



Hostopia.com Inc. Files for Initial Public Offering

Mississauga, Ontario, July 5, 2006. Hostopia.com Inc. announced that it has filed a Registration Statement on Form S-1 with the U.S. Securities and Exchange Commission and a preliminary prospectus with the securities regulatory authorities in each of the provinces and territories of Canada in connection with the initial public offering of its common shares. The underwriting for the offering will be led by RBC Capital Markets. A copy of the preliminary prospectus filed in Canada is available on SEDAR (www.sedar.com) and the registration statement filed in the United States on EDGAR (www.sec.gov).

Hostopia develops, manages, and distributes Internet applications used by small and medium sized businesses. These Web services include Web site hosting, managed email, ecommerce, and other online business applications. Hostopia sells its services on a wholesale basis to communications services providers such as telecommunications and cable companies, Internet service providers, domain registrars, and web hosting companies who, in turn, resell Hostopia's services under their own brand to their small-medium sized business customers.

A registration statement relating to these securities has been filed with the U.S. Securities and Exchange Commission and a preliminary prospectus with the securities regulatory authorities in Canada but has not yet become final. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective or a final prospectus is filed and receipted. This press release does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of these securities in any state, province or territory in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

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