

Homeserve Reports Third Quarter Results

Toronto, January 19, 2005 – Homeserve Technologies Inc. today reported net income of \$0.7 million (\$0.04 per share) on revenues of \$1.6 million for the third quarter ended November 30, 2004 compared to a loss of \$0.8 million (\$0.37 per share) on revenues of \$0.2 million for the same period of last year. The improved results were the result of a \$1.3 million contribution from our newly acquired ICON operations and a \$0.3 million decrease in Home-Link's contribution margin loss resulting from the downsizing activities undertaken in the previous fiscal year. Partially offsetting these amounts was a \$0.1 million increase in amortization costs from our newly acquired ICON operations.

Income for the nine months ended November 30, 2004 was \$4.6 million (\$0.87 per share) on revenues of \$6.6 million, an increase in earnings of \$7.1 million over the same period of last year. Of the \$7.1 million increase, \$5.8 million is attributable to our ICON operations, \$1.2 million to a reduction in losses from our Home-Link business unit and a \$0.8 million gain on the sale of a portion of our investment portfolio. These gains were partially offset by an increase in the loss from our Software Development and Licensing business of \$0.5 million resulting from non recurring revenue earned in the prior year and an increase of \$0.3 million in amortization and depreciation from our newly acquired ICON assets.

(\$ thousands, except per share amounts)	Three months Ended		Nine months Ended	
	November 30		November 30	
	2004	2003	2004	2003
Revenue	1,561	151	6,562	1,415
Cost of sales	-	41	-	588
Margin	1,561	110	6,562	827
Operating costs	602	673	1,859	2,580
Severance and other	-	-	-	122
Contribution margin	959	(563)	4,703	(1,875)
Investment income	277	203	671	558
Gain on sale of investments	-	-	809	-
Amortization and depreciation	(549)	(425)	(1,583)	(1,240)
Other	-	-	(19)	-
Net income(loss) for the period	687	(785)	4,581	(2,557)
Basic and diluted earnings (loss) per common share				
Basic	\$ 0.04	\$ (0.37)	\$ 0.87	\$ (1.16)
Diluted	\$ 0.02	\$ (0.37)	\$ 0.48	\$ (1.16)

Short-term investment policy

Homeserve intends to invest its excess available cash in instruments that have the potential to generate a current yield that would offset, or partially offset, the dividend rate on the company's preferred shares.

Outlook

Our primary objective is to improve and stabilize the operations of the Company to a level that will make the re-listing of the Company's common shares feasible. The acquisition of ICON and the renewal of Centract's contract to provide relocation services to the Government of Canada are significant milestones in management achieving these objectives. Management will now continue its focus on rationalizing and controlling costs, developing our CARE II CRM capabilities and assessing opportunities both internal and through co-ownership to further develop our CALMS product offering.

Additional Information

Detailed financial information and Management's Discussion and Analysis of Results and Financial Condition as at and for the quarter ended November 30, 2004 is posted on Homeserve's website (under Investor Relations, Financial Information) at www.homeserve.ca and should be read in conjunction with this press release and is also available on SEDAR's website at www.sedar.com.

About Homeserve

Homeserve is a Canadian based software development and services company focused on home-related services for the real estate, relocation and banking industries. Through its wholly-owned subsidiary, Home-Link Services Canada Ltd., Homeserve provides a one-stop shopping service for home buyers and sellers, offering real-estate related products and services throughout the customer's purchasing and selling cycle, coordinated by a proprietary CRM software system and call centre.

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Forward – Looking Statements

Investors should take note that certain statements in this press release are forward-looking and may not give full weight to all of the potential risks and uncertainties. These forward-looking statements include statements that are subject to risks and uncertainties. Forward-looking statements are subject by their nature to risks and uncertainties, and actual results, actions or events could differ materially from those set forth in the forward-looking statements. Any forward-looking statements speak only as to the date made. The Company is not undertaking to update any information in the foregoing reports until the effective date of its future reports required by the securities laws.