which he is interested directly or indirectly and whether as an officer or shareholder or otherwise howsoever provided that he is not directly or indirectly the holder of or beneficially interested in 1 per cent. or more of any class of the equity share capital of the relevant company (or of any third company through which his interest is derived) or of the voting rights available to members of such company or able to cause 1 per cent. or more of those voting rights to be cast at his direction;
- (e) any contract, arrangement, transaction or proposal for the benefit of employees of the Company or any of its subsidiaries under which the Director benefits in a similar manner as the employees and which does not accord to any Director as such any privilege or advantage not generally accorded to the employees to whom it relates; and
- (f) any contract, arrangement, transaction or proposal concerning the maintenance or purchase of any insurance policy for the benefit of Directors or for the benefit of persons including Directors.

The Directors may establish, maintain, participate in or contribute to or procure the establishment, maintenance of, participation in or contribution to any pension, superannuation, benevolent or life assurance fund, scheme or arrangement (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances, benefits and emoluments to any persons who are or were at any time in the employment or service of or who have at any time

been directors of the Company or of any company which is or was a holding company or subsidiary of the Company or any of their predecessors in business (and for any member of his family, including a spouse or former spouse or a person who is or was dependent on him). Any Director shall be entitled to participate in and retain for his own benefit any such donations, gratuities pensions, allowances, benefits or emoluments.

Subject to applicable laws, the Directors may establish and maintain any employee's share scheme, share option or share incentive scheme and (if any such scheme so provides) contribute to any scheme for the purchase by or transfer, allotment or issue to trustees of shares in the Company or its holding company to be held for the benefit of employees (including Directors) of the Company and subject to any relevant legislation lend money to such trustees or employees to enable them to purchase such shares.

At every annual general meeting one-third of the Directors for the time being who are subject to retirement by rotation shall retire from office. A retiring Director shall be eligible for re-election. Persons who have reached the age of 70 or any other age may be appointed as Directors and no special notice is required in connection with such appointment. Such a director is not required to vacate office because he has reached the age of 70 or any other age.

3.11 Borrowing powers

Under the Articles and pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 11 December 2009 the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets both present and future, including uncalled capital, but shall restrict the borrowings of the Company so as to secure (in so far as they can) that the aggregate principal amount for the time being remaining undischarged of all monies borrowed by the Group (exclusive of intra-group borrowings) shall not without the previous sanction of an ordinary resolution exceed a sum equal to the higher of;

- (a) the sum of £20,000,000; and
- (b) three times the aggregate of the amounts standing to the credit of the consolidated capital and revenue reserves of the Company and its subsidiaries (all as more particularly defined and specified in the Articles and as shown in the then latest audited consolidated balance sheet of the Company and its subsidiaries).

3.12 Electronic Communications

The Company and its members may use electronic communications to serve notice and documents. "Electronic communication" is defined by the Electronic Communications Act 2000 as "a communication transmitted (whether from one person to another from one device to another or from a person to a device or vice versa):

- (a) by means of a telecommunications system (within the meaning of the Telecommunications Act 1984); or
- (b) by other means but in an electronic form"

and would cover email, Internet, fax and any other communication conveyed through the agency of speech, music or visual images. The provisions enable the Company to send copies of certain documents to members by electronic means, rather than by post. In addition, notices of meetings may be sent to members electronically to an address notified to the Company by the member. Further, members may lodge an appointment of a proxy electronically where the Company agrees and has provided an electronic address.

The use of Electronic Communication is not mandatory and the prior consent of a member must be obtained in each case before notices and other documents may be sent to that member by Electronic Communication.

3.13 Disclosure of interests in shares

A shareholder in a public company incorporated in the UK whose shares are admitted to trading on AIM is required pursuant to rule 5 of the Disclosure and Transparency Rules to notify the Company of the percentage of his voting rights if the percentage of voting rights which he holds as a shareholder or through his direct or indirect holding of financial instruments reaches, exceeds or falls below certain thresholds.

Pursuant to Part 22 of the Act the Company is empowered by notice in writing to require any person whom the Company knows, or has reasonable cause to believe to be or, at any time during the three years immediately preceding the date on which the notice is issued, within a reasonable time to disclose to the Company particulars of any interests, rights, agreements or arrangements affecting any of the shares held by that person or in which such other person as aforesaid is interested.

4. DIRECTORS AND OTHER INTERESTS

4.1 The names of the Directors are set out in 'Directors' in Part 3 of this document.

4.2 The interests of the each of the Directors (all of which are beneficial unless otherwise stated) in the issued share capital of the Company as at 15 November 2010 (being the latest practicable day prior to the date of publication of this document), such interests being those which are or would be required to be notified to the Company under the provisions of rule 5 of the Disclosure and Transparency Rules are as follows:

Directors	At 15 November 2010		Following the Open Offer			
	No. of Existing Ordinary Shares	Percentage of Existing Ordinary Shares	No. of Ordinary Shares ⁽ⁱ⁾	Percentage of Enlarged Issued Share Capital ⁽ⁱⁱ⁾	No. of Ordinary Shares ⁽ⁱⁱⁱ⁾	Percentage of Enlarged Issued Share Capital ⁽ⁱⁱⁱ⁾
J. Berylson ⁽ⁱⁱⁱ⁾	Nil	Nil	Nil	Nil	Nil	Nil
A. Ambler	Nil	Nil	Nil	Nil	Nil	Nil
J. T. Berylson	Nil	Nil	Nil	Nil	Nil	Nil
C. Gonticas	8,693	2.31	37,902	2.75	34,772	2.31
T. Keyse ^(iv)	13,755	3.65	38,418	2.79	13,755	0.91
D. Kouvaris ⁽ⁱⁱⁱ⁾	Nil	Nil	Nil	Nil	Nil	Nil
R. Press	Nil	Nil	44,258	3.21	Nil	Nil

(i) Assuming the underwriting commitment is fully utilised in accordance with the terms of the Underwriting Agreement and no Shareholder (other than CHV and Constantine Gonticas) take up their Open Offer Entitlements.

(ii) Assuming the Open Offer is fully subscribed.

(iii) John G. Berylson and Demos Kouvaris are directors of CHV which holds 106,666 Existing Ordinary Shares.

(iv) Of these shares 12,500 are held by Rowanmoor Trustees Limited, Trevor Keyse and June Keyse as trustee; 1,100 by Keyse Holdings Limited (a company controlled by Trevor Keyse) and 155 by Trevor and June Keyse.

4.3 As at 15 November 2010 (being the last practicable date prior to publication of this document) no Director has any options over shares in the Company.

4.4 As at 15 November 2010 (being the last practicable date prior to publication of this document) so far as the Company is aware, no person, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

4.5 Save as disclosed in paragraph 4.2 and below, the Company is not aware of any interests in Ordinary Shares held directly or indirectly representing 3 per cent. or more of the Existing Ordinary Shares as at 15 November 2010 (being the last practicable date prior to publication of this document):

	No. of Existing Ordinary Shares	Percentage of Existing Ordinary Shares
Chestnut Hill Ventures LLC ⁽ⁱ⁾	106,666	28.32
Sports Regeneration Limited ⁽ⁱⁱ⁾	62,693	16.65
William Shenkman (held by Lynchwood Nominees Limited as his nominee)	27,322	7.25
Oracle Management Limited ⁽ⁱⁱⁱ⁾	17,499	4.65
TD Waterhouse Nominees (Europe) Limited (as nominees for a number of shareholders)	17,459	4.64
Trevor Keyse (12,500 shares held by Rowanmoor Trustees as nominee)	13,755	3.65
Barclays Nominees Limited (as nominees for a number of shareholders)	13,032	3.46

(i) Ultimately controlled by Richard A. Smith as Trustee of the Philip Smith dec'd Will Trust.

(ii) Ultimately controlled by Graham Ferguson Lacey, of which 10,000 shares are held by Forest Nominees Limited.

(iii) Of the shares, 10,749 are held through Euroclear Nominees Limited and 6,750 are held through HSBC Client Holdings Nominees (UK) Limited.

None of the Company's significant holders of Existing Ordinary Shares being those listed above has voting rights which are different from the other holders of Existing Ordinary Shares.

