FOR: FIRSTSERVICE CORPORATION

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FOR IMMEDIATE RELEASE

FIRSTSERVICE POSTS RECORD FIRST QUARTER

TORONTO, Ontario, July 24, 2001 -- FirstService Corporation (Nasdaq: FSRV; TSE: FSV) today announced record results for the quarter ended June 30, 2001, the first quarter of Fiscal 2002.

Revenue grew 30% to US$136.6 million from the US$105.4 million reported in the same quarter a year ago. Earnings before interest, taxes, depreciation and amortization ("EBITDA") were US$18.8 million, an increase of 30% over US$14.5 million in the previous year, while EBITDA margins remained unchanged at 13.7% of revenue. Net earnings before the extraordinary item were US$7.1 million, up 30% over the prior year period – or US$0.49 on a diluted per share basis, an increase of 23%. Net earnings before the extraordinary item for the current quarter reflect the adoption of FASB No. 142, Goodwill and Other Intangible Assets. Net earnings after the extraordinary item were US$6.3 million. During the quarter, the Company recorded an extraordinary loss of US$0.8 million on the early retirement of debt and the write-off of related financing fees.

FirstService Corporation is a leader in the rapidly growing service sector, providing a variety of property and business services -- including residential property management, integrated security services, consumer services, customer support and fulfillment and business process outsourcing -- to businesses and consumers throughout North America.

PROPERTY SERVICES

The Property Services division generated revenue of US$105.5 million for the first quarter, up 22% over the prior year reflecting the impact of acquisitions together with organic growth of 8%. Property Services EBITDA was US$14.5 million, up 24% over the prior year period, while EBITDA margins climbed slightly to 13.7% from 13.5%.

Revenue from Residential Property Management was US$57.0 million for the quarter, up 22% over the prior year. EBITDA grew 26% to US$7.1 million, while EBITDA margins increased to 12.4% from 12.0% last year.

Integrated Security Services posted revenue of US$22.9 million, up 50% over the prior year reflecting the impact of the acquisition of Security Services and Technologies which was acquired in July 2000, together with strong internal growth. EBITDA was US$1.9 million, double the prior year figure, while EBITDA margins improved from 6.2% last year to 8.3% in the current quarter. Margin improvement resulted from a shift in service mix toward higher-margin systems integration, with reduced emphasis on security officer services.

In Consumer Services, revenue advanced to US$25.6 million, an increase of 4% over last year, while EBITDA increased to US$5.5 million, up 8%. The margin was 21.4% compared to 20.7% in the prior year period. Consumer Services revenue and margins are higher in the first and second quarters and lower in the third and fourth quarters reflecting the seasonality inherent in certain operations, including lawn care and exterior painting.

BUSINESS SERVICES

Revenue from the Business Services division was US$31.0 million for the quarter, an increase of 64% primarily due to the impact of the March 2001 acquisition of Herbert A. Watts Limited ("Watts"). Organic revenue growth was 12% for the quarter, driven by contract wins in the business process outsourcing unit. Business Services EBITDA increased to US$5.5 million versus US$4.0 million in the prior year period, while margins declined to 17.6% from 21.2%. The margin decline is attributable to the change in service mix resulting from the Watts acquisition.

OTHER DEVELOPMENTS

On June 29, 2001, FirstService amended and restated its lending agreement with a syndicate of banks and simultaneously completed a US$100 million private placement of 8.06% fixed rate Senior Secured Notes. As a result, the Company recorded a non-cash extraordinary loss of US$0.8 million (net of tax) in the first quarter due to the write-off of financing fees related to the prior lending agreement.

Results for the quarter also include the impact of FASB statement No. 142, Goodwill and Other Intangible Assets, which FirstService intends to adopt prior to issuing financial statements for the quarter ended June 30, 2001. Adopting FASB No. 142 has the effect of decreasing amortization expense by approximately US$1.0 million, increasing minority interest expense by approximately US$0.1 million and increasing net earnings by approximately US$0.9 million or US$0.06 per diluted share.

CONFERENCE CALL

FirstService will be holding a conference call on Tuesday, July 24, 2001 at 2:00 pm Eastern Time to discuss results for the first quarter. The call will be simultaneously webcast and can be accessed "live" or later at www.firstservice.com in the "News Release" section.

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 (the "Reform Act"). Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, 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 Company's services, service industry conditions and capacity; the ability of the Company to implement its business strategy, including the Company'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 the Company's filings with the Securities and Exchange Commission.

