

Homeserve Reports First Quarter Results

Toronto, July 14, 2006 – Homeserve Technologies Inc. today reported net income of \$4.1 million (\$0.48 per common share) on revenues of \$5.4 million for the first quarter ended May 31, 2006 compared to net income of \$4.3 million (\$1.07 per common share) on revenues of \$5.1 million for the same period of the last fiscal year. The \$0.2 million quarter-over-quarter decrease in net income was primarily attributed to a \$0.3 million increase in amortization from the additional consideration added to the ICON intangible asset in fiscal 2006, as a result of the ICON earn-out option.

(\$ thousands, except per share amounts)	Three months ended May 31 2006	Three months ended May 31 2005
Revenue	5,434	5,089
Operating costs	810	527
Contribution margin	4,624	4,562
Investment income	366	267
Gain (loss) on sale of investments	23	(41)
Amortization	(885)	(533)
Net income for the period	4,128	4,255
Basic earnings available to common shareholders	3,353	3,696
Diluted earnings available to common shareholders	3,353	3,727
Basic and diluted earnings per common share		
Basic	\$ 0.48	\$ 1.07
Diluted	\$ 0.48	\$ 0.54

Calculation of Earnings per share

(\$ thousands)	Three months Ended	
	May 31 2006	May 31 2005
Net income	4,128	4,255
Dividends paid on preferred shares	(775)	(559)
Basic earnings available to common shareholders	3,353	3,696
Adjustment to net income on conversion of Series D preferred shares	-	31
Diluted net income available to common shareholders	3,353	3,727

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

Management will maintain its focus on rationalizing and controlling costs, developing its CARE II CRM capabilities and assessing opportunities both internal and through co-ownership to further develop the Company's CALMS product offering.

Homeserve 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 ended May 31, 2006 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.

Forward – Looking Statements

This press release contains forward-looking information, including "forward-looking statements". The words "will", "intends", "expected" and other expressions which are predictions of or indicate future events and trends and which do not relate to historical matters identify forward looking statements. Reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which may cause Homeserve's performance to differ materially from the description of the investment expressed or implied by such forward-looking statements. Although Homeserve believes that the anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information. Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include general economic conditions; interest rate changes; availability of equity and debt financing; and other risks and factors described from time to time in the documents filed by the Company with the securities regulators in Canada including in the Annual Information Form under the heading "Risk Factors." The Company undertakes no obligation to publicly update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.

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