**Millwall Holdings Plc ("Millwall" or the "Football Club" or the "Company" or the "Group")**

**Interim Results announcement for the six months ended 31 December 2010**

## Chairman's Statement

As Chairman of Millwall Holdings Plc, I am pleased to announce our Interim Results for the six months ended 31 December 2010.

On the football side, I am delighted that after being promoted last season we have consolidated our Championship status and are currently in 12th position in the league, having attained 54 points with a further eight games to go.

Average attendances at our home league games have increased to 12,249 (10,385 2009/10), an increase of 18% so far this season, at a time when a lot of football clubs are seeing a decline in attendances due to the current challenging economic environment. Clearly being in a higher division in the Football League has been the catalyst to increasing our revenues from all football activities. For the first six months of the year, revenue has increased to £5.8million (2009 H1 - £3.2million). This increase has resulted in a reduction of operating losses to £0.8million (2009 H1 - £1.9million).

We continue to operate with financial prudence in respect of cost control. At the same time we have invested in the playing squad with the addition of young players such as James Henry and Josh McQuoid. Additionally, we have extended the contract of our leading scorer Steve Morison. It is pleasing to note that during the season Steve has represented Wales at full international level and our goalkeeper David Forde has also been selected to represent the Republic of Ireland, which underlines the strength of our squad.

Two general meetings were held during the period with regard to financing and the capital structure of the Company. At the first of these meetings shareholders approved a consolidation of shares. At the second meeting shareholders approved the terms of an Open Offer which raised £10.1million. Of the funds raised, £7.8m was by way of conversion of existing loans from Chestnut Hill Ventures LLC and others, and £2.3m was in cash. Of the cash raised in the Open Offer £1.1m was used to repay other existing loans and associated interest. Both of these measures have put the Company on a much better financial footing for the future.

The regeneration of the area around The Den has made significant progress. In February 2011, Renewal Group ("Renewal") announced that their outline planning application for Surrey Canal: London's Sporting Village had been submitted to the London Borough of Lewisham. Millwall is delighted that Renewal's planning application has finally been submitted, and we look forward to working with Renewal, Lewisham Council and others on what we regard as an exciting scheme to regenerate this important part of London. Now that we are firmly established in the Championship, we want to secure permission not only to extend and improve The Den in line with our Premiership ambitions, but also to safeguard our future at the heart of the community by developing income-producing assets in and around the stadium. We are working hard on our own proposals which are being designed to complement Renewal's scheme.

Finally, I would like to thank my fellow board members, the manager, players and all the 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
Chairman
29 March 2011

## Directors' Report

**Unaudited Interim Results for the six months ended 31 December 2010**

**Principal risks and uncertainties**
In common with many football clubs outside the Premiership the main business risk is the maintenance of positive cash flow bearing in mind the uncertainty of revenue 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 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 Football 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 of 24 years old 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.

**Results from operations**
Season ticket sales at 22 March stood at 6,818 (2009 H1 – 5,319) reflecting the loyalty of our core supporter base and the attractiveness of our "early bird" offerings for this season.

Revenue for the six months was £5.8 million (2009 H1 - £3.2 million). The increase in revenue is a result of the Football Club being promoted to the Championship at the end of last season with an increase in the Basic Award from the Football League together with an increase in the Solidarity Award from the Premier League and an increase in matchday revenue due to increased attendances. The loss from operations for the period on ordinary activities was £0.8 million (2009 H1 - £1.9 million) after taking account of £0.17 million profit (2009 H1 - £0.03 million profit) on disposal of players' registrations.

Staff costs of £4.0 million (2009 H1 - £2.9 million) have increased following the Football Club's promotion with a consequent rise in players' wages.

Other expenses were £2.7 million (2009 H1 - £2.3 million). This increase is mainly attributable to the increase in the costs of staging matches and an increase in the cost of sales of the retail outlet.

