



TUCOWS INC. REPORTS FINANCIAL RESULTS FOR FOURTH QUARTER 2010

TORONTO, Feb. 16 - Tucows Inc. (NYSE AMEX:TCX) (TSX:TC), a global provider of domain names, email and other Internet services, today reported its financial results for the fourth quarter ended December 31, 2010. All figures are in U.S. dollars.

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

	3 Months Ended Dec. 31, 2010 (unaudited)	3 Months Ended Dec. 31, 2009 (unaudited)	12 Months Ended Dec 31, 2010 (unaudited)	12 Months Ended Dec. 31, 2009 (unaudited)
Net revenues	22,077	20,330	84,579	80,939
Gain (loss) on change in fair value of forward exchange contracts	298	277	(1,371)	4,180
Other income	(16)	(46)	(116)	4,268
Net income for the period	1,237	1,746	2,117	12,241
Net earnings per common share	0.02	0.03	0.04	0.18
Net cash provided by operating activities	2,341	2,880	6,769	6,466

Summary of Revenues and Cost of Revenues (Numbers in Thousands of US Dollars)

	Revenue		Cost of Revenue	
	3 Months Ended Dec. 31, 2010 (unaudited)	3 Months Ended Dec 31, 2009 (unaudited)	3 Months Ended Dec 31, 2010 (unaudited)	3 Months Ended Dec 31, 2009 (unaudited)
OpenSRS:				
Domain services	17,308	15,211	14,565	12,578
Email services	529	799	104	110
Other services	1,104	1,130	366	410
Total OpenSRS services	18,941	17,140	15,035	13,098
YummyNames	1,531	1,521	181	193
Hover	1,172	1,208	398	443
Butterscotch	433	461	9	12
Network, other costs	-	-	1,148	1,248
Network, depreciation and amortization costs	-	-	313	285
Total revenues/cost of revenue	22,077	20,330	17,084	15,279

"The fourth quarter of 2010 capped off another year of strong financial performance, highlighted by record revenue and solid cash flow from operations," said Elliot Noss, President and CEO of Tucows. "We believe our performance for the quarter and the year once again underscores the consistency and reliability in our business. As we look ahead, the fundamentals of our business remain strong. The combination of our powerful distribution channel and our demonstrated ability to capitalize on opportunities as our market evolves position us to reliably generate cash in the context of growth and support our objective to return capital to shareholders."

Net revenue for the fourth quarter of 2010 increased 8.6% to \$22.1 million from \$20.3 million for the fourth quarter of 2009.

Net income for the fourth quarter of 2010 was \$1.2 million, or \$0.02 per share, compared with \$1.7 million, or \$0.03 per share, for the fourth quarter of 2009. Net income for the fourth quarter of 2009 benefited from an income tax recovery of \$0.5 million.

Deferred revenue at the end of the fourth quarter of fiscal 2010 was \$62.6 million, an increase of 11.1% from \$56.3 million at the end of the fourth quarter of fiscal 2009 and an increase of less than 1% from \$62.3 million at the end of the third quarter of 2010.

Cash and cash equivalents at the end of the fourth quarter of 2010 were \$4.2 million compared with \$9.6 million at the end of the fourth quarter of 2009 and \$5.4 million at the end of third quarter of 2010. The decrease in cash and cash equivalents from the third quarter of 2010 was primarily the result of the use of \$2.8 million for the repurchase of the Company's shares, \$0.5 million for repayment of the Company's bank loan and \$0.3 million for investment in equipment, which was partially offset by cash flow from operating activities of \$2.3 million.

As previously announced, during the fourth quarter, the Company repurchased 3.9 million of its shares at a purchase price of \$0.70 per share, for a total of \$2.8 million, under its modified "Dutch auction" tender announced on September 7, 2010. In 2010, the Company repurchased a total of 13.7 million shares for a total of \$9.7 million through both its modified Dutch tender offers and normal course issuer bids ("Buyback Programs"), representing 20.4% of the Company's outstanding shares at the end of 2009. Since initiating its first share buyback program in February 2007, the Company has repurchased a total of 23.2 million shares through its Buyback Programs representing 30.0% of the Company's total shares outstanding at the end of January 2007.

Conference Call

Tucows management will host a conference call today, Wednesday, February 16, 2011, at 5:00 p.m. (ET) to discuss the fourth quarter fiscal 2010 results. Participants can access the conference call via the Internet at <http://tucowsinc.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 1-800-642-1687 and enter the pass code 43292662 followed by the pound key. The telephone replay will be available until Wednesday, February 23, 2011 at midnight. To access the archived conference call as an MP3 via the Internet, go to <http://tucowsinc.com/investors>.

About Tucows

Tucows is a global Internet services company. OpenSRS manages over ten million domain names and millions of email boxes through a reseller network of over 11,000 web hosts and ISPs. Hover is the easiest way for individuals and small businesses to manage their domain names and email addresses. YummyNames owns premium domain names that generate revenue through advertising or resale. Butterscotch.com is an online video network building on the foundation of Tucows.com. More information can be found at <http://tucowsinc.com>.

This release includes forward-looking statements as that term is defined in the U.S. Private Securities Litigation Reform Act of 1995. In particular, this release includes forward looking statements regarding our expectations as to our financial results, our future growth and our ability to generate cash and return capital to shareholders. 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. Information about potential factors that could affect Tucows' business, results of operations and financial condition is included in the Risk Factors sections of Tucows' 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 Tucows as of the date they are made. Tucows assumes no obligation to update any forward-looking statements, except as may be required by law.

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