

NEWS RELEASE

Bridges Announces Financial Results for First Interim Period of Fiscal 2005

For immediate release November 4, 2004

Kelowna, B.C. – Bridges Transitions (TSX: BIT) today releases its financial results for the three months ending September 30, 2004. The following comments are excerpts from the Company's Interim Report mailed to shareholders and available online at www.bridges.com on November 14th, 2004.

The first quarter of 2005 is the final reporting period for Bridges' planned two-year restructuring that began in November 2002. During these two years, expenses have been reduced, business processes improved, products re-engineered and the Company renamed. With restructuring largely complete, the Company has now turned its attention to the implementation of a new strategic growth plan – a plan designed to broaden and deepen its relationships with education customers in both the United States and Canada and to develop new sources of revenue.

Bridges' strategic plan has tactical elements designed to accomplish the following:

- **Maintaining Market Share** – Bridges' counselling and planning products are used at more than 13,000 sites in the United States and Canada, inclusive of approximately 30 per cent of North American high schools. It is strategically vital that Bridges maintain or grow its market presence. Accordingly, the Company has developed product and marketing plans to reduce customer attrition and encourage sales to new customers.
- **Deepening Customer Relationships** – Education customers have a long and trusted relationship with Bridges. They also have new needs for products and services to help them improve their levels of service and accountability. Bridges is ideally positioned to bring new, high quality products and services to its customers and has specific plans to do so.
- **Developing New Sources of Revenue** – Management believes that Bridges' relationships with transitioning students will be of growing interest to colleges and employers alike. Within the Company's strategy is the plan to develop new sources of revenue from, or in conjunction with, partners that participate in the workforce development and college admission services markets.

Bridges' strategic plan will not yield instant results. Rather, the implementation of the plan will broaden the Company's base of revenue and produce a stronger, more diverse and financially stable Company over the coming years. Implementation of the strategic plan for growth began in the first quarter, as evidenced by the following:

During the quarter Bridges' reported revenues grew by approximately 10% based on subscription invoices generated over the past year mostly for our counselling and planning products. This growth rate appears larger than reality as a result of changes in revenue recognition policies affecting the prior period and should be regarded with caution. Generally, our business activities, adjusted for timing differences, are approximate to our fiscal 2004 levels. While we are concerned about revenue growth rates, it is fundamental to our strategic plan to maintain market share. Accordingly, we began a series of pricing reforms during the quarter that will result in lower prices for almost all of our traditional products. This is likely to result in lower near term revenues from this group of products but will help us to secure and grow our market share over the longer term.

While pricing is reformed across Bridges' traditional product lines, significant work is being undertaken to broaden product and service offerings to the Company's education customers. The newly launched Professional Services Division made great strides in the first quarter. Professional Services is producing a broad array of consultancy, training and program development services under the direction of the Company's president, Doug Manning. The provision of these services has the potential to provide significant growth in the future and, in keeping with Bridges' strategic plan, the Company will add sales and marketing emphasis to Professional Services over the coming quarters.

A relatively new product offering for Bridges is the line of test preparation products re-launched under Bridges' testGEAR™ brand at the beginning of the quarter. testGEAR™ product sales are beginning to attract more customer interest, and Management remains highly optimistic about the potential for this product line and its ability to help the Company meet aspects of its strategic plan.

Bridges' financial performance during the first quarter was within expectations. Overall costs increased in the first quarter of 2005 by just over \$250,000, as compared to Fiscal 2004. These increased costs are the result of the development of the Company's new Choices Planner product, increased marketing and branding of its testGEAR™ test preparation products, costs associated with the development of the Professional Services Division, as well as costs that must now be recorded for stock option and stock appreciation rights expense. Some of these operating costs will reduce over future quarters but the reductions will not be dramatic.

On a comparative basis, the 2005 first quarter EBITDA* was modestly improved over 2004. Unfortunately, currency exchange losses in the quarter were more than EBITDA*, which resulted in an overall loss. Exchange rates remain a significant concern and could have a continuing effect on profitability. That being said, the Company does not expect that future or forecasted exchange rates would cause it to deviate from the strategic plan as the Company's balance sheet is, and should remain, strong.

*EBITDA – Earnings before Restructuring Charge, Impairment of Property and Equipment and Goodwill, Amortization, Foreign Currency Exchange and Other Loss and Income Taxes. The term EBITDA does not have a standardized meaning prescribed by Canadian generally accepted accounting principles and therefore may not be comparable to similarly titled measures presented by other companies. EBITDA should not be construed as the equivalent of net cashflows from operating activities. The Company considers EBITDA to be a useful measure in assessing ongoing performance.