- 4.6 Save as set out in paragraph 4.2, following the Open Offer no Director, or director of the Club will, and no person connected with a Director, or directors of the Club is expected to, have any interest in the share or loan capital of the Company or its subsidiary.
- 4.7 At the date of this document there are no outstanding loans from the Company to any of the Directors or directors of the Club nor has any guarantee been provided by the Company for the benefit of any of the Directors or directors of the Club.
- 4.8 Save as disclosed in paragraph 4.9 below, no Director or director of the Club has or has had any interest in any transactions which are or were unusual in their nature or conditions or significant to the business of the Group and which were affected by any member of the Group during the current or immediately preceding financial year or which was effected by any member of the Group during any earlier financial year and remains in any respect outstanding or unperformed.
- 4.9 In respect of the Directors and the directors of the Club, there are no conflicts of interests between any duties they have to the Company and their private interests and/or other duties they may have save that:
- 4.9.1 John G. Berylson and Demos Kouvaris are directors of CHV which has provided the CHV Loans to the Company and is a party to the Underwriting Agreement;
- 4.9.2 Constantine Gonticas, Keyse Holdings Limited (a company controlled by Trevor Keyse) and Jeanne Press (wife of Richard S. Press) are holders of Directors Loan Notes and Constantine Gonticas, Trevor Keyse and Richard S. Press are parties to the Underwriting Agreement. The Press Childrens' trust, a trust for the children of Richard S. Press is an NFL Noteholder;
- 4.9.3 John G. Berylson and Demos Kouvaris were appointed as directors by CHV pursuant to the provisions of the CHV Secured Debt; and
- 4.9.4 James Berylson was appointed as director by CHV pursuant to the provisions of the CHV Unsecured Debt.
- 4.10 In addition to their directorships in the Company and its subsidiaries, the Directors and the currently hold or have held the following directorships within the five years prior to the publication of this document and are or have been partners in the following firms within the five years prior to publication of this document.

Director	Current Directorships or Partnerships	Past Directorships or Partnerships
John Gregory Berylson (aged 57)	<i>Partnerships</i> JD Capital Partners, LLC	<i>Partnerships</i> None
	<i>Directorships</i> Chestnut Hill Ventures LLC Manifold Capital Corp (formerly ACA Capital Holdings, Inc.)	<i>Directorships</i> Fleetcor Technologies, Inc Vision Express Group Limited
Andrew Jeremy Ambler (aged 44)	<i>Partnerships</i> None	<i>Partnerships</i> None
	<i>Directorships</i> Align 2 Limited Mybuy Limited 63 Woodside Property Management Ltd	<i>Directorships</i> Fulham Football Club (1987) Limited Fulham Football Club Foundation
Constantine Gonticas (aged 43)	<i>Partnerships</i> Novator Partners LLP	<i>Partnerships</i> None
	<i>Directorships</i> Exotica Fusion Food Limited	<i>Directorships</i> Novator Limited Wikira Ltd. Be Un Limited Novator Employee Services Limited

Director	Current Directorships or Partnerships	Past Directorships or Partnerships
Trevor Keyse (aged 63)	<i>Partnerships</i> None	<i>Partnerships</i> None
	<i>Directorships</i> Stonehouse Holdings Limited Keyse Holdings Limited Jaysona Limited William Sharvatt and Son Limited	<i>Directorships</i> Lawsons (Whetstone) Limited William Sharvatt (Baltic Sales) Limited Jagerosa Limited
Demos Kouvaris (aged 45)	<i>Partnerships</i> JD Capital Partners, LLC	<i>Partnerships</i> None
	<i>Directorships</i> Vanguard Modular Building Systems, LLC	<i>Directorships</i> None
Richard Stern Press (aged 71)	<i>Partnerships</i> None	<i>Partnerships</i> None
	<i>Directorships</i> Transatlantic Reinsurance Company Ltd	<i>Directorships</i> None
James Thomas Berylson (aged 29)	<i>Partnerships</i> None	<i>Partnership</i> None
	<i>Directorships</i> None	<i>Directorships</i> None

Save as disclosed above, other than membership of the administrative, management or supervisory bodies of the Company and its subsidiaries, no Director or any other person who is a member of the administrative, management or supervisory bodies of the Company and its subsidiaries has been a member of any of the administrative, management or supervisory bodies of any other company or been a partner in any partnership in the last five years.

- 4.11 (a) Constantine Gonticas was appointed as a director of Wikira Ltd. on 23 September 2004. The company was dissolved upon conversion of its activities to a partnership and there were no amounts due to creditors. The company was struck off the register and dissolved on 12 May 2009.
- (b) Constantine Gonticas was appointed as a director of Novator Employee Services Limited on 14 December 2007. The company was dissolved upon conversion of its activities to a partnership and there were no amounts due to creditors. The company was struck off the register and dissolved on 27 April 2010.
- (c) Trevor Keyse was appointed as a director of Jagerosa Limited on 5 August 2002. The company did not trade and was struck off the register and dissolved on 29 December 2009. There were no amounts due to creditors.
- (d) Trevor Keyse was appointed as a director of William Sharvatt (Baltic Sales) Limited on 29 January 1997. The company did not trade and was struck off the register and dissolved on 5 January 1999. There were no amounts due to creditors.
- 4.12 Save as disclosed in paragraph 4.11 above no Director:
- (a) has any unspent convictions in relation to indictable offences; or
- (b) has become bankrupt or been the subject of an individual voluntary arrangement, or had a receiver appointed to any of his assets; or
- (c) has been a director of any company which, while he was a director or within 12 months after his ceasing to be a director, had a receiver appointed or went into compulsory liquidation, or creditors voluntary liquidation or went into administration, or entered into company voluntary arrangement or made any composition or arrangement with its creditors generally or with any class of its creditors; or

- (d) has been a partner of any partnership which, while he was a partner or within 12 months after his ceasing to be a partner, went into compulsory liquidation, administration or receivership or had a receiver appointed to any partnership asset; or
 - (e) has had any public criticism and/or sanctions against him by any statutory or regulatory authority (including recognised professional bodies) or has been disqualified by a court from acting as a director of a company or acting in the management or conduct of the affairs of any company; or
 - (f) has had any name other than his existing name.
- 4.13 Save as disclosed in paragraph 4.11 above, no member of the administrative, management or supervisory bodies of the Company:
- (a) has any convictions for fraudulent offences in the last five years;
 - (b) was associated whilst acting as a member of any administrative, management or supervisory body or as a senior manager, with any bankruptcy, receivership, or liquidation in the last five years; or
 - (c) has suffered any public incrimination or sanction by any statutory or regulatory authorities (including designated professional bodies) or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer in the last five years.
- 4.14 No Directors, director of the Club or Millwall Properties Limited nor any member of their immediate families nor any persons connected with such persons within the meaning of section 252 of the Act has any financial product whose value is determined directly or indirectly by reference to the price of the Ordinary Shares, including fixed odds bets.
- 4.15 The Group has related party relationships with its major Shareholders, subsidiaries and with its directors. Details of related party transactions (which for these purposes are set out in the standards adopted according to Regulation (EC) No 1606/2002), that the Company has entered into during the financial period ended on 30 June 2008 and the two financial years ended on 30 June 2010 are as follows:
- (a) John G. Berylson (non-executive Chairman) and Demos Kouvaris (non-executive director) are respectively Chairman, Chief Operating Officer and Chief Financial Officer of CHV the company which has advanced lines of credit to the Company through convertible and non-convertible loans. The Facility Agreement 1 (as defined at paragraph 6.2 below) is for £5,000,000, which was fully drawn at the start and end of the year and of which £3,200,000 has previously been converted to share capital. A balance of £1,800,000 (2009: £1,800,000, 2008: £1,800,000) remains drawn down and unconverted at the year end. CHV made a further loan facility available pursuant to Facility Agreement 1 totalling a further £3,000,000, which carries interest at 10 per cent. per annum. Messrs. C. Gonticas and T. Keyse, both non-executive directors, or their associates or associated entities, subscribed for £300,000 of Existing Loan Notes (as defined at paragraph 6.10 below). At 30 June 2010 £3,300,000 (2009: £3,300,000, 2008: £1,673,000) of these facilities had been drawn down leaving no further balance (2009: £nil, 2008: £1,627,000) available to draw down.
 - (b) CHV made a further loan facility available pursuant to Facility Agreement 2 (as defined at paragraph 6.6 below) totalling £3,500,000 on 25 November 2008, amended to £4,300,000 on 20 October 2009 and which was further increased to £6,000,000 before the Annual General Meeting on 11 December 2009. At 30 June 2010 £5,547,000 (2009: £2,381,000, 2008: £1,673,000) had been drawn down leaving a total balance of £453,000 (2009: £3,119,000, 2008: £1,627,000) still available under this increased facility.

