



Balance Sheets

(Unaudited)

As at August 31

	2000	1999 (restated)
Assets		
Current assets		
Cash and cash equivalents	\$7,377,705	\$1,967,092
Accounts receivable	4,806,794	1,405,449
Prepaid expenses	425,913	96,318
	12,610,412	3,468,859
Capital assets		
Deferred development costs	4,597,057	202,928
Goodwill	438,542	632,892
Future income taxes	4,330,532	–
	516,402	238,198
	\$22,492,945	\$4,542,877
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	\$1,079,689	\$241,007
Deferred revenue	3,308,368	1,670,016
	4,388,057	1,911,023
Shareholders' equity		
Share capital	19,125,796	2,703,719
Deficit	(1,020,908)	(71,865)
	18,104,888	2,631,854
	\$22,492,945	\$4,542,877

Supplemental disclosure

As at September 28, 2000 the following securities were outstanding:

Common shares	13,190,750
Options to purchase common shares	1,234,700
Share purchase warrants	2,112,500

Statements of Earnings (loss)

(Unaudited)

For the three months
ended August 31

For the nine months
ended August 31

	2000	1999 (restated)	2000	1999 (restated)
Revenue	\$4,979,596	\$1,431,603	\$8,445,774	\$3,359,475
Expenses				
Cost of services	1,779,676	384,388	3,575,915	930,207
Sales and marketing	1,111,312	232,304	2,202,900	709,378
General and administrative	782,833	243,227	1,653,530	704,671
Other	142,013	50,170	288,111	103,308
	3,815,834	910,089	7,720,456	2,447,564
Earnings before amortization, interest and taxes	1,163,762	521,514	725,318	911,911
Amortization of capital assets	(657,604)	(41,242)	(1,101,187)	(71,201)
Amortization of deferred development costs	(70,747)	(80,728)	(212,241)	(242,185)
Interest income	88,314	–	180,785	19,776
Earnings (loss) before income taxes and goodwill amortization	523,725	399,544	(407,325)	618,301
Income tax expense (recovery)	222,738	179,794	(229,039)	278,235
Earnings (loss) before goodwill amortization	300,987	219,750	(178,286)	340,066
Amortization of goodwill on Careerware acquisition	(419,084)	–	(698,473)	–
Net earnings (loss) for the period	(118,097)	219,750	(876,759)	340,066
Retained earnings (deficit), beginning of period	(902,811)	(291,615)	(144,149)	(411,931)
Retained earnings (deficit), end of period	\$(1,020,908)	\$(71,865)	\$(1,020,908)	\$(71,865)
Earnings (loss) per share				
Basic earnings per share before amortization of capital assets, interest and income taxes	\$0.11	\$0.05	\$0.07	\$0.10
Basic earnings (loss) per share before goodwill amortization	\$0.03	\$0.02	\$(0.02)	\$0.04
Earnings (loss), basic, per share	\$(0.01)	\$0.02	\$(0.09)	\$0.04
Fully diluted earnings per share before amortization of capital assets, interest and income taxes	\$0.08	\$0.05	\$0.05	\$0.09
Fully diluted earnings (loss) per share before goodwill amortization	\$0.02	\$0.02	\$(0.01)	\$0.03
Earnings (loss), fully diluted, per share	\$(0.01)	\$0.02	\$(0.07)	\$0.03
Weighted average shares outstanding	10,268,898	9,495,630	9,703,948	9,235,907
Fully diluted shares outstanding	13,766,098	10,469,130	13,201,148	10,209,407

Statements of Cash Flows

(Unaudited)

For the nine months
ended August 31

	2000	1999 (restated)
Cash flows from operating activities		
Earnings (loss) for the period	\$(876,759)	\$340,066
Items not affecting cash		
Amortization of capital assets	1,101,187	71,201
Amortization of deferred development costs	212,241	242,185
Amortization of goodwill on Careerware acquisition	698,473	–
Future income taxes (recovery)	(229,039)	278,235
Changes in operating assets and liabilities	(33,543)	55,943
	872,560	987,630
Cash flows from investing activities		
Expenditures on capital assets	(666,578)	(138,453)
Asset acquisition (Careerware division)	(11,430,236)	–
Expenditures on deferred development costs	–	(298,596)
	(12,096,814)	(437,049)
Cash flows from financing activities		
Issuance of special warrants	16,323,408	–
Issuance of common shares	91,539	249,090
	16,414,947	249,090
Net cash inflow during the period	5,190,693	799,671
Cash and cash equivalents, beginning of period	2,187,012	1,167,421
Cash and cash equivalents, end of period	\$7,377,705	\$1,967,092
Supplemental disclosure of non-cash investing and financing activities		
Issue of common shares on exercise of special warrants	\$16,323,408	–
Exercise of special warrants	\$(16,323,408)	–

