



ENTERTAINMENT & MULTIMEDIA LIMITED

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

Friday, February 17, 2006

For Immediate Release:

Stock Symbol: TSX Venture Exchange: BFS

**BFS ENTERTAINMENT & MULTIMEDIA LIMITED  
FILES AUDITED RESTATED 2005 AND 2004 FINANCIALS AND UNAUDITED  
RESTATED FIRST QUARTER 2006 FINANCIALS**

**BFS Entertainment & Multimedia Limited** of Richmond Hill, Ontario announces that it has filed with Canadian provincial securities regulatory authorities its audited restated consolidated financial statements for the years ending May 7, 2005 and May 1, 2004 and the related restated management discussion and analysis reports. The Company has also filed its unaudited restated consolidated financial statements and related restated management discussion and analysis report for the thirteen weeks ended August 6, 2005. These restated filings occurred as a result of a review of the Company's continuous disclosure records by the Ontario Securities Commission.

The Company restated adjustments consist of 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 and a revision to its method of amortization of capitalized costs related to its development costs and master tape expenditures, so as to more accurately match future expected product revenues.

A summary of the restated consolidated financial results and total consolidated assets for each of the two fiscal years 2005 and 2004 and the first quarter of fiscal year 2006 are as follows:

	Thirteen Weeks Ended Aug. 6, 2005	Thirteen Weeks Ended July 31, 2004	Year Ended May 7, 2005	Year Ended May 1, 2004
	Unaudited and not reviewed by an auditor		Audited	Audited
<b>Consolidated Statements of Operations</b>				
Sales	\$ 1,846,689	\$ 1,719,470	\$ 8,578,369	\$ 8,684,128
Cost of goods sold	683,279	529,369	3,233,944	3,316,475
Gross Margin	1,163,410	1,190,101	5,344,325	5,367,653
Sales and administration expenses	1,046,327	1,127,629	4,757,813	4,243,774
Interest expense	4,311	17,935	49,345	197,139
Amortization	106,793	140,515	592,912	737,665
Income taxes	2,139	(33,035)	2,535	48,580
Net earnings (loss)	\$ 3,840	\$ (62,943)	\$ (58,280)	\$ 140,495
Basic and diluted earnings (loss) per share	\$ 0.00	\$ (0.01)	\$ (0.01)	\$ 0.02
<b>Total assets</b>	<b>\$ 3,833,056</b>	<b>\$ 5,056,067</b>	<b>\$ 3,949,919</b>	<b>\$ 5,177,400</b>

The following table represents the net increase (decrease) from the amounts previously reported from the restated adjustments:

	Thirteen Weeks Ended Aug. 6, 2005	Thirteen Weeks Ended July 31, 2004	Year Ended May 7, 2005	Year Ended May 1, 2004
	Unaudited and not reviewed by an auditor		Audited	Audited
<b>Consolidated Statements of Operations</b>				
Sales	\$ (30,304)	\$ (89,422)	\$ 19,799	\$ 122,757
Cost of goods sold	(11,516)	(33,980)	7,524	46,648
Amortization – development costs	(7,388)	(2,959)	(11,835)	(1,697)
Amortization – capital assets	(16,794)	(19,684)	(78,735)	(5,808)
Income taxes – future	1,948	(11,847)	37,148	30,202
Net earnings (loss)	\$ 3,446	\$ (20,952)	\$ 65,697	\$ 53,412
Basic and diluted earnings (loss) per share	\$ 0.00	\$ (0.01)	\$ 0.01	\$ 0.01
<b>Consolidated Balance Sheet</b>				
Accounts receivable	\$ (113,352)	\$ (192,269)	\$ (83,048)	\$ (102,847)
Inventories	43,074	73,063	31,558	39,082
Future income taxes recoverable	84,985	135,927	86,933	124,081
Development costs	(63,600)	(79,864)	(70,988)	(82,823)
Capital assets	(101,408)	(177,253)	(118,202)	(196,937)
Retained earnings	(150,301)	(240,396)	(153,747)	(219,444)

**DETAILS OF RESTATEMENT ADJUSTMENTS**

**Revenue recognition for overstock exchanges and stock balancing by customers**

Based on EIC 141 of the CICA Handbook, issued on December 17, 2003 an allowance has been provided for the eventuality that customers may return a portion of their previous purchases for exchanges and therefore credited towards their future purchases. Prior to fiscal year 2004, no allowances had been made for stock exchanges and stock balancing. For the restated fiscal years 2005 and 2004 and the restated first quarter of fiscal year 2006, actual returns for overstock exchanges and stock balancing received were recorded as an allowance at the end of each fiscal period.

**Amortization**

The amortization for master tapes and development costs has been restated for fiscal years 2005 and 2004 and the restated first quarter of fiscal year 2005. The amortization method has been changed to a four year straight line (25% per year) from the previous method of a four year period with annual amortization of zero in the first year and 33 1/3 % in the following three years.

The financial information included in this release is qualified in its entirety by and should be read together with, the audited restated consolidated financial statements for the years end May 7, 2005 and May 1, 2004 including the auditors' report thereon and the notes thereto and the unaudited restated consolidated financial statements for the thirteen week ended August 6, 2005 and the notes thereto as filed on SEDAR.

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

(SEC Rule 12g exemption #82-4245)

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