For immediate release **7 November 2007**

Millwall Holdings PLC

Board Statement

Business Review

John G. Berylson was appointed non-executive Chairman on 28 March 2007 at which date Ms Heather Rabbatts CBE was re-appointed executive Deputy Chairman having served as Chairman from 27 October 2006.

The 2006/07 season started slowly but improved after Christmas to end the season with the team finishing in a creditable 10th place in League 1.

During the year there were a number of changes with the arrival and departure of Nigel Spackman and the subsequent appointment of his assistant Willie Donachie as manager of the Football Club. Unfortunately the beginning of this season has been disappointing and we have therefore decided to bring in a new manager. As a consequence of this decision Willie Donachie left on 8 October 2007 and Kenny Jackett was appointed on 6 November 2007.

The average home League attendance throughout the 2006/2007 season was 9,231 (2006: 9,529) placing the Club in the top five of the Divisional Attendance League. Season tickets sales for the new season as at 10 October 2007 are 4,995 (2006: 4,719) an increase of 6%.

During the year a total of £1.475 million (net £1.434 million) was raised by private placings and on 24 May 2007 £0.9 million of the convertible loan notes of £3.117 million drawn down from Chestnut Hill Ventures LLC was converted into paid up Ordinary Share Capital. Included in the drawdown is £0.722 million used to settle the overdraft with Bank of Cyprus. Further loans of £0.48 million were advanced by the directors and Peter de Savary.

Results

The consolidated profit and loss account for the year is set out on page 3.

Turnover for the year was £5.4 million (2006: £6.2 million). The fall in turnover was as a direct result of the club playing in Football League One having been relegated from the Football League Championship the previous season. The financial reality of playing in League One rather than the Championship reduced gate receipts and matchday commercial revenues as well as a reduction in the basic award from the Football League (central TV and sponsorship revenues) which fell to £0.57m (2006: £0.695m). The loss on ordinary activities was £5.2 million (2006: £4.3 million) after taking account of £0.4 million profit (2006: £0.5 million profit) on disposal of players' registrations. Therefore the loss on ordinary activities excluding player trading was £5.6 million (2005: £4.8 million).

The major changes in the playing squad was the main reason for the fall in total staff costs from £6.5 million in 2006 to £5.9 million in 2007. These figures give rise to a 'Total wages to Turnover' ratio of 109% (2006 – 104%) . Administration costs rose by £0.8m to £4.5m (2006 - £3.7m) mainly attributable to expenses in connection with the Regeneration programme £0.455k.

The Directors do not recommend payment of a dividend (2006: no dividend).

Prospects

At the end of the 2006/2007 season the manager, Willie Donachie, and the Board felt that it was necessary to change the profile of the squad to try and ensure that the momentum gained in the second half of the 2006/2007 season was maintained. Unfortunately this momentum has not been maintained and currently the Club finds itself in the bottom four of Football League 1. We have, therefore, decided to bring in a new manager. As a consequence of this decision Willie Donachie left on 8 October 2007 and Kenny Jackett was appointed on 6 November 2007.

During the close season the pitch at The Den was completely replaced and considerable maintenance carried out on the Stadium to upgrade and enhance the facilities.

Millwall Holdings PLC

Board Statement (continued)

Commercially, the Group has been discussing with a number of sector consultants ways of improving the catering and retail activities of the Club which has resulted in the Kiosk catering being sub contracted from the beginning of this season. The Club has continued a marketing initiative with high visibility across London utilising poster, train and bus sites to promote the Club's values of "Real Talent, Real Passion, Real Football." The campaign has seen much high profile media coverage in the Capital's catchment area. A new ticket system was introduced at the beginning of the year which will give the Club a more effective customer-management base from which it can focus future ticketing strategies and marketing opportunities. Commercial reviews have been completed in the retailing, conferencing and banqueting areas, with their recommendations being implemented. Non-matchday conferencing and events revenues continue to perform well .

The Club recognises the importance of its profile in the community and it works closely with the Millwall Community Scheme, a registered charity whose aims are to provide facilities and activities for sport, recreation and other activities primarily for Southwark and Lewisham in the interest of social welfare. Further integration of activities between the Community Scheme and the Football Club are being planned for the current year.

The elected fan representative on the Club Board has played an important role in improving communication between the Board and the supporters. The Club has monthly meetings with the Millwall Supporters Club and recognizes the importance of this ongoing dialogue.

During the year the Company was successful in raising further funds from the issue of convertible loan notes £3.596 million (before costs of £0.48 million) and a private placing of new ordinary shares of £1.475 million (before issue costs of £41,015) and bringing in a new Chairman, Mr John G. Berylson. Since the year end further funds have been raised from a further issue of new Ordinary Shares and convertible loan notes.

