For immediate release **19 November 2008**

Millwall Holdings PLC

Board Statement

Business Review
The 2007-8 season was a turbulent one. After a disappointing start Willie Donachie was replaced as manager, with Kenny Jackett taking on the role on 6 November 2007.

There were consequential managerial changes across the backroom staff and the new team struggled to deal with exceptional levels of injury. During the course of the season it was necessary to make extensive use of loan players to deal with this problem. This increased the player wage cost to the club and resulted in a total of 41 different players representing Millwall during that period.

The team finished the 2007-8 league campaign with 52 points and in 17th position, having battled against relegation to League 2 throughout the second half of the season. Early exits in both the Johnston Paint Trophy and the Carling Cup competitions were a cause for disappointment. However, Millwall reached the 4th round of the FA Cup, losing an away tie to a Championship team, Coventry City. The signs of improvement in team performance were there and could be seen, particularly, in a good away victory at Swansea City (eventual Champions) and a 3-0 home win against promotion hopefuls Carlisle United .

The average home league attendance was 8,668 (2007: 9,231), which placed the Club in the top five of the Divisional attendance league.

During the period further on-going working capital was raised from Chestnut Hill Ventures and Directors of Millwall Holdings. This was provided by the Company entering into a further sterling term loan facility of £3,000,000 with Chestnut Hill Ventures (the Lender) and a further loan from Directors of £300,000. These loans were approved by the Board on 30th June 2008 and are non-convertible.

Results

The consolidated income statement for the period is set out on page 3.

Revenue for the period remained broadly stable but gate and associated match-day revenues were down 3% due to a disappointing team performance, the Club having ended the league season in 17th position. Additional revenues were secured in non-matchday conferencing and events, and retail sales, which compensated for these losses.

Total staff costs were higher than anticipated due to the player related costs in respect of loan players required to cover for injured players and amounted to £6.3m for the thirteen month period. They were broadly in line, on a pro rata basis, with the same cost for the previous year (2007: £5.9m – 12 months). The total wages to turnover ratio rose to 118% (2007 : 109%) This increase is mainly due to 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.

Administration costs (excluding Depreciation and Amortisation) increased to £5.202m (2007: £4.492m). This increase is attributable to expenses in connection with the regeneration programme of £1.345m (2007: £0.455m) and costs associated with raising financing and the convening of an EGM. Cost efficiencies have been made in the Football Club resulting in savings in administration costs in this area of the business.

Player sales amounted to £913,000 (2007: £413,758) and included the transfer of Tony Craig , Marvin Elliott and Ben May as well as three young players from the club's youth system to Liverpool , Chelsea and Portsmouth.

The Directors do not recommend payment of a dividend (2007: no dividend).

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

Prospects
Football
The team has started the new season in good form and after 16 games of 2008 -2009 season are in 3rd place in League 1 having already won 10 games. The improvement in on-field performance has led to optimism amongst the supporters and the average home attendance for the first seven league games being 8,975 and corporate matchday sales increasing.

Millwall Holdings PLC

Board Statement (continued)

Football *(continued)*

The player wage costs remain challenging with 3 of the highest paid contracted players not part of the manager's plans for the team. These players, along with 11 others, have contracts that expire in June 2009 and the board is constantly reviewing the position in regard to the balance between protecting player asset values and offering extended player contracts.

The Den
The policy of utilising the stadium on non-matchdays to increase revenues has proved successful over the past 13 months and further marketing initiatives will be put in place to strengthen this key area of business.

The Community
The Club continues to recognise the importance of the relationship with the broader community and more work has been undertaken with the Millwall Community Scheme. We now employ a shared liaison officer funded via The Football League, whose focus is to promote the work and activities of both Football Club and Community Scheme across this sector of London.

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.

Finance
The Company is principally financed by CHV by way of loans. At the AGM in December 2007 the Company failed to secure Section 89 authority to issue share capital. This was due to a significant shareholder voting against this recommendation. Therefore, the Company is constrained and can raise money only by way of debt. The Company will seek to secure the Section 89 authority at the next AGM.

