



E N T E R T A I N M E N T & M U L T I M E D I A L I M I T E D

**P R E S S R E L E A S E**

Monday, January 16, 2006

For Immediate Release:

Stock Symbol: TSX Venture Exchange: BFS

**BFS PROVIDES UPDATE ON STATUS OF LATE FILING  
OF INTERIM FINANCIAL STATEMENTS**

As previously disclosed, pending the filing of its unaudited second quarter interim financial statements and related MD&A for the twenty-six weeks ending November 5, 2005, **BFS Entertainment & Multimedia Limited** will satisfy the alternative information guidelines recommended by Ontario Securities Commission Policy 57-603 and Canadian Securities Administrators Staff Notice 57-301, pursuant to which BFS will provide bi-weekly updates to the market regarding the preparation of the unaudited second quarter interim financial statements and related MD&A, until such time as BFS is in compliance with its filing obligations.

As previously disclosed, additional auditing work is required to audit the adjustments to be made to the Company's current and prior two fiscal years' financial statements and related MD&A for the following:

- The Company is required to provide for an allowance for overstock exchanges and stock balancing by customers in accordance with Canadian GAAP under EIC 141 and Section 3400 of the CICA Handbook.
- The Company is required to revise its method of amortization of capitalized costs related to its Deferred Design & Development and Master Tapes expenditures to more accurately match future expected product revenues.

BFS is working with its auditors as expeditiously as possible to complete the necessary work. Management expects this to be completed by the end of January, 2006.

Following BFS' request, on January 4, 2006, the OSC issued a management cease trade order that prohibits all trading by certain individuals who are or have been directors or officers of BFS. These individuals have been notified of the issuance of the cease trade order. This order does not impact shareholders of BFS who are not identified in the order.

**BFS Entertainment & Multimedia Limited** manufactures, markets and distributes under the **BFS Video** and **American Home Treasures** video labels, a wide range of home entertainment DVDs for resale to retail and catalogues throughout North America.

(SEC Rule 12g exemption #82-4245)

For further information, please contact:  
John Grzybowski, MBA, CA  
Chief Financial Officer  
E-mail: [ir@bfsent.com](mailto:ir@bfsent.com)  
Tel: (905) 884-2323  
Fax: (905) 884-8292  
Corporate Website: [www.bfsent.com](http://www.bfsent.com)