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FOR IMMEDIATE RELEASE

**FIRSTSERVICE DECLARES
DIVIDEND ON PREFERRED SHARES**

TORONTO, CANADA, December 16, 2008 – FirstService Corporation (TSX: FSV and FSV.PR.U; Nasdaq: FSRV) (“FirstService”) announced today that its board of directors has declared a dividend on the outstanding 7% Cumulative Preference Shares, Series 1 (the “Preferred Shares”) of FirstService of US\$0.4375 per Preferred Share for the period of September 30, 2008 to but excluding December 31, 2008. The dividend is payable on December 31, 2008 to holders of Preferred Shares of record at the close of business on December 29, 2008.

ABOUT FIRSTSERVICE

FirstService is a global diversified leader in the following three areas: commercial real estate; residential property management; and property services. Industry-leading service platforms include: FirstService Commercial Real Estate, the fourth largest global player in commercial real estate services; FirstManagement Partners, the largest manager of residential communities in North America; and TFC, North America’s largest provider of property services through franchise and contractor networks.

FirstService generates over US\$1.9 billion in annualized revenues with more than 17,000 employees worldwide. More information about FirstService is available at www.firstservice.com.

FORWARD-LOOKING STATEMENTS

Certain statements included in this release contain words such as “could”, “expects”, “expectations”, “may”, “anticipates”, “believes”, “intends”, “estimates” and “plans” (and similar expressions) and constitute “forward-looking statements” within the meaning of applicable securities law. These statements are based on FirstService’s current expectations, estimates,

forecasts and projections about the operating environment, economies and markets in which FirstService and its subsidiaries operate. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which are difficult to predict and may cause the actual results, performance or achievements of FirstService, or outcomes or 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 and the cost of providing services; 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 Canadian regulatory authorities. These statements, although considered reasonable by FirstService at the date of this press release, may prove to be inaccurate and consequently FirstService's actual results could differ materially from its expectations as set out or implied in this release. Unless otherwise required by applicable securities laws, FirstService disclaims any intention or obligation to update or revise any forward-looking statements.