Millwall Holdings PLC ("Millwall" or the "Company" or the "Group")

Results Announcement for the year ended 30 June 2011

The Company announces its Annual Results for the year ended 30 June 2011.

Chairman's Statement

As Chairman of Millwall Holdings Plc I am pleased to announce our results for the twelve months to June 2011.

Firstly, football. After achieving our initial goal of getting the club back to competing in The Football League Championship it was extremely pleasing to finish 9th in the table and be pushing for a play-off place almost up to the last home game of the season. There were some memorable performances during the season including an opening day away win at Bristol City, a fantastic home victory against eventual Champions QPR, and home and away wins against local rivals Crystal Palace. Defensively we were solid with the 3rd best goals against record in the Championship even allowing for the exceptional home defeat to Watford where we conceded 6!

I would like to praise our entire management team for their performance during the year, their hard work and commitment ensured we had a successful first year back.

At the end of the season we decided to accept an offer for our top goal scorer Steve Morison from newly promoted to the FA Premier League, Norwich City. When a player such as Steve has the opportunity to earn a contract in the FA Premier League it is very difficult for a club such as ours to stand in his way. However, we are not in such a financial situation to have to accept a first offer or even a second and it took Norwich a long time and many attempts before they made a bid which we as a board felt was good business for the club.

I feel that once again we have progressed both on and off the field during the year. At last year's AGM we were successful with an Open Offer which strengthened the Balance Sheet and reduced the Company debt position whilst providing the funds for the football club to continue to progress. The support I and the board received from shareholders and supporters was both vital and welcome, thank you.

We will continue to look at ways in which we can become more cost efficient across the whole Group which will enable us to maximise the football budget available to the manager. A lot has been discussed in the media on football "financial fair play" regulations. I believe it is the right time for the football world to be considering regulations regarding the financing of clubs and hope it will have the desired effect of ensuring a fairer football league and ensuring that the long term future of all existing clubs is a more financially stable one. We have been working within a self imposed financial budget and although breakeven has not yet been achieved the financial results for the year are a very big step forward and the reduction in losses encouraging. This has allowed us to operate with stability, a key word in the world of football.

Regarding the regeneration of the area surrounding the stadium, it was very pleasing that Lewisham Council approved an outline planning application for a development called the Surrey Canal Triangle in October this year. We have been working very closely with the applicant, Renewal, to ensure that The Den (Millwall's Stadium) not only remains at the centre of the development but we have the ability to enhance the stadium in the future both in terms of extended capacity and enhanced facilities so that the club has the ability to grow. There is more hard work to be done in the near future, firstly, in respect of agreeing a Section 106 agreement with all parties involved in the regeneration scheme and we will continue to push forward with the club's best interests being protected.

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

John G Berylson

Business Review

The year under review reflects the performance of the 2010/11 season being the first year of Millwall FC (the "Club") playing in the Football League Championship, the second tier of English football below the FA Premier League, following its promotion to this league after an absence of 4 seasons. The first season resulted in a creditable final position of 9th, just 8 points from a play-off position.

The team commenced the season with resounding wins over Bristol City as well as Hull City, who had been playing in the Premier League the previous season. Over the first half of the season the team earned 32 points, putting them in 10th position at that stage, with a further 35 points in the second part of the season. The leading goal scorer was, once again, Steve Morison whose contract was transferred to newly promoted Norwich City after the end of the season. However, the league position of the Club was due, in the main, to the performance of defenders, including Alan Dunne who was celebrating his testimonial season, which conceded only 48 goals, the 3rd lowest in the league. There was a total of 32 players used during the season (2010: 28).

The Club finished the 2010-11 league campaign with 67 points and in 9th position. (2010: 85 points and 3rd position in League 1.) The team's run in the Carling Cup ended in round 3 with a loss at home to Ipswich Town and the Club was defeated at home by Birmingham City, then a Premier League team, in the 3rd round of the FA Cup.

The average home league attendance was 12,439 (2010: 10,385) an increase of 19.8% over last year and up by more than 39% over the year before that. However, with better supported clubs playing in the Championship, there were only 4 clubs with lower attendances during this season.

Results

The consolidated statement of comprehensive income is set out below.

The result for the year shows a significant improvement of some £2.8m reduction in the loss from operations, down to £0.6m from £3.4m reflecting the benefit of £1.7m (2010: £0.2m) of income from player sales. Indeed, before taking account of non-cash charges for amortisation and depreciation, as well as interest, the Group earned a profit this year of £0.2m (2010: loss of £2.9m.) This is the best result since 2004.

