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Tucows Inc.  
 Summary Revenue and Cost of Revenue  
 (Dollar amounts in U.S.\$000's)  
 (unaudited)

	3 Months Ended Mar 31, 2007	3 Months Ended Jun 30, 2007	3 Months Ended Sep 30, 2007	3 Months Ended Dec 31, 2007	Year Ended Dec 31, 2007
<b>Revenues</b>					
Traditional Domain					
Registration	\$11,901	\$12,274	\$12,332	\$12,574	\$49,081
Premium Domain Revenue	637	3,606	538	830	5,611
Messaging	2,133	1,881	1,771	1,675	7,460
Retail	1,207	1,208	1,462	1,528	5,405
Other	1,893	1,846	1,709	1,633	7,081
<b>TOTAL - Revenues</b>	<b>\$17,771</b>	<b>\$20,815</b>	<b>\$17,812</b>	<b>\$18,240</b>	<b>\$74,638</b>

<b>Cost of revenues</b>					
Traditional Domain					
Registration	\$8,731	\$9,110	\$9,159	\$9,672	\$36,672
Premium Domain Revenue	100	158	161	171	590
Messaging	247	253	197	259	956
Retail	405	417	441	513	1,776
Other	366	369	373	382	1,490
<b>TOTAL - Cost of revenues</b>	<b>\$9,849</b>	<b>\$10,307</b>	<b>\$10,331</b>	<b>\$10,997</b>	<b>\$41,484</b>

	3 Months Ended Mar 31, 2006	3 Months Ended Jun 30, 2006	3 Months Ended Sep 30, 2006	3 Months Ended Dec 31, 2006	Year Ended Dec 31, 2006
<b>Revenues</b>					
Traditional Domain					
Registration	\$10,667	\$10,559	\$11,272	\$11,646	\$44,144
Premium Domain Revenue	55	236	538	565	1,394
Messaging	1,907	2,067	2,151	2,057	8,182
Retail	948	936	1,043	1,075	4,002
Other	1,710	1,881	1,860	1,856	7,307
<b>TOTAL - Revenues</b>	<b>\$15,287</b>	<b>\$15,679</b>	<b>\$16,864</b>	<b>\$17,199</b>	<b>\$65,029</b>

<b>Cost of revenues</b>					
Traditional Domain					
Registration	\$7,673	\$7,492	\$8,034	\$8,373	\$31,572
Premium Domain Revenue	2	17	36	115	170
Messaging	255	311	307	306	1,179
Retail	332	353	476	438	1,599
Other	345	347	345	352	1,389

TOTAL - Cost of revenues	\$8,607	\$8,520	\$9,198	\$9,584	\$35,909
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Tucows Inc.  
Consolidated Balance Sheets  
(Dollar amounts in U.S. dollars)  
(unaudited)

	December 31, 2007	December 31, 2006
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 8,093,476	\$ 6,256,392
Restricted cash	-	1,019,423
Accounts receivable	3,422,180	2,969,997
Prepaid expenses and deposits	3,132,129	2,394,627
Prepaid domain name registry and other		
Internet services fees, current portion	25,473,465	22,168,558
Cash held in escrow	1,070,632	-
Deferred tax asset, current portion	2,000,000	1,000,000
<b>Total current assets</b>	<b>43,191,882</b>	<b>35,808,997</b>
Prepaid domain name registry and other		
Internet services fees, long-term portion	10,765,862	9,511,341
Property and equipment	4,963,311	5,647,532
Deferred financing charges	128,200	-
Deferred tax asset, long-term portion	1,000,000	2,000,000
Intangible assets	22,150,738	18,554,436
Goodwill	17,490,807	12,094,817
Investment	353,737	353,737
Cash held in escrow	-	694,579
<b>Total assets</b>	<b>\$100,044,537</b>	<b>\$ 84,665,439</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 2,689,346	\$ 2,867,814
Accrued liabilities	3,289,087	2,567,012
Customer deposits	3,267,784	3,144,119
Promissory note payable, current portion	6,000,000	-
Loan payable, current portion	1,914,242	-
Deferred revenue, current portion	35,465,584	31,658,081
Accreditation fees payable, current portion	483,090	847,325
<b>Total current liabilities</b>	<b>53,109,133</b>	<b>41,084,351</b>
Deferred revenue, long-term portion	15,147,644	13,478,525
Accreditation fees payable, long-term portion	181,345	163,988
Promissory note payable, long-term portion	-	6,000,000
Loan payable, long-term portion	6,859,366	-
Deferred tax liability	5,396,000	5,396,000

