

News Release

HOSTOPIA LAUNCHES A POWERFUL NEW SUITE OF EMAIL SERVICES

Hostopia continues surge of new offerings by releasing a new suite of email services targeted at SMBs, including collaboration and sync tools.

MISSISSAUGA, ON, and FT. LAUDERDALE, FL — June 19, 2007 — Hostopia.com Inc. (TSX: H), today announced its release of a powerful new suite of value-added email services for small- and medium-sized business enterprises (SMBs). The services are intended to be significant revenue and profit generators for service providers while meeting the growing demands of SMBs for critical email functionality, such as collaboration and data synchronization.

Colin Campbell, Hostopia's CEO and COO says, "The two to twenty-five employee organization requires their email service provider to offer features such as the sharing of calendar and contact information between employees as well as the ability to synchronize data between email systems and mobility devices, such as Microsoft Outlook and, say, their Palm or R.I.M. device. Hostopia's new managed email platform allows these features, and more, at very compelling end user prices."

Hostopia reports that the new service provides several capabilities in demand by SMBs, including very large email file storage limits of 3 GB or greater, collaboration features such as shared calendars, contacts, tasks and notes, and the ability for users to synchronize email-related data between their desktop, web-based email applications and a large choice of wireless mobility devices.

Campbell adds, "Small businesses, including the "prosumer", increasingly demand the ability to have their vital business data such as calendars and contacts available to them at all times, regardless of their whereabouts or access to their traditional office email system. Our SyncML-based services allow users the freedom to access data seamlessly via their desktop, webmail or their wireless mobility device. An additional benefit is having a secure backup of their data, offering protection against the consequences of a lost or replaced mobile device."

Hostopia's managed email services are available to service providers such as telcos, ISPs and broadband providers on a private-labeled, wholesale basis. Service providers can offer Hostopia's email service to end users under their own brand including a customized look and feel in the end user interface. API's available from Hostopia even allow service providers to fully integrate the email services into their own customer login environments such as web-based business portals or online authentication applications.

Typical service provider market strategies for implementing advanced email services include bundling with higher value services such as upgraded broadband offerings or selling the email services on a stand-alone basis on a monthly, per-user subscription model.

For more information on Hostopia's email services, visit www.hostopia.com.

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About Hostopia

Hostopia is a leading provider of web services that enable small- and medium-sized businesses to establish and maintain an Internet presence. The company's customers are communication services providers, including telecommunication carriers, cable companies, internet service providers, domain registrars, and web hosting service providers. Hostopia's customers purchase their web services on a wholesale basis and resell these services under their own brands to small- and medium-sized businesses. The company provides customers with the technology, infrastructure, and support services to enable them to offer web services, while saving them research and development as well as capital and operating costs typically associated with the design, development, and delivery of web services.

Forward-Looking Information

This press release includes certain "forward-looking statements" and forward-looking information that are subject to risks, uncertainties and other factors that could cause actual results or outcomes to differ materially from those contemplated by the forward-looking statements. These forward-looking statements and forward-looking information include, but are not limited to, plans, objectives, expectations and intentions and other statements contained in this press release that are not historical facts and statements identified by words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates" or words of similar meaning. Our actual results could differ materially from those anticipated in these forward-looking statements and forward-looking information upon completion of the review of our year end results by our independent registered public accounting firm. These statements are based on our current beliefs or expectations and there are a number of important factors that could cause the actual results or outcomes to differ materially from those indicated by these forward-looking statements, including without limitation, our ability to maintain our sales efficiency, our ability to maintain our existing, and develop new, strategic relationships, the number of our net subscriber additions, our monthly customer turnover and our ability to successfully integrate recently acquired businesses and operations and those risks set forth or referenced under the caption "Risk Factors" in Hostopia's Quarterly Report on Form 10-Q for the quarter ended December 31, 2006, as filed with the Securities and Exchange Commission. These filings are available on a website maintained by the Securities and Exchange Commission at www.sec.gov and on our corporate website www.hostopia.com under Investor Relations.

For More Information

Paul D. Engels
Chief Marketing Officer & Exec. Vice President
Hostopia.com Inc.
Tel: (905) 671-7204
Email: marketing@hostopia.com

Gordie Campbell
Investor Relations
Hostopia.com Inc.
Tel: (877) 444-4116
Email: invest@hostopia.com

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