B·F·S | ENTERTAINMENT & MULTIMEDIA LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the twenty-six weeks ended November 5, 2011

In Compliance with Interim Financial Reporting ("IAS 34") In Conformity with International Financial Reporting Standards ("IFRS")

B·F·S VIDEO

AMERICAN HOME TREASURES

BODHI lifestyle

This management's discussion and analysis of the financial results of BFS Entertainment & Multimedia Limited ("BFS" or "Company") should be read in conjunction with the unaudited financial statements and related notes for the period ending November 5, 2011 and the audited financial statements and related notes for the period ending May 7, 2011. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The Company's common shares are listed on the TSX Venture Exchange, symbol BFS and its reporting currency is the Canadian dollar. The financial data contained in this discussion and analysis is in compliance with IAS 34 Interim Financial Reporting ("IAS 34") in conformity with IFRS. The information contained in this management's discussion and analysis report updates for the year ended May 7, 2011 for material changes that have taken place. Additional information relating to BFS is filed at www.sedar.com. This management's discussion and analysis is dated December 15, 2011.

Adoption of Accounting Standards and Pronouncements in Compliance with Interim Reporting ("IAS 34") in Conformity with International Financial Reporting Standards ("IFRS")

This management's discussion and analysis has been prepared by management in compliance with IAS 34, "Interim Financial Reporting" ("IAS 34"), in conformity with International Financial Reporting Standards ("IFRS"). The Canadian Accounting Standards Board (the "AcSB") has confirmed that International Financial Reporting Standards as promulgated by the International Accounting Standards Board ("IASB") would replace existing generally accepted accounting principles in Canada ("Canadian GAAP") for publicly accountable enterprises for fiscal years beginning on or after January 1, 2011. This is the Company's first MD&A presented in accordance with IAS 34. "First-Time Adoption of IFRS" ("IFRS 1") was applied on transition. As a result of the adoption of IFRS, there was no impact on the Company's balance sheet at May 1, 2010, as reported under Canadian GAAP, thereby resulting in a similar opening balance sheet at May 2, 2010, in conformity with IFRS.

IFRS 2, Share Based Payments, permits the application of that standard only to equity instruments granted after November 7, 2002 that had not vested by May 2, 2010. The Company had no stock options that remained unvested on the transition date and accordingly, the Company has not applied IFRS 2. As anticipated by management, the adoption of IFRS has resulted in certain presentation, disclosure and description changes to the unaudited consolidated interim financial statements. IFRS 1 does not permit changes to estimates that have been made previously. Consistent with that restriction, estimates used in the preparation of the Company's opening unaudited consolidated interim statement of financial position in compliance with IAS 34 were consistent with those that were made under Canadian GAAP.

In the opinion of management, all adjustments considered necessary for fair presentation under IAS 34 have been included.

Cautionary Note Regarding Forward-Looking Information

This report may contain forward-looking statements, including statements regarding the future success of our business strategies and future market opportunities. These statements are neither promises nor guarantees, but involve known and unknown risks and uncertainties that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed in or implied by these forward-looking statements.

These risks include risks related to our sales growth, operating results, industry and products, as well as other factors discussed below and elsewhere in this report. Readers should not place undue reliance on any such forward-looking statements, which speak only as of the date they were made.

We disclaim any obligation to publicly update or revise such statements to reflect any change in our expectations or in events, conditions or circumstances on which any such statements may be based or that may affect the likelihood that actual results will differ from those set forth in the forward-looking statements.

Results from Operations

Selected Annual Information of Operations Data	***Thirteen Weeks Ending***		***Twenty-six Weeks Ending***	
(unaudited and not reviewed by an auditor - in Canadian dollars)	**Nov. 5, 2011**	Oct. 30, 2010	**Nov. 5, 2011**	Oct. 30, 2010
Sales	**$ 2,660,438**	$ 3,472,258	**$ 4,888,901**	$ 5,949,054
Cost of goods sold	**991,681**	1,258,863	**1,865,557**	2,264,841
Gross profit	**1,668,757**	2,213,395	**3,023,344**	3,684,213
Gross profit %	**63%**	64%	**62%**	62%
Selling & administrative expenses	**1,655,756**	1,878,303	**3,129,650**	3,354,868
Foreign exchange loss (gain)	**(60,653)**	29,566	**(71,706)**	(24,028)
Interest expense	**11,188**	5,584	**21,963**	12,538
Amortization	**88,607**	92,633	**167,151**	170,304
Net income (loss) and comprehensive income (loss)	**(19,893)**	140,476	**(153,131)**	108,623
Basic and diluted earnings (loss) per share	**$ (0.00)**	$ 0.02	**$ (0.02)**	$ 0.01
Weighted average number of shares	**7,524,333**	7,524,333	**7,524,333**	7,524,333

Sales decreased by 18% for the six months when compared to the same period in the prior year. Negative economic conditions resulted in sales declines in both corporate (-14%) and direct to consumer (-20%) markets.

Sales for the quarter were $2,660,438 compared to $3,472,258 during the same quarter last year, a 23% decrease over the prior year. Sales for the six months were $4,888,901 compared to $5,949,054 during the same period last year, an 18% decrease over the prior year.