Stockholders' equity:		
Preferred stock - no par value, 1,250,000 shares authorized; none issued and outstanding	-	-
Common stock - no par value, 250,000,000 shares authorized; 73,888,542 shares issued and outstanding at December 31, 2007 and 75,978,502 shares issued and outstanding at December 31, 2006	15,350,915	15,395,381
Additional paid-in capital	48,537,313	50,359,906
Deficit	(44,537,179)	(47,212,712)
Total stockholders' equity	19,351,049	18,542,575
Total liabilities and stockholders' equity	\$100,044,537	\$ 84,665,439

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

	Three months ended December 31,		Year ended December 31,	
	2007	2006	2007	2006
Net revenues	\$ 18,240,184	\$ 17,199,194	\$ 74,638,196	\$ 65,029,490
Cost of revenues:				
Cost of revenues(*)	13,040,271	11,076,018	48,742,915	41,534,963
Depreciation of property and equipment	947,274	865,937	3,738,324	2,755,736
Amortization of intangible assets	92,700	63,540	302,832	207,168
Total cost of revenues	14,080,245	12,005,495	52,784,071	44,497,867
Gross profit	4,159,939	5,193,699	21,854,125	20,531,623
Expenses:				
Sales and marketing(*)	1,808,801	1,247,510	6,345,999	5,985,907
Technical operations and development(*)	1,422,012	1,816,264	6,710,841	8,152,138
General and administrative(*)	1,168,285	1,624,594	4,735,132	5,890,123
Depreciation of property and equipment	64,994	98,015	263,101	223,131
Amortization of intangible assets	396,041	233,301	1,174,864	669,476
Total expenses	4,860,133	5,019,684	19,229,937	20,920,775

Income (loss) from operations	(700,194)	174,015	2,624,188	(389,152)
Other income (expenses):				
Interest income (expense), net	(222,531)	(24,731)	(516,853)	110,525
Other income, net	-	-	619,014	2,347,026
Total other income (expense)	(222,531)	(24,731)	102,161	2,457,551
Income before provision for income taxes	(922,725)	149,284	2,726,349	2,068,399
Provision for income taxes	12,000	(7,140)	50,816	(92,035)
Net income (loss) for the period	\$ (934,725)	\$ 156,424	\$ 2,675,533	\$ 2,160,434
Basic earnings per common share	\$ (0.01)	\$ 0.00	\$ 0.04	\$ 0.03
Shares used in computing basic earnings per common share	73,805,296	75,856,208	74,361,470	74,032,830
Diluted earnings per common share	\$ (0.01)	\$ 0.00	\$ 0.03	\$ 0.03
Shares used in computing diluted earnings per common share	75,990,226	78,186,255	77,046,519	76,489,381

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

Cost of revenues	\$ 4,000	\$ 2,000	\$ 15,000	\$ 9,700
Sales and marketing	\$ 19,100	\$ 14,100	\$ 80,200	\$ 64,900

Technical operations and development	\$	16,500	\$	19,400	\$	78,800	\$	91,700
General and administrative	\$	29,500	\$	52,540	\$	147,600	\$	131,740

Tucows Inc.  
Reconciliation of EBITDA and Adjusted Net Income  
(Dollar amounts in U.S. dollars)  
(unaudited)

	Three months ended 2007	December 31, 2006	Year ended 2007	December 31, 2006
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Net income (loss) for the period	\$ (934,725)	\$ 156,424	\$ 2,675,533	\$ 2,160,434
Depreciation of property and equipment	1,012,268	963,952	4,001,425	2,978,867
Amortization of intangible assets	488,741	296,841	1,477,696	876,644
Interest income (expense), net	222,531	24,731	516,853	(110,525)
Provision for income taxes	12,000	(7,140)	50,816	(92,035)
EBITDA	----- 800,815	----- 1,434,808	----- 8,722,323	----- 5,813,385
Adjustments to EBITDA(1)				
Change in prepaid domain name registry and other Internet services fees	(1,010,927)	(572,163)	(4,559,427)	(5,801,972)
Change in deferred revenue	765,306	400,162	5,476,621	7,102,935
Dividend income	-	-	(619,014)	-
Transitional costs	105,209	-	349,545	1,278,842
Other income	-	-	-	(2,347,026)
Reversal of contingencies	-	(237,500)	(451,249)	(237,500)
Subtotal Adjustments to EBITDA	----- (140,412)	----- (409,501)	----- 196,476	----- (4,721)
Adjusted Net Income	----- \$ 660,403	----- \$ 1,025,307	----- \$ 8,918,799	----- \$ 5,808,664
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(1) Adjustments to EBITDA

We define Adjusted EBITDA as net income adjusted for depreciation,

amortization, interest, taxes and further adjusted for certain cash and non-cash charges.

