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TUCOWS FINANCIAL NEWS RELEASE, Q3 2004

Tucows Reports Continued Strong Performance for Third Quarter of Fiscal 2004

Quarter Highlighted by Record Revenue and the Company's Ninth Consecutive Quarter of Profitability

TORONTO, CANADA, November 2, 2004 -

Summary Financial Results

Tucows Inc.

(Numbers in Thousands, Except Per Share Data)

	3 Months Ended September 30, 2004	3 Months Ended September 30, 2003	9 Months Ended September 30, 2004	9 Months Ended September 30, 2003
Net Revenue	12,381*	9,316	33,195	27,480
Income from Operations	614	13	1,349	543
Net Income	821*	179	1,635	1,638
Net Income/Share	0.01	0.00	0.02	0.03
Cash Flow from Operations	1,127	576	3,090	2,086

*Includes recognition of \$1.1 million of deferred revenue as current revenue as a result of a domain name reseller becoming an accredited registrar customer and that customer's registrations being transferred from Tucows' tag to the customer's own tag such that Tucows was no longer accountable for those registrations. Included in cost of revenue is \$0.8 million previously deferred against these names in prepaid domain name registry fees.

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

Key highlights for the quarter included:

- A 33% year-over-year increase in net revenue to a record \$12.4 million;
- Income from operations of \$614,000;
- Positive cash flow from operations of \$1.1 million;
- Net income of \$821,000;
- An 18% year-over-year increase in deferred revenue to a record \$32.5 million;
- A 10% year-over-year increase in domain name transactions to 865,000; and
- Gross margin from non-domain Internet services increased to 36% from 27% for the third quarter last year.

"The momentum inherent in our business continued to drive growth in both the top and bottom lines in the third quarter. I'm particularly pleased that our ongoing efforts to diversify our revenue streams are proving successful while we continue to maintain our dominant market position and ability to consistently win new business in the wholesale domain market," said Elliot Noss, President and Chief Executive Officer, Tucows Inc. "The fundamentals of our business remain strong as we achieved record revenue and our ninth consecutive quarter of profitability."

Net revenue for the third quarter of fiscal 2004 increased 33% to \$12.4 million from \$9.3 million for the third quarter of fiscal 2003. The increase was primarily the result of a higher number of domain name transactions, as well as higher revenue from services other than domain name registrations. In addition, during the third quarter of this year, \$1.1 million in deferred revenue was recognized as current revenue as the result of the change in status of a customer from a high-volume reseller to an accredited registrar customer. Excluding this amount, third quarter revenue increased 21% on a year-over-year basis.

"We pride ourselves on having the flexibility to address the changing needs of our customers. Our service bureau pricing model allows high-volume customers to take advantage of our services and avoid the cost and complexity of building their own system," said Mr. Noss. "Not only does this strengthen our customer relationships, it provides significant opportunity to sell them additional Internet services."

Income from operations for the third quarter was \$614,000 (which included a net gain from foreign exchange forward contracts of \$98,000) compared to \$13,000 for the corresponding quarter last year (which included a net loss from foreign exchange forward contracts of \$308,000). Net income for the quarter was \$821,000, or \$0.01 per share, compared to \$179,000, or \$0.00 per share, for the third quarter last year.

Deferred revenue at the end of the third quarter of fiscal 2004 was \$32.5 million, an increase of 18% from \$27.5 million at the end of the third quarter of fiscal 2003 and down marginally from the end of the second quarter of this year. The decrease in deferred revenue compared to the end of the second quarter of this year is a reflection of the aforementioned conversion of a high-volume reseller to an accredited registrar customer.

Cash and restricted cash at the end of the third quarter of fiscal 2004 was \$13.3 million compared to \$12.1 million at the end of the third quarter of fiscal 2003 and \$12.3 million at the end of the second quarter of this year. The increase compared to the second quarter of fiscal 2004 is primarily the result of positive cash flow from operations for the third quarter of this year of \$1.1 million.

Domain names registered, renewed and transferred-in for the third quarter of fiscal 2004 increased 10% to 865,000 from 785,000 for the same quarter of last year. Total active domain names under management at the end of the second quarter increased to 4.27 million.

Conference Call

Tucows will host a conference call on Tuesday, November 2, 2004, at 5:00 p.m. (ET) to discuss the company's third 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 3108001. The telephone replay will be available until Tuesday, November 9, 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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