



FOR IMMEDIATE RELEASE

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

Transcend Awarded Child Health Corporation of America (CHCA) Contract

Atlanta, Georgia. TRANSCEND SERVICES, INC. (NASDAQ: TRCR) announced today that it has entered into a three-year preferred provider agreement with Child Health Corporation of America (CHCA). Transcend will offer its leading transcription and clinical documentation solutions to CHCA's Owner Hospitals, helping them to achieve cost savings and access to new technologies that improve efficiency, quality and patient safety. Transcend is one of two preferred providers for medical transcription services and two CHCA hospitals are already Transcend customers.

"Transcend's commitment to quality and customer service is aligned with CHCA's vision to deliver sustainable value to our Owner Hospitals," said Melinda McDonald, Vice President for Child Health Corporation of America. "CHCA works closely with its Owners to identify cost reduction opportunities. Transcend met our selection criteria and was determined to be an excellent addition to our market-leading services portfolio."

According to CHCA, the medical needs of children are substantially different from those of adults. To meet those needs, children's hospitals must have access to specially designed medical products and services.

Susan McGrogan, Transcend's President and Chief Operating Officer said, "Transcend understands the critical nature of documentation for children's healthcare, which is why our company requires all transcriptionists who work on these accounts to have pediatric-specific training through our CARE program. CARE is our commitment to this very import sector of the market. By holding our transcriptionists to the CARE standard, we can assure CHCA Owner Hospitals, unparalleled quality transcription for pediatrics."

"We are pleased to contract with CHCA, and appreciate the opportunity to offer its Owner Hospitals consistent pricing and customizable solutions for full and partial outsourcing," said Larry Gerdes, Chief Executive Officer for Transcend. "Pediatric healthcare is a special focus for Transcend and I know that we will deliver an exceptional customer experience to CHCA members."



About Transcend Services, Inc.

Transcend Services is a leading provider of transcription and clinical documentation solutions for healthcare organizations. The company's high-quality transcription services – along with leading data extraction and reporting tools – provide critical data needed to document patient encounters and help drive clinical decision making. Transcend provides clients with exceptional quality, turnaround time and service so that they can focus on what matters most – their patients. For more information, visit www.transcendservices.com.

About Child Health Corporation of America (CHCA)

CHCA children's hospitals represent more than 20,000 physicians, 100,000 employees, \$14 billion in revenue and \$1.8 billion in overall medical, surgical and pharmaceutical products. CHCA Owner Hospitals are North America's leading children's hospitals and are widely known for their excellence in caring for children.

Safe Harbor Statement

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, extraordinary expenses, loss of significant customers, the mix of revenue, changes in pricing policies, delays in revenue recognition, challenges encountered in integrating acquired businesses, increased regulatory burdens, lower-than-expected demand for the Company's products and services, failure to expand customer relationships or realize revenues from sales closed in the current quarter, the Company's position for growth, delays in the development of the Company's transcription platform, business conditions in the integrated health care delivery network market, adverse 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.