



FOR IMMEDIATE RELEASE

Contacts:

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

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

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

November 9, 2011

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

Transcend Sees Sharp Increase in First-Time Outsourced Transcription Sales

ATLANTA, Georgia. TRANSCEND SERVICES, INC. (NASDAQ: TRCR), a provider of advanced clinical documentation solutions reported a record increase in its sales of first-time outsourced transcription services. Approximately 55% of the value of this year's sales through September 30th came from first-time outsourcing, a sharp increase from previous years. To date in 2011 Transcend has hired over 150 hospital employees as healthcare facilities have demonstrated increased comfort and motivation to outsource their employees to Transcend. That number is expected to increase by at least 50 by December 31, 2011.

Larry Gerdes, Chief Executive Officer stated, "We are excited to see the impact of first-time outsourced transcription on our sales this year and were fully prepared for this escalation in services. We knew that if we created a scenario whereby our clients and their in-house medical transcriptionists benefited from outsourcing that we could make a real impact in this space and create a win/win for all parties."

The industry cites several reasons for the success of transcription outsourcing, including: the demand to cut healthcare costs, the complexities of maintaining internal transcription staff and technology improvements such as the Web that allow quality services to be offered remotely. Permitting companies like Transcend to manage their medical transcription work relieves hospitals of the headaches and overhead costs connected with handling the function internally and allows them to focus their attention on enhancing service and lowering costs.

Transcend cites another reason for their success. Susan McGrogan, Transcend's President and Chief Operating Officer said, "One of the most significant reasons for our success is our ability to transition medical transcriptionists to Transcend from their hospital employer. When we enter into a new partnership with a hospital, our goal is to retain 100% of the transcriptionist employees. We understand that the transition from a hospital-based position to an external environment can be stressful and Transcend works very closely with each individual to ensure a smooth transition. Employee satisfaction largely impacts the success of the program. If the employees are content, the hospital sees lower costs and improved quality and efficiency."



St. Joseph's Hospital of Atlanta made the decision to outsource their transcription. Donna Samford, Director of Health Information Management for St. Joseph's Hospital said, "Transcend is a valuable business partner. We have seen both decreased turn-around times and decreased costs since our total outsourcing to Transcend two years ago, with better than industry-standard quality scores."

Betty Gould, Area Transcription Supervisor for Sonoma Area Medical Center stated, "Transcend understood our need for consistency and for the highest quality transcribed reports. They worked closely with us to maintain our transcription workflow processes and to minimize change so that we could continue to provide excellent patient care at our facilities."

Susan Conrad, Quality Assurance and Training Specialist for Transcend stated, "I was a transcriptionist for St. Joseph's of Atlanta for five years. My long-term goal was to retire from there but...things change. The hospital decided to outsource their transcription to Transcend and I was facing a career decision. Though I was resistant to change, I decided to join the Transcend family. Since making that decision, I've received comprehensive training that enabled me to move from transcriptionist to team leader to trainer to Lead Quality Assurance Specialist and the education is still ongoing. Transcend has helped me realize some of my own 'hidden' talents and I would welcome anyone to join our family and find theirs."

About Transcend Services, Inc.

Transcend delivers a single source solution for advanced clinical documentation. Transcend's services and products include: outsourced transcription services, front-end speech, a world-class transcription platform, physician charge capture and structured, dynamic clinical documentation. Clients that utilize Transcend experience increased physician adoption through flexible solutions that fit the physician workflow.

For more information, visit www.transcendservices.com.



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. 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, 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.