Revenue for the year reflects the benefit of the first year of playing once again the Football League Championship. Overall turnover has increased by 58.5% (2010: 15.3%) from £7.5m to £11.8m. This is mainly as a result of a substantial increase in the Central League awards, principally TV sponsorship rights, which this year were £4.7m, compared with £0.7m last year. Despite the higher gates, Match Day income showed only a small increase of 2.8% (2010: 22.3%), but this year did not benefit by the revenue generated by the play-off final at Wembley that occurred in the previous year.

Income from player sales rose substantially this year to £1.7m (2010: £0.2m). This is mainly the transfer fee for the sale of Steve Morison to Norwich City, less the element of this fee due to Stevenage Town under the terms of the contract for the transfer of the player to Millwall in 2008.

Operating in the Championship has enabled the Company to benefit from the investment in the strengthening of the marketing team and processes made in the previous year. Once again income from executive boxes and match day catering showed a reasonable increase over last year. Advertising, club sponsorship and retail showed the greatest increase in commercial income. However, this was offset by a reduced level of income from non-matchday conferencing and events, reflecting current economic conditions nationally.

Total staff costs rose to £8.4m (2010: £6.4m). Contracts with players were adjusted to a rate of salary commensurate with playing in the Championship. Despite this increase, the ratio to revenue fell to 71% (2010: 85%).

Other expenses (excluding Depreciation and Amortisation) increased to £4.9m (2010: £4.1m), representing 42% of revenue (2010: 55%). The principal reason for this increase is attributable to the additional costs of policing and stewarding the higher profile games that occur in the Championship, these costs having risen by £0.3m. Other major increases relate to the higher costs of £0.3m for the retail operation, reflecting the higher turnover and an increase of £0.2m in agents fees, once again reflecting the costs incurred in operating at a higher level of the football league.

Finance costs were reduced by £0.2m during the year as a result of lower borrowings following the successful Open Offer in December last year.

Principal risks and uncertainties

In common with many football clubs outside the FA Premier League the main business risk is the maintenance of a positive cash flow, bearing in mind the uncertainty of turnover and the high cost of maintaining a playing squad on which the success of the Group's business is largely dependent. In order to achieve a positive cash flow there is the constant requirement to raise new finance and refinance existing facilities which, in turn, requires the continuing support of existing providers of those facilities.

A significant amount of the Club's revenue derives from ticket sales. Income generated from gate receipts is highly dependent on the level of attendance at matches. 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 third party contracts and arrangements to which the Club is not a party and over which the Club can exercise no or little influence.

As part of its normal activities, the Club deals in the trading of player registrations and there is always a risk of significant and lasting injuries to players that may impair player values. Players aged 24 years or older are free to move between clubs once their contract has come to an end and the Board monitors expiry dates carefully with a view to renewing contracts or realising value.

Future uncertainties relate to the continuation of TV sponsorship of football at current levels and in its current form and the impact of the proposed "financial fair play" policies to be introduced by the Football League for clubs operating in the Championship. Whilst the details of these policies are not yet available, they are likely to place limits upon the total annual amount that clubs may pay to players.

Relevant business risks are discussed during Board meetings so that, where a material exposure is identified, mitigating action can be taken.

Prospects

Football
With the Club now into its second season playing in the Football League Championship there will not be the same level of opportunities to increase revenue streams as has occurred in the year under review. As is usual, attendances and matchday income will be affected by the team's performance and the Club's position in the league. More generally, the current national economic difficulties could have an impact upon supporter spend. There are a number of

clubs in the Championship with more substantial spending power than the Club, creating stiffer competition within the league. However, the Directors have set budgets for all areas of income and costs with plans in place to monitor financial and team performance and to take such steps that are needed to achieve the best outcome for the year.

Performances at the start of the 2011-2012 season were promising, having played the first 3 league games before suffering a defeat. Since then the results have been mixed with the team in 17th position after 14 games (2010: 16th after 15 games). Having met last season's ambition of establishing the team within the higher league, the objective is now to build on the squad both to retain this status and to plan for promotion in the longer term.

So far this season the average home attendance for the first seven league games has been 11,856 (2010: 12,150 for first 7 league games), with corporate match day and retail sales similar to last year.

The budgeted player wage costs for the current year will increase over the final costs for 2010-11 augmented by the reinvestment of the net proceeds received to date from the high level of transfer fees earned last year. There is now a core squad of 33 players, including 3 on loan, and these have contracts with expiry dates that are well spread over the end of the next 3 seasons. As ever the Directors and the manager constantly review future player needs bearing in mind the continuing requirement to balance between protecting player asset values and offering extended player contracts.

