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TUCOWS FINANCIAL NEWS RELEASE, Q1 2008

Tucows Inc. Reports Financial Results For The First Quarter Of 2008

TORONTO - May 7, 2008 - Tucows Inc., (AMEX:TCX, TSX:TC) a leading provider of Internet services to web hosting companies and ISPs worldwide, today announced its financial results for its first quarter ended March 31, 2008. All figures are in U.S. dollars.

"The results of the quarter were right in line with expectations. We are seeing the positive impact of the domain price reduction with an 18% year/year improvement in renewals among other positives. We expect traditional domain name registration to contribute favorably to gross margin in the remainder of the year. In addition, the migration of our email customers to our enhanced platform is nearing completion and we expect to realize considerable cost savings during the second half of the year." said Elliot Noss, President and CEO of Tucows.

"While the strength of the Canadian dollar, last year's price reduction for domain registrations and cost burden of carrying multiple email platforms held down our bottom line results this quarter, the positives noted above, combined with the anticipated continued growth in our domain portfolio business, will place us in an excellent position to achieve our stated goal of growing revenue, profitability and cash flow in 2008."

Summary Financial Results (Numbers in Thousands of US Dollars, Except Per Share Data)

	Three Months Ended March 31, 2008	Three Months Ended March 31, 2007
Net Revenue	18,711	17,771
EBITDA	504	1,971
Adjusted Net Income	953	2,442
Net Income	(1,082)	750
Net Income/Share	(0.01)	0.01
Cash Flow from Operations	117	1,165

Summary of Revenue and Cost of Revenue (Numbers in Thousands of US Dollars)

	Revenue		Cost of Revenue (excluding Network costs)	
	Three Months Ended March 31, 2008	Three Months Ended March 31, 2007	Three Months Ended March 31, 2008	Three Months Ended March 31, 2007
Traditional Domain Registration Services	12,871	11,901	9,936	8,731
Domain Portfolio Services	905	637	178	100
Email Services	1,575	2,133	107	205
Retail Services	1,641	1,207	567	406
Other Services	1,719	1,893	412	407
Total	18,711	17,771	11,200	9,849

Net revenue for the first quarter of fiscal 2008 increased 5% to \$18.7 million from \$17.8 million for the first quarter of fiscal 2007.

Adjusted Net Income for the first quarter of 2008 was \$1.0 million, compared to \$2.4 million for the corresponding quarter of last year. Net loss for the first quarter of 2008 was \$1.1 million, or \$0.01 per share, compared with net income of \$0.7 million, or \$0.01 per share, for the first quarter of 2007.

Deferred revenue at the end the first quarter of fiscal 2008 was \$53.6 million, an increase of 12% from \$48.0 million at the end of the first quarter of 2007 and an increase of 6% from \$50.6 million at the end of the fourth quarter of fiscal 2007.

Cash and restricted cash at the end of the first quarter of fiscal 2008 was \$7.5 million compared to \$8.1 million at the end of the fourth quarter of fiscal 2007 and \$6.6 million at the end of the first quarter of fiscal 2007. Cash flow from operations of was \$0.1 million during the first quarter of fiscal 2008.

EBITDA and Adjusted Net Income

To assist financial statement users in an assessment of the Company's historical performance and to project its future earnings and cash flows, the Company has included earnings before interest, taxes, depreciation and amortization (EBITDA). EBITDA is presented because it is an important supplemental measure of performance frequently used by securities analysts, investors and other interested parties in the evaluation of companies. Other companies may calculate EBITDA differently. EBITDA is not a measurement of financial performance under generally accepted accounting principles (GAAP) and should not be considered as an alternative to cash flow from operating activities or as a measure of liquidity or an alternative to Net Income as indicators of operating performance or any other measures of performance derived in accordance with (GAAP). Because EBITDA is calculated before recurring cash charges, including interest expense and taxes, and is not adjusted for capital expenditures or other recurring cash requirements of the business, it should not be considered as a measure of discretionary cash available to invest in the growth of the business. See the Consolidated Statements of Cash Flows included in the attached financial statements. As a non-GAAP performance measure, EBITDA, has certain material limitations as follows:

- It does not include interest expense. Because the Company has borrowed money to finance some of its operations, interest is a necessary part of the Company's costs and ability to generate revenue. Therefore, any measure that excludes interest has material limitations;
- It does not include depreciation and amortization expense. Because the Company must utilize capital assets in order to generate revenues, depreciation and amortization expense is a necessary and ongoing part of the Company's costs. Therefore, any measure that excludes depreciation and amortization expense has material limitations; and,
- It does not include taxes. Because the payment of taxes is a necessary and ongoing part of the Company's operations, any measure that excludes taxes has material limitations.
- Management compensates for these limitations by considering the economic effect of the excluded expense items independently as well as in connection with its analysis of net earnings.

Adjusted Net Income represents EBITDA plus the additional adjustments described in the table below. The adjustments reflect the material amount of cash collected by the Company for domain registrations and other Internet services paid for the full term at the time of activation, with the revenue deferred, net of prepaid fees. In addition, adjusted Net Income reflects earnings and expenses considered as non-representative of ongoing business for the reasons specified below. Each of the items being adjusted for may create certain material limitations in the use of Adjusted Net Income as a non-GAAP financial measure. Adjusted Net Income is one of the primary measures the Company uses for planning and budgeting purposes, incentive compensation and to monitor and evaluate Tucows' financial and operating results. Adjusted Net Income is not a measurement of financial performance under GAAP and should not be considered as an alternative to cash flow from operating activities or as a measure of liquidity or an alternative to net income as indicators of operating performance or any other measures of performance derived in accordance with generally accepted accounting principles. See the Consolidated Statements of Cash Flows included in the attached financial statements.

Conference Call

Tucows will host a conference call today, Wednesday, May 7, 2008, at 5:00 p.m. (ET) to discuss the Company's first quarter ended March 31st, 2008 results. To access the conference call via the Internet go to <http://about.tucows.com>, and click on "Investors."

For those unable to participate in the conference call at the scheduled time, it will be archived for replay both by telephone and via the Internet beginning approximately one hour following completion of the call. To access the archived conference call by telephone, dial 416-640-1917 or 1-877-289-8525 and enter the pass code 21270559 followed by the pound key. The telephone replay will be available until Wednesday, May 14, 2008 at midnight. To access the archived conference call via the Internet, go to <http://about.tucows.com> and click on "Investors."

Tucows Inc.

Tucows provides Internet services for web hosting companies and ISPs. Through our global network of over 9,000 service providers we provide millions of email boxes and manage over eight million domains. Tucows is an accredited registrar with ICANN (the Internet Corporation for Assigned Names and Numbers). We hold a domain name portfolio of approximately 150,000 domain names that are available for sale, monetized through advertising and support our wholesale Personal Names Service. Our Retail division sells Tucows services to consumers and small business owners through Domain Direct, IYD (It's Your Domain) and NetIdentity. Tucows.com remains one of the most popular software download sites on the Internet. For more information please visit: <http://about.tucows.com>.

This release may contain forward-looking statements, relating to the Company's operations or to the environment in which it operates, which are based on Tucows Inc.'s operations, estimates, forecasts and projections. These statements are not guarantees of future performance and are subject to important risks, uncertainties and assumptions concerning future conditions that may ultimately prove to be inaccurate or differ materially from actual future events or results. A number of important factors could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. Consequently, investors should not place undue reliance on these forward-looking statements, which are based on Tucows Inc.'s current expectations, estimates, projections, beliefs and assumptions. These forward-looking statements speak only as of the date of this release and are based upon the information available to Tucows Inc. at this time. Tucows Inc. disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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