

## Homeserve Reports Second Quarter Results

**Toronto, October 18, 2007** – Homeserve Technologies Inc. today reported net income of \$0.032 million (\$0.14 loss per common share) on revenues of \$2.6 million for the second quarter ended August 31, 2007 compared to net income of \$1.0 million (\$0.04 per common share) on revenues of \$2.4 million for the same period of the last fiscal year. The \$1.0 million quarter-over-quarter decrease in net income was primarily attributed to a \$0.6 million increase in amortization of intangible assets resulting from additional consideration earned under terms of the ICON acquisition and \$0.5 million increase in costs associated with the Aeromove program. Partially offsetting these amounts was a \$0.1 million decrease in costs associated with our HomeLink operations.

(\$ thousands, except per share amounts)	Three months Ended August 31		Six months Ended August 31	
	2007	2006	2007	2006
Revenue	2,591	2,360	8,239	7,793
Cost of sales	61	-	68	-
Gross profit	2,530	2,360	8,171	7,793
Operating costs	1,343	769	3,195	1,579
Contribution margin	1,187	1,591	4,976	6,214
Investment income	360	343	736	709
Gain on sale of investments	-	-	-	23
Amortization	(1,515)	(896)	(3,021)	(1,781)
Net income for the period	32	1,038	2,691	5,165
Basic earnings/(loss) available to common shareholders	(962)	263	703	3,616
Diluted earnings/(loss) available to common shareholders	(962)	263	703	3,616
Basic and diluted earnings/(loss) per common share				
Basic	\$ (0.14)	\$ 0.04	\$ 0.10	\$ 0.52
Diluted	\$ (0.14)	\$ 0.04	\$ 0.10	\$ 0.52

### Calculation of Earnings per share

(\$ thousands)	Three months Ended August 31		Six months Ended August 31	
	2007	2006	2007	2006
Net income	32	1,038	2,691	5,165
Dividends paid on preferred shares	(994)	(775)	(1,988)	(1,549)
Basic earnings/(loss) available to common shareholders	(962)	263	703	3,616
Diluted net income/(loss) available to common shareholders	(962)	263	703	3,616

## **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 ended August 31, 2007 is posted on Homeserve's website (under Investor Relations, Financial Information) at [www.homeserve.ca](http://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](http://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.

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