English football has been an attractive market during this financial year with, inevitably, most of the activity concentrated in the Premiership. However, Millwall has secured a significant US investor with both the football and the regeneration opportunities lying at the heart of the financial strategy. The investment is geared to supporting the football operation, to build a winning side, improving gates and exploiting commercial opportunities.

On the redevelopment, further investment has been made to enhance the professional team and develop the plans with the key agencies to secure the necessary pre-conditions for the development to take place.

The Board would like to thank players, management and staff for their hard work throughout last season. The support of shareholders, fans and everyone connected with the Club has, as ever, been tremendous and to all of them, the Board extends its thanks.

H Rabbatts
Executive Deputy Chairman
7 November 2007

Millwall Holdings PLC
Consolidated Profit and Loss Account

For the year ended 31 May 2007

	Audited			Audited
	Operations excluding player amortisation and trading	**Player amortisation and trading**	**Total**	Year Ended 31 May 2006 Total
	£000	**£000**	**£000**	£000
Turnover	**5,388**	**—**	**5,388**	6,246
Staff costs	**(5,865)**	**—**	**(5,865)**	(6,504)
Amortisation of players' registrations	**—**	**(63)**	**(63)**	(244)
Depreciation	**(382)**	—	**(382)**	(366)
Profit on disposal of players' registrations	**—**	**414**	**414**	545
Other administrative expenses	**(4,492)**	—	**(4,492)**	(3,700)
Total administration expenses	**(10,739)**	**351**	**(10,388)**	(10,269)
Operating loss	**(5,351)**	**351**	**(5,000)**	(4,023)
Interest receivable and similar income			**17**	3
Interest payable and similar charges			**(208)**	(277)
Loss on ordinary activities before taxation			**(5,191)**	(4,297)
Taxation on loss on ordinary activities			**—**	—
Retained loss for the year			**(5,191)**	(4,297)
Loss per share – basic and diluted			**(0.024)p**	(0.057)p

All of the Group's operations were continuing.

There were no recognised gains and losses in the year or the preceding period, other than the respective profits and losses reported in this Consolidated Profit and Loss Account.

Millwall Holdings PLC
Consolidated Balance Sheet
31 May 2007

	Audited 31 May 2007 £000	Audited 31 May 2006 £000
Fixed assets		
Intangible assets	**36**	66
Tangible assets	**15,691**	15,942
	15,727	16,008
Current assets		
Stocks	**93**	92
Debtors	**801**	1,694
Cash at bank and in hand	**749**	777
	1,643	2,563
Creditors: Amounts falling due within one year	**(3,211)**	(3,651)
Net current liabilities	**(1,568)**	(1,088)
Total assets less current liabilities	**14,159**	14,920
Creditors: Amounts falling due after more than one year	**(6,876)**	(4,885)
Net assets	**7,283**	10,035
Capital and reserves		
Called up share capital	**4,840**	4,171
Share premium account	**12,634**	11,087
Equity proportion of Convertible Loan Notes	**219**	—
Capital reserve	**21,474**	21,474
Profit and loss account	**(31,884)**	(26,697)
Shareholders' funds	**7,283**	10,035

Millwall Holdings PLC

Consolidated Cash Flow Statement

for the year ended 31 May 2007

	Notes	**Audited Year Ended 31 May 2007 £000**	Audited Year Ended 31 May 2006 £000
Net cash outflow from operating activities	*7*	**(4,045)**	(4,326)
Returns on investments and servicing of finance			
Interest received		**17**	3
Interest paid		**(97)**	(257)
Interest element of finance lease and hire purchase payments		**(111)**	(20)
Net cash outflow from returns on investments and servicing of finance		**(191)**	(274)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		**(122)**	(55)
Purchase of players' registrations		**(60)**	(135)
Proceeds of sale of players' registrations		**416**	825
Net cash inflow from investing activities		**234**	635
Net cash outflow before financing		**(4,002)**	(3,965)
Financing			
Proceeds from the issue of new shares		**1,475**	4,917
Associated costs of issuing new shares		**(41)**	(592)
Proceeds of sale and leaseback of training ground		—	1,850
Proceeds from issue of Convertible Loan Notes (see below)		**3,596**	—
Capital element of finance lease and hire purchase contracts repaid		**(16)**	(66)
Net cash inflow from financing		**5,014**	6,109
Increase in cash	*8*	**1,012**	2,144

During the year, £900,000 of convertible loan notes were converted into ordinary shares of the Company.

