



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

Friday, August 11, 2006

For Immediate Release

Stock Symbol: TSX Venture Exchange: BFS

**BFS ENTERTAINMENT & MULTIMEDIA LIMITED
ANNOUNCES RESULTS FOR FISCAL 2006**

BFS Entertainment & Multimedia Limited of Richmond Hill, Ontario, today reported its consolidated operating results for the fiscal year ended May 6, 2006.

Sales for the fiscal year ended May 6, 2006 were \$9,975,179 compared to \$8,578,269 for the previous fiscal year, an increase of 16%.

Earnings before income taxes for the fiscal year were \$521,404 compared to a loss before income taxes of \$55,745 for the same period last year. Net earnings for the fiscal year were \$344,875 or \$0.04 per share, compared to net loss of \$58,280 or \$0.01 per share for the previous fiscal year.

Denis B.E. Donnelly, President and CEO stated, "Fiscal 2006 continued to be a year of transition impacted by a continuing lower U.S. dollar, changing technology, management of costs and by our focus on higher margin products. Our continued focus and investment in our direct to consumer business has this year resulted in a 38% increase in direct to consumer business over the prior year and an eightfold increase from three years ago. The popularity and rapid acceptance of the DVD format by consumers continues unabated and our sales are now completely in this format resulting in lower inventory levels solely made up of DVD product."

FINANCIAL HIGHLIGHTS (audited)	Fiscal years ended	
	May 6, 2006	May 7, 2005 <i>(Reissued)</i>
Sales	\$ 9,975,179	\$ 8,578,269
Earnings (loss) before income taxes	521,404	(55,745)
Income taxes	176,529	2,535
Net earnings (loss)	344,875	(58,280)
Basic and diluted earnings (loss) per share	0.04	(0.01)

BFS Entertainment & Multimedia Limited acquires exclusive rights to film and television programming for home video distribution and broadcast when applicable. Distribution rights are obtained by licensing, acquisition and co-production from various independent production and television broadcast companies. These programming rights are developed into home video products for North American distribution and where applicable are licensed internationally.

Programming includes classic dramas, mystery, comedy, sports and documentary and is sold under the **BFS Video** and **American Homes Treasures** video brands. North American distribution is through national retailers, distributors, mail order companies and BFS' own direct to consumer division with 75% of its business in the United States.

The Company's strategy is to continue to acquire new programming and to expand its proprietary programme development, international distribution and direct to consumer electronic delivery.

(SEC Rule 12g exemption #82-4245)

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