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**the bermuda press [holdings] limited**

**To: All Shareholders**

**From: The Board of Directors**

**Date: June 21, 2017**

**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 September 2017 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>2017</u></b>	<b><u>2016</u></b>
Operating revenue	<b><u>\$13,138</u></b>	<u>\$13,138</u>
Profit	<b>550</b>	502
Less: Profit attributable to non-controlling interests	<b><u>225</u></b>	<u>220</u>
Profit attributable to Equity holders of the company	\$325	\$283
Dividends paid per share	<b>10 cents</b>	5 cents
Earnings per share:		
Profit attributable to common shareholders	\$325	\$283
Average number of common shares outstanding	1,426	1,430
Basic and fully diluted earnings per share	<b>23 cents</b>	20 cents

Your Company's net income increased to \$550,000 for the six months ended 31 March 2017, as compared to \$502,000 for the same period in 2016. The rising costs of health care, electricity and taxes continue to prove challenging; however, your Company's management continues to find ways to manage and reduce operating costs. Revenue remained flat across the group for the six months ended 31 March 2017 and this combined with overall costs reductions resulted in a reported improvement in profitability. Your Company's management and Board of Directors

continuously monitors and responds to the changes in Bermuda's economic conditions to respond quickly to opportunities.

The synergies and successful integration of Island Press Ltd., Bermuda.com Limited and Bermuda.com Guide Limited businesses have resulted in a \$135,000 improvement in the profitability in the six months ended 31 March 2017 compared to the same period in 2016, and a \$585,000 improvement compared to the same period in 2015.

The Company's local real estate holdings remain the most profitable segment with an overall occupancy rate of 98%, of which 58% is occupied by third party tenants.

Basic earnings per share increased to \$0.23 for the six months ended 31 March 2017, up from \$0.20 in the previous year. The market price for BPHL's shares rose to \$8.51 at 31 March 2017 up from \$7.10 at 30 September 2016. The Board has continued to declare and pay dividends at a rate of \$0.05 per quarter and the Board will continue to review the Company's performance and the ability to increase dividend payments to shareholders.

Other key highlights since the annual report include:

- Continued progress by your Company towards the *Investors in People* (IIP) certification
- A new Sales Director with over 20 years of experience in digital and print media sales was hired to lead the sales efforts of our publishing business
- Continuing our efforts to maximize efficiency of the print operations and expand the product offering to include sign printing
- Reviewing the office supply operations, product offerings and staffing levels to align the business model to changing customers' needs and market conditions
- Ongoing review and redesign of the eMoo website with improved functionality and monetization opportunities
- No shares have been purchased to date in association with the \$1 million share buyback announcement of 1 March 2016

The total number of shares owned or influenced by Directors and Officers of the Company at 31 March 2017 amounts to 92,770. No rights to subscribe for shares in the Company have been granted to or exercised by any Director or Officer.

The Board of Directors would like to acknowledge and thank our employees for their commitment, hard work and dedication.