

FOR IMMEDIATE RELEASE

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TRANSCEND AWARDED VHA INC. CONTRACT

Atlanta, Georgia (December 8, 2008) TRANSCEND SERVICES, INC. (TRCR - NASDAQ) announced today that it has entered into a three-year contract with VHA Inc., the national health care alliance, to offer medical transcription services to more than 1,400 not-for-profit hospitals and other healthcare organizations in the VHA alliance.

“With a focus on delivering quality services, combined with an outstanding record of high quality customer service, we feel that Transcend will make an excellent addition to VHA's industry leading purchased services portfolio,” said Amy Anthony, senior vice president for VHA's supply chain services. “Through the contract, VHA members will benefit from innovative outsourcing engagements.”

“We couldn't be more pleased to contract with VHA,” said Leo Cooper, Transcend's executive vice president of sales and marketing. “During the selection process, we were impressed by VHA's focus on service quality and desire to bring value to their members. Our sales force will immediately begin working with VHA's regional teams to identify opportunities and educate VHA members about Transcend.”

Transcend is currently one of two medical transcription service providers in VHA's purchased services portfolio. VHA members that contract for services with Transcend benefit from knowing that VHA has researched and selected a high-quality transcription firm and has pre-negotiated competitive terms. Members also receive financial incentives for driving purchasing volume through VHA portfolio contracts.

"We found Transcend to be a very collaboratively minded organization that truly wishes to meet and exceed their customers' needs," said Nik Fincher, vice president for VHA's purchased and capital asset sales. "These qualities, combined with the value they provide, will allow VHA members to reduce costs and improve processes within their organization."

About VHA

VHA Inc., based in Irving, Texas, is a national health care alliance that provides industry-leading supply chain management services and supports the formation of regional and national networks to help members improve their clinical and economic performance. With 16 offices across the U.S., VHA has a track record of proven results in serving more than 1,400 not-for-profit hospitals and more than 23,000 non-acute care organizations nationwide. For more information, visit www.vha.com.

About VHA's Purchased Services

Selective outsourcing helps members reduce organizational costs, focus resources on core competencies and improve work force and patient satisfaction. Based on a thoroughly researched understanding of members' needs, VHA maintains and assists members with the implementation of a portfolio of agreements including programs, products and services from industry-leading third-party suppliers. These services are ancillary to our industry leading supply contract portfolio and help our members improve their clinical and operational performance.

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 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, difficulties in implementing our offshore outsourcing objectives, 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.