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President & CEO

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FOR IMMEDIATE RELEASE

FirstService reports strong results for its inaugural second quarter

Robust organic growth at both FirstService Residential and FirstService Brands

Adjusted EBITDA up 27%

Operating highlights:

	Three months ended June 30		Six months ended June 30	
	2015	2014	2015	2014
Revenues (millions)	**$ 326.3**	**$ 292.2**	**$ 598.4**	**$ 537.8**
Adjusted EBITDA (millions) (note 1)	**32.3**	**25.4**	**41.6**	**33.3**
Adjusted EPS (note 2)	**0.40**	**0.29**	**0.41**	**0.31**

TORONTO, Canada, August 6, 2015 – FirstService Corporation (TSX: FSV; NASDAQ: FSV) today reported results for its second quarter ended June 30, 2015. All amounts are in US dollars.

Revenues for the second quarter were $326.3 million, a 12% increase relative to the same quarter in the prior year, Adjusted EBITDA (note 1) was $32.3 million, up 27% and Adjusted EPS (note 2) was $0.40, a 38% increase versus the prior year quarter. GAAP diluted earnings per share was $0.20 in the quarter, versus $0.28 for the same quarter a year ago.

For the six months ended June 30, 2015, revenues were $598.4 million, an 11% increase relative to the comparable prior year period, Adjusted EBITDA was $41.6 million, up 25%, and Adjusted EPS was $0.41, up 32% versus the prior year period. GAAP diluted EPS for the six month period was $0.11, compared to $0.22 in the prior year period.

"In its inaugural reporting period as an independent public company, FirstService recorded strong second quarter results in all of its businesses. FirstService Residential continues to differentiate itself and win competitive market share, driving top-line growth across its North American footprint. As expected, FirstService Residential also saw a sharp increase in EBITDA over the prior year period," said Scott Patterson, Chief Executive Officer of FirstService. "FirstService Brands delivered strong performance across most of its franchised operations and exceptional performance at its California Closets company-owned stores. We are leveraging this experience and success with our company-owned strategy by expanding it to our Paul Davis Restoration business, where we announced our first franchise acquisition last month. We are extremely pleased with our year-to-date financial results, and expect continued strong performance for the balance of the year," he concluded.

About FirstService Corporation

FirstService Corporation is a North American leader in the property services sector serving its customers through two industry leading platforms: **FirstService Residential -** North America's largest manager of residential communities; and **FirstService Brands -** one of North America's largest providers of essential property services delivered through individually branded franchise systems and company-owned operations.

FirstService generates more than US$1.1 billion in annual revenues and has more than 15,000 employees across North America. With significant insider ownership and an experienced management team, FirstService has a long-term track record of creating value and superior returns. The common shares of FirstService trade on the NASDAQ under the symbol "FSV" and on the Toronto Stock Exchange under the symbol "FSV". More information is available at www.firstservice.com.

Segmented Quarterly Results

FirstService Residential revenues were $262.8 million for the second quarter, up 11% versus the prior year quarter. Revenue growth was comprised of 8% organic growth (9% on a local currency basis) and 3% from recent acquisitions. Adjusted EBITDA for the quarter was $20.5 million, versus $14.6 million in the prior year period. Current period results were driven by strong growth from new client contract wins for core property management and related on-site staffing and ancillary services. Prior period results were adversely affected by higher than expected employee medical benefits costs.

FirstService Brands revenues grew to $63.5 million, up 14% relative to the prior year period. Revenue growth was driven by organic growth of 10% (11% on a local currency basis) and augmented by 4% growth from recent acquisitions. Adjusted EBITDA for the second quarter was $13.7 million, up from $12.2 million in the prior year period. Strong operating performance from our California Closets company-owned stores contributed higher revenue growth than our franchised operations, which resulted in a mild tempering of operating margins in the current period relative the same prior year period.

Corporate costs were $1.9 million in the second quarter, relative to $1.4 million in the prior year period, which primarily reflects an increase in costs for FirstService as a new stand-alone public company and an increase in accrued incentive compensation.

Conference Call

FirstService will be holding a conference call on Thursday, August 6, 2015 at 11:00 a.m. Eastern Time to discuss the quarter's results. The call will be simultaneously web cast and can be accessed live or after the call at www.firstservice.com in the "Investors / Newsroom" section.