Messrs C. Gonticas, T. Keyse and R. Press, or their associates or associated entities subscribed for £300,000 of loan notes on 29 March 2010 pursuant to the New Instrument (as defined at paragraph 6.12 below).
 - (c) The remuneration of Andy Ambler, the only director entitled to fees or remuneration is set out in paragraph 2(b) of Part 3 of this document.
 - (d) The Company has entered into the amendment letters detailed at paragraphs 6.15 and 6.16 below.

- (e) The Company has entered into the Underwriting Agreement detailed at paragraph 5.1 below.
 - (f) The Company has received the irrevocable undertakings detailed at paragraph 5.2 below.
- 4.15 Save as set out above, the Company has not entered into any related party transactions as at 15 November 2010 (being the latest practicable date prior to the publication of this document).

5. UNDERWRITING AGREEMENT AND IRREVOCABLE COMMITMENTS

- 5.1 CHV, certain Directors, being Constantine Gonticas, Trevor Keyse (through Keyse Holdings Limited, a company controlled by Trevor Keyse) and Richard S. Press, Jeanne Press (the wife of Richard S. Press) and certain NFL Noteholders (including The Press Childrens' Trust, a trust for the benefit of the children of Richard S. Press) and the Company have entered into the Underwriting Agreement. Pursuant to the Underwriting Agreement these Directors and their associates and associated companies, certain of the NFL Noteholders and CHV have agreed with the Company to underwrite the Open Offer up to a maximum of £6,539,230 by subscribing for up to 653,923 New Ordinary Shares which are not the subject of valid applications under the Open Offer by other Shareholders (“**Underwritten Shares**”).

These Directors and their associates and associated companies and NFL Noteholders have agreed with the Company to subscribe for up to 101,778 New Ordinary Shares which are not the subject of valid applications under the Open Offer by other Shareholders to a maximum value of £1,017,780, representing, in aggregate, up to approximately 9.01 per cent. of the New Ordinary Shares to be issued under the Open Offer. Their subscription obligations will be satisfied as to £150,000 in cash and as to the balance by the Cancellation of an equal amount of the Directors Loan Notes or (as the case may be) NFL Loan Notes (in the case of Constantine Gonticas, to the extent not utilised in satisfying his subscription obligations in respect of his Open Offer Entitlement). In the event that the full underwriting commitment of these Directors and NFL Noteholders is not utilised, they will each fulfil their underwriting obligation *pro rata* to their individual underwriting commitments.

CHV has agreed with the Company to subscribe for the balance of the Underwritten Shares not taken up by the Directors and their associates and associated companies and NFL Noteholders, representing approximately 48.87 per cent. of the New Ordinary Shares to be issued under the Open Offer. CHV's subscription obligations in respect of its underwriting commitment will be satisfied as to £2,000,000 in cash and as to the balance by the Cancellation of an equal amount of the CHV Loans in the following order of priority to the extent not utilised in satisfying CHV's subscription obligations in respect of its Open Offer Entitlement: (i) the 17% CHV Unsecured Debt; and (ii) the CHV Secured Debt.

The Underwriting Agreement is subject, *inter alia*, to the satisfaction of the following conditions on or before 20 December 2010 (or such later date not being later than 14 January 2011 as CHV (on behalf of itself and the Co-Underwriters) and the Company may agree):

- (a) publication of this document to Qualifying Shareholders (other than the Overseas Shareholders);
- (b) the Resolution having been duly passed; and
- (c) Admission becoming effective.

CHV, on behalf of itself and the Co-Underwriters, is entitled, *inter alia*, to terminate the Underwriting Agreement if at any time before Admission an event or omission or matter or circumstance has occurred which, in the reasonable opinion of CHV (on behalf of itself and the Co-Underwriters), is or will or may be materially prejudicial to the Company or there has been a material adverse change affecting the business, management, financial or trading position or prospects, shareholders' funds or results of the Company or any other member of the Group, which, in the opinion of CHV (on behalf of itself and the Co-Underwriters) acting reasonably would be likely to prejudice materially the success of the Open Offer or which would make it impracticable or inadvisable to proceed with the Open Offer or with Admission.

The Underwriting Agreement will cease to have any element of conditionality immediately prior to Admission. If the Underwriting Agreement is terminated the Open Offer will be withdrawn and Admission will not take place. CHV and the Co-underwriters do not have the statutory right of withdrawal.

No fees or commissions are payable by the Company to CHV or the Co-Underwriters in connection with the Underwriting Agreement.

The Minimum Amount is accordingly underwritten.

- 5.2 CHV has irrevocably undertaken to the Company to subscribe for all of the New Ordinary Shares which it is entitled to under the Open Offer. This will result in CHV acquiring 319,998 New Ordinary Shares, representing approximately 28 per cent. of the New Ordinary Shares to be issued under the Open Offer and approximately 28 per cent. of the Enlarged Issued Share Capital if the Open Offer is fully subscribed. CHV's subscription obligations in respect of its Open Offer Entitlement will be satisfied by the Cancellation of an equal amount of the CHV Loans in the following order of priority: (i) the 15% CHV Unsecured Debt; and (ii) the 17% CHV Unsecured Debt.

The Company has also received an irrevocable undertaking from Constantine Gonticas, a Director, to subscribe for all of the New Ordinary Shares to which he is entitled under the Open Offer. His subscription obligation will be paid by the Cancellation of £260,790 of his Directors Loan Notes. This will result in him acquiring 26,079 New Ordinary Shares representing approximately 2 per cent. of the New Ordinary Shares to be issued under the Open Offer and approximately 2 per cent. of the Enlarged Issued Share Capital if the Open Offer is fully subscribed.

6. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, are the only contracts which: (i) have been entered into by the Company and/or its subsidiaries within the two years immediately preceding the date of this document and are, or may be, material; or (ii) have been entered into by the Company and its subsidiaries at any other time and contain provisions under which the Company or its subsidiaries has any obligation or entitlement which is material as at the date of this document:

- 6.1 A sale and leaseback agreement ("**Sale and Leaseback Agreement**") dated 15 March 2006 between the Company, the Club and the President and Scholars of St John Baptist College in the University of Oxford ("**St John's College**") pursuant to which the Club agreed to sell the Club's training ground at Calmont Road, Bromley, BR1 4BY ("**Training Ground**") for £1.85 million to St John's College and St John's College agreed to lease it back to the Club for a term of 20 years at an initial annual rent of £152,625. The rent is reviewable annually and will be increased in line with the change in the Retail Prices Index between the first and last day of the rental year. On 15 March 2006 pursuant to the Sale and Leaseback Agreement the Club entered into a transfer of the Training Ground in favour of St John's College and a lease, guaranteed by the Company on the basis set out in the Sale and Leaseback Agreement.
- 6.2 A facility agreement entered into on 1 March 2007 between the Company, the Club and CHV ("**Facility Agreement 1**") pursuant to which CHV agreed to make available to the Company a convertible loan facility of £5 million ("**Convertible Loan**"). CHV may convert all or part of any of the Convertible Loan, that part of the interest accrued thereon and any payment in kind notes issued by the Company in lieu of an interest payment as is convertible at any time into New Ordinary Shares at a subscription price per New Ordinary Share of £30 (as adjusted following the Consolidation) in respect of amounts drawn down on or before 12 October 2008 (and any interest accrued thereon) and £40 (as adjusted following the Consolidation) in respect of amounts drawn down after 12 October 2008 (and any interest accrued thereon) by serving notice on the Company. The Convertible Loan bears interest at a rate of 9 per cent. per annum payable quarterly in cash or (at the election of the Company) by the issue of payment in kind notes which are convertible into New Ordinary Shares (subject to the Company holding all necessary consents) and are subject to the same terms and conditions as the principal of the Convertible Loan. The Company may prepay all or part of the Convertible Loan in integral amounts of £100,000 upon giving to CHV 20 business days notice and provided CHV has not issued a conversion notice by the date which is 5 business days before the prepayment date. Unless a conversion notice has been issued by CHV or otherwise agreed between the Company and CHV, the Convertible Loan is repayable in full upon a sale of substantially all of the assets of the Group and on a change of control. The Convertible Loan will also be repayable on the occurrence of an event of default.
- 6.3 A warrant instrument relating to the issue of first series warrants on 30 March 2007 pursuant to which it issued to CHV warrants (the "**Warrants**") to subscribe for 59,768 Ordinary Shares (as adjusted following the Consolidation) at £40 per Ordinary Share (as adjusted following the