**Profit on disposal of player registrations, £171,000 (2009 H1 - £26,000)**
There has been a slight increase in activity in the transfer of young Centre of Excellence or other players.

**Loss per share, £3.96** (2009 H1 – £6.85)
The calculation of the basic and diluted loss per share is calculated based on the loss after taxation and on the weighted average number of shares in issue of 437,225 ( 2009 H1 – 375,011).

**Working capital:**
Despite net current liabilities of £4.9 million (2009 H1 - £9.1 million) the Board believes that the Group has the ability to manage its working capital on a day to day basis and has the ability to further draw down against the loan note facilities.

During the period a further £0.3 million (2009 H1 - £2.2 million) of loan notes were drawn down. As at 31 December 2010 total undrawn loan note facilities amounted to £1.5 million.

**Key figures:**

| | 6 Months Ended 31 December 2010 £'000 (unaudited) | 6 Months Ended 31 December 2009 £'000 (unaudited) | Year Ended 30 June 2010 £'000 (audited) |
|---|---|---|---|
| Revenue | **5,827** | 3,246 | 7,451 |
| Staff costs | **(4,001)** | (2,902) | (6,357) |
| Other expenses | **(2,778)** | (2,274) | (4,695) |

| | | | |
|---|---|---|---|
| Other operating income – profit on players' registrations | **171** | 26 | 154 |
| Loss from operations | **(781)** | (1,904) | (3,447) |
| Loss before tax | **(1,730)** | (2,567) | (4,958) |
| Net assets/(liabilities) | **2,704** | (2,744) | (5,087) |
| (Decrease)/increase in cash and cash equivalents | **519** | (18) | 369 |
| Basic and diluted loss per share | **(£3.96)** | (£6.85) | (£13.21) |

**A Ambler**
**Director**
29 March 2011

**Consolidated statement of comprehensive income for the six months ended 31 December 2010**

| | Note | 6 months ended 31 December 2010 (unaudited) | 6 months ended 31 December 2009 (unaudited) | Year ended 30 June 2010 (audited) |
|---|---|---|---|---|
| | | £'000 | £'000 | £'000 |
| **Revenue** | 2 | **5,827** | 3,246 | 7,451 |
| Other income - profit on disposal of players' registrations | | 171 | 26 | 154 |
| Staff costs | | (4,001) | (2,902) | (6,357) |
| Amortisation of players' registrations | | (190) | (127) | (320) |
| Depreciation of property, plant and equipment | | (122) | (146) | (264) |
| Total depreciation and amortisation expense | | (312) | (273) | (584) |
| Other expenses | | (2,466) | (2,001) | (4,111) |
| **Loss from operations** | | (781) | (1,904) | (3,447) |
| Finance expense | | (949) | (663) | (1,511) |
| **Loss before and after tax for the financial period and total comprehensive income** | | (1,730) | (2,567) | (4,958) |
| **Attributable to:** | | | | |
| Equity shareholders | | (1,730) | (2,567) | (4,958) |
| **Loss per share** | | | | |
| Basic and diluted (2009 – restated) | 3 | (£3.96) | (£6.85) | (£13.21) |

