

Attention Business/Financial Editors:  
Homeserve Reports First Quarter Results

TORONTO, July 25 /CNW/ - Homeserve Technologies Inc. today reported net income of \$4.3 million (\$1.07 per common share) on revenues of \$5.1 million for the first quarter ended May 31, 2005 compared to net income of \$2.3 million (\$0.53 per common share) on revenues of \$2.5 million for the same period of the last fiscal year. The improved results were primarily attributed to a \$2.6 million contribution from our ICON operations, a \$0.1 million decrease in Home-Link's contribution margin loss resulting from the downsizing activities undertaken in the previous fiscal year and an increase in investment income of \$0.1 million as our investment portfolio continues to build from cash generated from our ICON business. Partially offsetting these results was a \$0.7 million decrease in the gain on sale of investments as the Company chose to retain the majority of its investment positions during the first quarter of fiscal 2006 as compared to the same period of the last fiscal year when the Company chose to realign certain of its investment positions, resulting in a gain of \$0.7 million.

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(\$ thousands, except per share amounts)	Three months ended May 31 2005	Three months ended May 31 2004
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Revenue	5,089	2,461
Operating costs	527	503
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Contribution margin	4,562	1,958
Investment income	267	181
Gain (loss) on sale of investments	(41)	663
Amortization	(533)	(475)
Other	-	(10)
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Net income for the period	4,255	2,317
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Basic and diluted earnings per common share		
Basic	\$ 1.07	\$ 0.53
Diluted	\$ 0.54	\$ 0.35

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

The acquisition of ICON and the renewal of Centract's contract to provide relocation services to the Government of Canada are significant milestones for Homeserve. Subsequent to the award of these contracts complaints were filed with the Canadian International Trade Tribunal ("CITT") with respect to the award of these contracts. At this time the CITT is still in the process of considering these issues and the outcome is uncertain at this time. Management will continue its focus on rationalizing and controlling costs, developing our CARE II CRM capabilities and assessing opportunities both internal and through co-ownership to further develop our CALMS product offering.

The Company 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, 2005 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. 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

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.

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CNW 14:40e 25-JUL-05