The net amount of cash we collected for domain registrations and other Internet services paid for the full term at the time of activation and deferred amounted to \$917,194 for the year ended December 31, 2007 compared to \$1,300,963 for the year ended December 31, 2006.

For the three and twelve months ended December 31, 2007, we incurred \$105,209 and \$349,545 of transitional costs in connection with our acquisition of Innerwise Inc., respectively

For the year ended December 31, 2006, we incurred \$1.3 million of transitional costs in connection with our acquisition of the Hosted Messaging assets of Critical Path. In addition, during the year ended December 31, 2006, we received \$2.3 million in connection with settlements related to patents we acquired in the merger with Infonautics in 2001.

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

	Three months ended December 31,		Year ended December 31,	
	2007	2006	2007	2006
Cash provided by (used in):				
Operating activities:				
Net income for the period	\$ (934,725)	\$ 156,424	\$ 2,675,533	\$ 2,160,434
Items not involving cash:				
Depreciation of property and equipment	1,012,268	963,952	4,001,425	2,978,867
Amortization of intangible assets	488,741	296,841	1,477,696	876,644
Unrealized change in the fair value of forward exchange contracts	666,861	625,487	(497,253)	574,762
Stock-based compensation	69,100	88,040	321,600	298,040
Change in non-cash operating working capital:				
Interest receivable	-	-	-	39,574
Accounts receivable	549,770	2,787,229	(425,959)	(1,475,715)
Prepaid expenses and deposits	(323,705)	(225,711)	(485,374)	141,897
Prepaid fees for domain name				

registry and other Internet services fees	(1,010,927)	(572,163)	(4,559,427)	(5,801,972)
Deferred financing charges	14,400	-	(128,200)	-
Accounts payable	839,356	(111,467)	(67,268)	745,581
Accrued liabilities	250,812	(1,158,124)	902,001	44,828
Customer deposits	289,225	292,691	123,665	867,482
Deferred revenue	765,306	400,162	5,476,621	7,102,935
Accreditation fees payable	3,405	354,150	(346,878)	264,716
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Cash provided by operating activities	2,679,887	3,897,511	8,468,182	8,818,073
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Financing activities:				
Proceeds received on exercise of stock options	54,040	107,648	258,295	206,608
Repurchase of shares	-	-	(2,446,955)	-
Repayment of promissory note payable	-	-	-	(2,122,930)
Proceeds received on loan payable, net of repayments	(478,561)	-	8,773,608	-
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Cash provided by (used in) financing activities	(424,521)	107,648	6,584,948	(1,916,322)
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Investing activities:				
Cost of domain names acquired	(5,573)	-	(23,998)	-
Additions to property and equipment	(315,037)	(528,525)	(3,408,403)	(4,607,774)
Decrease in investment in short-term investments	-	-	-	1,771,569
Decrease (increase) in restricted cash - being margin security against forward exchange contracts	255,000	(756,588)	1,019,423	(959,423)
Acquisition of Mailbank.com Inc., net of cash acquired	-	-	-	(6,486,732)
Acquisition of Hosted Messaging Assets from Critical Path Inc., net of				

cash acquired	-	(95,532)	(90,050)	(7,552,320)
Acquisition of Boardtown Corporation, net of cash acquired	-	(22,200)	(4,900)	(44,900)
Acquisition of Innerwise Inc., net of cash acquired	-	-	(10,332,065)	-
(Increase) decrease in cash held in escrow	(12,012)	107,145	(376,053)	(113,867)
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Cash used in investing activities	(77,622)	(1,295,700)	(13,216,046)	(17,993,447)
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Increase (decrease) in cash and cash equivalents	2,177,744	2,709,459	1,837,084	(11,091,696)
Cash and cash equivalents, beginning of period	5,915,732	3,546,933	6,256,392	17,348,088
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Cash and cash equivalents, end of period	\$ 8,093,476	\$ 6,256,392	\$ 8,093,476	\$ 6,256,392
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Supplemental cash flow information:				
Interest paid	\$ 299,895	\$ 105,000	\$ 784,263	\$ 254,502
Supplementary disclosure of non-cash investing activity:				
Capital assets acquired during the period not yet paid for	\$ 273,070	\$ 384,270	\$ 273,070	\$ 384,270
Loan taken on the acquisition of Innerwise Inc.	\$ 9,571,209	\$ -	\$ 9,571,209	\$ -
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