



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

**the bermuda press [holdings] limited**

**To: All Shareholders**

**From: The Board of Directors**

**Date: June 29, 2016**

**Interim Report**

The Board of Directors is reporting on unaudited financial matters relating to the first six months of your Company's financial year ending 30<sup>th</sup> September 2016 in accordance with the BSX listing regulations (Section II A, chapter 6.9(2)).

<b><u>Six Months ended 31st March</u></b> (in 000's of Bermuda dollars)	<b><u>2016</u></b>	<b><u>2015</u></b>
Revenue	<b><u>13,138</u></b>	<b><u>14,286</u></b>
Net income before discontinued operations and extraordinary items	<b>502</b>	145
Less: Income attributable to minority interests	<b><u>220</u></b>	<b><u>199</u></b>
Income / (Loss) attributable to shareholders before extraordinary items	<b>283</b>	(54)
Less: Extraordinary items and related taxes	<b><u>-</u></b>	<b><u>-</u></b>
Net income/(loss) attributable to shareholders	283	(54)
Dividends paid per share	<b>5 cents</b>	-
Basic and fully diluted earnings per share:		
- Based on net income before extraordinary items	<b>35 cents</b>	3 cents
- Based on net income attributable to shareholders	<b>20 cents</b>	(8) cents

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Your Company's net income increased to \$502,000 for the six months ended 31 March 2016, as compared to \$145,000 for the same period in 2015. Revenue decreased across a number of operating units; however, management has reduced operating costs and the result is the reported improvement in profitability. Your Company's management and Board of Directors is continuously monitoring and responding to the changes in Bermuda's economic conditions to respond quickly to opportunities.

As highlighted in the BPHL annual report, Bermuda's economy remains fragile and the economic recovery is dependent on increasing the number of jobs and overall population. Your Company's future success is linked to growth in the local economy and increased consumer confidence.

Management remains focused on the synergies and successful integration of Island Press Ltd., Bermuda.com Limited and Bermuda.com Guide Limited businesses. Through the six months ended 31 March 2016, we have seen a \$450,000 improvement in the profitability of these businesses compared to the same period in 2015.

Your Company's investment properties in Bermuda remain the most profitable segment with an overall occupancy rate of 98% in 2016, steady since 2015, of which 70% is occupied by third party tenants.

Other key highlights since our annual report include:

- The reinstatement of a five (5) cents per share dividend following a dividend suspension since September 2014. Your Board is closely monitoring the Company's ability to pay future dividends.
- A \$1 million share buyback announcement effective 1 March 2016. To date, there have been no shares acquired or purchased for cancellation in associated with the buyback program.
- Effective 1 April 2016, the retail price of the Royal Gazette newspaper was increased from \$1.00 to \$1.50 and this will have a positive impact on revenues for the second half of 2016.
- Your Company continues its journey towards the *Investors in People* (IIP) certification. The IIP is the international set of human resource management standards that defines and builds leadership, management and support to make the company an employer of choice for Bermuda's elite workforce.

The total number of shares owned or influenced by Directors and Officers of the Company at 31 March 2016 amounts to 269,086 shares, steady since 2015. No rights to subscribe for shares in the Company have been granted to or exercised by any Director or Officer.

The Board of Directors wishes to acknowledge the efforts all staff and management during these challenging economic times.