CEO's MESSAGE

Dear Fellow Shareholders,

The third quarter of 2000 was the most profitable three months in the history of Bridges.com. Revenues of \$4,979,596 were recognized in this quarter, more than the total revenue for all of fiscal 1999. The 1,063 new sales of Career Explorer in Q3 represented an 18 per cent increase in our subscriber community. Our new elementary product, Paws in Jobland, received over 400 pre-launch orders. Most significantly, our earnings before interest, taxes, depreciation and amortization (EBITDA) were \$1,163,762 in the third quarter.

For the first nine months ending August 31, 2000, Bridges.com reported revenues of \$8,445,774, a 151 per cent increase over the first three quarters of 1999. Operational costs of \$7,720,456 yielded a nine-month EBITDA of \$725,318, a 20 per cent decrease over the same period one year earlier. Amortization expenses of \$2,011,901, resulting primarily from the Careerware acquisition in Q2, produced a net loss of \$876,759 for the nine months, and a loss of \$0.09 per share. Net cash inflow for the period was \$5,190,693, resulting in a cash position of \$7,377,705 at the end of August.

Third Quarter Highlights

The quarter was led by tremendous sales achievements from both the internal and distributed sales teams. Claude Lapointe, Executive Vice President of Sales and Marketing for Bridges.com, reported a statewide purchase of eChoices in Florida, strong pre-sales of the new elementary product, and over 1,000 new subscriptions to Career Explorer. New CX sales were supported by the successful Celebration 2000 promotion, which allows CX or Choices subscribers to purchase the other resource at a reduced price.

Resubscriptions were strong, led by the return of 770 schools from a renewed Ontario provincial CX licence. Over 1,200 other CX sites renewed their licences in Q3. West Virginia renewed their commitment to a regional version of CX.

Early planning for pending e-commerce ventures in the consumer marketplace was completed and several Web services reached new milestones. @Bridges, co-sponsored with MSN Canada, exceeded 100,000 readers. Careers 101, the collaborative venture with Monster.ca, was launched. Career Pro News enrolled its 1,500th subscriber and the new Career Parent Magazine exceeded 500 subscribers late in the quarter. Each of these platforms will be developed for e-commerce in early 2001.

Several initiatives to integrate the newly acquired Careerware team with the Bridges.com team were introduced in Q3. A product development summit was held to outline the development of an integrated product. A sales summit was held, unveiling a new 2001 sales and support model. Plans for development of several integrated technical systems were outlined. Additionally, new functional teams were established, organizing members from Kelowna and Ottawa into integrated teams for sales and support, product development, information technology, administration, and corporate development.

Looking Forward

During the final quarter of fiscal 2000, integration of the Kelowna and Ottawa offices will continue. In addition, Bridges.com will focus on the following three themes:

Secondary School Market Growth – 800 new Career Explorer subscriptions are projected for Q4, similar to our goals for Q3. The majority of these will be in North American secondary schools, our primary market focus for the next three years. Resubscriptions will also be a focus for Q4, with the goal of maintaining our present 90 per cent rate of resubscription.

E-commerce Development – Q4 will see continued development of several new ventures. The Career Advantage home version of CX is scheduled for release in Q4, as is active promotion of Careers 101 with Monster.ca. Planning continues for a collection of online application services for graduating high school seniors. Promotion of our parent, career professional and individual career tools will continue as we ramp up use of our new consumer resources.

Technical Upgrades – Bridges.com is improving its technical platform to accommodate core business growth, and to enable expansion of integrated technical systems and e-commerce applications.

Douglas J. Manning
Chief Executive Officer and President

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.

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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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Take Charge
of your
future

THIRD QUARTER REPORT
NINE MONTHS ENDING AUGUST 31, 2000