

News Release

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HOSTOPIA LAUNCHES WHOLESALE SMB WEBSITE DEVELOPMENT SERVICE

New service expected to generate significant revenue for service providers.

TORONTO, ON and FT. LAUDERDALE, FL – OCTOBER 26, 2006 — Hostopia, award-winning provider of wholesale web services for small businesses, announced today the launch of a website design service to be marketed under a new Hostopia division, Website Experts.

Website Experts will sell these services to end-users via Hostopia's global network of service provider customers (their "private-label partners"). Website Experts designs and delivers professional, application-rich websites for small- to medium-sized businesses combining template designs, custom development, database applications, Flash, and other online applications.

Website Experts will help telecommunication companies, ISPs, and other hosting service providers meet the rapidly growing demand of small businesses for professional websites. "Our model allows service providers to add a significant new revenue stream and then layer on additional services such as web hosting, email, ecommerce, and the many applications that are typically packaged with a website," states Paul D. Engels, chief marketing officer, Hostopia. "The service will include an option for end users to choose from over 3000 Flash-enabled templates in over 100 business verticals. The combination of custom development supported by high-quality pre-built templates allows the end-user to quickly choose a compelling design direction for their online presence without sacrificing customization options," he adds.

Website Experts offers competitive price points for basic and Flash enhanced websites plus optional maintenance plans on a monthly basis, making regular site updates convenient and inexpensive for end-users. Additional value-added services such as search engine optimization are planned for later release.

Colin Campbell, chief executive officer, Hostopia comments, "This service will change the dynamics of the wholesale web services industry. Reports from research agencies such as Yankee Group emphasize the importance of services like website design, needed to win new web services customers and further earn the attached hosting revenues." He adds, "Website Experts allows companies, who outsource to Hostopia, to successfully launch a website development service on a low-risk, variable cost model, enabling them to grow their hosting and applications revenues significantly faster than the industry average."

Website Experts is comprised of a large, scalable team of global site design, applications, and graphic consultants backed by significant multimedia production resources. Combining automated workflow tools and personal consulting, Website Experts is able to guide a business owner or manager, quickly through the



Experts in Profitable Web Services

steps required to publish a professional and sophisticated web presence, unique to the needs of their business.

Hosting for the newly-created site is provided by the business customer's choice of service provider, typically by exclusive referral. A large telco or broadband provider for example, will refer its customers to Website Experts via a private-label affiliate link that ensures the new site is hosted on the referring partner's hosting service.

Engels notes that, "A real problem in available site design choices today is the fact that third-party design firms compete directly for their referring partner's own hosting customers. Hostopia eliminates this channel conflict by operating Website Experts strictly as a wholesale provider, leaving the lucrative hosting revenues exclusively to our partners."

About Website Experts

Website Experts has developed proprietary web server-based applications, backed by Hostopia's extensive infrastructure, to provide full-service mass-production website development solutions for Hostopia's customers (including service providers such as ISPs, telcos, cablecos, domain registrars, web hosting companies, and web development studios).

Their co-branded solutions offer service providers a fast and easy way to offer this must-have service to their end-users with minimal overhead and risk — resulting in a significant increase in profit, increase in ARPU, and reduction in churn.

For as little as \$499.95 end-users can have a professionally designed 5-page website within 10 business days - guaranteed. In addition to their end-user satisfaction and 10 business day turnaround guarantee, Website Experts has a first-in first-out production queue ensuing that every end-user is treated equally, regardless of their referring partner's size or volume. For more information visit www.partners.websiteexperts.com.

About Hostopia

Hostopia provides wholesale private-label hosting, managed email, and application services to North America and Europe's most demanding and successful telcos, ISPs, cable companies, hosting providers, and domain registrars.

Hostopia's automated provisioning and support platforms enable service providers to increase their profits, offer superior features to their end-users, and virtually eliminate the risks and challenges of delivering reliable, high-performance web services including; small-business hosting and applications, business-class email, and consumer email.

Hostopia currently services over 500,000 domain-based customers and manages over 2 million business-class email accounts.

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