



**FOR: FIRSTSERVICE CORPORATION**

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**FOR IMMEDIATE RELEASE**

**FIRSTSERVICE ADDS STRENGTH TO ITS COMMERCIAL REAL ESTATE SERVICES DIVISION WITH TWO KEY ACQUISITIONS**

*Acquires the leading US hotel and hospitality consulting and research firm, PKF Consulting and PKF Hospitality Research*

*Acquires Canada's largest independent project management company, MHPM Project Managers*

**TORONTO, Ontario**, January 22, 2007 – FirstService Corporation (NASDAQ: FSRV; TSX: FSV) today announced that it has completed two acquisitions to add strength and depth in its rapidly growing commercial real estate services division. The acquisitions are expected to add approximately US\$25 million in annualized net fee revenues to FirstService and approximately US\$4 million in annualized EBITDA. The terms of the transactions were not disclosed.

**PKF Consulting & PKF Hospitality Research**

FirstService acquired an 80% interest in PKF Consulting and PKF Hospitality Research, the leading hotel and hospitality consulting and research firm in the United States, based in San Francisco, California. PKF's senior management team will retain the balance of the equity and will continue to operate as partners in the business going forward.

Founded in 1935, PKF provides a variety of consulting and advisory services to owners, managers and financiers of hospitality properties, including feasibility studies, appraisals, brokerage, research, litigation support and asset management. The company's annual publication "Trends in the Hotel Industry" is a key management and operating guide for the hospitality industry, providing a statistical review incorporating operating and financial data on hotels in the United States. PKF employs 70 people in 10 offices across the United States with operations in San Francisco, Los Angeles, Houston, Dallas, Atlanta, Washington DC, New York, Philadelphia, Boston, Indianapolis, and Bozeman, Montana.

Concurrent with the closing, FirstService will merge the US hotel consultancy and brokerage operations of Colliers Macaulay Nicolls ("Colliers CMN") into PKF to create the largest hotel and hospitality consulting, market research and specialty brokerage operation in the United States with the ability to serve hotel and hospitality clients throughout the country.

"PKF's strong reputation and expertise in the hotel and hospitality sector, combined with Colliers CMN's exceptional hotel and hospitality brokerage practice, will create the leading full-service hospitality consultancy, research and brokerage firm in the industry," said Doug Frye, President and CEO of Colliers CMN and Chairman of Colliers International. "This deal is a win for PKF, Colliers CMN and our clients. Together, we provide unmatched service excellence and market knowledge that will accelerate the success of our clients."

"PKF shareholders are excited about becoming partners with industry leaders FirstService and Colliers CMN," said Tom Callahan, Co-CEO of PKF. "They are the ideal partners for us who can help us grow our business significantly and add value to both our clients and shareholders."

### **MHPM Project Managers**

FirstService also acquired a 60% interest in Canada's largest and most experienced project management firm, MHPM Project Managers. The MHPM senior management team will retain the balance of the equity and will continue to operate as partners going forward.

Founded in 1989, MHPM offers property owners and users a single point of responsibility for the development, construction and renovation of facilities. MHPM services include consulting and feasibility analysis, document review, end-to-end project management, as well as fit-out and relocation services. Based in Ottawa, Ontario, MHPM employs 110 people in offices in Vancouver, Calgary, Edmonton, Toronto, Burlington, Ottawa, Montreal and Halifax.

Concurrent with the closing, FirstService will merge the Canadian project management operations of Colliers CMN into MHPM.

"This move is right on strategy for us," said Mr. Frye. "MHPM, with its long heritage and impeccable reputation for excellence, is a great fit with Colliers CMN and will accelerate the growth of our clients immensely. MHPM enhances and significantly expands our project management expertise and enables us to provide a full suite of services to our clients and

other users and owners of real estate.”

“MHPM has accomplished a great deal in its history and we are certain to accomplish even more in the future with FirstService and Colliers CMN as our partners,” said Franklin Holtforster, CEO of MHPM. “Their business skills, strong values and entrepreneurial culture are a perfect fit with our organization and I’m confident they will help us accelerate our growth while retaining the disciplines and qualities that have made our respective companies industry leaders. The partnership approach is becoming more important in business today and our partners and associates could not have found a better match. We are very much looking forward to our future as part of this dynamic and growing organization.”

“The acquisitions of PKF and MHPM are important additions to our rapidly growing commercial real estate services platform. Both companies are industry leaders in specialty niches and allow us to leverage our existing operations into substantially larger businesses as we continue to grow and develop our services into new markets,” said Jay Hennick, Founder and Chief Executive Officer of FirstService. “Most importantly, both emphasize the importance of our unique partnership model. By partnering with great management teams we are able to align the interests of our operators with the shareholders of FirstService, building our businesses together and creating value for all of our stakeholders over the long term.”

Colliers CMN has grown rapidly over the past two years, both internally and through strategic acquisitions, including Colliers Seeley, Cohen Financial and PGP Valuation in the United States, PRDnationwide in Australia and Colliers Central & Eastern Europe. In each case, the acquired company has added to Colliers CMN’s ability to deliver on its core strategic pillars – specialization, service excellence and local flexibility within a global platform.

### **About FirstService Corporation**

FirstService is a leader in the rapidly growing property services sector, providing services in the following areas: commercial real estate; residential property management; property improvement; and integrated security services. Market-leading brands include Colliers International in commercial real estate; The Continental Group in residential property management; California Closets, Paul Davis Restoration, Pillar to Post Home Inspections, and Certa Pro Painters in property improvement; and Intercon Security and Security Services & Technologies in integrated security.

FirstService is a diversified property services company with more than US\$1.4 billion in annualized revenues and more than 12,000 employees worldwide. More information about FirstService is available at [www.firstservice.com](http://www.firstservice.com).

### **About Colliers CMN & Colliers International**

Colliers CMN ([www.colliersmn.com](http://www.colliersmn.com)) is a leading international real estate services company that provides a full range of services to commercial real estate users, owners and investors worldwide. With annualized revenues in excess of US\$650 million, Colliers CMN is the

largest member of the Colliers International global network, one of the top three commercial real estate service organizations in the world with annual revenues of US\$1.4 billion. The Colliers International global network has 241 offices in 54 countries worldwide (130 in the Americas, 65 in Europe, Middle East and Africa and 46 in Greater Asia).

#### **FORWARD-LOOKING STATEMENTS**

Certain statements included in this release constitute "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of FirstService, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions, which will, among other things, impact demand for the FirstService's services, service industry conditions and capacity; the ability of FirstService to implement its business strategy, including FirstService's ability to acquire suitable acquisition candidates on acceptable terms and successfully integrate newly acquired businesses with its existing businesses; changes in or the failure to comply with government regulations (especially safety and environmental laws and regulations); and other factors which are described in FirstService's filings with the U.S. Securities and Exchange Commission and the Canadian regulatory authorities.

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