Forward-looking Statements

This press release includes or may include forward-looking statements. Forward-looking statements include the Company's financial performance outlook and statements regarding goals, beliefs, strategies, objectives, plans or current expectations. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results to be materially different from any future results, performance or achievements contemplated in the forward-looking statements. Such factors include: (i) general economic and business conditions, which will, among other things, impact demand for the Company's services and the cost of providing services; (ii) 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; (iii) changes in or the failure to comply with government regulations; and (iv) other factors which are described in the Company's filings with applicable Canadian and United States securities regulatory authorities (which factors are adopted herein).

Summary financial information is provided in this press release. This press release should be read in conjunction with the Company's quarterly financial statements and MD&A to be made available on SEDAR at www.sedar.com.

Notes

1. Reconciliation of net earnings from continuing operations to adjusted EBITDA:

Adjusted EBITDA is defined as net earnings, adjusted to exclude: (i) income tax; (ii) other expense (income); (iii) interest expense; (iv) depreciation and amortization; (v) acquisition-related items; (vi) stock-based compensation expense and (vii) spin-off transaction costs. We use adjusted EBITDA to evaluate our own operating performance and our ability to service debt, as well as an integral part of our planning and reporting systems. Additionally, we use this measure in conjunction with discounted cash flow models to determine the Company's overall enterprise valuation and to evaluate acquisition targets. We present adjusted EBITDA as a supplemental measure because we believe such measure is useful to investors as a reasonable indicator of operating performance because of the low capital intensity of the Company's service operations. We believe this measure is a financial metric used by many investors to compare companies, especially in the services industry. This measure is not a recognized measure of financial performance under GAAP in the United States, and should not be considered as a substitute for operating earnings, net earnings from continuing operations or cash flow from operating activities, as determined in accordance with GAAP. Our method of calculating adjusted EBITDA may differ from other issuers and accordingly, this measure may not be comparable to measures used by other issuers. A reconciliation of net earnings from continuing operations to adjusted EBITDA appears below.

(in thousands of US$)	Three months ended June 30		Six months ended June 30	
	2015	2014	**2015**	2014
Net earnings	**$ 11,808**	$ 10,780	**$ 11,374**	$ 10,784
Income tax	**9,488**	6,670	**9,259**	6,623
Other income, net	**(83)**	(65)	**119**	(128)
Interest expense, net	**2,723**	1,733	**4,591**	3,466
Operating earnings	**23,936**	19,118	**25,343**	20,745
Depreciation and amortization	**7,135**	5,365	**14,133**	11,316
Acquisition-related items	**36**	340	**283**	323
Stock-based compensation expense	**465**	539	**1,134**	912
Spin-off transaction costs	**740**	-	**740**	-
Adjusted EBITDA	**$ 32,312**	$ 25,362	**$ 41,633**	$ 33,296

2. Reconciliation of net earnings from continuing operations and diluted net earnings (loss) per share from continuing operations to adjusted net earnings and adjusted net earnings per share:

Adjusted earnings per share is defined as diluted net earnings (loss) per share, adjusted for the effect, after income tax, of: (i) the non-controlling interest redemption increment; (ii) acquisition-related items; (iii) amortization expense related to intangible assets recognized in connection with acquisitions; (iv) stock-based compensation expense; (v) spin-off transaction costs and (vi) a spin-off tax charge. We believe this measure is useful to investors because it provides a supplemental way to understand the underlying operating performance of the Company and enhances the comparability of operating results from period to period. Adjusted earnings per share is not a recognized measure of financial performance under GAAP, and should not be considered as a substitute for diluted net earnings per share from continuing operations, as determined in accordance with GAAP. Our method of calculating this non-GAAP measure may differ from other issuers and, accordingly, this measure may not be comparable to measures used by other issuers. A reconciliation of net earnings from continuing operations to adjusted net earnings and of diluted net earnings (loss) per share from continuing operations to adjusted earnings per share appears below.

