

News Release

HOSTOPIA ACQUIRES ASSETS OF TEMPLATEROVER.COM **Increased inventory of web site templates strengthens Hostopia's position as wholesaler to communications service providers.**

MISSISSAUGA, ON, and FT. LAUDERDALE, FL — June 5, 2007 — Hostopia.com Inc. (TSX: H), today announced that it acquired all of the operating assets of TemplateRover.com, a division of Geeksforless Inc. (“GFL”). The acquired assets include all of the ownership rights to over 3,200 web site templates that were jointly owned by Hostopia and GFL. Other assets include exclusive rights to 1,600 additional web site templates, over 30,000 digital images and a retail and channel software distribution system for templates currently powering the template distribution site Templaterover.com. Hostopia's purchase price for the assets was CAD \$247,000.

Hostopia's chief marketing officer, Paul D. Engels states, “Web site design is increasingly demanded by small- and medium-sized businesses endeavoring to establish an online presence or to improve their existing web sites. Consumers and developers alike are finding professionally designed, pre-built websites speed their time to market and reduce site development costs. Our purchase of web site template business assets from GFL gives us one of the world's largest inventories of web site templates and images available to communications service providers for sublicense to their customers. The powerful search and distribution software is an added bonus that will help us distribute website templates both to service providers and their SMB customers.”

Hostopia offers more than 4,800 web site templates and 40,000 web-ready photo and business-themed animated images to its customers, who in turn resell these offerings to business owners of web site developers. All but 500 of the web site templates are owned by Hostopia. The remaining number contain images licensed for use by Hostopia's service provider customers and their end-users.

“Hostopia has a multi-channel distribution strategy to meet the needs of the SMB market,” says Engels. “Our customers can bundle web site templates free of charge with web services that we offer. Alternately they can sell templates on a stand-alone basis as a profitable product offering that helps drive their web hosting business. Web site designers and developers have the option of purchasing templates directly from templaterover.com or bulk-licensing large numbers of templates from Hostopia,” he adds.

The software assets acquired from GFL, a related party to Hostopia, will become part of Hostopia's operations. Hostopia will focus on continuing to build its inventory of templates for distribution through its existing customer base of more than 330 communications service providers, as well as web developers, retail hosting service providers and others seeking web site design applications and web site templates.

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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

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