

**FOR IMMEDIATE RELEASE**

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December 16, 2008  
(BW) (TRANSCEND SERVICES, INC.) (TRCR)

**TRANSCEND RANKED #1 MEDICAL TRANSCRIPTION COMPANY BY KLAS FOR 2008**

Atlanta, Georgia. TRANSCEND SERVICES, INC. (NASDAQ: TRCR), the third largest provider of medical transcription services to the U.S. healthcare market, today announced that it has been awarded the 2008 Best in KLAS award as the #1 Medical Transcription Service Organization (MTSO) in the healthcare industry. Transcend had previously been ranked #2 in the 2007 Top 20 rankings and #1 in the June 2008 KLAS MTSO Report.

“As economic conditions become more challenging, healthcare providers are under tremendous pressure to make every investment – and every dollar – count,” said KLAS President Adam Gale. “The Best in KLAS awards were created to help providers make smart buying decisions, allowing them to cut through the hype to identify companies, products and services that are the best-performing in the healthcare industry. The 2008 Best in KLAS honorees represent a select group of healthcare software and services vendors that have demonstrated leadership in working with customers to resolve issues and match expectations to reality.”

Transcend achieved the highest overall performance score, ranking first or second in all eleven individual performance indicators. Transcend’s highest scores were in the following categories:

- Real problem resolution
- Contracting experience
- Service delivery on time
- Executive involvement
- Quality of services staff
- Overall satisfaction

“We are extremely pleased that our customers have again ranked us number one,” stated Sue McGrogan, Chief Operating Officer of Transcend. “We believe that being the best in our industry requires more than maintaining a relentless focus on providing high quality reports on time to our customers, as important as that is. It also requires that people in every area of our organization are available and responsive to our customers’ needs. I am extremely proud of our operational team for consistently going the extra mile to provide excellent service to each and every customer.”

**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>.

## **About KLAS**

KLAS is a research firm that specializes in monitoring and reporting the performance of healthcare's information technology (HIT) vendors. KLAS's mission is to improve HIT delivery by independently measuring vendor performance for the benefit of our healthcare provider partners, consultants, investors, and vendors. Working together with executives from over 4,500 hospitals and over 2,500 clinics, KLAS delivers timely reports, trends, and statistics, which provide a solid overview of vendor performance in HIT industry. KLAS measures performance of software, professional services, and medical equipment vendors. For more information, go to [www.KLASresearch.com](http://www.KLASresearch.com), email [marketing@KLASresearch.com](mailto:marketing@KLASresearch.com), or call 1-800-920-4109 to speak with a KLAS representative.

*This press release contains certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, that represent our expectations, anticipations or beliefs about future events, including our operating results financial condition, liquidity, expenditures, and compliance with legal and regulatory requirements. For this purpose, any statements that are not statements of historical fact may be deemed to be forward-looking statements. These statements involve risks and uncertainties that could cause actual results to differ materially depending on a variety of important factors. Factors that might cause or contribute to such differences include, but are not limited to, 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 in our periodic, quarterly and annual reports on Forms 8-K, 10-Q and 10-K that we file with the Securities Exchange Commission ("SEC") from time to time. With respect to such forward-looking statements, we claim protection under the Private Securities Litigation Reform Act of 1995. Our SEC filings are available from us, and also may be examined at public reference facilities maintained by the SEC or, to the extent filed via EDGAR, accessed through the website of the SEC (<http://www.sec.gov>). In addition, factors that we are not currently aware of could harm our future operating results. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this press release. We undertake no obligation to make any revisions to the forward-looking statements or to reflect events or circumstances after the date of this press release.*