(in thousands of US$)	Three months ended June 30		Six months ended June 30	
	2015	2014	**2015**	2014
Net earnings	**$ 11,808**	$ 10,780	**$ 11,374**	$ 10,784
Non-controlling interest share of earnings	**(1,294)**	(1,560)	**(2,413)**	(2,432)
Acquisition-related items	**36**	340	**283**	323
Amortization of intangible assets	**2,391**	1,329	**4,941**	3,422
Stock-based compensation expense	**465**	540	**1,134**	912
Spin-off transaction costs	**740**	-	**740**	-
Spin-off tax charge	**1,646**	-	**1,646**	-
Income tax on adjustments	**(1,266)**	(721)	**(2,520)**	(1,688)
Non-controlling interest on adjustments	**(45)**	(32)	**(90)**	(67)
Adjusted net earnings	**$ 14,481**	$ 10,676	**$ 15,095**	$ 11,254

(in US$)	Three months ended June 30		Six months ended June 30	
	2015	2014	**2015**	2014
Diluted net earnings per share	**$ 0.20**	$ 0.28	**$ 0.11**	$ 0.22
Non-controlling interest redemption increment	**0.08**	(0.03)	**0.13**	0.01
Acquisition-related items	**-**	0.01	**0.01**	0.01
Amortization of intangible assets, net of tax	**0.04**	0.02	**0.07**	0.05
Stock-based compensation expense, net of tax	**0.01**	0.01	**0.02**	0.02
Spin-off transaction costs, net of tax	**0.02**	-	**0.02**	-
Spin-off tax charge	**0.05**	-	**0.05**	-
Adjusted earnings per share	**$ 0.40**	$ 0.29	**$ 0.41**	$ 0.31

FIRSTSERVICE CORPORATION

Condensed Consolidated Statements of Earnings

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

(unaudited)	Three months ended June 30		Six months ended June 30	
	2015	2014	**2015**	2014
Revenues	**$ 326,251**	$ 292,205	**$ 598,440**	$ 537,799
Cost of revenues	**224,142**	203,816	**421,449**	382,506
Selling, general and administrative expenses	**70,262**	63,566	**136,492**	122,909
Depreciation	**4,744**	4,036	**9,192**	7,894
Amortization of intangible assets	**2,391**	1,329	**4,941**	3,422
Acquisition-related items (1)	**36**	340	**283**	323
Spin-off transaction costs	**740**	-	**740**	-
Operating earnings	**23,936**	19,118	**25,343**	20,745
Interest expense, net	**2,723**	1,733	**4,591**	3,466
Other expense (income)	**(83)**	(65)	**119**	(128)
Earnings before income tax	**21,296**	17,450	**20,633**	17,407
Income tax	**9,488**	6,670	**9,259**	6,623
Net earnings	**11,808**	10,780	**11,374**	10,784
Non-controlling interest share of earnings	**1,294**	1,560	**2,413**	2,432
Non-controlling interest redemption increment	**3,137**	(908)	**4,895**	381
Net earnings attributable to Company	**$ 7,377**	$ 10,128	**$ 4,066**	$ 7,971
Net earnings per common share				
Basic	**$ 0.21**	$ 0.28	**$ 0.11**	$ 0.22
Diluted	**0.20**	0.28	**0.11**	0.22
Adjusted earnings per share (2)	**$ 0.40**	$ 0.29	**$ 0.41**	$ 0.31
Weighted average common shares (thousands)				
Basic	**35,971**	35,971	**35,971**	35,971
Diluted	**36,601**	36,368	**36,619**	36,374

Notes to Condensed Consolidated Statements of Earnings (Loss)

(1) Acquisition-related items include transaction costs, and contingent acquisition consideration fair value adjustments.

(2) See definition and reconciliation above.

Condensed Consolidated Balance Sheets
(in thousands of US dollars)

(unaudited)	**June 30, 2015**	December 31, 2014
Assets		
Cash and cash equivalents	**$ 51,838**	$ 66,790
Accounts receivable	**116,242**	115,143
Inventories	**11,501**	9,489
Prepaid expenses and other current assets	**52,516**	59,301
Current assets	**232,097**	250,723
Other non-current assets	**5,381**	4,736
Fixed assets	**57,923**	55,203
Deferred income tax	**8,604**	4,572
Goodwill and intangible assets	**302,362**	300,310
Total assets	**$ 606,367**	$ 615,544
Liabilities and shareholders' equity		
Accounts payable and accrued liabilities	**$ 92,832**	$ 80,250
Other current liabilities	**37,897**	28,119
Long-term debt - current	**1,159**	17,725
Current liabilities	**131,888**	126,094
Long-term debt - non-current	**220,935**	221,632
Other liabilities	**16,166**	13,907
Deferred income tax	**15,599**	14,236
Redeemable non-controlling interests	**70,590**	80,926
Shareholders' equity	**151,189**	158,749
Total liabilities and equity	**$ 606,367**	$ 615,544
Supplemental balance sheet information		
Total debt	**$ 222,094**	$ 239,357
Total debt, net of cash	**170,256**	172,567

