

FOR IMMEDIATE RELEASE

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

**FORBES RANKS TRANSCEND #19 AMONG THE 200 BEST SMALL
COMPANIES IN AMERICA**

Atlanta, Georgia. TRANSCEND SERVICES, INC. (TRCR - NASDAQ), a leading provider of medical transcription service to healthcare organizations, today announced that it was ranked one of the 200 best small companies in America by Forbes.

Transcend was ranked #19 in the 2008 report, which can be found in the October 27, 2008 issue of Forbes magazine or online at www.forbes.com/200best. The rankings are based on one and five-year average sales growth, earnings per share growth and return on equity. To qualify, companies must have annual revenue of between \$5 million and \$750 million and meet certain profit margin, share price and trading volume thresholds.

“We are pleased to be recognized by Forbes,” said Larry Gerdes, President and Chief Executive Officer of Transcend. “More than anything else, our financial performance results from our success in consistently delivering high quality service to our customers. I want to thank our employees for their day-in and day-out dedication and sense of urgency when it comes to taking care of our customers’ needs.”

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, 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.