



Franchise Services of North America Inc.

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For Immediate Release

Franchise Services of North America Inc. Announces Second Quarter Results for the Period Ending March 31, 2011 and New Franchise Sales

-New Airport and Neighborhood Stores Continue Growth Trend-

CALGARY, ALBERTA, May 27, 2011

TSX-V Trading Symbol: FSN

FRANCHISE SERVICES OF NORTH AMERICA INC. ("FSNA" or the "Company") announced today its second quarter results for the period ended March 31, 2011. Revenue and the net loss for the three months ended March 31, 2011 were \$3.8 million and \$8,751 respectively, as compared to revenue of \$3.9 million and a net loss of \$180,768 for three months ended March 31, 2010.

The Company also announced the sale of Los Angeles International Airport, the Lancaster County, South Carolina neighborhood location and the Lakeland, Florida airport under the U-Save brand. The franchises were sold after the conclusion of the reporting period, but prior to this release, thus the financial results of the sales will be recorded in the Company's third quarter.

Bob Barton, the Company's President and Chief Operating Officer, stated, "We are quite pleased with the improvement in the quarterly results as compared to the prior year. While we did have some unanticipated incremental run-off claims from the insurance portfolio that was moved to a first dollar program, overall the Company has performed in line with our own internal expectations. Without these run-off claims, the Company would have been profitable for the quarter. Recent franchise sales activity has been encouraging as evidenced by the two new airport locations and continued growth in the neighborhood markets. Our insurance book of business is trending favorably and the results from our new professional liability program, where we act as the Managing General Agent for the program, have exceeded our initial expectations."

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 31 airport markets in 12 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[®] and the PractiCar[®] trademarks for all of Canada. The Rent-A-Wreck[®] system operates a network of 63 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-