



Franchise Services of North America Inc.

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For Immediate Release

Franchise Services of North America Inc. Announces First Quarter Results for the Period Ending December 31, 2010, New Franchises in the United States and Canada, and a New Agreement with Car Rentals USA Featuring City Based Car Rental Services

CALGARY, ALBERTA, February 25, 2011

TSX-V Trading Symbol: FSN

FRANCHISE SERVICES OF NORTH AMERICA INC. ("FSNA" or the "Company") announced today its first quarter results for the period ended December 31, 2010. Revenue and the net loss for the three months ended December 31, 2010 were \$4.0 million and \$145,949 respectively, as compared to revenue of \$3.8 million and net loss of \$643,643 for the three months ended December 31, 2009.

The Company also announced the sale of the John F. Kennedy International Airport franchise under the U-Save brand, and the sale of the Ottawa, Ontario franchise under the PractiCar brand. Both of these transactions were completed in early 2011; therefore, the financial results are not reflected in these reported results and will be recorded in the Company's second quarter ending March 31, 2011.

Additionally, the company announced a new Internet Marketing Agreement with Car Rentals USA, an internet booking engine featuring city based car rental services.

Bob Barton, the Company's President and Chief Operating Officer, stated, "We are very excited about the sale of JFK, as the Company now has franchises servicing all three major New York airports. The Ottawa PractiCar sale represents the return of the brand to eastern Ontario. The results for the quarter reflect a significant improvement over the previous year as a substantial portion of the company's insurance portfolio was moved into first dollar coverage as compared to a deductible fund. Losses in the insurance portfolio in the quarter reflect activity from the tail-end claims prior to the Association portfolio being moved to dollar one coverage. During the quarter, the Company reported the financial results of the previously announced sales of the two U-Save neighborhood locations in Columbus, MS and Ruston, LA, in addition to the PractiCar franchise sales in Alberta and the Greater Toronto Area. Franchise Sales has shown positive improvements over the last four months in this difficult economic environment. We are also very excited about our new Internet Marketing Agreement with Car Rentals USA. With one of the largest franchised neighborhood car rental systems, having U-Save Car & Truck Rental franchises'

neighborhood locations featured on this site will generate greater exposure to the strength of our neighborhood market locations.”

About FSNA

FSNA is a publicly traded company listed on the TSX Venture Exchange. The Company and its subsidiaries own the following brands: U-Save Car & Truck Rental, U-Save Car Sales, Rent-A-Wreck of Canada, PractiCar, Auto Rental Resource Center (“ARRC”), Xpress Rent A Car and Peakstone Financial Services.

U-Save, together with its subsidiary ARRC, has over 1,100 locations throughout the United States and is one of North America’s largest franchise car rental companies. Having primarily serviced the local market for the past 30 years, the Company is expanding into the airport market with plans for the opening of airport locations in the top 30 markets in the United States and the major airports in Canada. U-Save currently services 35 airport markets in 13 different states and 7 countries. U-Save Car Sales is an expansion of the U-Save brand into the car sales market, and provides goods and services to car sales operators looking to affiliate with a national brand.

Practicar Systems Inc. (a wholly owned subsidiary of FSNA) owns the rights to the Rent-A-Wreck® trademark for all of Canada. The Rent-A-Wreck® system operates a network of 58 franchises from coast-to-coast in Canada, providing a range of vehicle rental, leasing and sales options to its customers. The Rent-A-Wreck® system has been in continuous operation in Canada since 1976.

For further information on FSNA or any of its operating subsidiaries please contact:

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Forward-Looking Information

Certain statements made in this news release are forward looking in nature. The words “may,” “could,” “should,” “would,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” or “outlook” and similar expressions often identify forward-looking information. By their nature, forward-looking statements require FSNA to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions, forecasts, conclusions and projections will not prove to be accurate, that FSNA’s assumptions may not be correct and that actual results may differ materially from such predictions, forecasts, conclusions or projections. FSNA’s forward-looking statements are qualified in their entirety by these cautionary statements. In addition, the forward-looking statements are made only as of the date of this news release, and except as required by applicable law, FSNA undertakes no obligation to publicly update these forward-looking statements to reflect new information, subsequent events or otherwise.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

-End of Announcement-