

FOR IMMEDIATE RELEASE

Contacts:

Neil Berkman, Investor Relations, 310-826-5051, nberkman@berkmanassoc.com

Larry Gerdes, CEO, 678-808-0600, larry.gerdes@trcr.com

Lance Cornell, CFO, 678-808-0600, lance.cornell@trcr.com

July 15, 2009

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

Transcend is #7 on the FORTUNE Small Business 2009 Ranking of America's Fastest Growing Small Public Companies

Atlanta, Georgia. TRANSCEND SERVICES, INC. (NASDAQ: TRCR), the third largest provider of medical transcription services to the U.S. healthcare market, announced today that it had achieved the #7 position on the FORTUNE Small Business (FSB) annual ranking of America's fastest growing small public companies.

The FSB 100 list, which appears in the July/August issue of FORTUNE Small Business and is available online at www.cnnmoney.com/fsb100, includes U.S.-based firms with annual revenues of less than \$200 million and a stock price greater than \$1. FSB ranks the companies by stock performance and revenue growth over the past three years, with a new requirement in 2009 of no negative growth in any of the most recent four quarters – making the FSB 100 companies even more noteworthy. In an introductory essay, FSB writes: "In good times, the FSB 100 constitutes an elite group of small public companies: the best of the best...But in this Great Recession, their performance is nothing short of miraculous."

Larry Gerdes, CEO of Transcend, said, "Transcend's success is a team effort. All of us at the Company are proud that FSB has recognized our accomplishments in building our business during the past three years."

According to FSB, Transcend delivered a 64.3% three year annualized return to investors through December 31, 2008, the second highest return on the list.

About Transcend Services, Inc.

Transcend believes that accurate, reliable and timely transcription creates the foundation for the electronic 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 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.