## Consolidated balance sheet at 31 December 2010

| | Note | 31 December 2010 (unaudited) £'000 | 31 December 2009 (unaudited) As restated £'000 | 30 June 2010 (audited) £'000 |
|---|---|---|---|---|
| **Non-current assets** | | | | |
| Intangible assets | | **747** | 265 | 661 |
| Property, plant and equipment | | **14,745** | 14,941 | 14,826 |
| | | **15,492** | 15,206 | 15,487 |
| **Current assets** | | | | |
| Inventories | | **281** | 113 | 51 |
| Trade and other receivables | | **3,383** | 1,247 | 968 |
| Cash and cash equivalents | | **1,279** | 373 | 760 |
| | | **4,943** | 1,733 | 1,779 |
| **Total assets** | | **20,435** | 16,939 | 17,266 |
| **Non-current liabilities** | | | | |
| Trade and other payables | | **(497)** | (399) | (486) |
| Financial liabilities | | **(3,876)** | (4,833) | - |
| Deferred income | | **(3,499)** | (3,643) | (3,571) |
| **Total non-current liabilities** | | **(7,872)** | (8,875) | (4,057) |
| **Current liabilities** | | | | |
| Trade and other payables | | **(8,598)** | (2,356) | (2,100) |
| Financial liabilities | | **-** | (7,602) | (14,619) |
| Deferred income | | **(1,261)** | (850) | (1,577) |
| **Total current liabilities** | | **(9,859)** | (10,808) | (18,296) |
| **Total liabilities** | | **(17,731)** | (19,683) | (22,353) |
| **Net assets/(liabilities)** | | **2,704** | (2,744) | (5,087) |
| **Equity** | | | | |
| Called up share capital | 4 | **16,238** | 6,083 | 6,099 |
| Share premium | | **15,152** | 15,120 | 15,152 |
| Equity proportion of Convertible Loan Notes | | **181** | 181 | 181 |
| Capital reserve | | **21,474** | 21,474 | 21,474 |
| Retained deficit | | **(50,341)** | (45,602) | (47,993) |
| **Total equity attributable to the shareholders of the parent** | | **2,704** | (2,744) | (5,087) |

The interim unaudited balance sheet was approved and authorised for issue by the Board of Directors on 29 March 2011.

**A Ambler**
**Director**

## Consolidated statement of changes in equity for the six months ended 31 December 2010

| | Ordinary Shares of 0.01p each £'000 | Deferred Shares of 0.09p each £'000 | Share premium account £'000 | Equity component of Convertible Loan Notes £'000 | Capital reserve £'000 | PIK note reserve £'000 | Retained deficit £'000 | Total £'000 |
|---|---|---|---|---|---|---|---|---|
| **At 1 July 2009 (audited)** | | | | | | | | |
| As previously reported | 3,750 | 2,333 | 15,120 | 181 | 21,474 | 840 | (43,035) | 663 |
| Prior year adjustment | - | - | - | - | - | (840) | - | (840) |
| As restated | 3,750 | 2,333 | 15,120 | 181 | 21,474 | - | (43,035) | (177) |
| Loss for the period | - | - | - | - | - | - | (2,567) | (2,567) |
| PIK notes issued | - | - | - | - | - | 728 | - | 728 |
| Prior year adjustment | - | - | - | - | - | (728) | - | (728) |
| **At 31 December 2009 (unaudited)** | 3,750 | 2,333 | 15,120 | 181 | 21,474 | - | (45,602) | (2,744) |
| As previously reported | 3,750 | 2,333 | 15,120 | 181 | 21,474 | (1,568) | (45,602) | (1,176) |
| Prior period adjustment | - | - | - | - | - | (1,568) | - | (1,568) |
| As restated | 3,750 | 2,333 | 15,120 | 181 | 21,474 | - | (45,602) | (2,744) |
| Loss for the period | - | - | - | - | - | - | (2,391) | (2,391) |
| New Shares issued | 16 | - | 32 | - | - | - | - | 48 |
| **At 1 July 2010 (audited)** | 3,766 | 2,333 | 15,152 | 181 | 21,474 | - | (47,993) | (5,087) |
| Loss for the period | - | - | - | - | - | - | (1,730) | (1,730) |
| New shares issued | 10,139 | - | - | - | - | - | - | 10,139 |
| Costs of share issue | - | - | - | - | - | - | (618) | (618) |
| **At 31 December 2010 (unaudited)** | **13,905** | **2,333** | **15,152** | **181** | **21,474** | - | **(50,341)** | **2,704** |

