



## NEWS RELEASE

### Bridges Announces Financial Results for Second Interim Period of Fiscal 2004

For immediate release February 12, 2004

Kelowna, B.C. -- Bridges.com Inc. (TSX: BIT) today releases its financial results for the six months ending December 31, 2003.

Bridges products are primarily sold to schools and school districts in the United States and Canada. Over the past 18 months, revenues have steadily declined as a result of reduced education funding, changing priorities in education and unfavorable currency exchange rates. In reaction to these conditions, Bridges' management has restructured its business to establish an efficient operating structure. As a result of this work, second quarter fiscal 2004 expense levels are approximately 30% less than those during the same period in fiscal 2003. The effect of this program is evident in the Company's second quarter results. For the first time since the market downturn, Bridges has produced a comparative improvement in quarterly operating earnings\*.

As well, prudent expense management has allowed the Company's balance sheet to strengthen. Over the past six months, working capital has steadily increased and, at quarter end, cash balances were in excess of \$5.5 million up from \$ 2.7 million at June 30, 2003.

Bridges' greatest asset is the breadth and depth of its customer relationships. Using this position in the market it is the business plan of the Company to significantly increase the array of quality products and services offered to North American schools and related customers. The beginning of this new direction was made evident by last summer's appointment of Bridges as the exclusive school distributor for Test University's college admission test prep products. Over the past six months, the Company has placed great effort into integrating these products into its sales and marketing processes. This has led to a thorough market introduction and, while early revenues are still quite small, the sales pipeline is filling and Company management expects to produce increasingly positive results over the coming quarters.

\*Specifically, "Earnings Before Amortization, Foreign Currency Exchange, Other Income and Income Tax"

**BRIDGES.COM INC.**  
**Consolidated Interim Financial Statements – Six Months Ended December 31, 2003**  
**Consolidated Balance Sheet**

	December 31 2003 (unaudited)	June 30 2003 (audited)
<b>ASSETS</b>		
Current		
Cash and cash equivalents	\$ 5,723,417	\$ 2,416,227
Accounts receivable	1,692,945	3,641,053
Prepaid expenses and other	402,323	346,535
	7,818,685	6,403,815
Restricted cash	200,000	200,000
Property and equipment	5,910,044	6,700,471
	\$ 13,928,729	\$ 13,304,286
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	\$ 1,241,855	\$ 1,745,376
Accrued restructuring charge	199,070	824,682
Current portion of long-term debt	288,000	216,000
Deferred revenue	8,061,041	5,968,896
	9,789,966	8,754,954
Long-term debt	720,000	864,000
	10,509,966	9,618,954
<b>SHAREHOLDERS' EQUITY</b>		
Common stock	17,820,093	17,857,264
Contributed surplus	23,817	-
Deficit	(14,425,147)	(14,171,932)
	3,418,763	3,685,332
	\$ 13,928,729	\$ 13,304,286

**BRIDGES.COM INC.**  
**Consolidated Interim Statements of Operations and Deficit**  
**(Unaudited)**

	Three months ended December 31	Three months ended December 31	Six months ended December 31	Six months ended December 31
	2003	2002	2003	2002
REVENUE	\$ 3,634,791	\$ 4,717,986	\$ 6,533,458	\$ 11,860,395
COSTS OF REVENUE	1,200,621	1,557,269	2,459,955	3,240,967
GROSS MARGIN	2,434,170	3,160,717	4,073,503	8,619,428
EXPENSES				
Sales and marketing	1,252,071	1,650,571	2,370,986	3,569,202
Research and development	70,742	84,343	138,439	167,165
General and administrative	454,267	879,252	883,934	1,507,533
	1,777,080	2,614,166	3,393,359	5,243,900
EARNINGS BEFORE AMORTIZATION, FOREIGN CURRENCY EXCHANGE AND OTHER (LOSS) INCOME, AND INCOME TAXES	657,090	546,551	680,144	3,375,528
Restructuring charge	-	(3,142,021)	-	(3,142,021)
Amortization of property and equipment	(417,832)	(263,624)	(818,635)	(538,400)
Amortization of other intangibles	-	(18,112)	-	(45,280)
Foreign currency exchange and other (loss) income	(79,079)	(27,131)	(114,724)	177,468
EARNINGS (LOSS) BEFORE INCOME TAXES	160,179	(2,904,337)	(253,215)	(172,705)
Income tax expense	-	980,459	-	2,154,613
EARNINGS (LOSS) BEFORE IMPAIRMENT OF GOODWILL FOR THE PERIOD	160,179	(3,884,796)	(253,215)	(2,327,318)
Impairment of goodwill	-	(2,235,114)	-	(2,235,114)
NET EARNINGS (LOSS) FOR THE PERIOD	160,179	(6,119,910)	(253,215)	(4,562,432)
DEFICIT, BEGINNING OF PERIOD	(14,585,326)	(3,564,634)	(14,171,932)	(5,121,041)
Excess of purchase cost over carrying value of common shares cancelled	-	-	-	(1,071)
DEFICIT, END OF PERIOD	\$ (14,425,147)	\$ (9,684,544)	\$ (14,425,147)	\$ (9,684,544)
Basic earnings (loss) per share	\$ 0.01	\$ (0.32)	\$ (0.02)	\$ (0.19)
Diluted earnings (loss) per share	\$ 0.01	\$ (0.32)	\$ (0.02)	\$ (0.19)
Weighted average number of shares used to calculate basic earnings (loss) per share	12,141,403	12,167,591	12,158,331	12,153,110
Weighted average number of shares used to calculate diluted earnings (loss) per share	12,144,482	12,167,591	12,158,331	12,153,110

