



NEWS RELEASE

Bridges Announces Financial Results for Third Interim Period of Fiscal 2004

For immediate release May 17, 2004

Kelowna, B.C. -- Bridges.com Inc. (TSX: BIT) today releases its financial results for the nine months ended March 31, 2004.

BRIDGES.COM INC.
Consolidated Interim Financial Statements – Nine Months Ended March 31, 2004
Consolidated Balance Sheets (Unaudited)

ASSETS	March 31, 2004		June 30, 2003	
Current				
Cash and cash equivalents	\$	5,403,097	\$	2,416,227
Accounts receivable		940,910		3,641,053
Prepaid expenses and other		454,379		346,535
		6,798,386		6,403,815
Restricted cash		200,000		200,000
Property and equipment		5,516,708		6,700,471
	\$	12,515,094	\$	13,304,286
LIABILITIES				
Current				
Accounts payable and accrued liabilities	\$	1,276,850	\$	1,745,376
Accrued restructuring charge		173,085		824,682
Current portion of long-term debt		288,000		216,000
Deferred revenue		6,034,497		5,968,896
		7,772,432		8,754,954
Long-term debt		648,000		864,000
		8,420,432		9,618,954
SHAREHOLDERS' EQUITY				
Common stock		17,813,226		17,857,264
Contributed surplus		28,350		-
Deficit		(13,746,914)		(14,171,932)
		4,094,662		3,685,332
	\$	12,515,094	\$	13,304,286

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

	Three months ending March 31, 2004	Three months ending March 31, 2003	Nine months ending March 31, 2004	Nine months ending March 31, 2003
REVENUE	\$ 3,743,051	\$ 2,023,241	\$ 10,276,509	\$ 13,883,636
COSTS OF REVENUE	1,161,980	1,239,407	3,621,935	4,480,374
GROSS MARGIN	2,581,071	783,834	6,654,574	9,403,262
EXPENSES				
Sales and marketing	1,163,875	1,315,427	3,534,861	4,884,629
Research and development	7,943	40,628	146,382	207,793
General and administrative	387,516	526,005	1,271,450	2,033,538
	1,559,334	1,882,060	4,952,693	7,125,960
EARNINGS (LOSS) BEFORE AMORTIZATION, FOREIGN CURRENCY EXCHANGE AND OTHER (LOSS) INCOME, AND INCOME TAXES	1,021,737	(1,098,226)	1,701,881	2,277,302
Restructuring charge	-	-	-	(3,142,021)
Amortization of property and equipment	(401,928)	(316,367)	(1,220,563)	(854,767)
Amortization of other intangibles	-	-	-	(45,280)
Foreign currency exchange and other (loss) income	58,424	(271,035)	(56,300)	(93,567)
EARNINGS (LOSS) BEFORE INCOME TAXES	678,233	(1,685,628)	425,018	(1,858,333)
Income tax expense	-	2,898	-	2,157,511
EARNINGS (LOSS) BEFORE IMPAIRMENT OF GOODWILL	678,233	(1,688,526)	425,018	(4,015,844)
Impairment of goodwill	-	-	-	(2,235,114)
NET EARNINGS (LOSS) FOR THE PERIOD	678,233	(1,688,526)	425,018	(6,250,958)
DEFICIT, BEGINNING OF PERIOD	(14,425,147)	(9,684,544)	(14,171,932)	(5,121,041)
Excess of purchase cost over carrying value of common shares cancelled	-	-	-	(1,071)
DEFICIT, END OF PERIOD	\$ (13,746,914)	\$ (11,373,070)	\$ (13,746,914)	\$ (11,373,070)
Basic earnings (loss) per share	\$ 0.06	\$ (0.14)	\$ 0.03	\$ (0.51)
Diluted earnings (loss) per share	\$ 0.06	\$ (0.14)	\$ 0.03	\$ (0.51)
Weighted average number of shares used to calculate basic earnings (loss) per share	12,141,183	12,179,303	12,152,657	12,158,429
Weighted average number of shares used to calculate diluted earnings (loss) per share	12,144,262	12,179,303	12,155,736	12,158,429

BRIDGES.COM INC.

