

Homeserve Reports Second Quarter Results

Toronto, October 19, 2006 – Homeserve Technologies Inc. today reported net income of \$1.0 million (\$0.04 per common share) on revenues of \$2.4 million for the second quarter ended August 31, 2006 compared to net income of \$1.4 million (\$0.12 per common share) on revenues of \$2.2 million for the same period of the last fiscal year. The \$0.4 million quarter-over-quarter decrease in net income was primarily attributed to increased amortization associated with the year over year increase in Intangible assets resulting from additional consideration earned under terms of the ICON acquisition and increased operating expenses associated with the build out of our Aeromove™ initiative.

(\$ thousands, except per share amounts)	Three months Ended August 31		Six months Ended August 31	
	2006	2005	2006	2005
Revenue	2,360	2,232	7,793	7,321
Operating costs	769	561	1,579	1,088
Contribution margin	1,591	1,671	6,214	6,233
Investment income	343	241	709	508
Gain/(loss) on sale of investments	-	-	23	(41)
Amortization	(896)	(530)	(1,781)	(1,063)
Net income for the period	1,038	1,382	5,165	5,637
Basic and diluted earnings per common share				
Basic	\$ 0.04	\$ 0.24	\$ 0.52	\$ 1.31
Diluted	\$ 0.04	\$ 0.12	\$ 0.52	\$ 0.66

Calculation of Earnings per share

(\$ thousands)	Three months Ended August 31		Six months Ended August 31	
	2006	2005	2006	2005
Net income	1,038	1,382	5,165	5,637
Dividends paid on preferred shares	(775)	(563)	(1,549)	(1,122)
Basic earnings available to common shareholders	263	819	3,616	4,515
Adjustment to net income on conversion of Series D preferred shares	-	31	-	62
Diluted net income available to common shareholders	263	850	3,616	4,577

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

On August 2, 2006, the Company signed a national, multi-year agreement with Aeroplan to offer Aeroplan members the opportunity to earn Aeroplan miles on various moving services through a newly developed move and home program called *Aeromove*TM. This partnership allows Homeserve to leverage its proprietary ICON and CARE II CRM platforms and extensive relationships with leading Canadian real-estate providers. Aeromove is expected to generate revenue for the Company through a combination of fees earned from move service participants and a margin on Aeroplan air miles earned through the Aeromove program. The Company in concert with Aeroplan is currently implementing the operational aspects of this program and is investing in the related capital and operational requirements in order to facilitate the launch of Aeromove in early 2007.

Management continues to 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 August 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. 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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