**BRIDGES.COM INC.**  
**Consolidated Interim Statements of Cash Flows**  
**(Unaudited)**

	Three months ended December 31	Three months ended December 31	Six months ended December 31	Six months ended December 31
	2003	2002	2003	2002
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net earnings (loss) for the period	\$ 160,179	\$ (6,119,910)	\$ (253,215)	\$ (4,562,432)
Items not affecting cash				
Amortization of property and equipment	417,832	263,624	818,635	538,398
Amortization of intangibles	-	18,112	-	45,280
Non-cash portion of restructuring charge	-	386,050	31,908	386,050
Impairment of goodwill	-	2,235,114	-	2,235,114
Future income tax recovery	-	982,265	-	2,151,032
Changes in operating assets and liabilities:				
Accounts receivable	1,765,517	2,487,484	1,948,108	(293,268)
Prepaid expenses and other	(22,868)	(53,390)	(55,788)	(69,438)
Accounts payable and accrued liabilities	36,382	2,268,743	(536,464)	1,680,818
Deferred revenue	(812,930)	(361,682)	2,092,145	521,271
Accrued restructuring charge	(209,175)	-	(625,612)	-
	<u>1,334,937</u>	<u>2,106,410</u>	<u>3,419,717</u>	<u>2,632,825</u>
<b>CASH FLOW FROM INVESTING ACTIVITY</b>				
Purchase of property and equipment, net of related accounts payable	(10,001)	(286,064)	(37,928)	(775,242)
Sale of property and equipment	2,255	-	10,755	-
	<u>(7,746)</u>	<u>(286,064)</u>	<u>(27,173)</u>	<u>(775,242)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Issuance of common shares	-	8,361	65	16,531
Shares purchased and cancelled	(35)	-	(32,423)	(35)
Interest on shareholder loans	9,553	-	19,004	-
Repayment of obligations under capital lease	-	(47,141)	-	(77,096)
Repayment of obligations under long-term debt	(72,000)	-	(72,000)	-
	<u>(62,482)</u>	<u>(38,780)</u>	<u>(85,354)</u>	<u>(60,600)</u>
<b>NET CASH INFLOW DURING THE PERIOD</b>	<b>1,264,709</b>	<b>1,781,566</b>	<b>3,307,190</b>	<b>1,796,983</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>4,458,708</b>	<b>2,381,396</b>	<b>2,416,227</b>	<b>2,365,979</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>\$ 5,723,417</b>	<b>\$ 4,162,962</b>	<b>\$ 5,723,417</b>	<b>\$ 4,162,962</b>
Supplemental Cash Flow Disclosure:				
Interest earned	\$ 29,926	\$ 15,928	\$ 46,068	\$ 36,037
Interest paid	\$ 19,135	\$ 14,987	\$ 39,550	\$ 21,850

**About Bridges**

Bridges is North America's leading provider of products and services used by schools, universities and agencies to help people achieve education and career success. Over 13,500 schools and agencies use Bridges' products and services. Bridges serves the needs of millions of people seeking educational or career planning assistance. For more information, visit <http://www.bridges.com>. The Company is listed on the Toronto Stock Exchange under the symbol: BIT.

**Forward-Looking Statements**

The foregoing includes forward-looking statements which are based on management's beliefs as well as on a number of assumptions concerning future events made by and information currently available to management.

These forward-looking statements relate to, among other things, plans and timing for the introduction or enhancement to the Company's services and products; customer demand for its products and services; expectations concerning future revenue and earnings; control of costs and expenses; loss of key employees; stock market volatility; changes in laws and regulations; Bridges' ability to compete successfully and adapt to technological advances and changing industry standards; currency exchange rate fluctuations; economic, political, and other risks associated with international sales and operations; U.S. government regulation; price and product competition; the ability to implement in a timely manner the Company's restructuring plans; the ability to form and implement alliances, and other factors and risks.

All forward-looking statements in this news release are based on management's reasonable beliefs, intentions, and expectations with respect to future events and are subject to certain risks, uncertainties, and assumptions as of the date of this release. In light of the many risks and uncertainties, readers are cautioned not to put undue reliance on such forward-looking statements which are not a guarantee of performance and are subject to a number of uncertainties and other factors -- many of which are outside of Bridges' control -- that could cause actual results, performances or achievements of Bridges to differ materially from any future results, performances or achievements expressed or implied by such forward-looking statements. The Company cannot give assurance that the forward-looking statements contained in this news release will be realized. Bridges assumes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

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