

Tucows Reports Continuing Strong Financial Results for the Second Quarter of 2015

– Quarter Highlighted by Record Revenue of \$42.9 Million, Adjusted EBITDA of \$5.4 Million and Net Earnings of \$0.21 Per Share as Contribution of Ting Mobile Continues to Grow –

TORONTO, August 6, 2015 – Tucows Inc. (NASDAQ:TCX, TSX:TC), a provider of network access, domain names and other Internet services, today reported its financial results for the second quarter ended June 30, 2015. All figures are in U.S. dollars.

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

	3 Months Ended June 30, 2015 (unaudited)	3 Months Ended June 30, 2014 (unaudited)	6 Months Ended June 30, 2015 (unaudited)	6 Months Ended June 30, 2014 (unaudited)
Net revenue	42,889	35,588	83,357	69,990
Adjusted EBITDA ¹	5,357	3,275	12,250	6,589
Net income ²	2,285	1,347	5,119	1,824
Net earnings per common share	\$0.21	\$0.12	\$0.46	\$0.16
Net cash provided by operating activities	2,236	1,135	5,173	1,096

1. This Non-GAAP financial measure is described below and reconciled to GAAP net income in the accompanying table.
2. Net income for the three- and six-month periods ended June 30, 2015 include a provision of \$0.9 million under the Company's overachievement bonus program as the Company expects to exceed its adjusted EBITDA target.

**Summary of Revenues and Cost of Revenues
(In Thousands of US Dollars)**

	Revenue	Revenue	Cost of Revenue	Cost of Revenue
	3 Months Ended June 30, 2015 (unaudited)	3 Months Ended June 30, 2014 (unaudited)	3 Months Ended June 30, 2015 (unaudited)	3 Months Ended June 30, 2014 (unaudited)
Domain Services				
Wholesale				
OpenSRS Domain Service	21,287	21,503	17,750	17,809
Value-Added Services	2,356	2,396	501	563
Total Wholesale	23,643	23,899	18,251	18,372
Retail	3,009	2,540	1,323	1,111
Portfolio	819	889	178	213
Total Domain Services	27,471	27,328	19,752	19,696
Network Access Services	15,418	8,260	8,499	5,040
Network, other costs	-	-	1,495	1,145
Network, depreciation and amortization costs	-	-	291	174
Total revenue/cost of revenue	42,889	35,588	30,037	26,055

“Continuing growth in Ting Mobile as well as solid performance from our Domains business contributed to another quarter of record revenue as the operating leverage in our business drove further expansion of our gross margin to 29%² from 26%² in the second quarter of last year,” said Elliot Noss, President and Chief Executive Officer, Tucows Inc. “This operating leverage continued to be reflected in our profitability, with Adjusted EBITDA¹ for the second quarter increasing 64% year-over-year to \$5.4 million, bringing our total for the year-to-date to \$12.3 million.”

Net revenue for the second quarter of 2015 increased 21% to \$42.9 million from \$35.6 million for the second quarter of 2014.

Adjusted EBITDA for the second quarter of 2015 increased 64% to \$5.4 million from \$3.3 million for the second quarter of 2014. Net income for the second quarter of 2015 increased to \$2.3 million, or \$0.21 per share, compared with \$1.3 million, or \$0.12 per share, for the second quarter of 2014.

Cash and cash equivalents at the end of the second quarter of 2015 were \$15.3 million, up from \$8.3 million at the end of the fourth quarter of 2014 and \$14.2 million at the end of the second quarter of 2014. During the second quarter of 2015, Tucows generated cash flow from operating activities of \$2.2 million and invested \$1.1 million to acquire additional property and equipment, primarily investing \$0.8 million in expanding Ting Internet’s fiber footprint. The Company also used \$0.5 million in cash to repurchase 25,413 shares of its common stock under its ongoing share buyback program.

NOTES:

1. Adjusted EBITDA

Tucows reports all financial information required in accordance with United States generally accepted accounting principles (GAAP). Along with this information, to assist financial statement users in an assessment of our historical performance and to project our future earnings and cash flows, we typically disclose and discuss a non-GAAP financial measure, Adjusted EBITDA, on investor conference calls and related events that exclude non-cash and other charges as we believe that the non-GAAP information enhances investors’ overall understanding of our financial performance and the comparability of our operating results from period to period.

Adjusted EBITDA is one of the primary measures we use for planning and budgeting purposes, incentive compensation and to monitor and evaluate our financial and operating results. Since adjusted EBITDA is a non-GAAP financial performance measure, our calculation of adjusted EBITDA may be susceptible to varying calculations; may not be comparable to other similarly titled measures of other companies; and should not be considered in isolation, as a substitute for, or superior to measures of financial performance prepared in accordance with GAAP. Because Adjusted 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. Non-GAAP financial measures do not reflect a comprehensive system of accounting, differ from GAAP measures with the same captions and may differ from non-GAAP financial measures with the same or similar captions that are used by other companies and/or analysts and may differ from period to period. However, the Company's management compensates for these limitations by providing the relevant disclosure of the items excluded in the calculation of adjusted EBITDA to net income based on U.S. GAAP, which should be considered when evaluating the Company's results. Tucows strongly encourages investors to review its financial information in its entirety and not to rely on a single financial measure.

Adjusted EBITDA excludes depreciation expense, amortization of intangibles, income tax provision, interest expense, interest income, stock-based compensation, asset impairment, net deferred revenue, which comprises the change in deferred revenue, net of prepaid domain name registry and other Internet services fees, to reflect the material amount of cash we collect and pay for domain registrations and other Internet services at the time of activation, unrealized foreign exchange gain/loss from the translation of monetary accounts denominated in non U.S. dollars to U.S. dollars as well as the revaluation of foreign exchange contracts and our foreign denominated assets and liabilities and infrequently occurring items listed in the itemized reconciliations between GAAP and non-GAAP financial measures included in this press release.

2. Excludes contribution of the Portfolio group.

Conference Call

Tucows management will host a conference call today, Thursday, August 6, 2015 at 5:00 p.m. (ET) to discuss the Company's second quarter 2015 results. Participants can access the conference call by dialing 1-888-231-8191 or 647-427-7450 or via the Internet at <http://www.tucows.com/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 416-849-0833 or 1-855-859-2056 and enter the pass code 85694270 followed by the pound key. The telephone replay will be available until Thursday, August 13, 2015 at midnight. To access the archived conference call as an MP3 via the Internet, go to <http://www.tucows.com/investors>.

About Tucows

Tucows is a provider of network access, domain names and other Internet services. Ting (<https://ting.com>) delivers mobile phone service and fixed Internet access with outstanding customer support. OpenSRS (<http://opensrs.com>) manages over fourteen million domain names and millions of value-added services through a global reseller network of over 13,000 web hosts and ISPs. Hover (<http://hover.com>) makes it easy for individuals and small businesses to manage their domain names and email addresses. More information can be found on Tucows' corporate website (<http://tucows.com>).

This release includes forward-looking statements as that term is defined in the U.S. Private Securities Litigation Reform Act of 1995 including statements regarding our expectations regarding our future financial results and, in particular, our expectations for Ting and its impact on our financial performance. These 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, including the acceptance of Ting in the market. Information about other potential factors that could affect Tu cows' business, results of operations and financial condition is included in the Risk Factors sections of Tu cows' filings with the Securities and Exchange Commission. All forward-looking statements should be evaluated with the understanding of their inherent uncertainty. All forward-looking statements are based on information available to Tu cows as of the date they are made. Tu cows assumes no obligation to update any forward-looking statements, except as may be required by law.

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