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CSI REPORTS RECORD FOURTH QUARTER AND FISCAL YEAR 2011 RESULTS

PADUCAH, Ky. (April 28, 2011) – Computer Services, Inc. (CSI) (OTCQX: CSVI) today reported record revenues and net income for the fourth quarter and fiscal year ended February 28, 2011.

CSI's revenues for fiscal 2011 were a record \$163.8 million and rose 6.4% compared with \$154.0 million for fiscal 2010. Net income for fiscal 2011 was a record \$24.0 million, an 11.0% increase compared with fiscal 2010 income of \$21.6 million. Net income per fully diluted share increased 12.6% to \$1.61 compared with \$1.43 last year.

Fourth quarter revenues rose 0.4% to a record \$42.0 million in fiscal 2011 compared with \$41.8 million in the fourth quarter of fiscal 2010. Net income was a record \$6.8 million, or \$0.45 per diluted share, in the fourth quarter of fiscal 2011 compared with \$6.6 million, or \$0.44 per diluted share, in the fourth quarter of fiscal 2010.

"CSI's fourth quarter set new records for revenue and net income, and marked our 28th consecutive quarter of revenue growth," stated Chief Executive Officer Steven A. Powless. "Our excellent results benefited from our strong base of recurring revenues, organic growth across our major business segments and the contribution from Myriad Systems (MSI) that was acquired in October 2009.

"We are taking significant steps to enhance CSI's future growth opportunities," continued Mr. Powless. "We launched our Strategic Growth Initiative as fiscal 2011 was ending that is focused on growing existing products and services, capitalizing on new growth opportunities in the regulatory and compliance area, seeking new acquisition and investment opportunities to expand our family of products and services, and adding management depth and new talent to support our continued growth. We have already consolidated certain operations across company lines to form a new Document Services Division focused on electronic and paper document production and distribution, and invested in new technology. We are excited about the potential of these new programs to accelerate our growth going forward."

Fiscal 2011 Results

Consolidated revenues rose 6.4% to \$163.8 million for fiscal 2011 compared with \$154.0 million for fiscal 2010. The internal revenue growth rate was 2.1% in fiscal 2011 with the remaining 4.3% of growth the result of the MSI acquisition. Processing revenues rose 6.1% to \$116.7 million compared with \$110.1 million for fiscal 2010, and other revenues increased 7.1% to \$47.1 million compared with \$43.9 million for fiscal 2010.

Operating income rose 11.6% to \$39.9 million for fiscal 2011 compared with \$35.7 million for last year. Operating margin for fiscal 2011 rose to 24.3% compared with 23.2% for fiscal 2010. The increase in operating income and margin benefited from a higher sales base, improved product mix and tougher expense management.

Net income for fiscal 2011 rose 11.0% to \$24.0 million compared with \$21.6 million for fiscal 2010. Net income per diluted share increased 12.6% to \$1.61 for fiscal 2011 on 14.9 million weighted average diluted shares outstanding compared with \$1.43 for fiscal 2010 on 15.1 million weighted average diluted shares outstanding. Weighted average fully diluted shares outstanding were down 1.3% to 14.9 million for the fiscal year primarily due to CSI shares repurchased under the Company's stock repurchase program. CSI repurchased 282,262 shares in fiscal 2011.

CSI's cash flow from operations rose to \$38.5 million in fiscal 2011 compared with \$35.6 million in fiscal 2010, and cash and cash equivalents increased to \$3.5 million at February 28, 2011, compared with \$3.3 million at February 28, 2010.

"We used our strong balance sheet and cash flow to pay down over \$5 million in debt in fiscal 2011," continued Mr. Powless. "We also increased our quarterly cash dividend 15.8% to \$0.11 per share, representing the 22nd consecutive year of dividend growth. In addition, we reinvested over \$16.7 million in new equipment and software during fiscal 2011. We believe these investments will be an important part of CSI maintaining its competitive edge while providing the foundation to support our continued growth."

