

Tucows Inc.  
Consolidated Balance Sheets  
(Dollar amounts in U.S. dollars)

	March 31, 2009	December 31, 2008
	----- (unaudited)	----- (unaudited)
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 4,002,743	\$ 5,427,467
Accounts receivable	3,717,355	3,200,362
Prepaid expenses and deposits	2,852,611	2,274,043
Prepaid domain name registry and other		
Internet services fees, current portion	31,016,360	29,212,610
Deferred tax asset, current portion	590,000	590,000
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<b>Total current assets</b>	<b>42,179,069</b>	<b>40,704,482</b>
Prepaid domain name registry and other		
Internet services fees, long-term portion	12,177,620	11,855,971
Property and equipment	2,571,889	3,072,958
Deferred financing charges	68,100	78,500
Deferred tax asset, long-term portion	2,410,000	2,410,000
Intangible assets	19,822,184	20,206,996
Goodwill	17,990,807	17,990,807
Investment	200,000	200,000
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<b>Total assets</b>	<b>\$ 97,419,669</b>	<b>\$ 96,519,714</b>
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<b>Liabilities and Stockholders' Equity</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 1,448,814	\$ 1,633,830
Accrued liabilities	2,130,796	2,000,146
Customer deposits	3,009,739	3,319,241
Derivative instrument liability	1,889,576	1,974,919
Loan payable, current portion	2,624,242	2,624,242
Deferred revenue, current portion	40,129,171	37,985,821
Accreditation fees payable, current portion	585,514	510,548
Income taxes payable	83,305	-
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<b>Total current liabilities</b>	<b>51,901,157</b>	<b>50,048,747</b>
Deferred revenue, long-term portion	16,521,830	16,201,804
Accreditation fees payable, long-term portion	191,015	187,374
Loan payable, long-term portion	2,756,564	3,235,125
Deferred tax liability, long-term portion	5,396,000	5,396,000
<b>Stockholders' equity:</b>		
Preferred stock - no par value, 1,250,000 shares authorized; none issued and outstanding	-	-
Common stock - no par value, 250,000,000 shares authorized; 66,888,092 shares		

issued and outstanding at March 31, 2009 and 73,073,782 shares issued and outstanding at December 31, 2008	14,361,220	15,198,358
Additional paid-in capital	47,789,835	48,714,676
Deficit	(41,497,952)	(42,462,370)
<b>Total stockholders' equity</b>	<b>20,653,103</b>	<b>21,450,664</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 97,419,669</b>	<b>\$ 96,519,714</b>

Tucows Inc.  
Consolidated Statements of Operations  
(Dollar amounts in U.S. dollars)

	Three months ended March 31,	
	2009	2008
	(unaudited)	
Net revenues	\$ 20,091,424	\$ 18,711,207
Cost of revenues:		
Cost of revenues ((*))	13,785,398	13,149,932
Depreciation of property and equipment	452,709	825,837
Amortization of intangible assets	29,199	73,457
<b>Total cost of revenues</b>	<b>14,267,306</b>	<b>14,049,226</b>
Gross profit	5,824,118	4,661,981
Expenses:		
Sales and marketing ((*))	1,353,176	1,696,132
Technical operations and development ((*))	1,104,139	1,565,854
General and administrative ((*))	1,869,896	1,539,432
Depreciation of property and equipment	86,405	61,070
Amortization of intangible assets	360,540	385,161
(Gain) / loss in fair value of forward exchange contracts	(85,343)	255,433
<b>Total expenses</b>	<b>4,688,813</b>	<b>5,503,082</b>
Income (loss) from operations	1,135,305	(841,101)
Other income (expenses):		
Interest income (expense), net	(63,462)	(209,984)
<b>Total other income (expenses)</b>	<b>(63,462)</b>	<b>(209,984)</b>
Income (loss) before provision for income taxes	1,071,843	(1,051,085)
Provision for income taxes	107,425	31,134
<b>Net income (loss) for the period</b>	<b>\$ 964,418</b>	<b>\$ (1,082,219)</b>

Basic earnings (loss) per common share	\$ 0.01	\$ (0.01)
Shares used in computing basic earnings (loss) per common share	72,655,213	73,888,542
Diluted earnings (loss) per common share	\$ 0.01	\$ (0.01)
Shares used in computing diluted earnings (loss) per common share	72,657,604	73,888,542

((\*)) Stock-based compensation has been included in expenses as follows:

Cost of revenues	\$ 5,000	\$ 4,300
Sales and marketing	\$ 14,900	\$ 18,300
Technical operations and development	\$ 10,600	\$ 20,700
General and administrative	\$ 18,700	\$ 28,900

Consolidated Statements of Cash Flows  
(Dollar amounts in U.S. dollars)

	Three months ended March 31,	
	2009	2008
	(unaudited)	
Cash provided by (used in):		
Operating activities:		
Net income (loss) or the period	\$ 964,418	\$ (1,082,219)
Items not involving cash:		
Depreciation of property and equipment	539,114	886,907
Amortization of deferred financing charges	10,400	13,500
Amortization of intangible assets	389,739	458,618
Disposal of domain names	973	-
Unrealized (gain)/loss in the fair value of forward contracts	(85,343)	255,433
Stock-based compensation	49,200	72,200
Change in non-cash operating working capital:		
Accounts receivable	(516,993)	(66,120)
Prepaid expenses and deposits	(578,568)	139,689
Prepaid fees for domain name registry and other Internet services fees	(2,125,399)	(2,530,601)
Accounts payable	(180,821)	(433,827)
Accrued liabilities	128,773	(529,247)
Customer deposits	(309,502)	(100,590)
Deferred revenue	2,463,376	2,978,934
Accreditation fees payable	78,607	56,816
Income taxes payable	85,182	(2,591)
Net cash provided by operating activities	913,156	116,902

Financing activities:		
Repurchase of shares	(1,811,179)	-
Repayment of loan payable	(478,561)	(478,560)
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Net cash used in financing activities	(2,289,740)	(478,560)
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Investing activities:		
Cost of domain names acquired	(5,900)	(6,420)
Additions to property and equipment	(42,240)	(211,531)
Decrease in cash held in escrow	-	(7,399)
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Net cash used in investing activities	(48,140)	(225,350)
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Decrease in cash and cash equivalents	(1,424,724)	(587,008)
Cash and cash equivalents, beginning of period	5,427,467	8,093,476
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Cash and cash equivalents, end of period	\$ 4,002,743	\$ 7,506,468
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Supplemental cash flow information:		
Interest paid	\$ 65,521	\$ 259,337
Supplementary disclosure of non-cash investing activity:		
Property and equipment acquired during the period not yet paid for	\$ 2,784	\$ 764,972