

HOSTOPIA OFFERS SERVER BUYBACK DEAL

Lucrative offer entices service providers to host sites on updated services

October 21, 2004, Fort Lauderdale, USA – Hostopia will pay ISPs and other service providers for outdated servers encouraging hosting providers to move customers onto Hostopia’s state of the art managed service. The program will offer up to \$2,500 for a Sun Cobalt RaQ™ server appliance, or other similar equipment.

Hostopia president, Franc Nemanic describes the program genesis, “Since Sun Microsystems announced end-of-life for many of their Cobalt appliances, hosting providers have begun replacement planning for an upgraded platform. However, many have sunken capital costs in servers that they feel must be paid back to justify their move to Hostopia. Our server buyback program makes the transition to our services easier and accelerates our partner’s timeframe to get sites onto our enhanced, updated platform.”

Hostopia’s program offers flexibility such that physical decommissioning and transfer of servers is not necessary. The financial incentive from Hostopia is designed to ease the one-time cash flow impact of moving website customers from aging platforms onto Hostopia’s managed private label service.

“Every one of Hostopia’s 270 private label partners agrees that our service is significantly more profitable to them than running a hosting business in-house,” says Nemanic. “That said, it doesn’t feel right to many ISPs to move customers from functional servers that required considerable investment at the time they were purchased. The Hostopia plan eliminates that concern and frees ISPs to get their customers quickly onto our superior service.”

One of Hostopia’s newest partners taking advantage of the program is NEGIA – Northeast Georgia Internet Access. CEO Wael Doukmak comments on Hostopia’s program: “We were impressed with the feature set and performance cost model for Hostopia’s private label hosting, so we made the decision to move off of Cobalt over time. Hostopia’s server buyback plan put cash on the table to accelerate our plans and move customers sooner. We’ll find other uses for our old Cobalts or just shut them down altogether. Our customers are much happier moving to the new system, so it’s a win-win situation.”

About Hostopia

Hostopia provides private-branded hosting, email and e-commerce solutions to Telco’s, ISPs, cable companies, domain registrars, and other Web Service Providers. Hostopia’s automated provisioning and support platforms enable service providers to increase their hosting revenues and profits while delivering a superior feature set to their end-user business customers. Hostopia’s WebhostOS is a breakthrough technology that creates a single system for managing “UNIX/Windows” applications. Its clustered server environment allows enterprises to benefit from sophisticated hosting features normally associated with high-cost, non-redundant dedicated servers, yet at “shared hosting” prices.

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