

News Release

HOSTOPIA ACQUIRES ASSETS OF NEXTHAUS, INC. **Hostopia advances position as a leading wholesale web services provider with mobile phone synchronization technology.**

MISSISSAUGA, ON, and FT. LAUDERDALE, FL — May 3, 2007— Hostopia.com Inc. (TSX: H), today announced that it has acquired all of the software assets of Nexthaus, Inc., a US-based developer of leading-edge software applications for mobile devices, in accordance with a definitive agreement. The acquired software uses wireless communications to synchronize data between computers and mobile devices, such as calendar and contact updates from a desktop to a smart phone. The information on a user's mobile phone is also automatically and remotely stored, which means that such information can be easily transferred to a new phone or recovered if lost.

Hostopia's CEO, Colin Campbell states, "We plan to fully integrate these advanced mobile synchronization and back-up features with our existing wholesale email and web service offerings, on a bundled and stand-alone basis. We also plan to license the technology to customers in new categories, such as managed email service providers and wireless carriers looking to enrich their product offerings with our mobile synchronization technology. "

Mr. Campbell further stated, "Nexthaus has leading applications that enable seamless, automated data transfer between PCs, the web, and mobile phones. With the rise in popularity of smart phones like the Blackberry, more and more subscribers are looking to link their calendars and contacts to the web and their email client. We believe that this innovative technology will significantly increase mobile phone users' productivity, protect their data and offer additional billable services to mobile carriers."

Subject to the terms of the agreement, Hostopia acquired the software assets of Nexthaus in an all cash transaction of USD \$950,000 plus performance incentives and earn outs of up to \$200,000, plus 15% of revenues received from the acquired assets for 3 years following today's date. Key Nexthaus personnel will be employed by Hostopia to help integrate the technology and participate in its future development. Nexthaus co-founder and President, Leif Petterson comments, "Nexthaus developed the world's first 100% Java-based SyncML wireless technology, which enables unmatched interoperability between devices. We are very excited by the new distribution and development opportunities that Hostopia's investment brings to this powerful application software."

It is management's intention that the acquired software assets will become part of Hostopia's operations. Hostopia will focus on launching mobile applications through its existing customer base of more than 330 communications service providers, which include telecommunication carriers, cable companies, internet service providers, domain registrars, and web hosting service providers. In addition, Hostopia plans to continue providing and supporting services to customers that had entered into agreements with Nexthaus, prior to Hostopia's acquisition of the software assets.

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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 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. Hostopia does not undertake any obligation to update any forward-looking statements contained in this document as a result of new information, future events or otherwise.

For More Information

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