## Consolidated statement of cash flows for the six months ended 31 December 2010

| | 6 months ended 31 December 2010 (unaudited) £'000 | 6 months ended 31 December 2009 (unaudited) £'000 | Year ended 30 June 2010 (audited) £'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Loss for the period before taxation | (1,730) | (2,567) | (4,958) |
| Depreciation on property, plant and equipment | 122 | 146 | 264 |
| Amortisation of intangible assets | 190 | 127 | 320 |
| Amortisation of grants | (41) | (41) | (82) |
| Amortisation of prepaid finance fees | - | 51 | 103 |
| Profit on disposal of players' registrations | (171) | (26) | (154) |
| Profit on disposal of property, plant and equipment | - | - | 12 |
| Finance expense | 949 | 663 | 1,511 |
| **Cash flows from operations before changes in working capital** | (681) | (1,647) | (2,984) |
| (Increase)/decrease in inventory | (230) | (52) | 10 |

| | | | |
|---|---|---|---|
| (Increase)/decrease in trade and other receivables | **(2,415)** | (239) | 51 |
| Increase/(decrease) in trade and other payables and deferred income | **2,573** | (300) | 689 |
| **Net cash generated from operations** | **(753)** | (2,238) | (2,234) |
| **Investing activities** | | | |
| Purchase of property, plant and equipment | **(38)** | (7) | (65) |
| Proceeds on disposal of players' registrations | **56** | 25 | 167 |
| Purchase of players' registrations | **(275)** | (25) | (739) |
| **Net cash generated by investing activities** | **(257)** | (7) | (637) |
| **Financing activities** | | | |
| Proceeds from issue of ordinary shares | **2,289** | - | - |
| Proceeds from issue of loan notes | **314** | 2,227 | 3,240 |
| Repayment of loan notes | **(851)** | - | - |
| Interest paid | **(223)** | - | - |
| **Net cash generated by financing activities** | **1,529** | 2,227 | 3,240 |
| **Net increase/(decrease) in cash and cash equivalents** | **519** | (18) | 369 |
| **Cash and cash equivalents at start of period** | **760** | 391 | 391 |
| **Cash and cash equivalents at end of period** | **1,279** | 373 | 760 |

**Notes forming part of the interim financial statements for the six months ended 31 December 2010**

## 1 Accounting Policies

*Principal accounting policies*

Millwall Holdings Plc is a limited liability company incorporated and domiciled in the United Kingdom. The principal accounting policies applied in the preparation of these interim consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

*Basis of preparation*

These interim financial statements have been prepared using the recognition and measurement principles of International Accounting Standards, International Financial Reporting Standards and Interpretations adopted by the European Union (collectively EU adopted IFRS's).

The accounting policies applied are consistent with those described in the Annual Report and Financial Statements for the year ended 30 June 2010. These policies are expected to be applied to the Group's full year financial statements for the year ending 30 June 2011.

The financial information for the six months ended 31 December 2010 and the six months ended 31 December 2009 does not constitute the statutory accounts of the Group for those periods. It has neither been audited nor reviewed pursuant to guidance issued by the Auditing Practices Board.

The financial information for the full year ended 30 June 2010 has however been extracted from the statutory financial statements of Millwall Holdings Plc for that financial year, prepared in accordance with the recognition and measurement principles of EU adopted IFRS's. A copy of the statutory financial statements for that year has been delivered to the Registrar of Companies. The auditor's report on those financial statements was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under section 498(2) or 498(3) of the Companies Act 2006.

The Company has not applied IAS 34: "Interim Financial Reporting" in the preparation of these interim financial statements.

*Significant accounting judgements and estimates*

The preparation of these financial statements requires management to make estimates and assumptions that affect the application of accounting 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.

The critical accounting judgements made in applying the Group's accounting policies are the same as those disclosed in the Annual Report and Financial Statements for the year ended 30 June 2010.

*Going concern*

The Directors continually monitor the financial position of the Group, taking into account the latest cash flow forecasts and the ability of the Group to generate cash and raise funds. The Directors have prepared the interim financial statements on a going concern basis having had regard to the cash flow projections for the period to 31 March 2012.