Consolidation) representing 10 per cent. of the issued ordinary share capital of the Company on the basis that all of the Warrants are exercised in full, all of the Convertible Loan, and any interest accrued thereon, has been converted into Ordinary Shares, the £530,000 unsecured convertible directors' loan notes 2010 constituted pursuant to an instrument dated 28 March 2007 and NFL Loan Notes and accrued interest have been converted into Ordinary Shares and all options over shares in the Company outstanding as at 30 March 2007 were exercised ("**Diluted Share Capital**"). Half of the Warrants, over 30,683 Ordinary Shares representing 5 per cent. of the Diluted Share Capital expired on 28 March 2010 when planning permission in respect of the proposed property regeneration had not been obtained. The remaining Warrants, over 30,683 Ordinary Shares representing 5 per cent. of the Diluted Share Capital, may be exercised in whole or in part at any time until 30 March 2017 and may be exercised conditional upon the occurrence of a change in control or a demerger occurring. The rights to subscribe for Ordinary Shares under the Warrants will not be capable of exercise if on the exercise date the directors of the Company do not include a representative of CHV and if not exercised by 30 March 2017 all rights under the warrant instrument will lapse. The Warrants may be transferred in whole or in part by CHV to any member of its group of companies or to an associated company but must be transferred to another member of the CHV group or associated company if the transferee ceases to be a member of the CHV group or an associated company. A holder of Warrants will be entitled to receive the annual report and accounts of the Company and to attend and speak at but not to vote at general meetings of the Company. Whilst the Warrants are outstanding, the Company must use all reasonable endeavours to maintain its admission to AIM and may not, without the consent in writing of Warrant holders entitled to subscribe for 75 per cent. of the Ordinary Shares to be issued pursuant to the Warrants, *inter alia*, vary or modify the rights attaching to any class of shares in the Company or amend its memorandum or articles of association in a way which would adversely affect the rights of the holders of Warrants.

- 6.4 A warrant instrument relating to the issue of second series warrants on 30 March 2007. All warrants issued pursuant to such instrument expired on 28 March 2010 when planning permission in respect of the proposed property regeneration had not been obtained.
- 6.5 An Instrument dated 28 March 2007 constituting Secured Convertible NFL Loan Notes 2010 (the "**NFL Loan Notes**") whereby the Company issued up to £1.5 million principal of convertible loan notes to certain clients of Nash Fitzwilliams Limited. Prior to their amendment (pursuant to the NFL Amendment Letter detailed below) the NFL Loan Notes carried interest at 9 per cent. per annum and were repayable three years from issue, in July and August 2010.
- 6.6 A facility agreement entered into on 25 November 2008 between the Company, the Club and CHV ("**Facility Agreement 2**") pursuant to which CHV agreed to make available to the Company a loan of £3.5 million, 50 per cent. of which may be syndicated to other lenders, subject to its terms. Interest on the facility is 17 per cent. per annum and interest may be converted into PIK Notes.
- 6.7 An amendment agreement to Facility Agreement 2 with CHV dated 20 October 2009 pursuant to which the loan was increased from £3.5 million to £4.3 million ("**Loan**"). The principal terms of the Loan remained the same.
- 6.8 An amendment agreement dated 17 December 2009 to Facility Agreement 1 which allowed the Company to issue the loan notes pursuant to the New Instrument (as defined below).
- 6.9 An amendment and restatement agreement dated 17 December 2009 ("**December Amendment Agreement**") to Facility Agreement 2 pursuant to which CHV agreed to provide an additional Facility B Loan to the Company of up to £1.7 million. With the provision of the Facility B Loan the total loan facility under Facility Agreement 2 was increased from £4.3 million to £6 million. The Facility B Loan carries interest at the rate of 15 per cent. per annum. Under the December Amendment Agreement the repayment date of the Facility A Loan already advanced to the Company was extended to 31 March 2011. The repayment date of the new Facility B Loan is also 31 March 2011. Other than those terms stated above, the principal terms of Facility Agreement 2 remained the same.
- 6.10 An amendment agreement dated 29 March 2010 to the £300,000 Unsecured Non-Convertible Directors' Loan Notes 2010 constituted by an instrument of the Company dated 30 June 2008 ("**Existing Loan Note Instrument**") to extend the repayment date of the loan notes issued by the Company under the Existing Loan Note Instrument ("**Existing Loan Notes**") to Constantine Gonticas and Keyse Holdings Limited until 31 March 2011. Other than the date of repayment, the terms of the Existing Loan Notes remained the same.

- 6.11 An amendment agreement dated 29 March 2010 to Facility Agreement 1 to extend the term of the facilities provided to the Company under Facility Agreement 1 until 31 March 2011. Other than the date of repayment, the terms of Facility Agreement 1 remained the same.
- 6.12 A loan note instrument dated 29 March 2010 and constituting £300,000 Unsecured Non-Convertible Loan Notes 2011 (“**New Instrument**”). The loan notes issued pursuant to the New Instrument are unsecured, non-convertible, carry interest at a rate of 15 per cent. per annum and are due for repayment on 31 March 2011. Loan notes issued pursuant to the New Instrument were issued to Constantine Gonticas, Keyse Holdings Limited and Jeanne Press (wife of Richard Press),
- 6.13 An amendment letter dated 21 July 2010 (“**NFL Amendment Letter**”) amending the NFL Loan Notes. Pursuant to the NFL Amendment Letter the following amendments to the NFL Loan Notes were agreed: (i) the repayment date of the NFL Loan Notes was extended to 31 July 2011, or earlier if at least £1,500,000 gross funds are raised in an equity issue; (ii) the interest rate was increased from 9 per cent. to 11 per cent. per annum for the period from the original repayment dates in July and August 2010 to the new repayment date; and (iii) interest accruing after the original repayment dates shall either (a) be payable quarterly in cash; or (b) at the option of the Company and subject to the Company having obtained all necessary shareholder consents, in payment in kind notes. Other than those terms stated above, the principal terms of the NFL Loan Notes remain the same.
- 6.14 A letter dated 2 August 2010 pursuant to which CHV agreed that interest accruing after 12 April 2010 in respect of Facility Agreement 1 shall only be payable in cash on 31 March 2011 (and shall not be convertible into Ordinary Shares pursuant to Clause 6.2 of Facility Agreement 1 or be payable in PIK Notes) unless CHV has requested and the Company has obtained (and if so requested the Company shall use all reasonable endeavours to obtain) in relation to such potential conversion, all necessary shareholder consents, including authority to allot shares pursuant to sections 551 and 570 of the Act and (if required) an appropriate waiver of any obligations of CHV to make an offer under rule 9 of City Code on Takeovers and Mergers.
- 6.15 An amendment agreement dated 15 November 2010 to Facility Agreement 1 to extend the term of the facilities provided to the Company under Facility Agreement 1 until 1 July 2012. Other than the date of repayment, the terms of Facility Agreement 1 will remain the same.
- 6.16 An amendment agreement dated 15 November 2010 to Facility Agreement 2 to extend the term of the facilities provided to the Company under Facility Agreement 2 until 1 July 2012 and to provide that following repayment of the Facility B Loans pursuant to CHV’s subscription obligations to subscribe for all the New Ordinary Shares which it is entitled to under the Open Offer, up to £1.4 million of Facility B shall again be available for drawing under Facility Agreement 2 and shall not be cancelled. Other than the date of repayment, the terms of Facility Agreement 2 will remain the same.
- 6.17 The Underwriting Agreement, as described in paragraph 5 above.
- 6.18 An amendment agreement dated 16 November 2010 to Facility Agreement 1 pursuant to which CHV agrees to waive any and all rights it may have pursuant to Facility Agreement 1 to participate in the Open Offer as if the outstanding balance of the CHV Convertible Debt had been converted in full.

