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TUCOWS FINANCIAL NEWS RELEASE, Q2 2002

Tucows Reports Strong Financial and Operational Results for Second Quarter Fiscal 2002

Company reports first quarterly operating profit

TORONTO, CANADA, August 7, 2002 - Tucows Inc. (OTCBB: TCOW), a leading provider of Internet services to ISPs and Web hosting companies worldwide, today reported its results for the second quarter of fiscal 2002, ended June 30, 2002. The Company continued its strong operational and financial performance, achieving:

- record revenue from domain name registrations;
- record deferred revenue of \$24.4 million;
- its third consecutive quarter of positive operating cash flow;
- its first quarterly operating profit; and,
- a record number of domain name registrations.

"Tucows continued to execute well both financially and operationally in the second quarter of fiscal 2002," said Elliot Noss, president and chief executive officer, Tucows Inc. "We continued to grow in both domain name registrations and revenue from registrations; we strengthened our balance sheet; and we reached our stated goal of being profitable from operations two quarters ahead of schedule."

Revenue for the second quarter of fiscal 2002 was \$9.5 million, an increase of 32% from \$7.2 million for the same quarter of fiscal 2001. Operating income for the second quarter was \$112,000 compared to an operating loss of \$3.7 million for the same quarter of fiscal 2001. Tucows generated \$1.1 million in cash flow from operations during the quarter. Tucows reported a net loss for the quarter of \$881,000, or \$0.01 per share, due to a non-cash and non-recurring charge of \$1.0 million resulting from Tucows' assessment that a decline has occurred in the carrying value of its investment in bigchalk.com, inc.

For the first six months of fiscal 2002, revenue increased by 43% to \$19.4 million from \$13.6 million for the first six months of fiscal 2001. Net operating loss for the six-month period narrowed significantly to \$115,000 from \$7.0 million for the same period of fiscal 2001.

Deferred revenue at the end of the second quarter was a record \$24.4 million, an increase of 32% from \$18.5 million at the end of the second quarter of fiscal 2001 and an increase of 6% from \$22.9 million at the end of the first quarter of fiscal 2002.

Cash and restricted cash at the end of the second quarter increased to \$7.1 million from \$6.2 million at the end of the first quarter. This increase in liquidity resulted primarily from Tucows generating \$1.1 million in cash flow from operations during the quarter.

Domain names directly registered, renewed and transferred-in for the second quarter totaled approximately 740,000 (excludes approximately 208,000 indirect registrations), a total that marked a pattern of ongoing growth. Total active domain names under management at the end of the second quarter increased to more than 3.3 million (excluding approximately 734,000 indirect registrations).

"The second quarter was very successful competitively for Tucows as we achieved a record number of registration transactions, maintained our market share and solidified our position as the second largest domain name registrar," Mr. Noss continued. "Our past efforts have focused on building a sound, sustainable business model - providing Internet services to our particular market segment. Moving forward, we are committed to leveraging our platform for additional service offerings, driving revenue and earnings growth, and building value for our shareholders."

Conference Call

Tucows will host a conference call on Wednesday, August 7, 2002 at 5:00 p.m. (ET) to discuss its second quarter 2002 results. Participants can access the conference call via the Internet at www.tucows.com by clicking on "Tucows Inc." and then on "Investor Relations."

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 416-695-5800 or 1-800-408-3053 and enter the pass code 1233766. The telephone replay will be available until Wednesday, August 14, 2002, at midnight. To access the archived conference call via the Internet, go to www.tucows.com and click on "Tucows Inc." and then on "Investor Relations."

Tucows Inc.

Tucows Inc. is a leading provider of Internet services to ISPs and Web hosting companies worldwide. An ICANN-accredited registrar, Tucows provides outsourced domain name registrations for generic and country code top-level domains (TLDs), plus web certificates. Tucows also distributes software and other digital content through its integrated network of resellers. Tucows offers more than 30,000 software titles in libraries located around the world and operates search and reference media sites including eLibrary, Encyclopedia.com,

and NewsDirectory.com. For more information, please visit: <http://www.tucows.com>.

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This news release contains, in addition to historical information, forward-looking statements that involve risks and uncertainties. These forward-looking statements may include statements regarding, for example, the growth of the domain name market, the continued growth and success of Tucows' business, the ability to further develop and achieve commercial success for the company's business strategy, and the deployment of the company's resources. Such statements are based on management's current expectations and are subject to a number of uncertainties and risks that could cause actual results to differ materially from those described in the forward-looking statements. More information about potential factors that could affect Tucows is included in the Risk Factors sections of Tucows filings with the Securities and Exchange Commission. All forward-looking statements included in this document are based on information available to Tucows as of the date of this document, and Tucows assumes no obligation to update such forward-looking statements.

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