



**To: All Shareholders**

**From: The Board of Directors**

**Date: June 29, 2015**

**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 September 30, 2015 in accordance with the BSX listing regulations (Section II A, chapter 6.9(2)).

<b><u>Six Months ended March 31</u></b> (in 000's of Bermuda dollars)	<b><u>2015</u></b>	<b><u>2014</u></b>
Revenue	<b><u>14,286</u></b>	<b><u>12,102</u></b>
Net income before discontinued operations and extraordinary items	<b>145</b>	45
Less: Income attributable to minority interests	<b><u>199</u></b>	<b><u>157</u></b>
Income / (Loss) attributable to shareholders before extraordinary items	<b>(54)</b>	(112)
Less: Extraordinary items and related taxes	<b><u>-</u></b>	<b><u>-</u></b>
Net income/(loss) attributable to shareholders	<b>(54)</b>	(112)
Dividends paid per share (2014 - 20 cents)	-	276
Basic and fully diluted earnings per share:		
- Based on income before extraordinary items	<b>10 cents</b>	3 cents
- Based on net income attributable to shareholders	<b>(4) cents</b>	(8) cents

Revenue increased during the first six months of the 2015 fiscal year due to the amalgamation of the companies acquired from MediaHouse in August 2014. Net loss for the six months ended March 31, 2015 was \$54,000 compared to a net loss of \$112,000 for the same period in the previous year.

Bermuda continues to show early signs of an economic recovery. Consumer spending and confidence have strengthened and the Retail Sales Index has shown signs of growth. Bermuda's economic recovery will be slow and dependent on the number of jobs and overall population. The financial performance of the BPHL group of companies is directly related to the success of the local economy.

The management of your company has been focused on the consolidation of the Island Press Ltd., Bermuda.com Limited and Bermuda.com Guide Limited businesses into operations. As noted in our annual report, we launched the new Bermuda magazine and the new Bermuda.com website in late 2014. In April 2015, we began relocating equipment and employees from the Island Press operations into our Addendum Lane property. The consolidation of the printing operations will be completed by September 2015 and the synergies found from consolidating print manufacturing will have a positive impact on results in the second half of the year.

During the first six months of fiscal 2015 the net income of your publishing companies has been positive. The Board is confident that the publishing companies will continue this positive trend through the second half of fiscal 2015.

The Company's board is continuously monitoring and responding to the changes in local economic conditions. The business plans of the operating companies are under constant review to ensure that operations are able to respond quickly to opportunities as they present themselves. The successful consolidation of the companies acquired from MediaHouse has been our top priority this year.

The Group's investment properties remain the most profitable segment with an overall occupancy rate of 98% (2013: 98%) of which 70% is occupied by third party tenants.

The dividend was suspended in September 2014 to facilitate the financing of the MediaHouse transaction. The Board is closely monitoring the company's ability to pay dividends in the future.

Several changes in senior management have occurred in the past two months. These include the appointments of Dexter Smith as Editor of The Royal Gazette, effective July 1, 2015 and Derek Winch as CFO of BPHL, effective May 26, 2015.

The total number of shares owned or influenced by Directors and Officers of the Company at March 31, 2015 amounts to 269,086 (2014 –283,333) shares. 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 of the staff and management during these challenging times.