

FOR IMMEDIATE RELEASE

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

TRANSCEND SERVICES RECEIVES EMPLOYER AWARD OF EXCELLENCE

Atlanta, Georgia. December 11, 2006. Transcend Services, Inc. (NASDAQ: TRCR) is pleased to announce that it is the proud recipient of the Employer Award of Excellence, recognized by the West Central Texas Workforce Development Board at the Tenth Annual Texas Workforce Conference held in Grapevine, Texas, on November 29 through December 1, 2006. The West Central Texas Workforce Development Board also received an honor during the workforce conference – the 2006 Texas Workforce Service to Business Award from the Texas Workforce Commission (TWC).

The Employer Award of Excellence honors employers who are actively involved with their local workforce board and have made a positive impact on employers, workers and the community. Transcend Services Inc., at its Abilene, Texas training facility, is using a Board Workforce Investment Fund grant for an in-house training program to upgrade skills of its employees who are located in or have relocated to the Abilene area.

Larry Gerdes, Transcend's CEO, says of the award and the company's initiatives:

“This partnership with the West Central Texas Workforce Development Board has been extremely rewarding. Our hiring goal for the new location is 200 medical transcriptionists, who are being recruited with the board's help through partnerships with local colleges, job fairs, screening, testing and interviews. We are proud to make a positive impact on the region and congratulate the board in making this effort a great success.”

The Service to Business Award recognizes innovative approaches to meeting employer needs through recruiting, hiring, training, upgrading employee skills, retaining and transitioning employees, and involving the community. The West Central Texas Workforce Development Board created the Workforce Investment Fund to help companies in its rural area keep up with, and even surpass, global competition. Small to midsize companies can take advantage of the grants to upgrade new and incumbent workers skills. The workforce board has distributed \$600,000 in grants to 16 employers in 11 communities, benefiting 652 new and current workers.

“Employer-driven partnerships speed job growth and fuel a region's economic strength,” said Commissioner Ron Lehman of the Texas Workforce Commission. “I congratulate Transcend Services Inc. Abilene and West Central Texas Workforce Development Board for their successes.”

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 West Central Texas Workforce Development Board

The West Central Texas Workforce Development Board is one of 28 local workforce development boards throughout the state. The board serves Brown, Callahan, Coleman, Comanche, Eastland, Fisher, Haskell, Jones, Kent, Knox, Mitchell, Nolan, Runnels, Scurry, Shackelford, Stephens, Stonewall, Taylor and Throckmorton counties. The primary goal of the Texas Workforce Commission and workforce boards is to meet the needs of Texas employers through locally designed, employer-driven workforce development initiatives and services. All employers, as well as workers and job seekers, are eligible to take advantage of these services.

About Texas Workforce Commission

The Texas Workforce Commission is a state agency dedicated to helping Texas employers, workers and communities prosper economically. For details on TWC and the programs it offers in unison with its network of local workforce development boards, call (512) 463-8556 or visit www.texasworkforce.org.

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.