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TUCOWS FINANCIAL NEWS RELEASE, Q2 2004

Quarter Highlighted by Record Revenue and Significant Growth in Deferred Revenue

TORONTO, CANADA, August 12, 2004 -

Summary Financial Results

Tucows Inc.

(Numbers in Thousands, Except Per Share Data)

	3 Months Ended June 30, 2004	3 Months Ended June 30, 2003	6 Months Ended June 30, 2004	6 Months Ended June 30, 2003
Net Revenue	\$10,639	\$9,167	\$20,814	\$18,164
Income (Loss) from Operations	623	(88)	735	530
Net Income	666	578	815	1,458
Net Income/Share	0.01	0.01	0.01	0.02
Cash Flow from Operations	1,396	800	1,963	1,510

Tucows Inc. (OTCBB: TCOW) today reported its results for the second quarter of fiscal 2004 ended June 30, 2004.

Key highlights for the quarter included:

- An 16% year-over-year increase in net revenue to \$10.6 million;
- Income from operations of \$623,000;
- Positive cash flow from operations of \$1.4 million;
- Net income of \$666,000;
- A 24% year-over-year increase in deferred revenue to a record \$33.0 million;
- A 23% year-over-year increase in domain name transactions to 941,000;
- Completion of the acquisition of Boardtown Corporation.

"Our strong results for the second quarter are indicative of the ability of our business model to consistently deliver strong financial performance over the long term," said Elliot Noss, President and CEO, Tucows Inc. "This is our eleventh consecutive quarter of positive cash flow from operations and our eighth consecutive quarter of profitability. We look forward to building on our success to date by continuing to strengthen our leadership position in the wholesale domain registration market, driving adoption of our complementary Internet services portfolio, enhancing our service providers' back-office automation with powerful billing, provisioning and customer care software solutions and launching additional offerings to simplify complex business processes for service providers."

Net revenue for the second quarter of fiscal 2004 increased 16% to a record \$10.6 million from \$9.2 million for the second quarter of fiscal 2003, the result of a higher number of domain name transactions, as well as higher revenue from services other than domain name registrations. Income from operations for the second quarter was \$623,000, which included a net gain of \$110,000 from foreign exchange forward contracts, compared to a loss from operations for the corresponding quarter last year of \$88,000, which included a net gain of \$337,000 from foreign exchange forward contracts. Net income for the quarter was \$666,000, or \$0.01 per share, compared to \$578,000, or 0.01 per share, for the second quarter last year.

Deferred revenue at June 30, 2004 was a record \$33.0 million, an increase of 24% from \$26.6 million at June 30, 2003 and an increase of 15% from \$28.6 million at December 31, 2003. Cash and restricted cash, at June 30, 2004 was \$12.3 million compared to \$11.5 million at June 30, 2003 and \$13.7 million at March 31, 2004. The decrease from March 31, 2004 was primarily the result of a cash outflow of \$2.0 million related to the acquisition of Boardtown Corporation, which was partially offset by positive cash flow from operations for the second quarter of this year of \$1.4 million.

Domain names registered, renewed and transferred-in for the second quarter of fiscal 2004 increased 23% to 941,000 from 784,000 for the same quarter of last year. Total active domain names under management at the end of the second quarter increased to 4.23 million.

Conference Call

Tucows will host a conference call on Thursday, August 12, 2004, at 5:00 p.m. (ET) to discuss the company's second quarter fiscal 2004 results. To access the conference call via the Internet go to www.tucowsinc.com, and click on "Investor Relations."

For those unable to join 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 1-800-408-3053 or 416-695-5800 and enter the pass code 3086612. The telephone replay will be available until Thursday, August 19, 2004, at

midnight. To access the archived conference call via the Internet, go to www.tucowsinc.com and click on "Investor Relations."

Tucows Inc.

Tucows Inc. is a leading provider of wholesale Internet services and back office solutions to a global network of more than 6,000 web hosting companies, ISPs and other service providers. As the largest ICANN-accredited wholesale domain name registrar, Tucows offers a suite of complementary Internet services including: domain name registration and management, digital certificates, email services and web publishing services. Tucows back office products, including billing, provisioning and customer care solutions, enable service providers to automate and enhance their service offerings. Tucows also distributes software and other digital content through its global network of affiliates offering more than 40,000 software titles. For more information, please visit: www.tucowsinc.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 include statements regarding 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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