

News Release

HOSTOPIA LAUNCHES SYNCJE FOR PALM OS™ **Nexthaus unit adds to their leading line of data synchronization tools**

MISSISSAUGA, ON, and FT. LAUDERDALE, FL — January 3, 2008 —Hostopia.com, Inc. (TSX: H), today announced the release of their latest wireless mobility data synchronization application, SyncJe for Palm OS™. Developed by Nexthaus, Hostopia's wireless mobility technology unit, the Palm OS client further extends Nexthaus's line of SyncSuite™ applications that include SyncJe for Blackberry, iPhone, Outlook, Outlook Express, and Lotus Notes.

SyncJe for Palm OS allows users to wirelessly synchronize data between their Palm OS devices, desktop or mobile computers, and Internet applications such as web-based email. The application installs directly onto Palm OS devices, enabling centrally stored Personal Information Management (PIM) data to be exchanged wirelessly. Users can “sync” their contacts, calendars, notes and tasks free from any device cradles or wires and can even set an automatic synchronization scheduler. SyncJe is compatible with any SyncML server and comes with one year of maintenance and support.

Hostopia's Chief Marketing Officer, Paul D. Engels, comments, “Businesses and consumers are increasingly demanding greater functionality and productivity from their email services and mobility devices. SyncJe for Palm OS helps link otherwise unconnected devices with the ease and power of wireless connectivity. Critical data to every user such as contacts and calendar entries can now update wherever you are, in real time.”

Hostopia will market the new service through three channels: direct retail at www.nexthaus.com, through Hostopia's wholesale channel of leading global telecommunication and mobility service providers (www.hostopia.com), and an all-new channel for Hostopia, Nexthaus Resellers. The introduction of the Nexthaus Reseller Program allows VARs, systems integrators and telecommunication/mobility services professionals to directly market SyncJe software from their websites and receive referral commissions from Nexthaus. All Nexthaus Resellers get secure access to a reseller program administration interface allowing them to track their sales and program earnings. SyncJe products can be purchased individually for \$29.95, or bundled with SyncJe for Outlook, for \$59.95.

Hostopia's Chief Technology Officer, Dirk Bhagat adds, “SyncJe for Palm OS adds another significant component to our comprehensive line-up of data synchronization applications: Nexthaus SyncSuite. Full compatibility with Oracle's Collaboration Suite has made these client applications very attractive to large enterprises. We believe that the ability to fully sync one's PIM data across multiple devices and platforms at a low client software price represents compelling value to business people, or consumers, looking to get more from their mobility device. Combined with our other SyncJe clients for Blackberry, iPhone, and Microsoft Outlook/Outlook Express, we believe we now cover the most popular devices and email clients on the market.”

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For more information on SyncJe products or the Nexthaus Reseller Program, visit www.nexthaus.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. Nexthaus, Hostopia's wireless mobility technology unit, is a global leader in data and device synchronization and has developed industry-recognized SyncML solutions that feature wireless interoperability between PC's, handheld devices and mobile phones. For more information, visit www.nexthaus.com.

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 September 30, 2007, 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.

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