Consolidated Statements of Cash Flows
(in thousands of US dollars)

(unaudited)	Three months ended June 30 2015	Three months ended June 30 2014	Six months ended June 30 2015	Six months ended June 30 2014
Cash provided by (used in)				
Operating activities				
Net earnings	**$ 11,808**	$ 10,780	**$ 11,374**	$ 10,784
Items not affecting cash:				
Depreciation and amortization	**7,135**	5,365	**14,133**	11,316
Deferred income tax	**(657)**	(7,286)	**223**	(1,153)
Other	**(486)**	539	**180**	902
	17,800	9,398	**25,910**	21,849
Changes in non-cash working capital				
Accounts receivable	**(9,076)**	(9,963)	**619**	(6,709)
Payables and accruals	**3,504**	30,994	**342**	1,018
Other	**10,980**	3,820	**15,007**	5,012
Net cash provided by operating activities	**23,208**	34,249	**41,878**	21,170
Investing activities				
Acquisition of businesses, net of cash acquired	**(4,298)**	(8,409)	**(8,500)**	(8,785)
Purchases of fixed assets	**(6,821)**	(7,573)	**(10,407)**	(11,894)
Other investing activities	**(2,414)**	(1,332)	**(1,473)**	(903)
Net cash used in investing activities	**(13,533)**	(17,314)	**(20,380)**	(21,582)
Financing activities				
Increase in long-term debt, net	**(24,880)**	41,946	**(17,263)**	58,373
Net contributions (distributions) from/to Old FSV	**31,906**	(17,257)	**1,995**	(30,951)
Purchases of non-controlling interests	**(9,750)**	(8)	**(17,386)**	(8,492)
Financing fees paid	**(1,086)**	-	**(1,086)**	-
Distributions paid to non-controlling interests	**(737)**	(767)	**(2,287)**	(2,384)
Other financing activities	**(151)**	-	**(1,769)**	(1,774)
Net cash (used in) provided by financing activities	**(4,698)**	23,914	**(37,796)**	14,772
Effect of exchange rate changes on cash	**1,719**	(39)	**1,346**	(25)
(Decrease) increase in cash and cash equivalents	**6,696**	40,810	**(14,952)**	14,335
Cash and cash equivalents, beginning of period	**45,142**	59,891	**66,790**	86,366
Cash and cash equivalents, end of period	**$ 51,838**	$ 100,701	**$ 51,838**	$ 100,701

<u>Segmented Results</u>
(in thousands of US dollars)

(unaudited)	FirstSevice Residential	FirstService Brands	Corporate	Consolidated
Three months ended June 30				
2015				
Revenues	**$ 262,794**	**$ 63,457**	**$ -**	**$ 326,251**
Adjusted EBITDA	**20,502**	**13,734**	**(1,924)**	**32,312**
Operating earnings	**15,122**	**11,844**	**(3,030)**	**23,936**
2014				
Revenues	$ 236,669	$ 55,536	$ -	$ 292,205
Adjusted EBITDA	14,567	12,177	(1,382)	25,362
Operating earnings	10,790	10,292	(1,964)	19,118

	FirstService Residential	FirstService Brands	Corporate	Consolidated
Six months ended June 30				
2015				
Revenues	**$ 488,596**	**$ 109,844**	**$ -**	**$ 598,440**
Adjusted EBITDA	**29,831**	**15,009**	**(3,207)**	**41,633**
Operating earnings	**19,099**	**11,373**	**(5,129)**	**25,343**
2014				
Revenues	$ 441,466	$ 96,333	$ -	$ 537,799
Adjusted EBITDA	22,184	13,657	(2,545)	33,296
Operating earnings	13,967	10,285	(3,507)	20,745