

Homeserve Reports 2004 Year End and Fourth Quarter Results

Toronto, June 9, 2004 – Homeserve Technologies Inc. (formerly Microforum Inc.) today reported a loss of \$2.4 million (\$1.25 per share) on revenues of \$2 million for the year ended February 29, 2004 compared to a loss of \$6.3 million (\$3.05 per share) on revenues of \$4.5 million for the same period of last year.

For the fourth quarter of 2004, Homeserve reported a profit of \$0.2 million (a loss of \$0.09 per share after the payment of preferred share dividends) compared with a loss of \$1.4 million or (\$0.55 per share) for the same period of 2003. The return to profitability in the fourth quarter was driven primarily by cost containment and improved investment returns.

Significant Developments during fiscal 2004

We commenced fiscal 2003 with the restructuring of the Company under the Companies Creditors Arrangement Act (“CCAA”) behind us, the repositioning of our business activities completed and \$19.7 million in cash and cash equivalents and short-term investments to finance future operating and investment activities. With this strong opening position and a focus on the road ahead we completed the following operating activities of note during fiscal 2004:

As previously announced, at a special meeting of shareholders on April 13, 2004, shareholders approved the purchase of the ICON relocation software system from Centract Residential Property Services (“Centract”), the real estate services division of Brascan Corporation. This transaction provides a substantial opportunity for the Company to increase earnings through the re-licensing and sale of the software to non North American markets and the provision of additional functionality and services, for a fee to our existing client base.

We acquired an exclusive, royalty-free, irrevocable, perpetual, sub-licensable, transferable license for use in Canada of the CARE II CRM technology and all Canadian Home-Link trademarks for the sum of US\$100,000. The acquisition of the CARE II CRM technology will result in at least US\$220,000 in reduced annual licensing fees, but also provides a platform to provide CRM solutions to banking and retail companies. As such, we are currently in discussions with a number of Canadian financial institutions and retail companies to provide these CRM Solutions.

We completed the development and upgrade of Centract’s relocation service’s, Integrated Relocations Program (“IRP”) software and hardware systems. The IRP represents a contract with the Government of Canada under which Centract provides relocation services to various departments of the Government of Canada, the Canadian Department of National Defense and the RCMP.

We continued to earn royalties from our co ownership of CALMS and are actively seeking opportunities to further incorporate the functionality of CALMS into our existing and future product offerings.

We downsized Home-Link’s operations to current transaction volume levels with a view to increasing operations as greater adoption of existing program offerings occur or as volumes are increased through new CARE II CRM initiatives.

On September 5, 2003 among other matters, the Company’s shareholders authorized the Company to change its name to Homeserve Technologies Inc. and approved the consolidation of the Company’s common shares on a one for 25 basis, and a reduction in stated capital of \$3.36 million.

Results of Operations

The Company reported a loss of \$2.4 million (\$1.25 per share) for the twelve months ended February 29, 2004 compared to a loss of \$6.3 million (\$3.05 per share) for the twelve months ended February 28, 2003. The loss for the twelve months ended February 29, 2004 of \$2.4 million is attributable to a loss of \$3.9 million from the

operations of Home-Link, offset by income of \$0.8 million from our software development activities and \$0.7 million of investment income. The decreased year over year loss is due primarily to the completion of the restructuring of the Company's non-core and general administration operations in fiscal 2003 and the downsizing of our Home-Link operations in fiscal 2004.

Revenues decreased to \$2 million during the year ended February 29, 2004 from \$4.5 million for the same period of the prior year as a result of the divestiture of the Company's non core business units in fiscal 2003.

Operating expenses were \$2.9 million for the year ended February 29, 2004, of which \$2.4 million was attributable to Home-Link's operations, \$0.2 million to severance and restructuring costs, \$0.2 million to the Company's software development business and \$0.1 million to ongoing corporate operating costs. Operating expenses for the twelve months ended February 28, 2003 were \$5.9 million of which is comprised of \$1.7 million attributed to the operation of Home-Link for the 130 day period from October 21, 2002 (the date of purchase) to February 28, 2003, \$2.2 million associated with severance and other costs attributed to the restructuring of our general and administrative operations, and \$2.0 million attributed to staffing, shareholder communication, audit and other reporting and regulatory costs associated with our general and administrative operations.

Liquidity and Capital Resources

As at February 29, 2004, the Company had positive working capital of \$14.6 million as compared to \$17.3 million as at February 28, 2003. The \$2.7 million decrease in year over year working capital is due primarily to the funding of the operating losses of Home-Link, completion of the Centract IRP system hardware and software project during the year, and the payment of preferred share dividends.

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. With the completion of the ICON transaction we expect to return to profitability in the coming year. Approximately 74% of the Company's estimated ICON licensing revenues will be derived from Centract's contracted Government of Canada volumes that are currently under tender. If Centract is successful in securing the Government of Canada relocation contract, the Company will determine, based upon review of all of its operations, if conditions are appropriate to seek a re listing of the Company's Common Shares.

Annual Meeting of Homeserve Shareholders

Homeserve's Annual Meeting of shareholders will be held at 9:00am Toronto time on July 16, 2004, at the offices of Goodman and Carr LLP, 200 King Street, Suite 2300, Toronto, Ontario. Notice of the Annual meeting of Shareholders and related materials will be sent to holders of record on June 11, 2004.

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 center.

