

**FOR IMMEDIATE RELEASE**

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(BW) (GA-TRANSCEND SERVICES, INC.) (NASDAQ: TRCR)

**Transcend Services Strengthens Alliance with eScription**

ATLANTA—(BUSINESS WIRE)—Aug. 24, 2007—Transcend Services, Inc. (NASDAQ: TRCR) announced today that it has joined the MTSO Alliance Program sponsored by eScription, Inc. This program is designed to strengthen the relationships between eScription, a medical transcription software company, and the Medical Transcription Service Organizations (MTSOs) that work on the eScription system, resulting in higher levels of customer satisfaction for mutual customers.

eScription MTSO Alliance members must meet and maintain performance criteria in areas such as productivity and customer service. eScription's MTSO Alliance program recognizes those organizations that have obtained significant experience using eScription software, and that have contracts with multiple eScription customers. All MTSO Alliance members will be able to participate in joint marketing and sales activities with eScription, further strengthening the relationships.

Larry Gerdes, President and CEO of Transcend Services, had this to say upon joining the MTSO Alliance Program:

"We are delighted to deepen and broaden our relationship with eScription by joining the MTSO Alliance Program. By providing skilled and experienced medical language specialists on the eScription platform, we are proud to contribute to the overall value delivered to our mutual customers. We look forward to expanding our relationships with both new and existing eScription customers."

**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, speech-recognition enabled, 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 and editing services encompass everything needed to securely transcribe, edit, format and distribute electronic copies of physician-dictated medical documents, from overflow projects to complete transcription outsourcing. For more information, visit <http://www.transcendservices.com>.

**About eScription, Inc.**

eScription, Inc. is the pioneer and leader in Computer Aided Medical Transcription. The company's patent-pending software is based on the simple premise that it is faster to edit than to type. With its products deployed at healthcare organizations throughout the United States, eScription is helping streamline processes, speed turnaround time, and save costs of medical transcription, without interfering with clinician workflow. For more information, call 781-455-8900 or visit [www.eScription.com](http://www.eScription.com)

*This press release contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, Section 27A of the Securities Act of 1933, as amended and pursuant to the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may relate to financial results and plans for future business activities, and are thus prospective. Such forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Among the important factors that could cause actual results to differ*

*materially from those indicated by such forward-looking statements are competitive pressures, loss of significant customers, the mix of revenue, changes in pricing policies, delays in revenue recognition, lower-than-expected demand for the Company's products and services, business conditions in the integrated health care delivery network market, general economic conditions, and the risk factors detailed from time to time in the Company's periodic reports and registration statements filed with the Securities and Exchange Commission. Any forward-looking statements are made pursuant to the Private Securities Litigation Reform Act of 1995 and, as such speak only as of the date made.*