Notes:

1. The calculation of loss per ordinary share is based on the loss for the year of £5,191,000 (31 May 2006 loss: £4,297,000) and on 21,849,707,590 (31 May 2006: 7,540,109,611) 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 share (2006: no potential dilution on loss per share). There is no difference between basic and diluted earnings per share in 2007 and 2006. As at 31 May 2007 the number of options which could potentially dilute basic earnings per share in the future was 1,901,916,666 (2006: 2,573,594,046). These have not been included in the calculation of diluted earnings per share because they are anti-dilutive for the period presented. In addition to share options, as at 31 May 2007, the Company had gross convertible debt of £2,696,000 in issue, potentially convertible to 8,986,666,666 ordinary shares, which could dilute earnings per share in the future. Subsequent to the year end a further 3,000,000,000 new ordinary shares and £1.2 million convertible loan notes have been issued which could dilute earnings per share in the future.
2. The audited financial statements will be available to shareholders by 30 November 2007.
3. The financial information set out in the announcement does not constitute the Group's statutory accounts for the year ended 31 May 2007 or for the year ended 31 May 2006.

   The financial information for the year ended 31 May 2006 is derived from the statutory accounts for that period which have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified and did not contain a statement under s237(2) or (3) Companies Act 1985, but included reference to uncertainty over going concern which the auditors drew attention to by way of emphasis without qualifying their report.

   The financial information set out in this report is derived from the statutory accounts for the year ended 31 May 2007. The auditors have reported on those accounts; their report was unqualified and did not include any matter to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under the Companies Act 1985, s237(2) or (3).

   The statutory accounts for the year ended 31 May 2007 will be delivered to the Registrar of Companies following the Company's annual general meeting.
4. The directors do not recommend the payment of a dividend.
5. The preliminary announcement covers the year ending 31 May 2007.
6. The preliminary financial information has been prepared in a consistent manner with the accounting policies set out in the financial statements for the year ended 31 May 2006, except for the following:

   Share based payments

   In preparing these financial statements the Group has adopted for the first time FRS 20 'Share-based payment'.

   FRS 20 'Share based payment' requires the recognition of share based payment transactions with employees or other parties at fair value at the date of grant. Prior to the adoption of FRS 20 the Group recognised the financial effect of the share based payment in the following way: when shares and share options were awarded to employees a charge was made to the profit and loss account based on the difference between the market value of the Company's shares at the date of the grant and the option excise price in accordance with UTIF Abstract 17 (revised 2003) 'Employee Share Schemes'. The credit entry for this charge was taken to the profit and loss reserve and reported in the reconciliation of movements in shareholder's funds.

Millwall Holdings PLC

Notes (continued):

6 (continued)

In accordance with the transitional provision of FRS 20, the standard was applied retrospectively to all grants of equity instruments after 7 November 2002 that had not vested by 1 June 2006, and to liabilities for share based transactions existing at 1 June 2006.

In 2007 the change in accounting policy has resulted in net increase in loss for the year of £4,400. For 2006 the impact of share based payments as a net charge to income of £Nil.

The share based payments expense has been included in the following line of the consolidated profit and loss account: administrative expenses £4,492,000 (2006 - £3,700,000).

7. Reconciliation of operating loss to net cash outflow from operating activities

	Year Ended 31 May 2007 £000	Year Ended 31 May 2006 £000
Operating loss	**(5,000)**	(4,023)
Depreciation	**382**	366
Amortisation of grants	**(104)**	(104)
Amortisation of players' registrations	**63**	244
Profit on disposal of players' registrations	**(414)**	(545)
Share based compensation	**4**	—
(Increase)/Decrease in stocks	**(1)**	20
Decrease in debtors	**893**	1,425
Increase/(Decrease) in creditors and deferred income	**132**	(1,709)
Net cash outflow from operating activities	**(4,045)**	(4,326)

8. Analysis and reconciliation of net debt

	31 May 2006 £000	*Cash flow £000*	*Non cash Changes £000*	***31 May 2007 £000***
Cash in hand and at bank	777	(28)	–	**749**
Overdrafts and short term loans	(1,046)	1,040	–	**(6)**
	(269)	1,012	–	**743**
Finance leases	(1,826)	16	14	**(1,796)**
Convertible Loan Notes Issued	–	(3,596)	1,461	**(2,135)**
	(2,095)	(2,568)	1,475	**(3,188)**

The non-cash changes relate to issue costs of £309,000 which remain carried forward and will be amortised over the term of the loan, £252,000 attributed to the equity element of the convertible loan notes and £900,000 in respect of the conversion of loan notes during the year.

Notes (continued):

8. Analysis and reconciliation of net debt (continued)

Reconciliation of net cash flow to movement in net debt

	31 May 2007 £000	31 May 2006 £000
Increase in net cash in the year	**1,012**	2,144
Cash flow from lease financing	**16**	(1,784)
Convertible Loan Notes Issued	**(2,135)**	—
Inception of new finance leases	**14**	(26)
Movement in net debt in the year	**(1,093)**	334
Net debt at 1 June	**(2,095)**	(2,429)
Net debt at 31 May	**(3,188)**	(2,095)

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