BRIDGES TRANSITIONS INC.
Consolidated Interim Financial Statements – Three Months Ended September 30, 2004
Consolidated Balance Sheet (unaudited)

	September 30 2004	June 30 2004
ASSETS		
Current		
Cash and cash equivalents	\$ 4,128,359	\$ 4,250,069
Accounts receivable	3,110,033	3,549,827
Prepaid expenses and other	894,108	501,146
Deferred costs	408,256	647,083
	<u>8,540,756</u>	<u>8,948,125</u>
Restricted cash	200,000	200,000
Property and equipment	2,436,956	2,663,385
	<u>\$ 11,177,712</u>	<u>11,811,510</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 1,542,090	\$ 2,613,384
Accrued restructuring charge	364,543	511,012
Current portion of long-term debt	332,822	340,800
Deferred revenue	8,721,305	7,540,847
	<u>10,960,760</u>	<u>11,006,043</u>
Long-term debt	529,063	662,200
	<u>11,489,823</u>	<u>11,668,243</u>
(DEFICIENCY IN ASSETS) SHAREHOLDERS' EQUITY		
Common stock	17,464,374	17,690,721
Contributed surplus	107,703	85,584
Deficit	(17,884,188)	(17,633,038)
	<u>(312,111)</u>	<u>143,267</u>
	<u>\$ 11,177,712</u>	<u>\$ 11,811,510</u>
Consolidated Interim Statements of Operations and Deficit (Unaudited)		
	Three months ending September 30 2004	Three months ending September 30 2003
REVENUE	\$ 3,239,567	\$ 2,898,667
COSTS OF REVENUE	1,250,975	1,259,334
GROSS MARGIN	<u>1,988,592</u>	<u>1,639,333</u>
EXPENSES		
Sales and marketing	1,229,820	1,118,915
Research and development	93,071	67,697
General and administrative	519,002	429,667
	<u>1,841,893</u>	<u>1,616,279</u>
EARNINGS BEFORE AMORTIZATION, FOREIGN CURRENCY EXCHANGE AND OTHER LOSS, AND INCOME TAXES	146,699	23,054
Amortization of property and equipment	(182,065)	(400,803)
Foreign currency exchange and other loss	(223,473)	(35,645)
LOSS BEFORE INCOME TAXES	<u>(258,839)</u>	<u>(413,394)</u>
Income tax expense	1,762	-
NET LOSS FOR THE PERIOD	(260,601)	(413,394)
DEFICIT, BEGINNING OF PERIOD	(17,633,038)	(14,171,932)
Interest on shareholder loans	9,451	9,451
DEFICIT, END OF PERIOD	<u>\$ (17,884,188)</u>	<u>\$ (14,575,875)</u>
Basic loss per share	\$ (0.02)	\$ (0.03)
Weighted average number of shares used to calculate loss per share	12,143,829	12,175,260

Consolidated Interim Statements of Cash Flows (Unaudited)

	Three months ending	
	September 30	September 30
	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (260,601)	\$ (413,394)
Items not affecting cash		
Amortization of property and equipment	182,065	400,803
Non-cash portion of restructuring charge	-	31,908
Stock-based compensation	8,960	-
	(69,576)	19,317
Changes in operating assets and liabilities:		
Accounts receivable	439,794	182,591
Prepaid expenses and other	(392,962)	(32,920)
Deferred costs	238,827	-
Accounts payable and accrued liabilities	(1,080,378)	(572,846)
Deferred revenue	1,180,457	2,905,075
Accrued restructuring charge	(146,470)	(416,437)
	169,692	2,084,780
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment, net of related accounts payable	(15,666)	(27,927)
Proceeds on sale of property and equipment	-	8,500
	(15,666)	(19,427)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of common shares on exercise of stock options	1,404	65
Shares purchased for cancellation	(84,890)	(15,925)
Shares purchased and cancelled	(129,701)	(16,463)
Interest on shareholder loans	9,451	9,451
Repayment of obligations under long-term debt	(72,000)	-
	(275,736)	(22,872)
NET CASH (OUTFLOW) INFLOW DURING THE PERIOD	(121,710)	2,042,481
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	4,250,069	2,416,227
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 4,128,359	\$ 4,458,708
Supplemental Cash Flow Disclosure:		
Interest earned	\$ 17,815	\$ 16,142
Interest paid	\$ 11,471	\$ 20,415
Income taxes paid	\$ 52,946	\$ -

About Bridges

Bridges is a leading provider of products and services used by schools, universities and agencies to help people achieve education and career success. Over 13,000 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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