



FOR: FIRSTSERVICE CORPORATION

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FOR IMMEDIATE RELEASE

**FIRSTSERVICE ACQUIRES RESIDENTIAL PROPERTY
PRESERVATION SERVICES LEADER, FIELD ASSET
SERVICES**

Expands rapidly growing property improvement services platform

Updates financial outlook

TORONTO, Ontario, October 3, 2007 – FirstService Corporation (NASDAQ: FSRV; TSX: FSV and FSV.PR.U) today announced that it has expanded its property improvement services platform with the acquisition of an 80% interest in one of North America's largest residential property preservation services companies, Field Asset Services (www.fieldassets.com). The balance of the equity will be retained by CEO Dale McPherson, founder, Steve George and the balance of the senior management team. Field Asset Services generated revenues of \$70 million during the last 12 months. The terms of the transaction were not disclosed.

Founded in 1996 and based in Austin, Texas, Field Asset Services provides comprehensive property preservation, maintenance and repair services to some of the largest residential mortgage lenders in America for their residential properties that have been acquired through foreclosure. Specifically, Field Asset Services secures the foreclosed properties, conducts recurring maintenance and repair services and also up-grades acquired properties to assist clients in improving recovery on their residential mortgage loan investments.

Field Asset Services processes more than 1,600 client requests weekly through its state-of-

the-art information systems that enable clients to efficiently manage their portfolios of foreclosed properties. All maintenance and repair services are managed through a proprietary system that includes outsourcing field services to a national network of independent service contractors. At any one time, the company provides its services to more than \$1.1 billion in client assets, representing over 25,000 residential properties.

“We are extremely pleased to be joining FirstService and its highly successful property improvement services platform, said Dale McPherson, Partner and CEO of Field Asset Services. “We operate in a highly fragmented industry that has experienced significant growth over the last few years. Our clients, some of the largest mortgage lenders and service companies in the country, appreciate our unique approach to the management and monitoring of their foreclosed and abandoned assets and as a result we have become a trusted and valued partner to help them achieve better results. FirstService, with its financial strength and proven operating model, will not only help us accelerate our growth, it will also provide our clients with the added credibility of partnering with a highly regarded and well capitalized public company.”

“The addition of Field Asset Services is another important step in our strategy to provide property improvement services to homes and businesses through entrepreneurial driven delivery systems,” said Steven Rogers, CEO of FirstService’s Property Improvement Services platform. “As a recognized industry leader in property preservation, Field Asset Services has a first rate vendor network of qualified contractors nationwide and a state-of-the art delivery system that can be leveraged and expanded upon in our other property improvement areas.”

“The acquisition of Field Asset Services is a natural fit with our traditional property improvement service offerings and allows us the opportunity to expand and cross-sell many of our existing services,” said Jay Hennick, Founder and Chief Executive Officer of FirstService. “We are very excited about our new partnership with Dale McPherson, Steve George and the other senior managers and believe our proven property services expertise and well established operating model will help them accelerate their growth in the future.”

JMP Securities served as financial advisor and K&L Gates as legal advisor to Field Asset Services in connection with this transaction.

Updated Financial Outlook

As a result of the acquisition of Field Asset Services, as well as the recently announced acquisition of Meredith & Grew, FirstService is increasing its outlook for the fiscal year ending March 31, 2008 previously issued on July 31, 2007.

(in millions of US dollars, except per share amounts)

	Year ending March 31, 2008	
	<u>Updated</u>	<u>Previous</u>
Revenues	\$1,625 - \$1,725	\$1,550 - \$1,650
EBITDA	\$149 - \$159	\$141 - \$151
Adjusted EPS¹	\$1.37 - \$1.49	\$1.30 - \$1.42

Notes:

1. Adjusted EPS refers to adjusted diluted earnings per share. The adjustment to EPS eliminates the impact of accelerated amortization of short-lived intangible assets recognized on acquisitions completed in the Company's Commercial Real Estate Services operations. Diluted EPS reflects earnings available to common shareholders after preferred share dividends.
2. The updated outlook assumes (i) no further acquisitions or divestitures completed during the outlook period and (ii) current economic conditions in the markets in which the Company operates remaining unchanged and in particular the market for commercial real estate services. Actual results may differ materially. The Company undertakes no obligation to continue to update this information.

About FirstService Corporation

FirstService is a leader in the rapidly growing property services sector, providing services in the following four areas: commercial real estate; residential property management; integrated security and property improvement services. Industry-leading service platforms include: Colliers International, the third largest global player in commercial real estate; FirstManagement Partners, the largest manager of residential properties in North America; FirstService Security, the fifth largest integrated security company in North America; and The Franchise Company, the second largest property improvement services organization in North America.

FirstService is a diversified property services company with more than US\$1.6 billion in annualized revenues and more than 16,000 employees worldwide. More information about FirstService is available at www.firstservice.com.

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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