Consolidated Interim Statements of Cash Flows (Unaudited)	Three months	Three months	Nine months ending	Nine months ending
	ending March 31,	ending March 31,	March 31,	March 31,
	2004	2003	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES				
Net earnings (loss) for the period	\$ 678,233	\$ (1,688,526)	\$ 425,018	\$ (6,250,958)
Items not affecting cash				
Amortization of property and equipment	401,928	316,367	1,220,563	854,765
Amortization of intangibles	-	-	-	45,280
Non-cash portion of restructuring charge	-	-	31,908	386,050
Impairment of goodwill	-	-	-	2,235,114
Future income tax recovery	-	-	-	2,151,032
Stock-based compensation	4,533	-	4,533	-
Changes in operating assets and liabilities:				
Accounts receivable	752,036	1,430,195	2,700,144	1,136,927
Prepaid expenses and other	(52,057)	111,615	(107,845)	42,176
Accounts payable and accrued liabilities	61,884	(1,096,028)	(474,580)	584,790
Deferred revenue	(2,026,544)	360,802	65,601	882,073
Accrued restructuring charge	(25,985)	(590,436)	(651,597)	(590,435)
	(205,972)	(1,156,011)	3,213,745	1,476,814
CASH FLOW FROM INVESTING ACTIVITY				
Purchase of property and equipment, net of related accounts payable	(35,481)	(169,130)	(73,409)	(944,372)
Sale of property and equipment	-	-	10,755	-
	(35,481)	(169,130)	(62,654)	(944,372)
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of common shares	-	-	65	16,531
Shares purchased for cancellation	(16,215)	-	(16,215)	-
Shares purchased and cancelled	-	-	(32,423)	(35)
Interest on shareholder loans	9,348	-	28,352	-
Repayment of obligations under capital lease	-	(7,551)	-	(84,646)
Deposit of cash with lender	-	(200,000)	-	(200,000)
Proceeds from long-term debt	-	1,200,000	-	1,200,000
Repayment of obligations under long-term debt	(72,000)	(72,000)	(144,000)	(72,000)
	(78,867)	920,449	(164,221)	859,849
NET CASH INFLOW DURING THE PERIOD	(320,320)	(404,692)	2,986,870	1,392,291
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	5,723,417	4,162,962	2,416,227	2,365,979
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 5,403,097	\$ 3,758,270	\$ 5,403,097	\$ 3,758,270
Supplemental Cash Flow Disclosure:				
Interest earned	\$ 38,898	\$ 30,294	\$ 103,970	\$ 66,015
Interest paid	\$ 17,095	\$ 24,732	\$ 56,645	\$ 46,582

Market conditions for Bridges' traditional products remain mostly unchanged since last quarter's report. State funding for education in the United States is still under restraint, but there are signs of market improvement on a regional basis. The Company is optimistic that these regional bright spots are indicative of overall stronger markets anticipated for fiscal 2005.

Given market conditions, the third quarter has proceeded much as planned. Invoicing activity in the quarter lagged that of past comparative periods but was well within budget expectations. While the Company is still feeling the effects of comparatively unfavorable exchange rates, the effects are much less dramatic than in recent quarters. Due to hedging activities, U.S.-based revenues are much more predictable and also within expectation. Expense efficiencies implemented over the past two years continue to be of benefit to the Company. This is the seasonally low billing quarter of the year, during which negative cash flows are expected. While that is the case this quarter as well, negative cash flow is much less than in 2003. All in all, the Company is operating on target.

The balance sheet remains strong. At quarter end, cash balances continued to be in excess of \$5.0 million. The Company is more than sufficiently capitalized to continue its rebuilding plans, including the pending move to new facilities and the planned expenditures for the upgrading of new office technology and equipment.

The business plan adopted at the beginning of fiscal 2004 was to transition the Company to a market-focused business. The essence of this plan is to capitalize on the excellent breadth and depth of the Company's relationships in education markets by broadening the array of high quality products and services. This process began with the adoption of pre-collegiate and high school exit exam test preparation products in 2003. However, to fully realize the corporate objectives, the Company must continue to increase efficiency and to build new sales and marketing capabilities.

In the fourth quarter major steps will be taken to this end. First, the Company will outsource its technical operations to a specialized Internet service centre and decommission Company owned and operated Internet servers. This change is expected to result in lower operating costs and a more reliable customer experience. In addition, the Company's sales department will be reorganized to be more flexible and capable of quickly realizing sales opportunities and growing revenues. Both of these actions will result in a restructuring charge in the fourth quarter of approximately \$4.0 million. Inclusive in this charge will be non-cash charges relating to the impairment of property and equipment of approximately \$3.5 million.

Bridges is in the final stages of its plan to create a stronger and more capable company. At the end of the quarter, the Company will be renamed and will adopt a new brand and logo. The new name and brand, to be announced in the near term, will more clearly reflect the Company's business aspirations. It will signal the end of a two-year redevelopment of the company as well as the start of what management intends to be an era of growth and increasing profitability.

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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