



P.O. Box HM 1025, Hamilton HM DX, Bermuda
Telephone: (441) 295-5881

the bermuda press [holdings] limited

To: All Shareholders

From: W. Roger Davidson, President

Date: 29th June 2006

Interim Report

On behalf of the Board of Directors I am writing to report on certain **unaudited** financial matters relating to the first six months of your Company's financial year ending 30th September 2006.

	<u>6 Months ended 31st March</u>	
	<u>2006</u>	<u>2005</u>
	\$	\$
Revenue	<u>15,801,721</u>	<u>15,558,581</u>
Net income from operations	1,249,641	1,079,393
Minority interest in net income of subsidiaries	<u>(125,732)</u>	<u>(94,678)</u>
Net income for period	<u>1,123,909</u>	<u>984,715</u>
Dividends paid, 38 cents per share (2005 37 cents)	524,493	510,691
Earnings per share	81 cents	71 cents

Net income for the six months ended 31st March 2006 was \$1,123,909, which compares with \$984,715 for the same period in the previous year.

For the first six months of the fiscal year all divisions of the Company reported improved results, or results similar to last year. Consolidation currently underway of The Stationery Store and Office Solutions operations in the renovated premises at Mills Creek will affect profitability in the short term, but should generate improved results over the longer term.

Significant demand for the Company's products and services was apparent during the first six months of the year but may slacken before the end of the fiscal year. Several major construction projects that are fueling the economy will be completed shortly. This structural adjustment will dampen demand but the overall impact will depend upon visitor spending which should be off to a good start with the Newport to Bermuda Yacht Race. If visitors take advantage of additional airline seats at more competitive fares, the economy should improve.

The merger of our commercial printing operations with those of Engravers Limited has been completed and we look forward to improved effectiveness of staff and better utilization of the existing capacity of our investment in plant and equipment.

Constant battles to reduce and control expenses mean that we have to find more ways to improve efficiency in the face of increasing electricity costs, pushed by rising fuel charges, and significant increases in newsprint and paper costs driven by a volatile market. Such costs of manufacturing disproportionately affect our operating expenses compared to many other industries.

Recently the entire Royal Gazette has become available as an electronic edition through www.newsstand.com. We are geared to take advantage of opportunities on the Internet as well as having other plans which will improve the Company's diversification and future growth.

Dividends to shareholders are currently being paid quarterly at the rate of 19 cents per share. This rate should be continued provided that your Company maintains satisfactory levels of profitability.

The total interest of all directors and officers of the Company in the shares of the Company at 31st March 2006 amounts to 110,707 shares. No rights to subscribe for shares in the Company have been granted to or exercised by any director or officer.

Your Board of Directors is appreciative of the efforts of our employees to enhance relationships with our customers and ensure your Company's success.