

Attention Business/Financial Editors:
Homeserve Reports Fourth Quarter and Year End Results

TORONTO, May 19 /CNW/ - Homeserve Technologies Inc. today reported net income of \$4.3 million (\$0.96 per common share) on revenues of \$2 million for the fourth quarter ended February 28, 2005 as compared to income of \$0.2 million (a loss of \$0.09 per common share) on revenues of \$0.6 million for the same period of last year. The improved results were driven primarily by a \$1.7 million contribution from our newly acquired ICON operations and a recovery of income taxes of \$3.2 million.

Net income for the 12 months ended February 28, 2005 was \$8.8 million (\$1.83 per common share) on revenues of \$8.6 million, as compared to a loss of \$2.4 million (\$1.25 per common share) on revenues of \$2 million for the prior fiscal year. The \$11.2 million increase in year over year income, is primarily attributable to a \$7.6 million contribution from our ICON operations, the realization of the recovery of \$3.2 million in income taxes, a \$1.4 million reduction in losses from our Home-Link business unit and an \$0.8 million gain on the sale of a portion of our investment portfolio. These increases in income were partially offset by a decrease in income from our Software development and licensing business of \$1.0 million as no new contracts were obtained during the year; an increase in general and administrative costs of \$0.6 million due primarily to a \$0.4 million reversal of income tax provisions in 2004 which were determined to be no longer required and an increase in amortization of \$0.5 million for the newly acquired ICON software.

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(\$ thousands, except per share amounts)	Three months Ended		Twelve months Ended	
	Feb. 28 2005	Feb. 29 2004	Feb. 28 2005	Feb. 29 2004
Revenue	2,046	589	8,608	2,002
Cost of sales	-	-	-	586
Margin	2,046	589	8,608	1,416
Operating costs	676	207	2,534	2,651
Severance and other	-	-	-	258
Contribution margin	1,370	382	6,074	(1,493)
Investment income	266	194	936	752
Gain on sale of investments	-	-	809	-
Amortization	(571)	(413)	(2,154)	(1,653)
Other	-	-	(19)	-
Net income (loss) for the period before income tax	1,065	163	5,646	(2,394)
Income tax recovery	3,200	-	3,200	-
Net income (loss) for the period	4,265	163	8,846	(2,394)
Basic and diluted earnings (loss) per common share				
Basic	\$ 0.96	\$ (0.09)	\$ 1.83	\$ (1.25)
Diluted	\$ 0.48	\$ (0.09)	\$ 0.99	\$ (1.25)

Short-term investment policy

Homeserve intends to invest its surplus cash in investments that have the potential to generate a current yield that would offset, or partially offset, the dividend obligations attributed to the company's preferred shares.

Outlook

Our primary objective is to improve and stabilize the operations of the company and to prudently invest the company's surplus cash balances. The acquisition of ICON and the renewal of Centract's contracts to provide relocation services to the Government of Canada are significant milestones in management achieving these objectives. The award of the Government of Canada relocation contracts are currently under review by the Canadian International Trade Tribunal and as such there can be no certainty as to the continuation of these contracts until the review process has been completed. Going forward management will 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.

The ICON transaction resulted in the issue of preferred shares and an obligation to issue additional preferred shares in certain circumstances. The company will consider seeking a re-listing of the company's common shares when there is a reasonable probability of returning value to common shareholders after having considered the overall capitalization of the company and in particular the servicing of the obligations related to the company's preferred shares, including their potential redemption.

Additional Information

Detailed financial information and Management's Discussion and Analysis of Results and Financial Condition as at and for the quarter and year ended February 28, 2005 will be 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.

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.

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