Gross profit for the quarter was $1,668,757 (63% of sales) compared to $2,213,395 (64% of sales) in the prior year. Gross profit for the six months was $3,023,344 (62% of sales) compared to $3,684,213 (62% of sales) in the prior year.

Selling and administrative expenses for the quarter were $1,655,756 (62% of sales) compared to $1,878,303 (54% of sales) in the prior year, a decrease in the quarter of $222,547 over the previous year. Advertising and promotions decreased by $163,616 resulting from a reconfiguration of the frequency and timing of catalogue mailings; selling related expenses decreased by $17,767; shipping and handling costs decreased by $30,468 due to reduced sales volume and other expenses decreased by a net $10,696 for the quarter over the previous year.

Selling and administrative expenses for the six months were $3,129,650 (64% of sales) compared to $3,354,868 (56% of sales) in the prior year, a decrease in the quarter of $225,518 over the previous year. Advertising and promotions decreased by $102,242 resulting from a reconfiguration of the frequency and timing of catalogue mailings; salaries and benefits decreased by $21,861; selling related expenses decreased by $25,674; shipping and handling costs decreased by $36,781 due to reduced sales volume and other expenses decreased by a net $38,960 for the six months over the previous year.

Foreign exchange gain for the quarter was $60,653 compared to a loss of $29,566 in the prior year. Foreign exchange gain for the six months was $71,706 compared to $24,028 in the prior year.

Amortization of intangible assets and property and equipment was $88,607 for the quarter compared to $92,633 in the prior year. Amortization of intangible assets and property and equipment was $167,151 for the six months compared to $170,304 in the prior year.

Loss before income taxes in the quarter was $26,141 compared to an income before income taxes of $207,309 in the prior year. Loss before income taxes in the six months was $223,714 compared to an income before income taxes of $170,531 in the prior year.

Net loss and comprehensive loss for the quarter was $19,893 or $0.00 per share for this year, compared to a net income and comprehensive income of $140,476 or $0.02 per share in the prior year. Net loss and comprehensive loss for the six months was $153,131 or $0.02 per share for this year, compared to a net income and comprehensive income of $108,623 or $0.01 per share in the prior year.

Weighted average number of shares outstanding for the quarter and six months was 7,524,333.

Financial Condition as at November 5, 2011

Selected data on financial position

(unaudited and not reviewed by an auditor - in Canadian dollars)	**Nov. 5, 2011**	May 7, 2011
Cash	**$ 277,785**	$ 373,070
Net working capital	**2,783,650**	2,883,658
Total assets	**6,806,096**	6,237,641
Bank indebtedness	**1,160,784**	900,000
Total long-term liabilities	**54,796**	72,168
Total liabilities	**3,054,537**	2,332,951
Shareholders' equity	**3,751,559**	3,904,690

Total assets of the Company at the end of the quarter increased to $6,806,096 compared to $6,237,641 at the prior year end, primarily due to an increase in accounts receivable, inventories and prepaid expenses and deposits, offset by a decrease in cash and long-term assets.

Cash and cash equivalents decreased by $95,285 from the prior year end to $277,785.

Accounts receivable increased to $1,846,363 from $1,436,387 at the prior year end due to a general slowdown of collections from our customers who currently are facing difficult United States economic conditions.

Inventory increased to $1,844,015 from $1,612,493 at the prior year end due to anticipated next quarter forecasted sales and timing of catalogue mailings.

Prepaid royalties for video products decreased to $1,309,224 from $1,322,576 at the prior year end.

Intangible assets decreased to $156,285 from $191,646 at the prior year end. No material additions were made during the quarter.

Property and equipment decreased to $558,948 from $601,340 at the prior year end. Continuing capital expenditures for the quarter for master tapes were $85,887.

Total liabilities increased to $3,054,537 from $2,332,951 at the prior year end, primarily from the increase in bank indebtedness of $260,784 and an increase in accounts payable and accrued liabilities of $477,768 from the prior year end.

Shareholders' equity decreased by $153,131 from $3,904,690 at the prior year end. The share capital as at November 5, 2011 was $2,078,226 with 7,524,333 shares outstanding unchanged from the prior year end.

Capital Requirements, Resources and Liquidity

At year end, the Company had an operating line of credit of $1,500,000 of which $1,160,784 was outstanding. A registered general agreement providing a first charge over all accounts receivable, inventories and equipment, other than leased assets, has been provided as security for this operating line of credit. As at November 5, 2011, the Company was in breach of one of its financial covenants with its lenders. The lender has, however, agreed to waive its right to claim breach of covenant for the period ending May 5, 2012. We believe that our current cash will provide us with sufficient capital to meet our operating goals. We expect that any significant new acquisitions would require additional funding.

On September 16, 2010, the Company received approval from the TSX Venture Exchange to purchase, pursuant to a normal course issuer bid expiring on September 20, 2011, a maximum of 401,883 shares of the Company for cancellation. The Company purchased no shares during the term of this normal course issuer bid.

On October 27, 2011, the Company received approval from the TSX Venture Exchange to purchase, pursuant to a normal course issuer bid expiring on October 30, 2012, a maximum of 409,073 common shares of the Company for cancellation. Pursuant to the approval, the Company has purchased no common shares for cancellation as of December 15, 2011.