FOR: FIRSTSERVICE CORPORATION

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FOR IMMEDIATE RELEASE

FIRSTSERVICE COMPLETES PRIVATE PLACEMENT OF US$100 MILLION OF 8.06% SENIOR SECURED NOTES

TORONTO, Ontario, June 29, 2001 - FirstService Corporation (Nasdaq: FSRV; TSE: FSV) today announced that it has successfully completed the private placement of US$100 million of senior secured notes with a fixed interest rate of 8.06 percent. The notes are due June 29, 2011 with equal annual principal repayments beginning on the fourth anniversary for a seven-year average life. Net proceeds will be used to reduce amounts outstanding under the Company's senior revolving credit facility. Merrill Lynch acted as lead placement agent for the offering.

Concurrently with the completion of the private placement, FirstService amended and restated its senior revolving credit facility with its banking group including The Toronto Dominion Bank, Bank One Canada, The Bank of Nova Scotia, Canadian Imperial Bank of Commerce and The Royal Bank of Canada. The new credit facility has a three-year term, unless extended by the lenders, and entitles the Company to draw up to US$140 million for acquisitions and general corporate purposes.

Subsequent to the completion of these transactions, the Company will have drawn approximately US$46 million under its senior revolving credit facility, leaving US$94 million available to fund growth.

Restatement of the Company's senior revolving credit facility will result in the write-off of deferred financing fees associated with the previous credit facility which were being amortized over a five year period. This one-time non-cash charge in the amount of approximately US$800,000, net of deferred income taxes, will appear as an extraordinary item in the first quarter results.

"With the completion of the private placement and the amendments to our senior revolving credit facility, we believe that we have addressed our capital needs for the foreseeable future," said Jay S. Hennick, FirstService President and Chief Executive Officer. "We are delighted to have strengthened our capital structure with the addition of long-term financing provided by several major institutions. We appreciate their commitment to the Company as well as their confidence in our operating and growth strategy."

Separately, FirstService announced that it will early adopt the FASB Statements on Business Combinations and Goodwill and Intangible Assets and exclude goodwill amortization from its first quarter financial statements. The elimination of goodwill amortization means that goodwill on the Company's balance sheet will not be reduced and charged to earnings unless the fair value of a reporting unit is determined to be less than its carrying value resulting in an impairment loss. The Company is of the opinion that none of the goodwill on its balance sheet is impaired. For the year ended March 31, 2001, FirstService amortized approximately $3.6 million of goodwill which would not have been amortized had the new FASB Statements been in effect during that year.

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

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.