

# News Release

## **HOSTOPIA LAUNCHES FAX-TO-EMAIL SERVICE**

### **Private label wholesale service allows telecoms to tap into high growth IP Fax market with key patent license**

MISSISSAUGA, ON and FT. LAUDERDALE, FL — May 12, 2008 — Hostopia.com, Inc. (TSX: H) today announced the launch of a private labeled, wholesale fax-to-email service that telecoms and other service providers can sell to their small business customers. Also known as “IP fax” in the communications services market, fax-to-email services allow a user to send or receive facsimile messages from their computer – typically within their preferred email application such as Microsoft Outlook. The benefit to this is having the ability to send or receive fax messages without the expense and inconvenience of owning a physical fax machine and additional phone line.

“Fax-to email is in high demand as a business service with annual growth of over 25% according to a prominent category study published by Davidson Consulting,” says Paul D. Engels, Hostopia’s Chief Marketing Officer. “Our wholesale customers such as telecoms and broadband companies are eager to offer these services to their SME customers,” he adds.

Hostopia’s fax-to-email service is available to telecoms and other communications providers on a wholesale basis. It can be branded by the telecom and sold as a standalone service or as part of a bundle of services, such as web hosting and business email. It can be billed to end users directly by the telecom or sold on a referral model where Hostopia performs the billing and end-user support.

“Service providers who sell this service will enjoy the benefit of patent protection due to our license with j2 Global Communications, the leader in IP fax technology,” says Engels.

“j2 Global licenses its patents to leading companies worldwide. We are especially delighted to add Hostopia as a licensee because they have a demonstrated ability to successfully sell IP-based business solutions on a large scale basis to telecommunications and Internet service providers,” said Jeffrey D. Adelman, Vice President and General Counsel of j2 Global. “This agreement is a great opportunity to expand the market for digital faxing services by delivering these patented solutions into the hands of a leading service provider.”

According to Hostopia – citing the Davidson Consulting report on IP fax services – demand for fax-to-email is driven largely by small enterprises that rely heavily on faxing in day-to-day business. This demand includes the need to be mobile while receiving important documents via email on a PDA or smart phone device, such as RIM’s Blackberry.

Hostopia’s fax-to-email service has suggested retail prices for service providers starting at US\$9.99 per month, which allows for 300 send or received pages. Hostopia’s wholesale model is structured to provide at least 40% gross margin to the telecom service provider who retails the service.

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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.hostopia.com](http://www.hostopia.com) and [www.nexthaus.com](http://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 Annual Report on Form 10-K for the year ended March 31, 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](http://www.sec.gov) and on our corporate website [www.hostopia.com](http://www.hostopia.com) under Investor Relations.

## For More Information

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