7. WORKING CAPITAL

The Company is of the opinion, taking into account the net proceeds of the Minimum Amount, that the Group has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of this document.

8. LITIGATION

No member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the previous 12 months which may have, or have had in the recent past significant effects on the Group’s financial position or profitability.

9. TAXATION – UNITED KINGDOM TAX

The following statements are intended as a general guide only to the position under current UK taxation legislation and HM Revenue & Customs generally published practice as at the date of this document. They only apply to Qualifying Shareholders who are resident, or in the case of individuals, ordinarily resident for

UK tax purposes in (and only in) the UK (except insofar as express reference is made to the treatment of non-UK residents), who hold their Ordinary Shares as an investment and who are the absolute beneficial owners of them. They do not apply to certain types of shareholders, such as insurance companies, collective investment schemes, dealers in securities and shareholders who have (or are deemed to have) acquired their Ordinary Shares by reason of or in connection with an office or employment. They relate only to certain limited aspects of the taxation treatment of Qualifying Shareholders.

Any person who is in any doubt about his/her own tax position, or who is resident in or subject to tax in a jurisdiction other than the UK, should consult an appropriate professional adviser without delay.

(a) Dividends

- (i) The Company is not currently required to withhold at source any amount in respect of UK tax from any dividend paid by the Company.
- (ii) An individual Shareholder who is resident in the UK for UK tax purposes will be entitled to a tax credit in respect of any dividend received from the Company and will be taxable on the aggregate of the dividend received and the tax credit (the “gross dividend”). The value of the tax credit is currently one ninth of the dividend received (or 10 per cent. of the gross dividend). The gross dividend is treated as the top slice of the individual’s income. The tax credit will, however, be treated as discharging the individual’s liability to income tax in respect of the gross dividend, unless and except to the extent that the gross dividend falls above the threshold for the higher rate of income tax, in which case the individual will, to that extent, pay tax on the gross dividend at the higher rate on dividends (currently 32.5 per cent. rising to 42.5 per cent. where income exceeds £150,000) less the related tax credit.
- (iii) Subject to certain exceptions, a Shareholder which is a company resident for tax purposes in the UK is not taxable on a dividend paid by the Company and received by that Shareholder and is not generally able to claim payment of the tax credit attaching to the dividend.
- (iv) There will be no payment of the tax credit or any part of it to an individual whose liability to income tax on the gross dividend is less than the related tax credit.
- (v) Shareholders who are resident in the United Kingdom for tax purposes and who are not liable to UK tax on dividends, including pension funds and charities, will not be entitled to claim any payment of the tax credit in respect of dividends paid by the Company.
- (vi) The right of a Shareholder who is not resident for tax purposes in the UK to a tax credit in respect of a dividend received from the Company and/or to claim payments of any part of that tax credit will depend upon the existence and terms of any double taxation convention between the UK and the jurisdiction in which the Shareholder is resident for tax purposes.
- (vii) A Shareholder who is not resident in the UK for tax purposes should consult his own tax adviser concerning his liabilities on dividends received, whether he is entitled to claim any part of the tax credit and, if he is so entitled, the procedure for doing so. A Shareholder resident outside the UK may also be subject to foreign taxation on dividend income under the law of the relevant jurisdiction, and may also be entitled to claim double taxation relief where tax has been suffered in both the UK and the foreign jurisdiction, subject to the existence and terms of any double taxation convention between the UK and the relevant jurisdiction.

(b) Chargeable gains

New Ordinary Shares acquired pursuant to the Open Offer.

- (i) For the purposes of UK taxation of chargeable gains, a Shareholder should not be treated as making a disposal of all or part of his Existing Ordinary Shares by reason of taking up his entitlement under the Open Offer or the issue to that Shareholder of New Ordinary Shares pursuant to the Open Offer.
- (ii) The New Ordinary Shares allotted to a Shareholder pursuant to the Open Offer will be treated as a separate (as opposed to the same) asset to the Shareholder’s Existing Ordinary Shares. In these circumstances, the price paid for the New Ordinary Shares will constitute their base cost for the purposes of UK taxation of chargeable gains.
- (iii) For periods after April 1998, indexation allowance is available only for the purposes of corporation tax and is not available to individuals, personal representatives or trustees. The

following paragraphs accordingly deal separately with the positions of UK tax resident corporate and non-corporate Shareholders.

Corporate Shareholders

Shareholders within the charge to corporation tax continue to obtain the benefit of indexation allowance on the New Ordinary Shares.

Non-corporate Shareholders

For individuals, personal representatives and trustees, indexation allowance has been abolished. Entrepreneurs' Relief may be available to Shareholders who are officers or employees of the company, or trustees of settlements where the beneficiary is an officer or employee, depending on the size of the shareholding and the individual's personal tax position. Entrepreneurs' Relief operates to reduce the rate of capital gains tax to a rate of 10 per cent. for qualifying gains up to a lifetime limit. The lifetime limit is currently £5 million. Shareholders should seek advice on the application of Entrepreneurs' Relief in their specific case.

- (iv) A Shareholder who is neither resident nor, in the case of an individual, ordinarily resident in the UK will not be liable for UK tax on chargeable gains realised on the disposal of his/her New Ordinary Shares unless such Shareholder carries on:
- (a) (in the case of a non-corporate Shareholder), a trade, profession or vocation in the UK through a branch or agency and has used, held or acquired the New Ordinary Shares for the purposes of such trade, profession or vocation or such branch or agency; or
 - (b) (in the case of a corporate Shareholder) a trade in the UK through a permanent establishment and has used, held or acquired the New Ordinary Shares in or for the purposes of the trade or has used, held or acquired the New Ordinary Shares for the purposes of such permanent establishment.

However, a Shareholder who is an individual and who is only temporarily resident outside the UK for UK tax purposes at the date of a disposal of the New Ordinary Shares may be liable to UK tax on chargeable gains on becoming resident or ordinarily resident in the UK again, in respect of disposals made while he was temporarily resident outside the UK, subject to any available exemption or relief.

New Ordinary Shares acquired pursuant to the Open Offer

The issue of New Ordinary Shares pursuant to the Open Offer will not constitute a reorganisation of share capital for the purposes of the taxation of chargeable gains. Accordingly, any such New Ordinary Shares will be treated as the acquisition of a new asset subject to the normal rules.

(c) Stamp duty and stamp duty reserve tax (SDRT)

No liability to stamp duty or SDRT will generally arise on the allotment and issue of New Ordinary Shares by the Company pursuant to the Open Offer, except in the case of New Ordinary Shares issued to issuers of depositary receipts or providers of clearance services (as to which see below). However, the Company will not be paying any stamp duty or SDRT that may arise (in particular, pursuant to the provisions of sections 67, 70, 93 or 96 of the Finance Act 1986).

Any subsequent dealings in New Ordinary Shares will normally be subject to stamp duty or SDRT. The transfer on sale of New Ordinary Shares will usually be liable to *ad valorem* stamp duty, at the rate of 0.5 per cent. (rounded up, if necessary, to the next multiple of £5) of the amount or value of the consideration paid. Stamp duty will normally be paid by the purchaser or transferee of the New Ordinary Shares. An unconditional agreement to transfer New Ordinary Shares will normally give rise to a charge to SDRT, at the rate of 0.5 per cent. of the amount or value of the consideration payable for such shares, but such liability will be cancelled, or any SDRT paid refunded, if the agreement is completed by a duty stamped instrument of transfer within six years of the date of the agreement or, if the agreement was conditional, the date on which the agreement became unconditional. SDRT will normally be the liability of the purchaser or transferee of the New Ordinary Shares.