Homeserve Technologies Inc.
Consolidated Statement of Operations and
Statement of Retained Earnings and Deficit

(thousands of dollars - except per share amounts)	Three months ended		Twelve months ended	
	February 29 2004	February 28 2003	February 29 2004	February 28 2003
Sales	587	822	2,002	4,458
Cost of sales	-	379	586	3,713
Gross profit	<u>587</u>	<u>443</u>	<u>1,416</u>	<u>745</u>
Operating expenses				
Selling, general and administration	205	1,611	2,651	3,705
Severance and other costs	-	-	258	2,239
	<u>205</u>	<u>1,611</u>	<u>2,909</u>	<u>5,944</u>
Loss from continuing operations before the following	382	(1,168)	(1,493)	(5,199)
Investment income	194	125	752	258
Investment loss on marketable securities	-	-	-	(1,448)
Gain on sale of business unit	-	-	-	200
Gain from acceptance of CCAA Plan	-	-	-	835
Amortization and write-down of capital assets	(113)	(109)	(476)	(467)
Amortization of intangible assets	(300)	(366)	(1,177)	(366)
Equity accounted investment	-	-	-	(174)
Income (loss) from continuing operations				
Before income taxes	163	(1,518)	(2,394)	(6,361)
Provision for Income taxes	-	(23)	-	(73)
Income from discontinued operations		125		125
Income (Loss) from continuing operations	<u>163</u>	<u>(1,416)</u>	<u>(2,394)</u>	<u>(6,309)</u>
Deficit, beginning of period	(4,915)	(2,387)	(4,277)	(22,730)
Deficit applied to stated capital	-	-	3,360	25,639
Preferred share dividends	(479)	(474)	(1,920)	(877)
Deficit, end of the period	<u>(5,231)</u>	<u>(4,277)</u>	<u>(5,231)</u>	<u>(4,277)</u>
Loss per share	<u>(0.09)</u>	<u>(0.55)</u>	<u>(1.25)</u>	<u>(3.05)</u>

Homeserve Technologies Inc.
Consolidated Statement of Cash Flow

(thousands of dollars)	Three months ended		Twelve months ended	
	February 29 2004	February 28 2003	February 29 2004	February 28 2003
Cash provided by (used in):				
Operating Activities				
Loss from continuing operations	163	(1,541)	(2,394)	(6,434)
Items not affecting cash				
Amortization of premium on bond purchase	31	-	143	-
Amortization and write-down of capital assets	113	109	476	467
Amortization of intangible assets	300	366	1,177	366
Loss on marketable securities	-	-	-	1,448
Non-cash director compensation	-	4	-	4
Equity accounted investment	-	-	-	174
	607	(1,062)	(598)	(3,975)
Increase (decrease) in non-cash working capital	(1,562)	205	(2,139)	(2,211)
	(955)	(857)	(2,737)	(6,186)
Investing Activities				
Sale (purchase) of property, plant and equipment	145	(56)	111	(56)
Sale (purchase) of short-term investments	1,145	(15,659)	1,144	(15,659)
Proceeds from sale of marketable securities	-	-	-	552
Purchase of intangible assets	-	-	(189)	-
	1,290	(15,715)	1,066	(15,163)
Financing Activities				
Issuance of preferred shares	-	-	-	20,000
Amortization of premium on bond purchases	111	-	-	-
Payment of preferred share dividends	(484)	(567)	(1,915)	(567)
	(373)	(567)	(1,915)	19,433
Decrease in cash and cash equivalents during the period	(38)	(17,139)	(3,586)	(1,916)
Increase in cash and cash equivalents from discontinued operations	-	125	-	125
Cash and cash equivalents, beginning of period	514	21,076	4,062	5,853
Cash and cash equivalents, end of period	476	4,062	476	4,062

**Supplemental Disclosure of Non-Cash Investing
and Financing Activities**

Common shares issued as part of settlement with landlord	-	-	-	100
Conversion of receivable into common shares of Cognicase Inc.	-	-	-	2,000
Gain from acceptance of CCAA Plan	-	-	-	(835)
Common shares issued in connection with acquisition of Home-Link	-	4,420	-	4,420
Preferred shares issued in connection with acquisition of Home-Link	-	1,280	-	1,280

Homeserve Technologies Inc.
Consolidated Balance Sheet

(thousands of dollars)	As at February 29 2004	As at February 28 2003
Assets		
Current Assets		
Cash and cash equivalents	476	4,062
Short-term investments	14,372	15,659
Accounts receivable	634	660
Prepaid expenses and other assets	402	371
	<u>15,884</u>	<u>20,752</u>
Property, plant and equipment	307	894
Intangible assets	4,156	5,144
	<u>20,347</u>	<u>26,790</u>
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts Payable and accrued liabilities	399	521
Income taxes payable	485	910
Dividends payable	315	310
Deferred revenue	87	1,674
	<u>1,286</u>	<u>3,415</u>
Shareholders' Equity		
Share capital	24,292	26,735
Contributed surplus	-	917
Deficit	(5,231)	(4,277)
	<u>19,061</u>	<u>23,375</u>
	<u>20,347</u>	<u>26,790</u>

Contact Information

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Short-Term Investment Policy

The Company intends to invest its excess available cash in instruments that have the potential to generate a current yield that will offset, or partially offset, the dividend rate on the preferred shares.

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.