

## CEO MESSAGE

The third quarter featured the following developments:

For the nine months ending August 31, 1999, Bridges.com reported \$1,376,654 in income before amortization and taxes, or \$0.14 per share. This compares to \$866,331 in income before amortization and taxes, or \$0.10 per share, for the same period in 1998. For the first time, Bridges.com has included a tax consideration in an Interim Report. This has resulted in net income for the nine months of \$724,768, or \$0.07 per share. This compares to \$602,270, or \$0.07 per share in 1998. Revenues for the first nine months have reached an all-time high of \$3,804,442, compared to \$2,111,878 for the same period in 1998.

During the quarter, the Company invested a portion of available funds to more aggressively pursue a greater market share during fiscal 2000. Twenty-four new staff members were added to the sales, technical, content, administrative, and customer support teams during the quarter. The Company currently employs 69 staff in Kelowna, B.C., and over 40 contracted writers and trainers across North America.

Strong sales growth pushed the number of schools using Bridges.com's online career development system over the 4,200 mark. Third quarter sales increased by 46 per cent, with 616 new site sales recorded in June, July and August (420 new site sales were recorded in Q3 of 1998). Career Explorer is now used in 4,266 schools, representing 11.9 per cent of the North American middle and secondary school market.

Use of Bridges.com's resources continued to climb, with 3,689,622 page views recorded on Career Explorer during the third quarter. That compares to 1,108,446 page views over the same period last year. Schools also used the service more frequently -- the average number of page views per subscriber increased from 570 in Q3 1998 to 900 in Q3 1999.

The Company continues to widen the distribution of its online content, signing a state-wide distribution agreement with the South Carolina Occupational Information System, and finalizing plans to launch regional initiatives in West Virginia and Pennsylvania. Bridges.com was also contracted in the third quarter to provide a daily online educational information service to Canadians in conjunction with CanLearn, Human Resources Development Canada and CanWIN.

## OUTLOOK

Bridges.com will focus on four corporate goals during the fourth quarter of 1999:

### *Career Explorer (CX) Sales, Marketing, and Resubscriptions*

Bridges.com primary goal for the next 15 months is to distribute Career Explorer to more than 20 percent of the North American middle and secondary school market. In order to be on track to achieve this goal, more than 4,500 schools (12.5 percent) must be subscribing to the CX service by the end of Q4 1999. New sales and resubscription sales initiatives to meet this goal will continue in Q4. In addition, a new sales project to examine the impact of state-endorsed distribution of CX will begin in Pennsylvania.

### *Portfolio Plus Implementation and Development*

Bridges.com's innovative Portfolio Plus resource, designed to assist young people with career/life transitions, will be released to subscribing sites during the quarter. Development of new administrative tools and personalized news services for the portfolio will continue in Q4. The Company will also continue to seek and develop partnerships to assist with Portfolio Plus distribution in 2000.

### *Technical Platform Development*

Bridges.com will examine the purchase or development of more robust publishing software applications to support several new initiatives planned for 2000. In addition, integration of new accounting and contact management software will continue. Q4 technical developments are designed to prepare for increased use of internal and external Bridges' systems in 2000.

### *2000 Strategic Planning*

In Q4, the Board of Directors, management team and staff will finalize strategic plans for 2000. These will support the final year of a three-year plan designed to distribute Career Explorer to at least 20 percent of the market by November 30, 2000. The 2000 plan will also outline strategies that set the stage for new business development beyond next year.

## STOCK EXCHANGE

The Alberta Stock Exchange  
Trading Symbol: BIT  
Web site: [www.bridges.com](http://www.bridges.com)

## CORPORATE INFORMATION

John Simmons - Chairman  
Doug Manning - Director, CEO and President  
Ed Hall - Director  
Norman Thompson - Corporate Relations

## INTERIM REPORT 3

For the nine months ending  
August 31, 1999



[bridges.com](http://bridges.com)

## BRIDGES.COM INC

**Statements of Operations**

For the nine months ended August 31, 1999 and 1998

(Unaudited) **1999** **1998****Revenue**

On-line services	\$ 3,684,576	\$ 1,855,323
Other services	119,866	256,555
	<u>3,804,442</u>	<u>2,111,878</u>

Interest income	19,776	6,811
	<u>3,824,218</u>	<u>2,118,689</u>

**Expenses**

Content development and delivery	757,314	426,730
General, selling and administrative	1,690,250	825,628
	<u>2,447,564</u>	<u>1,252,358</u>

Income before amortization and income taxes	1,376,654	866,331
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Amortization of		
Capital assets	71,201	32,445
Deferred development costs	242,185	231,616
	<u>313,386</u>	<u>264,061</u>

Income before income taxes	1,063,268	602,270
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Provision for income taxes	338,500	-
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Net income for the period	\$ 724,768	\$ 602,270
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Earnings per share	\$ 0.07	\$ 0.07
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**Statements of Retained Earnings (Deficit)**

For the nine months ended August 31, 1999 and 1998

(Unaudited) **1999** **1998**

Retained earnings (deficit), beginning of period	\$ 47,878	\$ (896,065)
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Net income for the period	724,768	602,270
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Retained earnings (deficit), end of period	\$ 772,646	\$ (293,795)
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## BRIDGES.COM INC

**Balance Sheets**

August 31, 1999 and 1998

(Unaudited) **1999** **1998****Assets**

Current assets		
Cash	\$ 1,967,092	\$ 769,442
Accounts receivable	1,405,449	746,710
Prepaid expenses	96,318	40,462
	<u>3,468,859</u>	<u>1,556,614</u>

Capital assets	202,928	132,316
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Deferred development costs	632,892	570,728
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	<u>\$ 4,304,679</u>	<u>\$ 2,259,658</u>
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**Liabilities and Shareholders' Equity**

Current liabilities		
Accounts payable and accrued liabilities	\$ 241,007	\$ 38,946
Deferred revenue	306,250	184,579
Provision for income taxes	281,057	-
	<u>828,314</u>	<u>223,525</u>

Shareholders' equity		
Share capital	2,703,719	2,329,928
Retained Earnings (deficit)	772,646	(293,795)
	<u>3,476,365</u>	<u>2,036,133</u>

	<u>\$ 4,304,679</u>	<u>\$ 2,259,658</u>
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## BRIDGES.COM INC

**Statements of Changes in Financial Position**

For the nine months ended August 31, 1999 and 1998

(Unaudited) **1999** **1998**

Cash provided by (used in):

**Operations:**

Net income for the period	\$ 724,768	\$ 602,270
Items not involving cash		
Amortization of		
Capital assets	71,201	32,445
Deferred development costs	242,185	231,616
Deferred income taxes	57,443	-
	<u>1,095,597</u>	<u>866,331</u>

Change in non-cash working capital	(107,967)	(274,665)
	<u>987,630</u>	<u>591,666</u>

**Financing:**

Issuance of common shares	249,090	-
	<u>249,090</u>	<u>-</u>

**Investments:**

Expenditures on		
Capital assets	138,453	29,019
Deferred development costs	298,596	113,014
	<u>437,049</u>	<u>142,033</u>

Increase in cash position	799,671	449,633
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Cash, beginning of period	1,167,421	319,809
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Cash, end of period	\$ 1,967,092	\$ 769,442
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Bridges.com Inc  
 7B - 1404 Hunter Court  
 Kelowna, BC, Canada V1X 6E6  
 Telephone: 250-862-8722  
 Fax: 250-862-8771  
 E-mail: info@bridges.com