

Homeserve Reports Fourth Quarter and Year End Results

Toronto, May 17, 2007 – Homeserve Technologies Inc. today reported net income for the fourth quarter ended February 28, 2007 of \$0.6 million (a loss of \$0.42 per common share after the payment of preferred share dividends) on revenues of \$2.0 million for the fourth quarter ended February 28, 2007 compared to net income of \$0.9 million (a loss of \$0.60 per common share after the payment of preferred share dividends) on revenues of \$1.7 million for the same period of the prior fiscal year. The \$0.3 million quarter-over-quarter decrease in net income was primarily a result of a \$0.3 million increase in income tax expense.

Net Income for the 12 months ended February 28, 2007 was \$6.0 million (\$0.02 per common share after the payment of preferred share dividends) on revenues of \$11.2 million, as compared to net income of \$7.4 million (\$0.80 per common share after the payment of preferred share dividends) on revenues of \$10.5 million for the prior fiscal year. The most significant elements contributing to the \$1.5 million year-over-year decrease in net income were \$1.4 million in costs associated with the Aeromove program, a \$1.9 million increase in intangible amortization resulting from additional consideration earned under terms of the ICON acquisition, and a \$0.3 million increase in income tax expense. Partially offsetting these amounts were a \$0.5 million increase in contribution margin generated from the ICON operations due to increased file activities, a \$0.3 million increase in investment income, and a \$1.0 million increase in the gains realized on the sale of certain holdings within the Company's investment portfolio.

(\$ thousands, except per share amounts)	Three months Ended		Twelve months Ended	
	Feb. 28 2007	Feb. 28 2006	Feb. 28 2007	Feb. 28 2006
Revenue	2,032	1,726	11,204	10,467
Operating costs	1,353	880	3,846	2,530
Contribution margin	679	846	7,358	7,937
Investment income	361	337	1,445	1,119
Gain on sale of investments	962	32	1,211	244
Amortization	(889)	(82)	(3,557)	(1,661)
Interest expense	-	-	-	-
Net income for the period before income tax	1,113	1,133	6,457	7,639
Income tax expense	(500)	(200)	(500)	(200)
Net income for the period	613	933	5,957	7,439
Basic earnings (loss) available to common shareholders	(2,892)	(2,081)	136	2,751
Diluted earnings (loss) available to common shareholders	(2,892)	(2,051)	136	2,874
Basic and diluted (loss) earnings per common share				
Basic	\$ (0.42)	\$ (0.60)	\$ 0.02	\$ 0.80
Diluted	\$ (0.42)	\$ (0.30)	\$ 0.02	\$ 0.41

Calculation of Earnings per share

(\$ thousands)	Three months Ended		Twelve months Ended	
	Feb. 28 2007	Feb. 28 2006	Feb. 28 2007	Feb. 28 2006
Net income	613	933	5,957	7,439

Dividends paid on preferred shares	(3,505)	(3,014)	(5,821)	(4,688)
Basic earnings/(loss) available to common shareholders	(2,892)	(2,081)	136	2,751
Adjustment to net income on conversion of Series D preferred shares	-		30	-
Diluted net income/(loss) available to common shareholders	(2,892)	(2,051)	136	2,874

Issuance of Preferred Shares and Completion of the ICON Earn-out

Homeserve's Board of Directors approved the issuance of 8,712,750 Series C preferred shares in accordance with the earn-out provisions of the ICON Transaction on May 17, 2007. As a result of this issuance, the maximum number of Series C preferred shares under the ICON earn-out option have been issued.

Resignation of Chief Financial Officer and General Counsel and Secretary and Appointment of Secretary

With effect from June 15, 2007 current Chief Financial Officer Mr. Kevin Cash and current General Counsel and Corporate Secretary Mr. Max Cohen have decided to leave Homeserve to pursue other interests.

Mr. Plinio Cardoni has been appointed Secretary of the Company effective June 15, 2007. Mr. Cardoni has been VP Finance of Homeserve since May 2005 and will retain his position as VP Finance.

James Dunbar, President and CEO of Homeserve, stated that, "Kevin and Max have been key to the development and emergence of our operations and I wish Kevin and Max all the best in their future endeavours. With Plinio's proven capabilities and the leveraging of our primary shareholder's shared services platform we are well positioned to meet our finance and corporate secretary requirements."

Outlook

Homeserve is well positioned to be a leading technology and marketing services company in the home and move sector by leveraging its technology assets, and relationships with related Brookfield companies in the Centract Residential Real Estate portfolio and through a strategic focus on marketing services in relevant sectors. In addition to Aeromove, we will look at leveraging the move services platform by developing partnerships with other loyalty programs which seek to reach the Canadian moving population with a one-stop move services program.

While markets for software remain uncertain, we are optimistic that the sustainable stable cash flows from the ICON acquisition combined with licensing opportunities from the Company's CRM software and move services program model, will position the Company well for the future growth.

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.

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, 2007 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. 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 contact 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.

For further information please contact:
Tiffany Fisher, Mansfield Communications Inc.
(416) 599-0024 or tiffany@mcipr.com