Regeneration
On regeneration and development, the planning process has been delayed due to changes in the overall planning regime and the election of a new Mayor of London, all outside the control of the company. Significant work has been undertaken to contribute to the overall masterplan of the area, which will be the subject of detailed consultation in the New Year (2009).

H Rabbatts
Executive Deputy Chairman
19 November 2008

Millwall Holdings PLC

Consolidated Income Statement

for the thirteen months ended 30 June 2008

	Notes	*Thirteen months Ended 30 June 2008 Total £000*	*Year Ended 31 May 2007 Total £000*
Revenue		**5,367**	5,388
Other income – profit on disposal of player's registrations		**913**	414
Staff costs		**(6,313)**	(5,865)
Amortisation of players' registrations		**(126)**	(63)
Depreciation of property, plant and equipment		**(309)**	(382)
Total Depreciation and amortisation expense		**(435)**	(445)
Other expenses		**(5,202)**	(4,492)
Loss from operations		**(5,670)**	(5,000)
Finance income		**31**	17
Finance expense		**(476)**	(208)
Loss before taxation		**(6,115)**	(5,191)
Tax expense		**—**	—
Loss for the period attributable to:			
Equity shareholders		**(6,115)**	(5,191)
Loss per share – basic and diluted	2	**(0.022)p**	(0.024)p

Millwall Holdings PLC

Consolidated Statement of Changes in Equity

For the thirteen months ended 30 June 2008

Group	*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 reserves £000*	*PIK note reserve £000*	*Profit and loss account £000*	*Total Equity £000*
1 June 2006	1,838	2,333	11,087	–	21,474	–	(26,697)	10,035
Share issues	669	–	1,707	–	–	–	–	2,376
Share issues - costs	–	–	(160)	–	–	–	–	(160)
Equity proportion of Convertible Loan Notes Issued	–	–	–	252	–	–	–	252
Allocated Convertible Loan Note transaction costs	–	–	–	(33)	–	–	–	(33)
Share based compensation	–	–	–	–	–	–	4	4
Loss for the year	–	–	–	–	–	–	(5,191)	(5,191)
31 May 2007	**2,507**	**2,333**	**12,634**	**219**	**21,474**	**–**	**(31,884)**	**7,283**
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 Compensation	–	–	–	–	–	–	164	164
PIK notes issued	–	–	–	–	–	333	–	333
Loss for the period	–	–	–	–	–	–	(6,115)	(6,115)
30 June 2008	**3,750**	**2,333**	**15,120**	**181**	**21,474**	**333**	**(37,835)**	**5,356**

Millwall Holdings PLC

Consolidated Balance Sheet

	30 June 2008 £000	31 May 2007 £000
Non-current assets		
Intangible assets	291	36
Property, plant and equipment	15,127	15,691
	15,418	15,727
Current assets		
Inventories	66	93
Trade and other receivables	1,104	801
Cash and cash equivalents	204	749
	1,374	1,643
Total assets	16,792	17,370
Non-current liabilities		
Trade and other payables	–	(107)
Financial liabilities	(4,357)	(2,178)
Deferred income	(3,770)	(4,591)
Total Non-current liabilities	(8,127)	(6,876)
Current liabilities		
Trade and other payables	(2,239)	(2,259)
Deferred income	(1,070)	(952)
Total Current liabilities	(3,309)	(3,211)
Total liabilities	(11,436)	(10,087)
Net assets	5,356	7,283
Equity		
Called up share capital	6,083	4,840
Share premium	15,120	12,634
Equity proportion of Convertible Loan Notes	181	219
Capital reserve	21,474	21,474
PIK note reserve	333	–
Retained deficit	(37,835)	(31,884)
Total Equity	5,356	7,283