Other football related income
The Club, having benefited last year from operating in a higher league, anticipates a continuation of the enhanced range of services offered by the Club to sponsors and other business partnerships from catering to on-line sales and marketing. A new lead sponsor, Racing +, has entered into a 3 year contract with other key sponsors continuing to support in other areas. The retail operation is expected to be static, pending improvements to be implemented to the product range and methods of operation.

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

The Community
The Club continues to recognise the importance of the relationship with the broader community of South London and a key way of strengthening that link is the close co-operation with the work that is undertaken with the Millwall Community Scheme, reflected by our Chief Executive, Andy Ambler, acting as a Trustee. Together the Club and the Community Scheme work to help promote community sports education and charitable activities to benefit the local area of South East London. Once again a very successful Junior Lions Community Day sponsored by McDonalds, was recently enjoyed by 1,200 young people at The Den with the playing squad being in attendance. This was jointly promoted by the Club, its Junior Lions Committee and the Millwall Community Scheme giving a practical example of the Club working together to benefit the Millwall Community and to meet the shared common objectives held by each. Throughout the year the squad of players attend many local youth and charity events organised by the Community Scheme to make their own contribution to the local community.

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

As a result of the resolution passed at an Extraordinary General Meeting of shareholders held in October 2010 which agreed to a consolidation of shares and a gift of fractions arising to The Lions Trust, that organisation was gifted 10,173 shares representing 2.7% of the issued share capital. One of the objectives of The Lions Trust is to improve communications between the Club and its supporters and to enable the views of the Club's supporters to influence decision making.

All NFL Loan Notes and related PIK Notes were repaid during the year from the proceeds of the Open Offer. £0.4m was by way of cancellation of loans upon underwriting and £1.2m was by cash repayment. In addition, all director loans were repaid as part of the Open Offer by way of cancellation upon subscription or underwriting.

Regeneration
The Company welcomes the Outline Planning approval for the Surrey Canal Triangle development which was granted by Lewisham Borough Council at a meeting held in Lewisham Town Hall on the 13 October 2011. The scheme approved includes The Den (Millwall Stadium) and the areas surrounding it, but is subject to a detailed Section 106 planning agreement being entered into and agreed by all relevant parties (including Millwall).

At a previous meeting earlier this year Lewisham Borough Council's planning strategy approved a decision whereby any future development around Millwall's Stadium (The Den) had to allow for both the future expansion of The Den's capacity and ability to enhance Stadium facilities if and when the football club needed to do so. These decisions are a major step forward for the Club's vision to improve the facilities and area around The Den to suit the needs of Millwall F.C.'s supporters and also allow the Group the future ability to attempt to increase non match related revenue streams.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2011

	Year Ended 30 June 2011 Total £000	Year Ended 30 June 2010 Total £000
Revenue	**11,808**	7,451
Other income – profit on disposal of player's registrations	**1,680**	154
Staff costs	**(8,354)**	(6,357)
Amortisation of players' registrations	**(525)**	(320)
Depreciation of property, plant and equipment	**(242)**	(264)
Total depreciation and amortisation expense	**(767)**	(584)
Other expenses	**(4,972)**	(4,111)
Loss from operations	**(605)**	(3,447)
Finance income	**1**	—
Finance expense	**(1,354)**	(1,511)
Loss before taxation	**(1,958)**	(4,958)
Tax expense	**—**	—
Loss after tax for the financial year and total comprehensive loss	**(1,958)**	(4,958)
Attributable to:		

Equity holders of the parent	**(1,958)**	(4,958)
Loss per share – basic and diluted	**£(2.15)**	£(13.21)

Consolidated Statement of Changes in Equity

For the year ended 30 June 2011

	Ordinary Shares of £10 each	Deferred Shares of 0.09p each	Share premium	Equity component of Convertible Loan Notes	Capital reserve	Retained deficit	Total Equity
	£000	£000	£000	£000	£000	£000	£000
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)**
1 July 2010	3,766	2,333	15,152	181	21,474	(47,993)	(5,087)
New Shares Issued	10,139	–	–	–	–	–	10,139
Costs of issue of shares	–	–	–	–	–	(450)	(450)
Convertible Loan Notes redeemed	–	–	–	(100	–	100	–
Loss for the year	–	–	–	–	–	(1,958)	(1,958)
30 June 2011	**13,905**	**2,333**	**15,152**	**81**	**21,474**	**(50,301)**	**2,644**

