



## Balance Sheets

(Unaudited)

February 29, 2000 and February 28, 1999

	2000	1999 (restated)
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 1,407,672	\$ 1,041,720
Accounts receivable	837,098	1,175,532
Prepaid expenses	107,049	55,148
	<u>2,351,819</u>	<u>2,272,400</u>
Deferred acquisition costs	696,577	-
Capital assets	275,439	146,378
Deferred development costs	580,036	590,661
Future income taxes	425,596	441,125
	<u>\$ 4,329,467</u>	<u>\$ 3,450,564</u>
<b>Liabilities and shareholders' equity</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 344,654	\$ 111,584
Deferred revenue	1,531,764	1,168,582
	<u>1,876,418</u>	<u>1,280,166</u>
Shareholders' equity		
Share capital	2,766,149	2,490,286
Deficit	(313,100)	(319,888)
	<u>2,453,049</u>	<u>2,170,398</u>
	<u>\$ 4,329,467</u>	<u>\$ 3,450,564</u>

## Statements of Earnings (Loss) and Deficit

(Unaudited)

For the three months ended

February 29, 2000 and February 28, 1999

	2000	1999 (restated)
<b>Revenue</b>		
Subscription services	\$ 1,042,572	\$ 889,619
Other services	-	44,867
	<u>1,042,572</u>	<u>934,486</u>
<b>Expenses</b>		
Cost of services	587,545	239,110
Sales and marketing	306,893	193,926
General and administrative	337,425	241,966
Other	36,550	9,355
	<u>1,268,413</u>	<u>684,357</u>
<b>Earnings before amortization, interest, and taxes</b>	<u>(225,841)</u>	<u>250,129</u>
Amortization of capital assets	(25,716)	(9,979)
Amortization of deferred development costs	(70,747)	(80,729)
Interest income	15,120	7,930
<b>Earnings (loss) before income taxes</b>	<u>(307,184)</u>	<u>167,351</u>
Income tax expense (recovery)	(138,233)	75,308
<b>Net earnings (loss) for the period</b>	<u>(168,951)</u>	<u>92,043</u>
Deficit, beginning of period	(144,149)	(411,931)
<b>Deficit, end of period</b>	<u>\$ (313,100)</u>	<u>\$ (319,888)</u>
<b>Earnings (loss) per share</b>	<u>\$ (0.02)</u>	<u>\$ 0.01</u>

## Statement of Cash Flows

(Unaudited)

For the three months ended

February 29, 2000 and February 28, 1999

	2000	1999 (restated)
<b>Cash flows from operating activities</b>		
Income (loss) for the period	\$ (168,951)	\$ 92,043
Items not affecting cash		
Amortization of capital assets	25,716	9,979
Amortization of deferred development costs	70,747	80,729
Future income taxes (recovery)	(138,233)	75,308
Changes in operating assets and liabilities	(317)	(303,827)
	<u>(211,038)</u>	<u>(45,768)</u>
<b>Cash flows from investing activities</b>		
Deferred acquisition costs	(576,250)	-
Expenditures on capital assets	(47,352)	(20,682)
Expenditures on deferred development costs	-	(94,908)
	<u>(623,602)</u>	<u>(115,590)</u>
<b>Cash flows from financing activities</b>		
Issuance of common shares	55,300	35,657
<b>Net cash inflow (outflow) during the period</b>	<u>(779,340)</u>	<u>(125,701)</u>
Cash and cash equivalents, beginning of period	2,187,012	1,167,421
<b>Cash and cash equivalents, end of period</b>	<u>\$ 1,407,672</u>	<u>\$ 1,041,720</u>

## CEO's MESSAGE

For the first three months ending February 29, 2000, Bridges.com reported a net loss of \$168,951. The company reported revenues of \$1,042,572, with expenses of \$1,268,413. This compares to reported net earnings of \$92,043 on revenues of \$934,486 for the first three months of 1999.

### The first quarter featured the following developments:

The company signed a Memorandum of Understanding for the acquisition of the assets of Careerware, a business unit of ISM Information Systems Management Corporation, a wholly owned subsidiary of IBM Canada Ltd. The acquisition doubles to 25 per cent Bridges.com's market share of North American middle and secondary schools. As reported, the current costs of this acquisition have been capitalized on the balance sheet.

Bridges.com Inc. received approval to list its common shares on the Toronto Stock Exchange. On February 16, 2000, the company's common shares began trading on the TSE using the symbol BIT.

Bridges.com engaged the firm of Deloitte & Touche LLP to act as the company's auditors and professional advisers. In addition to providing auditing services, the Vancouver-based High-Tech Group of Deloitte & Touche LLP will provide a range of services to support Bridges.com's business expansion in the U.S. and internationally.

The company's sales team completed 360 new site sales in Q1, traditionally a slow quarter in the school marketplace. These sales represent over 10 per cent of projected new sales in FY 2000.

During Q1, Bridges.com's customers viewed the company's Web pages 20,340,500 times. That's up by more than 14 million page views — or by more than 300 per cent — from 1999's Q1 total of 6,272,000 page views.

Bridges.com announced agreements with MSN Canada and Monster.ca to distribute targeted online consumer services. A new @Bridges weekly newsletter will be distributed by the MSN Hotmail WebCourier initiative. Monster.ca will distribute Monster Advantage, a customized home version of the very popular Career Explorer resource.

## OUTLOOK

### Bridges.com will focus on the following five goals in Q2 of 2000:

The company will complete an equity financing to acquire Careerware from IBM Canada. The acquisition will be priced at approximately \$11 million and will be completed on or before April 27. During Q2, initial steps will be taken to integrate the two companies.

Six hundred new Career Explorer site sales are projected for the second quarter. In addition, it is projected that Manitoba will again resubscribe for 300 schools and 50 non-school sites.

Approximately 9,000 schools will have access to Bridges.com-owned resources at the completion of the Careerware acquisition. These customers will be offered a value proposition, enabling them to purchase newly acquired resources for significantly reduced prices. This Celebration 2000 initiative will be launched in Q2 and will continue through to the end of the year.

Resources for direct use of Bridges.com content will be developed in Q2, including resources for career professionals and for parents. Further development of the MSN and Monster.ca ventures for individual consumers will also be developed. Plans for consumer sales revenues will be established during the quarter.

To support expanding business initiatives, Bridges.com's internal systems for content management, contact management, accounting, authentication and distributed access will continue to be developed. Initial planning for Careerware and Bridges.com systems integration will also commence.

### DIRECTORS

**John C. Simmons**  
Chairman, Bridges.com Inc.  
Chairman, Integrated Paving Concepts Inc.  
Director, Epic Biosonics Inc.

**Douglas J. Manning**  
Chief Executive Officer and President,  
Bridges.com Inc.

**Edward J. Hall**  
Co-President, Canadian Adult  
Communities Ltd.

**James R. Yeates**  
Chairman and Chief Executive Officer,  
Burntsand Inc.

**Terry M. Holland**  
Chief Executive Officer and President,  
Trimin Capital Corp.

### INVESTOR INFORMATION

The common shares of Bridges.com Inc. are listed on the Toronto Stock Exchange under the trading symbol BIT.

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bridges.com

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future



FIRST QUARTER REPORT  
THREE MONTHS ENDING FEBRUARY 29, 2000