



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 30, 2020**

**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 2020 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>2020</u></b>	<b><u>2019</u></b>
Operating revenue	<b><u>\$11,088</u></b>	<u>\$11,490</u>
Profit	<b>(110)</b>	285
Less: Profit attributable to non-controlling interests	<u>-</u>	<u>-</u>
Profit attributable to Equity holders of the company	(\$110)	\$285
Dividends paid per share	<b>7 cents</b>	14 cents
Earnings per share:		
Profit attributable to common shareholders	(\$110)	\$285
Average number of common shares outstanding	1,425	1,425
Basic and fully diluted earnings per share	<b>(8 cents)</b>	20 cents

Your Company's net income decreased to a net loss of \$110,000 for the six months ended 31 March 2020, as compared with a net profit of \$285,000 for the same period in 2019. This decrease in profitability is a result of the year-over-year decline in operating revenues of \$402,000 for the first six months ended 31 March 2020. The decrease in operating revenues by segment is as follows:

- Publishing and retail division saw a 2% or \$150,000 decrease as the slowdown in the Bermuda economy, closure of business in March as a result of the Covid-19 pandemic and changing consumer behaviours are having a significant impact on these sectors.
- Rental revenue saw a 5% or \$66,000 decrease mainly because of a portion of the 1<sup>st</sup> floor space in Crown House being vacated by a longer-term tenant, and the vacant space of the 1<sup>st</sup> floor space at Roger Davidson building.
- Commercial printing experienced a 9% or \$177,000 decrease as the printing industry continues to feel downward pressure on the traditional printing market and the closure of businesses in March as a result of the Covid-19 pandemic.

Your Company's management is working tirelessly to find operating efficiencies and ways to further reduce operating costs to offset the most recent slowdown in the economy and navigating through the impacts of Covid-19. In previous annual reports, we have noted that the Board will not continue to fund operations that are loss-making at the expense of shareholders. Your Company's management and Board continue to review operating results of all divisions to ensure that loss-making businesses are not being funded at the expense of our shareholders.

The Company's local real estate holdings remain the most profitable segment with an overall occupancy rate at March 31, 2020 of 92%, of which 57% is occupied by third-party tenants.

Basic earnings per share decreased to a loss of \$0.08 for the six months ended 31 March 2020, down from a profit of \$0.20 in the previous year. The market price for BPHL's shares was \$8.00 at 31 March 2020, up from \$7.00 at 30 September 2019. The Board has suspended the dividends of \$0.07 per quarter, beginning with the quarter ended March 31, 2020, as a result of the economic impact of Covid-19 has had on business operations. The Board will continue to review the Company's performance and the ability to resume dividend payments to shareholders.

Other key highlights since the annual report include:

- A new tenant was secured for 1<sup>st</sup> floor space at the Roger Davidson building, taking effect on April 1, 2020. This space was vacated in October 2019 with the relocation of the Stationery Store to the lower level of the building.
- The Royal Gazette became the title sponsor of the "Royal Gazette Bermuda Triple Challenge". This event provided a significant opportunity for The Royal Gazette to connect with the local community and showcase our publishing and branding capabilities.
- The Royal Gazette has selected the Naviga platform for its "Digital First" initiative to ensure it retains its place as the leader of independent journalism in Bermuda within an increasing digital world.
- The Royal Gazette successfully set up a remote working environment for its staff to maintain its high level of news coverage for Bermuda through the Covid-19 pandemic.
- The Stationery Store successfully launched a retail website to maintain business operations through the government restrictions placed on businesses as a result of Covid-19.

- The Print operations launched social-distancing signage campaigns to expand its presence in the large format space on the island.

The total number of shares owned or influenced by Directors and Officers of the Company at 31 March 2020 amounts to 110,751. 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.