

FOR IMMEDIATE RELEASE

Contact: Larry Gerdes, CEO, larry.gerdes@trcr.com
Tom Binion, COO, tom.binion@trcr.com
404-364-8000

May 25, 2004

(BW) (TRANSCEND SERVICES, INC.)(TRCR)

**TRANSCEND RANKS 8TH AMONG THE TOP 100 PUBLIC COMPANIES
IN GEORGIA IN 2003**

Atlanta, Georgia TRANSCEND SERVICES, INC. (TRCR/Nasdaq SmallCap) today announced that it ranked 8th among the top 100 public companies in Georgia in the Atlanta Journal-Constitution's (the "AJC's") 11th annual performance scoreboard for 2003.

The performance scoreboard and rankings were compiled for the AJC by PricewaterhouseCoopers L.L.P., an international accounting and business consulting firm, using information obtained from the companies' Annual Reports on Form 10-K filed with the Securities and Exchange Commission and from other public sources. The rankings were based upon the following five weighted variables:

	<u>Variables</u>	<u>Weight</u>	<u>Transcend's Results*</u>
1.	Revenue	10%	\$14,663,000
2.	Year-over-year revenue change	15%	19.9%
3.	Annual change in profit margin	15%	\$21,000
4.	Return on equity	30%	41.97%
5.	Change in stock price in 2003	30%	460.81%
		<u>100%</u>	

- * Transcend's results shown above were based upon information presented in the Company's Annual Report on Form 10-K for the year ended December 31, 2003 and the closing prices per share of its common stock as reported on the Nasdaq SmallCap Market System as of December 31, 2003 and 2002.

Larry Gerdes, Chief Executive Officer, commented: "We are honored to be recognized among the elite public companies in Georgia. While we are proud of our accomplishments in 2003, we are now focused on 2004. Despite intense price competition, we are well positioned with a robust pipeline of potential new business and the upcoming introduction of our speech recognition solution. We believe that speech recognition will not only make us more productive, but also enable us to be more price competitive in the marketplace."

For the three months ended March 31, 2004, Transcend previously reported a revenue increase of 11% to \$3,867,000 and net income attributable to common stockholders of \$63,000, or \$0.01 per share, compared to revenue of \$3,481,000 and net income attributable to common stockholders of

\$80,000, or \$0.02 per share, for the comparable prior year quarter.

Expected Date for Release of the Results for the Second Quarter of 2004 and Related Conference Call

The Company plans to release its operating results for the second quarter of 2004 before the stock market opens on Tuesday, July 20, 2004 and further plans to host a conference call related to those results for investors, analysts and other interested parties at 11:00 a.m. EDT on that date. To participate in the conference call, please dial (800) 815-8193 (the US/Canada dial-in number) or (706) 643-1409 (the international dial-in number), enter the conference identification number 7566886 and, if asked, identify the conference name as Transcend Services and the leader name as Larry Gerdes. A replay of the conference call will be available through midnight on Thursday, July 22, 2004 by dialing (800) 642-1687 (US/Canada) or (706) 645-9291 (International) and entering the conference identification number 7566886 anytime after two hours from the completion time of the call on July 20, 2004.

About Transcend Services, Inc.

Transcend believes that accurate, reliable and timely transcription creates the foundation for the patient medical record. To this end, the Company has created Internet-based voice-to-text systems that allow its skilled medical language specialists to securely and quickly produce the highest quality medical documents. The Company's wide range of transcription services encompass everything needed to securely receive, type, format and distribute electronic copies of physician-dictated medical documents, from overflow projects to complete transcription outsourcing and custom data-center creation packages.

For more information, visit <http://www.transcendservices.com>.

This press release contains forward-looking statements that involve a number of risks and uncertainties. Among the important factors that could cause actual results to differ materially from those indicated by such forward-looking statements are competitive pressures, changes in pricing policies, delays in contract start dates, lower-than-expected demand for Transcend's solutions, business conditions in the integrated healthcare delivery network market, general economic conditions and the risk factors detailed from time to time in Transcend's periodic reports and registration statements filed with the Securities and Exchange Commission.

###