Consolidated Statement of Financial Position

30 June 2011

	30 June 2011 £000	30 June 2010 £000
Non-current assets		
Intangible assets	**1,191**	661
Property, plant and equipment	**14,710**	14,826
	15,901	15,487
Current assets		
Inventories	**115**	51
Trade and other receivables	**3,051**	968
Cash and cash equivalents	**238**	760

	3,404	1,779
Total assets	**19,305**	17,266
Non-current liabilities		
Trade and other payables	**(506)**	(486)
Financial liabilities	**(7,580)**	–
Deferred income	**(3,345)**	(3,571)
Total non-current liabilities	**(11,431)**	(4,057)
Current liabilities		
Trade and other payables	**(3,317)**	(2,100)
Financial liabilities	–	(14,619)
Deferred income	**(1,913)**	(1,577)
Total current liabilities	**(5,230)**	(18,296)
Total liabilities	**(16,661)**	(22,353)
Net assets/(liabilities)	**2,644**	(5,087)
Equity		
Called up share capital	**16,238**	6,099
Share premium	**15,152**	15,152
Equity proportion of Convertible Loan Notes	**81**	181
Capital reserve	**21,474**	21,474
Retained deficit	**(50,301)**	(47,993)
Total equity attributable to the shareholders of the parent (in deficit)	**2,644**	(5,087)

Consolidated Statement of Cash Flows

For the year ended 30 June 2011

	Year Ended 30 June 2011 Total £000	Year Ended 30 June 2010 Total £000
Cash flows from operating activities		
Loss before taxation	**(1,958)**	(4,958)
Depreciation on property, plant and equipment	**242**	264
Amortisation of intangible assets	**525**	320
Amortisation of grants	**(82)**	(82)
Amortisation of prepaid finance fees	**-**	103
Profit on disposal of players' registrations	**(1,680)**	(154)
Loss on disposal of property, plant and equipment	**-**	12
Finance income	**(1)**	-
Finance expense	**1,354**	1,511
Cash flows from operating activities before changes in working capital	**(1,600)**	(2,984)
(Increase)/decrease in inventory	**(64)**	10
(Increase)/decrease in trade and other receivables	**(133)**	51

Increase in trade and other payables and deferred income	**612**	689
Net cash flow from operations	**(1,185)**	(2,234)
Investing activities		
Purchase of property, plant and equipment	**(126)**	(65
Proceeds on disposal of players' registrations	**406**	167
Purchase of players' registrations	**(914)**	(739)
Interest received	**1**	-
Net cash flow from investing activities	**(633)**	(637)
Financing activities		
Net proceeds Open Offer	**1,839**	–
Net (repayment)/drawdown under loan note facilities	**(542)**	3,240
Interest paid	**(1)**	-
Net cash flow from financing activities	**1,296**	3,240
Net movement in cash and cash equivalents	**(522)**	369
Cash and cash equivalents at start of year	**760**	391
Cash and cash equivalents at end of year	**238**	760

Notes

1 Basis of preparation

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

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

2 Loss per ordinary share

The calculation of loss per ordinary share is based on the loss for the year of £1,958,000 (2010: £4,958,000) and on 909,956 (2010: 375,205) new ordinary shares, 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 2011 or 2010 and therefore there is no difference between basic and diluted earnings per share. As at 30 June 2011, the Group had gross convertible debt, including PIK notes and accrued interest of £1,597,000 (2010: £4,034,000) in issue, potentially convertible to 45,514 (2010: 113,418) ordinary shares of £10 each, along with 30,683 (2010: 30,683) warrants, which could dilute earnings per share in the future. These were not included in the calculation of diluted earnings per share because they were anti-dilutive for the periods presented.

3 Post balance sheet events

The Directors have announced that they are convening an Extraordinary General Meeting of shareholders to consider a proposal for the cancellation of the trading of the Company's shares on AIM. If approved the Directors will put in place a third party trading facility to allow shareholders to trade in shares on a matched bargain basis following the proposed cancellation.

4 The Directors do not recommend payment of a dividend.

5 The audited financial statements will be made available to shareholders on 9 November 2011.

6 The financial information set out in this announcement does not constitute the Group's statutory accounts for the year ended 30 June 2011 but is derived from the 2011 Annual Report.

Statutory accounts for 2010 have been delivered to the Registrar of Companies. The statutory accounts for the year ended 30 June 2011 will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

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

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