



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

Thursday, September 1, 2005

For Immediate Release

Stock Symbol: TSX Venture Exchange: BFS

**BFS ENTERTAINMENT & MULTIMEDIA LIMITED
ANNOUNCES RESULTS FOR FISCAL 2005**

BFS Entertainment & Multimedia Limited of Richmond Hill, Ontario, today reported its consolidated operating results for the fiscal year ended May 7, 2005.

Sales for the fiscal year ended May 7, 2005 were \$8,558,470 compared to \$8,561,371 in the previous year.

For the fiscal year, operating earnings before interest, income taxes and amortization (EBITDA) were \$574,237, compared to \$1,047,769 for the prior fiscal year. Loss before income taxes for the fiscal year was \$158,590 compared to earnings before income taxes of \$105,460 for the same period last year. Net loss for the fiscal year was \$123,977 or \$0.02 per share, compared to net earnings of \$87,082 or \$0.01 per share per share for the previous fiscal year.

Denis B.E. Donnelly, President and CEO stated, "Fiscal 2005 continued to be a year of transition impacted by a continuing lower U.S. dollar, changing technology, management of costs and by a renewed focus on higher margin products.

Our continued focus and investment in our direct to consumer business has this year resulted in an 80% increase over the prior year and a 550% increase over the past two fiscal years.

The popularity and rapid acceptance of the DVD format by consumers continues unabated and our sales are now substantially in this format. We have further added to our allowance for the expected obsolescence of our investment in the remaining VHS formatted product and are now experiencing savings in maintaining lower inventory levels of DVD only formatted product.

Our production company continues to develop various projects and we look forward to our initial sales during the upcoming year."

FINANCIAL HIGHLIGHTS (audited)	Fiscal years ended	
	May 7, 2005	May 1, 2004
Sales	\$ 8,558,470	\$ 8,561,371
Operating earnings (EBITDA) ¹	574,237	1,047,769
Earnings (loss) before income taxes	(158,590)	105,460
Income taxes (recovered)	(34,613)	18,378
Net earnings (loss)	(123,977)	87,082
Basic and diluted earnings (loss) per share	(0.02)	0.01

1. BFS uses operating earnings (EBITDA) to assess the operating performance of its business. Operating earnings (EBITDA) represents earnings before interest, income taxes and amortization. Operating earnings (EBITDA) do not have a standardized meaning prescribed by generally accepted accounting principles and therefore, are unlikely to be comparable to operating earnings (EBITDA) as reported by other publicly traded companies.

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 DVDs for resale to retail and catalogues throughout North America.

(SEC Rule 12g exemption #82-4245)

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