



News Release

HOSTOPIA LAUNCHES EXPANDED HOSTING FOR SOHO New plans expand service provider revenues and markets

October 28, 2003, Ft. Lauderdale – Hostopia.com Inc. announced the immediate availability of an expanded line of small business hosting plans targeting the small office and home office consumer (SOHO). Available exclusively via its network of private labeled partner/distributors, the SOHO line covers suggested retail price points for monthly hosting as low as \$3.99 per month and still generate superior margins for hosting service providers.

“End-user demand for hosting and email services has transformed over the last year with majority and late adopters flooding into the market. These users are both price sensitive and technology-averse,” explains Paul D. Engels, vice president, marketing for Hostopia. “SOHO plans present extreme ease-of-use at compelling entry level price points for even the most casual of businesses,” he adds.

Hostopia’s SOHO line is anchored by four new plans: “Personal Basic;” “SOHO Basic;” SOHO Plus;” and “SOHO Email/Forward.” The wholesale cost for Personal Basic is \$1.77 per user per month. Most Hostopia partners enjoy further volume discounts enhancing margins even further. The service offers generous disc space allotments and numerous value added applications such as EasySiteWizard 5.0, Hostopia’s site creation editor featuring 10,000 license-paid high quality images.

“Our research into the SOHO market confirmed that lack of a web site prevented most buyers from purchasing hosting services. Including a powerful site creation tool in the SOHO plans was essential to removing a critical buyer’s objection,” explains Engels.

Hostopia reports that market trials of lower cost plans in recent months uncovered a large, untapped market. Large service providers such as cable companies and broadband ISPs have legacy customer bases of residential consumers who have latent demand for hosting services. Market prices above \$15 per month do not meet the needs of these users. Smaller service providers are also able to compete on an even footing with SOHO plans according to Hostopia.

Hostopia further announced new, reduced tier one support prices for SOHO plans so service providers can offload costly support. The turnkey offering from Hostopia allows any provider to launch SOHO plans immediately with little to no financial risk.