FIRSTSERVICE CORPORATION

Consolidated Statements of Earnings
(in thousands of US dollars, except per share amounts, in accordance with US GAAP)

		Three month periods ended June 30		
		2001 with FASB adoption*	2001	2000
Revenue		**$136,575**	$136,575	$105,391
Cost of revenue		**89,358**	89,358	69,380
Selling, general and administrative expenses		**28,457**	28,457	21,554
EBITDA		**18,760**	18,760	14,457
Depreciation and amortization of intangibles		**2,956**	2,956	1,856
Amortization of goodwill		**-**	1,046	862
Interest		**2,668**	2,668	2,234
Earnings before the following:		**13,136**	12,090	9,505
Income taxes		**4,595**	4,595	3,800
Earnings before minority interest		**8,541**	7,495	5,705
Minority interest share of earnings		**1,451**	1,361	1,026
Net earnings before extraordinary item		**7,090**	6,134	4,679
Extraordinary loss on early retirement of debt, net of income tax benefit of $577		**797**	797	-
Net earnings		**$6,293**	$5,337	$4,679
Net earnings per share before extraordinary item:	Basic	**$0.53**	$0.46	$0.36
	Diluted	**$0.49**	$0.43	$0.34
Net earnings per share:	Basic	**$0.47**	$0.40	$0.36
	Diluted	**$0.44**	$0.37	$0.34
Weighted average shares outstanding:	Basic	**13,395**	13,395	13,042
(in thousands)	**Diluted**	**14,400**	14,400	13,648

* Adjusted to reflect the anticipated adoption of FASB No. 142, Goodwill and Other Intangible Assets. The prior period figures have not been adjusted for this change in accounting policy. Net earnings for the quarter ended June 30, 2000, adjusted to reflect FASB No. 142, would be $5,467 and on a per-share basis, $0.42 (basic) and $0.40 (diluted).

Segmented Revenue and EBITDA
(in thousands of US dollars)

Three months ended June 30	Property Services – residential property management	Property Services – integrated security services	Property Services – consumer services	Business Services	Corporate	Consolidated
2001						
Revenue	**$56,995**	**$22,874**	**$25,613**	**$31,031**	**$62**	**$136,575**
EBITDA	**7,093**	**1,895**	**5,473**	**5,455**	**(1,156)**	**18,760**
2000						
Revenue	$46,611	$15,231	$24,527	$18,977	$45	$105,391
EBITDA	5,613	938	5,077	4,023	(1,194)	14,457

Condensed Consolidated Balance Sheets
(in thousands of US dollars, in accordance with US GAAP)

	June 30		March 31
Assets	**2001 with FASB adoption***	2001	2000
Cash and cash equivalents	**$9,254**	$9,254	$5,115
Accounts receivable	**92,230**	92,230	79,473
Inventory and other current assets	**22,237**	22,237	21,520
Current assets	**123,721**	123,721	106,108
Fixed assets	**43,593**	43,593	40,741
Other assets	**12,883**	12,883	11,498
Goodwill	**157,770**	156,724	155,313
Total assets	**$337,967**	$336,921	$313,660
Liabilities and shareholders' equity			
Accounts payable and other current liabilities	**$61,327**	$61,327	$59,215
Unearned revenue	**14,536**	14,536	9,505
Long term debt – current	**3,042**	3,042	3,050
Current liabilities	**78,905**	78,905	71,770
Long term debt less current portion	**157,676**	157,676	149,374
Deferred income taxes	**4,276**	4,276	4,236
Minority interest	**10,154**	10,064	8,824
Shareholders' equity	**86,956**	86,000	79,456
Total liabilities and equity	**$337,967**	$336,921	$313,660

* Adjusted to reflect the anticipated adoption of FASB No. 142, Goodwill and Other Intangible Assets. The prior period figures have not been adjusted for this change in accounting policy.

Condensed Consolidated Statements of Cash Flows
(in thousands of US dollars, in accordance with US GAAP)

	Three month periods ended June 30		
	2001 with FASB adoption*	2001	2000
Operating activities			
Net earnings	**$6,293**	$5,337	$4,679
Items not affecting cash:			
Depreciation and amortization	**2,956**	4,002	2,718
Deferred income taxes	**(159)**	(159)	(368)
Minority interest share of earnings	**1,451**	1,361	1,026
Other	**1,485**	1,485	113
	12,026	12,026	8,168
Changes in operating assets and liabilities, excluding assets acquired and liabilities assumed in acquisitions	**(6,172)**	(6,172)	(3,139)
Net cash provided by operating activities	**5,854**	5,854	5,029
Investing activities			
Acquisition of businesses, net of cash acquired	**(1,190)**	(1,190)	(7,584)
Purchases of fixed assets	**(4,993)**	(4,993)	(2,679)
Other investing activities	**(417)**	(417)	(1,114)
Net cash used in investing	**(6,600)**	(6,600)	(11,377)
Financing activities			
Net increases in long-term debt	**6,439**	6,439	6,538
Other financing activities	**(1,297)**	(1,297)	589
Net cash provided by financing	**5,142**	5,142	7,127
Effect of exchange rate changes	**(257)**	(257)	(587)
Increase in cash and cash equivalents during the period	**4,139**	4,139	192
Cash and cash equivalents, beginning of period	**5,115**	5,115	3,297
Cash and cash equivalents, end of period	**$9,254**	$9,254	$3,489

* Adjusted to reflect the anticipated adoption of FASB No. 142, Goodwill and Other Intangible Assets. The prior period figures have not been adjusted for this change in accounting policy.