

FOR IMMEDIATE RELEASE

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

TRANSCEND RANKED #1 PERFORMING COMPANY IN GEORGIA

Atlanta, Georgia. TRANSCEND SERVICES, INC. (NASDAQ: TRCR), a leading provider of medical transcription services to the U.S. healthcare market; today announced that it has been ranked the top performing company in Georgia for 2007 by the Atlanta Journal-Constitution.

The Atlanta Journal-Constitution analyzed the performance of public companies in Georgia based on their latest fiscal year-end data, ranking them based on five weighted performance measures:

- Total stock return – 30% weighting
- Return on equity – 30%
- Revenue change – 15%
- Change in profit margin – 15%
- Revenue – 10%

Transcend ranked first on total stock return and third on return on equity, two measures that account for 60% of the total score and helped drive Transcend to the number one overall ranking.

The Company was honored at a breakfast hosted by the Atlanta Journal-Constitution on May 21st. During a panel discussion with the CEO's of Georgia's five top performing companies, Larry Gerdes, Transcend's Chief Executive Officer, stated: "Georgia is a great environment to work in and to grow companies. Companies grow because of a commitment to the customer and to their employees. We expect to continue to grow and continue to thrive because of that."

Sue McGrogan, Transcend's Chief Operating Officer, expanded on Mr. Gerdes' comments: "We are fortunate to be in a growing, recession-resistant industry. The healthcare industry needs medical transcription partners who can quickly and consistently deliver high quality medical reports at a reasonable price. At Transcend, we focus first and foremost on delivering excellent service to our customers by creating small customer-centric teams, utilizing the most advanced technology and supplementing our predominantly domestic workforce with offshore support to ensure quick turnaround times 24 hours a day, seven days a week. We believe the proof of our success lies in our high customer retention rate and that customer satisfaction today is what drives further success tomorrow."

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 receive, type, 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>.

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.