While there will always remain some inherent uncertainty the Directors remain confident that they will be able to manage the Group's finances and operations so as to achieve the forecasted cash flows and, as a result, that it is appropriate to draw up these interim financial statements on a going concern basis.

The interim financial statements do not include any adjustments that would result if the going concern basis of preparation were to become no longer appropriate.

*Basis of consolidation*

The consolidated Group interim financial statements incorporate the results of Millwall Holdings Plc and its subsidiary undertakings, The Millwall Football and Athletic Company (1985) Plc and Millwall Properties Limited, using the acquisition accounting method.

## 2 Revenue analysis

An analysis of the revenue streams from the Group's one operating segment, United Kingdom professional football operations, is given below:

| | **6 months ended 31 December 2010 (unaudited)** | **6 months ended 31 December 2009 (unaudited)** | **Year ended 30 June 2010 (audited)** |
|---|---|---|---|
| Match day | **2,220** | 1,737 | 4,746 |
| Central League awards | **2,424** | 484 | 751 |
| Commercial | **1,183** | 1,025 | 1,954 |
| | **5,827** | 3,246 | 7,451 |

## 3 Loss per share

Basic loss per share is calculated as follows (the effect of all potential ordinary shares is anti-dilutive):

| | 6 months ended 31 December 2010 (unaudited) | 6 months ended 31 December 2009 (unaudited) | Year ended 30 June 2010 (audited) |
|---|---|---|---|
| Loss after taxation for the period | **£1,730,000** | £2,567,000 | £4,958,000 |
| Weighted average number of shares | **437,225** | 375,011 | 375,205 |
| Basic and diluted loss per share | **£3.96** | £6.85 | £13.21 |

The weighted average number of shares has been adjusted for the effects of the share conversion referred to in note 4 except in so far as the elimination of fractional entitlements is concerned.

There is no potential dilution on the loss per ordinary share in any of the reported periods and therefore there is no difference between basic and diluted earnings per share. As at 31 December 2010 and 2009 the number of options which could potentially dilute basic earnings per share in the future was Nil. In addition to share options, as at 31 December 2010, the Company had gross convertible debt of £671,000 in issue (2009 H1 – £2,999,000), potentially convertible to 22,366 (2009 H1 – 99,966) ordinary shares and PIK notes issued of £2,347,000 ( 2009 H1 - £1,568,000) potentially convertible to 58,675 (2009 H1 – 52,267) ordinary shares, which could dilute earnings per share in the future. There are also a further 30,683 (2009 H1 – 30,683) warrants outstanding which are exercisable, at any time, at a price of £40.

## 4 Share capital

| | Allotted, called up and fully paid | | | | | |
|---|---|---|---|---|---|---|
| | 31 December 2010 Number | 31 December 2009 Number | 30 June 2010 Number | 31 December 2010 £'000 | 31 December 2009 £'000 | 30 June 2010 £'000 |
| Ordinary shares of £10 each | **1,390,523** | 375,010 | 376,610 | **13,905** | 3,750 | 3,766 |
| Deferred shares of 0.09p each | **2,592,087,167** | 2,592,087,167 | 2,592,087,167 | **2,333** | 2,333 | 2,333 |
| **Total** | | | | **16,238** | 6,083 | 6,099 |

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

Resulting from the Open Offer to shareholders of 17 November 2010 the Company issued, on 20 December 2010, 1,013,913 new ordinary shares of £10 each. The Company received £2,289,130 in cash and Loan Notes to the value of £7,850,000 were redeemed.

## 5 Prior year adjustment

As disclosed in the Group's Annual Report and Financial Statements for the year ended 30 June 2010, the Group has reallocated the PIK notes in issue from equity to liabilities. There is no effect on reported results but net assets reported at 31 December 2009 have been reduced by £1,568,000.

A copy of this announcement will shortly be available for inspection at www.millwallholdingsplc.co.uk/company_communications.htm.

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