Millwall Holdings PLC

Consolidated Cash Flow Statement

for the thirteen months ended 30 June 2008

	30 June 2008 £'000	*31 May 2007 £'000*
Operating activities		
Net loss before taxation	(6,115)	(5,191)
Share based payments	497	4
Depreciation on property plant and equipment	309	382
Amortisation of intangible assets	126	63
Amortisation of grants	(98)	(104)
Profit on disposal of players' registrations	(913)	(414)
Profit on disposal of property, plant and equipment	(300)	-
Finance income	(31)	(17)
Finance expenses	476	208
Cash flow from operations before changes in working capital	(6,049)	(5,069)
Decrease/(Increase) in inventory	27	(1)
(Increase)/decrease in trade and other receivables	(303)	893
(Decrease)/increase in trade and other payables and accruals and deferred income	(110)	132
Cash generated from operations	(6,435)	(4,045)
Investing activities		
Purchase of property, plant and equipment	(36)	(122)
Proceeds on disposal of players' registrations	695	416
Purchase of players' registrations	(381)	(60)
Interest received	31	17
Net cash generated by investing activities	309	251
Financing activities		
Proceeds from issue of new share capital	900	1,475
Costs of issue of new share capital		(41)
Proceeds from issue of convertible loan notes	3,022	3,596
Proceeds from issue of loan notes	1,673	-
Capital element of finance leases and hire purchase contracts repaid	-	(16)
Interest paid	(8)	(208)
Net cash generated by financing activities	5,587	4,806
Net (decrease)/increase in cash and cash equivalents	(539)	1,012
Cash and cash equivalents at start of period	743	(269)
Cash and cash equivalents at end of period	204	743

During the period, £2,829,050 (2007: £900,000) of convertible loan notes issued were converted into ordinary shares of the Company.

Millwall Holdings PLC

Notes:

1. *Basis of preparation*
The financial statements form which this preliminary announcement has been extracted 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 1985 that remain applicable to groups reporting under IFRS.

   This is the first full accounting period for which the Company has prepared its financial statements in accordance with IFRS, having previously prepared its financial statements in accordance with UK GAAP accounting standards. The transition date for the purposes of applying IFRS for the Group was 1 June 2006.

   The financial information contained herein 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 period of £6,115,000 (31 May 2007 loss: £5,191,000) and on 28,151,242,277 (31 May 2007: 21,849,707,590) ordinary shares, being the weighted average number of ordinary shares in issue and ranking for dividend during the period. There is no potential dilution on the loss per ordinary share (2007: no potential dilution on loss per ordinary share). There is no difference between basic and diluted earnings per share in 2008 and 2007. As at 30 June 2008 the number of options which could potentially dilute basic earnings per share in the future was 1,166,666,666 (2007: 1,901,916,666). 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 2008, the Company had gross convertible debt of £2,999,000 (2007: £2,696,000) in issue, potentially convertible to 9,996,666,666 (2007: 8,986,666,666) ordinary shares and PIK notes issued of £333,000 (2007: £Nil) potentially convertible to 1,110,000,000 (2007: Nil) ordinary shares, which could dilute earnings per share in the future.

3. *Change of Accounting Reference Date*
During the period the Company's accounting reference date was changed from 31 May to 30 June. This brings the Group in line with most other Football League Clubs and means that the accounting reference date is now in line with the standard expiry date of players' contracts. As a consequence the Group is reporting on the thirteen months ended 30 June 2008 compared with the year ended 31 May 2007. The comparative figures for the consolidated income statement and consolidated cash flow statement are therefore not entirely comparable.

4. The audited financial statements will be available to shareholders by 30 November 2008.

5. The financial information set out in this announcement does not constitute the Group's statutory accounts for the thirteen months ended 30 June 2008 or the twelve months ended 31 May 2007 but is derived from the 2008 Annual Report.

   Statutory accounts for 2007 have been delivered to the Registrar of Companies. The statutory accounts for the period ended 30 June 2008 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 include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and the reports did not contain statements under section 237(2) or (3) of the Companies Act 1985.

6. The directors do not recommend the payment of a dividend.

7. Post Balance Sheet Events
Since the period end the Company has negotiated a further loan facility of £3,500,000 from Chestnut Hill Ventures LLC. This facility carries interest at 17% p.a. which may be payable in PIK Notes at the Company's option. Heads of terms are signed as agreed by all parties for these facilities and the board fully expects them to be available within the next two weeks. The facility is available for a period of 2 years from date of signing.

8. The preliminary announcement covers the period ending 30 June 2008.