Under the CREST system for paperless share transfers, no stamp duty or SDRT will arise on a transfer of shares into the system, unless the transfer into CREST is itself for consideration in

money or money's worth, in which case a liability to SDRT will arise, usually at the rate of 0.5 per cent. of the amount or value of consideration given. Transfers of shares within CREST are generally liable to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable rather than stamp duty, and SDRT on relevant transactions settled within the system or reported through it for regulatory purposes will be collected and accounted for to HM Revenue & Customs by Euroclear.

Where New Ordinary Shares are issued or transferred to issuers of depositary receipts or providers of clearance services (or their nominees or agents), stamp duty or SDRT (as appropriate) may be payable (in the case of stamp duty) at the rate of 1.5 per cent. (rounded up, if necessary, to the next multiple of £5) of the amount or value of the consideration provided or (in the case of SDRT) at the rate of 1.5 per cent. of the amount or value of the consideration payable (if in money or money's worth) or the value of the New Ordinary Shares. Where such stamp duty or SDRT (as appropriate) is payable, such amounts may be charged by the depositary or clearance service to the Shareholder to whom the New Ordinary Shares would otherwise have been issued or to whom the New Ordinary Shares are being transferred. Clearance services may opt, under certain conditions, for the normal rates of stamp duty and SDRT to apply for a transfer of shares into, and to transactions within, the service. Where this is the case, the above charge at the higher rate of 1.5 per cent. will not apply to an issue or transfer of shares into that clearance service.

The above statements are intended to be a general guide to the current stamp duty and SDRT position. Certain categories of person are not liable to stamp duty or SDRT and other may be liable at a higher rate as mentioned above or may, although not primarily liable for the tax, be required to notify and account for it.

Special rules apply to agreements made by market intermediaries and to certain sale and repurchase and stock borrowing arrangements. Agreements to transfer shares to charities will not give rise to stamp duty or SDRT.

10. DILUTION

On Admission assuming the Open Offer is fully subscribed, the Existing Ordinary Shares will be diluted by the allotment and issue of 1,129,830 New Ordinary Shares. There will be no dilution of the holders of the Existing Ordinary Shares.

If none of the Qualifying Shareholders (excluding CHV and Constantine Gonticas, who have given irrevocable undertakings to subscribe for their respective Open Offer Entitlements) take up their entitlements under the Open Offer and the underwriting commitment is fully utilised, they will be diluted by the issue of 1,000,000 New Ordinary Shares, which will represent a 265.5 per cent. immediate dilution of the holders of the Existing Ordinary Shares.

11. RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES

Due to the nature of the Group's businesses, the Group does not operate research and development policies. The only material intellectual property rights legally owned or used by the Group are registered trademarks concerning trading names and logos which are registered with the UK Trade Marks Registry.

Save as disclosed below, the Company is not dependent on patents or licences or any particular industrial, or new manufacturing processes which are material to the Company's business or profitability.

The Club's status as a member of The Football League and its ability to play competitive football is dependent on its registration with the Football Association. The Football Association has absolute power to refuse membership or to suspend the rights and privileges of any full member club.

12. INVESTMENTS

Save for the acquisition of player registrations, the Group has not made any material or significant principal investments in the current or immediately preceding three financial years, or has any principal investments that are in progress, or made any firm commitments concerning principal future investments.

13. CAPITALISATION AND INDEBTEDNESS

Set out below is a statement of capitalisation and indebtedness in relation to the Group. The figures for capitalisation have been extracted without material adjustment from the audited accounts of the Company

for the year ended 30 June 2010. The indebtedness and cash figures have been extracted from the underlying accounting records of the Group as at 30 September 2010.

	30 June 2010
	£'000
Shareholders' equity (excluding retained earnings)	
Share capital	6,099
Share premium	15,152
Equity proportion of convertible loan notes	181
Capital reserve	21,474
	<u>42,906</u>
	<u>42,906</u>
	30 September 2010
	£'000
Indebtedness	
Total current debt	
Guaranteed	–
Secured	7,923
Unguaranteed/unsecured	7,580
	<u>15,503</u>
	<u>15,503</u>
Total non-current debt (excluding current portion of long term debt)	
Guaranteed	–
Secured	–
Unguaranteed/unsecured	–
	<u>–</u>
Total	<u>15,503</u>

The net indebtedness of the Group in the short and medium terms is as follows:

	30 September 2010
	£'000
Cash	1,201
Liquidity	<u>1,201</u>
Other current financial debt	(15,503)
Current financial debt	<u>(15,503)</u>
Net current financial indebtedness	<u>(14,302)</u>
Net financial indebtedness	<u>(14,302)</u>

Save as disclosed in the table above, there has been no material change in the capitalisation of the Group since 30 June 2010. The Group does not have any indirect or contingent indebtedness as at 30 September 2010.

14. PROPERTY, PLANT AND EQUIPMENT

As at the date of this document, the Group owns a leasehold interest in The Den (expiring on 23 June 2143), the football ground occupied by the Club and a leasehold interest in the Club's training ground at Calmont Road, Bromley, BR1 4BY ("**Training Ground**").

The Group is subject to applicable environmental laws and regulations in connection with its ownership and use of The Den and the Training Ground. There are no material environmental issues known to the Directors that may affect the use of The Den or the Training Ground.

15. SIGNIFICANT CHANGE

There has been no significant change in the financial or trading position of the Group since 30 June 2010 being the date to which the last audited accounts of the Group were made up.

16. GENERAL

- (a) The total costs and expenses of and incidental to the Open Offer payable by the Company are estimated to be £500,000 (excluding VAT).

- (b) The Minimum Amount will be applied as to:
- approximately £500,000 will be used to pay for the costs incurred in connection with the Open Offer;
 - £1,156,796 will be used to repay the balance of the NFL Loan Notes outstanding after the Cancellation of certain NFL Loan Notes;
 - approximately £150,000 will be used to pay consultants, professional advisers and other costs in connection with the finalisation of the development plan for property regeneration of the area around The Den; and
 - the remainder will be used to provide working capital to assist Millwall F.C. in meeting the challenges of participating in the Championship division of The Football League.
- (c) The auditors of the Company since 22 December 2003 have been BDO LLP of 55 Baker Street, London, W1U 7EU.
- (d) BDO LLP has given and has not withdrawn its written consent to the inclusion in this document of its reports as set out in Part A of Section A and Part A of Section B of Part 6 in the form and context in which they appear. BDO LLP has authorised the contents of its reports for the purposes of Prospectus Rule 5.5.3R(2)(f).
- (e) Singer Capital Markets Limited has given and not withdrawn its written consent to the issue of this document with the inclusion herein of its letter (Part 4) and to the references to it in the form and context in which such references are included.
- (f) The Directors are unaware of any exceptional factors which have influenced the Company's activities.
- (g) Save as disclosed in paragraph 11 of this Part 7, there are no patents or other intellectual property rights, licenses or particular contracts which are or may be of fundamental importance to the Group's business.
- (h) There are no arrangements under which future dividends are waived or agreed to be waived.
- (i) No person (other than the Company's professional advisers referred to in this document and trade suppliers) in the last 12 months has received, directly or indirectly from the Company or is contractually entitled to receive, directly or indirectly, from the Company on or after Admission any payment or benefit totalling £10,000 or more or securities in the Company to such value, calculated by reference to the Issue Price, or any other benefit with a value of £10,000 or more at the date of Admission.
- (j) The financial information set out in this document does not constitute statutory accounts of the Company and its subsidiaries within the meaning of section 441 of the Act. Statutory accounts have been delivered to the Registrar of Companies for the Group for each of the periods ended 30 June 2008, 2009 and 2010. Auditor's reports in respect of the statutory accounts for each such period have been made under section 235 of the Companies Act 1985 or section 495 of the Act (as appropriate) and each such report was an unqualified report and did not contain any statement under section 237(2) or (3) of the Companies Act 1985 or section 498(2) or 498(3) of the Act (as appropriate).

17. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the offices of Davenport Lyons 30 Old Burlington Street, London, W1S 3NL, during usual business hours on any week day (excluding Saturdays and public holidays) up to and including 3 December 2010:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the audited consolidated accounts of the Company and its subsidiary undertakings for the periods ended 30 June 2008, 30 June 2009 and 30 June 2010;
- (c) the written consents referred to in paragraph 16 (d) and (e) above;
- (d) the Directors service agreements summarised in paragraph 2 of Part 3 of this document;
- (e) irrevocable commitments summarised in paragraph 5.2 above; and
- (f) the material contracts summarised in paragraph 6 above.

18. AVAILABILITY OF PROSPECTUS

Copies of this document are available free of charge from the Company's registered office and at the offices of Singer Capital Markets Limited, 1 Hanover Street, London, W1S 1YZ, during normal business hours on any weekday (Saturdays and public holidays excepted) from the date of this document until one month after Admission.

Dated 17 November 2010

PART 8

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

“ 15% CHV Unsecured Debt ”	the unsecured debt (excluding interest accrued but unpaid thereon and any PIK Notes issued by the Company to CHV in lieu of an interest payment) comprising Facility B as defined in the Unsecured Facility Agreement and carrying interest at an annual rate of 15 per cent. owed and owing by the Company to CHV pursuant to the Unsecured Facility Agreement;
“ 17% CHV Unsecured Debt ”	the unsecured debt (excluding interest accrued but unpaid thereon and any PIK Notes issued by the Company to CHV in lieu of an interest payment) comprising Facility A as defined in the Unsecured Facility Agreement and carrying interest at an annual rate of 17 per cent. owed and owing by the Company to CHV pursuant to the Unsecured Facility Agreement;
“ Act ”	the Companies Act 2006, as amended;
“ Admission ”	the admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules;
“ AGM ”	the annual general meeting of the Company convened for 11.00 a.m. on 17 December 2010;
“ AIM ”	AIM, a market operated by the London Stock Exchange;
“ AIM Rules for Companies ”	the AIM Rules for companies published by the London Stock Exchange, as amended from time to time;
“ AIM Rules for Nominated Advisers ”	the AIM Rules for nominated advisers published by the London Stock Exchange as amended from time to time;
“ AIM Rules ”	together the AIM Rules for Companies and the AIM Rules for Nominated Advisers;
“ Applicant ”	a Qualifying Shareholder or person entitled by virtue of a <i>bona fide</i> market claim who lodges an Application Form or relevant CREST instruction under the Open Offer;
“ Application Form ”	the application form accompanying this document on which Qualifying non-CREST Shareholders may apply for New Ordinary Shares under the Open Offer;
“ Articles ”	the articles of association of the Company;
“ Board ” or “ Directors ”	the directors of the Company as at the date of this document whose names are set out on page 13 of this document;
“ business day ”	a day (other than a Saturday or Sunday or a bank holiday) on which banks are generally open for normal business in the City of London;
“ Cancellation ”	the cancellation in consideration of the issue of New Ordinary Shares pursuant to the Open Offer or the provisions of the Underwriting Agreement.
“ certificated ” or “ in certificated form ”	not in uncertificated form (that is, not in CREST);
“ CHV ”	Chestnut Hill Ventures LLC;
“ CHV Convertible Debt ”	the convertible debt portion of the CHV Secured Debt;
“ CHV Directors ”	John Berylson, James Berylson and Demos Kouvaris;
“ CHV Loans ”	the CHV Secured Debt, the 15% CHV Debt and the 17% CHV Debt;

“CHV Secured Debt”	the secured debt (excluding interest accrued but unpaid thereon and any PIK Notes issued by the Company to CHV in lieu of an interest payment) owed and owing by the Company to CHV pursuant to the secured facility agreement originally entered into on 1 March 2007 between the Company, the Club and CHV (as amended and restated);
“City Code”	the City Code on Takeovers and Mergers;
“Closing Price”	the closing, middle market price of an Existing Ordinary Share as published by the AIM Appendix to the Daily Official List;
“Club”	The Millwall Football and Athletic Company (1985) plc;
“Company” or “Millwall”	Millwall Holdings plc, a company incorporated in England and Wales under company number 2355508;
“Computershare” or “Receiving Agent”	Computershare Investor Services PLC;
“Consolidation”	the consolidation of every 100,000 issued ordinary shares of 0.01 penny each in the capital of the Company held by Shareholders at 5.00 p.m. on 4 October 2010 into one ordinary share of £10, pursuant to the ordinary resolution of the members of the Company passed at the extraordinary general meeting held on 4 October 2010;
“Corporate Governance Code”	the UK Corporate Governance Code issued by the Financial Reporting Council;
“Co-Underwriters”	Constantine Gonticas, Keyse Holdings Limited, IRA fbo Richard S. Press, Jeanne Press, Ari Press and Jason Berland as trustees of The Press Childrens’ Trust, Standard Bank Trust Company (Mauritius) Limited, Maritime Orient & Near East Agency Limited and Ray Lennox, all of whom are parties to the Underwriting Agreement;
“CREST”	the facilities and procedures for the time being of the relevant system for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations;
“CREST Manual”	the rules governing the operation of CREST, consisting of the “CREST Reference Manual”, “CREST International Manual”, “Crest Central Counterparty Service Manual”, “CREST Rules”, “Registrars Service Standards”, “Settlement Discipline Rules”, “CCSS Operations Manual”, “Daily Timetable”, “CREST Application Procedure”, and “CREST Glossary of Terms” (all as amended or reissued from time to time);
“CREST member”	a person who has been admitted by Euroclear as a system-member (as defined in the Euroclear Regulations);
“CREST participant”	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations);
“CREST payment”	has the meaning given in the CREST manual issued by Euroclear;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI2001/3755) as amended from time to time;
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor;
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member;
“Daily Official List”	the daily official list of the London Stock Exchange;
“Debt equity”	bank loans and overdrafts plus bonds, divided by shareholders’ equity;

“Directors Loan Notes”	the unsecured loan notes in the principal amount of £599,994 including interest accrued but unpaid thereon and such part of the PIK Notes issued pursuant to such loan notes and subscribed for by certain Directors and their associates and associated companies as are necessary to pay up the number of New Ordinary Shares subscribed for, further details of which are set out in paragraph 6.10 and paragraph 6.12 of Part 7 of this document;
“Disclosure and Transparency Rules”	the disclosure and transparency rules issued by the FSA acting in its capacity as the competent authority for the purposes of Part VI of FSMA;
“EC”	the European Community established by the Treaty Establishing the European Community signed at Rome on 25 March 1957 and entered into force on 1 January 1958;
“EEA” or “EEA State”	a state which is a contracting party to the agreement on the European Economic Area signed at Oporto on 2 May 1992 as it had effect for the time being; as at the date of this document, being: Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, The Netherlands, Norway, Poland, Portugal, Romania, The Slovak Republic, Slovenia, Spain, Sweden and the United Kingdom;
“Enlarged Issued Share Capital”	the issued ordinary share capital of the Company immediately following the issue of all of the New Ordinary Shares;
“Euroclear”	Euroclear UK & Ireland Limited, a private limited company registered in England and Wales under company number 02878738;
“Existing Ordinary Shares”	the 376,610 Ordinary Shares in issue at the date of this document;
“Existing Fully Diluted Share Capital”	the issued ordinary share capital of the Company as at the date of this document together with the additional share capital created on the conversion by CHV of that part of the CHV Secured Debt that is convertible into Ordinary Shares and that part of the interest accrued thereon as is convertible and the exercise in full of all of the warrants held by CHV and assuming that no other person converts any convertible securities or exercises any options or other rights to subscribe for shares in the Company;
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company convened by the notice at the end of this document and any adjournment thereof;
“Form of Proxy”	the form of proxy accompanying this document for use in connection with the EGM;
“FSA”	the Financial Services Authority;
“FSMA”	the Financial Services and Markets Act 2000, as amended;
“Fully Diluted Share Capital”	the issued ordinary share capital of the Company immediately following the issue of the New Ordinary Shares on the assumption that the underwriting commitment of CHV and the Co-Underwriters pursuant to the Underwriting Agreement is fully utilised and following the conversion by CHV of that part of the CHV Secured Debt that is convertible into Ordinary Shares and that part of the interest accrued thereon as is convertible and the exercise in full of all of the warrants held by CHV and assuming that no other person converts any convertible securities or exercises any options or other rights to subscribe for shares in the Company;

“Gazette Notice”	the advertisement to be published in the London Gazette on or around 18 November 2010 in connection with the Open Offer;
“Group”	the Company and its subsidiary undertakings as at the date of this document;
“HMRC”	Her Majesty’s Revenue & Customs;
“Independent Director”	Andy Ambler;
“Independent Ordinary Shares”	the Existing Ordinary Shares held by the Independent Shareholders;
“Independent Shareholders”	the Shareholders save for CHV which is not independent for the purposes of the City Code and any person with whom CHV is acting in concert for the purposes of Rule 9 of the City Code;
“International Financial Reporting Standards” or “IFRS”	the International Financial Reporting Standards maintained by the International Accounting Standards Board (“IASB”) and which are in force from time to time as adopted by the European Union;
“ISIN”	International Securities Identification Number, a unique number given to the Ordinary Shares under the ISO 6166 (Securities – International Securities Identification Numbering System);
“Issue Price”	£10 per New Ordinary Share;
“Liquidity Ratio”	current assets divided by current liabilities;
“Loan Notes”	the Directors Loan Notes and the NFL Loan Notes;
“London Stock Exchange”	London Stock Exchange plc;
“member account ID”	the identification code or number attached to any member account in CREST;
“Minimum Amount”	£2,150,000;
“New Issue”	the issue of New Ordinary Shares to be made pursuant to the Open Offer;
“New Ordinary Shares”	up to 1,129,830 new Ordinary Shares to be issued pursuant to the Open Offer;
“NFL Loan Notes”	the secured convertible loan notes in the principal amount of up to £1,500,000 subscribed for by the NFL Noteholders including interest accrued but unpaid thereon and such part of the PIK Notes issued pursuant to such loan notes as are necessary to pay up the number of New Ordinary Shares subscribed for;
“NFL Noteholders”	the holders of NFL Loan Notes in the principal amount of an aggregate of £1,151,417.80;
“Non CHV Directors”	Andy Ambler; Constantine Gonticas; Trevor Keyse and Richard S. Press;
“Official List”	the official list of the UKLA;
“Open Offer”	the conditional offer made by SCM inviting Qualifying Shareholders to subscribe for the New Ordinary Shares at the Issue Price on the terms and subject to the conditions set out or referred to in this document and, where relevant, the Application Form;
“Open Offer Entitlement(s)”	entitlements allocated to Qualifying Shareholders to apply to subscribe for New Ordinary Offer Shares under the Open Offer;
“Ordinary Shares”	ordinary shares of £10 each in the capital of the Company;
“Overseas Shareholders”	Shareholders with registered addresses outside the United Kingdom or who are citizens of, incorporated in or otherwise resident in countries outside the United Kingdom;

“Panel”	the Panel on Takeovers and Mergers;
“participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant;
“PIK Notes”	payment-in-kind notes issued in lieu of interest pursuant to a debt facility and treated as part of the principal of such debt on the same terms and conditions as apply to such debt;
“Proposals”	the proposals for the Open Offer set out in this document;
“Prospectus”	this document;
“Prospectus Rules”	the prospectus rules made under Part VI of FSMA (as set out in the FSA Handbook) as amended from time to time;
“Qualifying CREST Shareholder”	Qualifying Shareholders whose Existing Ordinary Shares on the Company’s register of members at the Record Date are held in uncertificated form in CREST;
“Qualifying non-CREST Shareholder”	Qualifying Shareholders whose Existing Ordinary Shares on the Company’s register of members at the Record Date are held in certificated form;
“Qualifying Shareholder”	holders of Ordinary Shares on the register of members of the Company on the Record Date;
“Quick ratio”	current assets less stock, divided by current liabilities;
“Record Date”	the close of business on 16 November 2010;
“Resolution”	the resolutions to be proposed at the Extraordinary General Meeting as set out in the notice of EGM at the end of this document;
“Restricted Jurisdiction”	the United States, Canada, Japan, and the Republic of South Africa and any other jurisdiction where the extension or availability of the Open Offer (and/or any transaction contemplated thereby) would breach any applicable law;
“Rule 9 Offer”	has the meaning given to it on page 22 of this document;
“SCM”	Singer Capital Markets Limited;
“SDRT”	stamp duty reserve tax;
“Securities Act”	the US Securities Act of 1933, as amended;
“Shareholder”	a holder of Ordinary Shares;
“Stock Account”	an account within a members account in CREST to which a holding of a particular share or other security in CREST is credited;
“uncertificated” or “in uncertificated form”	recorded on the relevant register or other record of the share or security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland, its territories and dependencies;
“UK Listing Authority” or “UKLA”	the FSA acting in its capacity as the competent authority for the purposes of Part VI of FSMA;
“Underwriting Agreement”	the agreement dated 17 November 2010 between the Company and CHV and the Co-Underwriters, whereby CHV and the Co-Underwriters have agreed to underwrite up to a maximum of £6,539,230 of the Open Offer details of which are set out in paragraph 5 of Part 7 of this document;

“United States” or “US”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
“Unsecured Facility Agreement”	the unsecured facility agreement originally entered into on 25 November 2008 between the Company, the Club and CHV (as amended and restated); and
“Whitewash Resolution”	in circumstances where a shareholder is obliged to make a Rule 9 Offer, an ordinary resolution on a poll of the shareholders of the company who are independent of the person who would otherwise be required to make a Rule 9 Offer at a general meeting approving a waiver of the requirement for a Rule 9 Offer to be made.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Millwall Holdings plc

(Registered number 2355508)

Notice is hereby given that an Extraordinary General Meeting of Millwall Holdings Plc will be held at The Den, Zampa Road, London SE16 3LN at 11.30 a.m. (or as soon as possible after the conclusion of the AGM) on 17 December 2010 for the purpose of considering, and, if thought fit, passing the following resolution as an ordinary resolution.

ORDINARY RESOLUTION

1. That:

- (a) the maximum nominal amount of shares that may be allotted by the Company be amended to £22,332,878.45 divided into 2,000,000 ordinary shares of £10 each and 2,592,087,167 deferred shares of 0.09p each, representing an increase of 102.64 per cent. in the maximum nominal value of shares that may be allotted by the Company;
- (b) in accordance with section 551 of the Companies Act 2006 (**2006 Act**), the Directors be and they are hereby generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (**Rights**) up to an aggregate nominal amount of £11,298,300 in connection with the open offer as described in the prospectus relating to the Company dated 17 November 2010, of which this notice forms part (the **Prospectus**) (**Open Offer**). This authority shall, unless renewed, varied or revoked by the Company, expire on 30 June 2011 save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This authority is in addition to the proposed authority to be conferred on the Directors in accordance with section 551 of the 2006 Act at the annual general meeting of the Company convened for immediately before this meeting; and

- (c) the terms of the Open Offer be and are hereby approved.

Registered Office:

The Den
Zampa Road
London SE16 3LN

Date: 17 November 2010

By Order of the Board

T. Simmons
Secretary

Notes:

1. A holder of ordinary shares entitled to attend, speak and vote at the meeting may appoint a proxy to exercise all or any of his rights to attend, speak and vote instead of him. A proxy need not be a member of the Company but must attend at the meeting to represent his appointor.
2. A holder of ordinary shares may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. More than one proxy may not be appointed to exercise rights attached to any one share.
3. A proxy form is enclosed. To be valid, the completed proxy form and the authority, if any, under which it is signed must be lodged with Computershare Investor Services PLC Corporate Actions Projects, Bristol, BS99 6AH not less than 48 hours before the time fixed for the meeting.
4. Details of how to appoint the chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form.
5. Completion and return of the proxy form will not preclude members entitled to attend, speak and vote at the meeting (or at any adjournment of the meeting) from doing so in person if they so wish. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
6. Each holder of ordinary shares present in person or by proxy shall have one vote on a show of hands and, on a poll, one vote for each such ordinary share held.
7. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at close of business on the day which is two days before the day of the meeting. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
8. Holders of deferred shares are not entitled to receive this Notice or to vote upon the resolutions proposed at the meeting.
9. Please note that communications regarding the matters set out in this Notice will not be accepted in electronic form.