Fourth Quarter Results

Fourth quarter consolidated revenues rose to \$42.0 million compared with \$41.8 million for the fourth quarter ended February 28, 2010. Processing revenues increased 1.6% to \$29.6 million in the fourth quarter of fiscal 2011 compared to \$29.1 million in the fourth quarter of fiscal 2010. Other revenues were \$12.4 million in the fourth quarter of fiscal 2011 compared with \$12.7 million in the fourth quarter of fiscal 2010.

"We set new records in the fourth quarter for revenues, operating income, operating margin and net income," continued Mr. Powless. "We are excited about the continued growth opportunities for CSI as we leverage operations and products across company lines under our Strategic Growth Initiative."

Fourth quarter 2011 operating income was \$11.2 million compared with \$10.9 million for the fourth quarter of the prior year. Operating margin for the fourth quarter rose to 30.0% compared with 29.6% for the fourth quarter of fiscal 2010. The increase in margin was primarily due to higher sales and improved product mix. Operating expenses were down 0.5% compared with the fourth quarter of last fiscal year due to improved operating efficiencies. Total operating expenses declined as a percentage of revenue to 73.2% in the fourth quarter of fiscal 2011 compared with 73.9% in the same period of fiscal 2010.

Net income was \$6.8 million for the fourth quarter of fiscal 2011 compared with \$6.6 million for the prior year. Net income per fully diluted share was \$0.45 compared with \$0.44 for the same quarter last year. Weighted average fully diluted shares outstanding were down 1.2% to 14.8 million primarily due to CSI shares repurchased under the Company's stock repurchase program. CSI repurchased approximately 111,000 shares during the fourth quarter of fiscal 2011.

About Computer Services, Inc.

Computer Services, Inc. (CSI) delivers core banking, payments processing, Internet, card services, risk assessment, fraud prevention, network management, regulatory compliance and document delivery solutions to financial institutions and corporate entities across the nation. Technology planning, personal account management and world-class customer service explain why CSI is known as one of the nation's premier providers of technology solutions for the financial services industry. CSI's stock is traded on OTCQX under the symbol CSVI. For more information about CSI, visit www.csiweb.com.

Forward-Looking Statements

This news release contains "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. All statements except historical statements contained herein constitute "forward-looking statements." Forward-looking statements are inherently uncertain and are based only on current expectations and assumptions that are subject to future developments that may cause results to differ materially. Readers should carefully consider: (i) economic, competitive, technological and governmental factors affecting CSI's operations, customers, markets, services, products and prices; and (ii) other factors discussed in CSI's Information and Disclosure Statements and other documents posted from time to time on the OTCQX website (www.otcqx.com), including without limitation, the description of the nature of CSI's business and its management discussion and analysis of financial condition and results of operations for reported periods. CSI undertakes no obligation to update, and is not responsible for updating, the information contained in this release beyond the publication date, whether as a result of new information or future events, or to conform the statement to actual results or changes in CSI's expectations, or otherwise or for changes made to this document by wire services or Internet services.

COMPUTER SERVICES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Income
(in thousands, except share and per share data)

	Three Months Ended February 28, <i>(Unaudited)</i>		Year Ended February 28, <i>(Audited)</i>	
	2011	2010	2011	2010
Processing revenues	\$ 29,545	\$ 29,092	\$ 116,724	\$ 110,062
Other revenues	12,419	12,700	47,052	43,923
Total revenues	41,964	41,792	163,776	153,985
Operating expenses	30,729	30,875	123,898	118,253
Operating income	11,235	10,917	39,878	35,732
Interest income (expense), net	(38)	(92)	(182)	(264)
Income before income taxes	11,197	10,825	39,696	35,468
Provision for income taxes	4,423	4,222	15,680	13,833
Net income	\$ 6,774	\$ 6,603	\$ 24,016	\$ 21,635
Earnings per share				
Basic	\$ 0.46	\$ 0.45	\$ 1.64	\$ 1.48
Diluted	\$ 0.45	\$ 0.44	\$ 1.61	\$ 1.43
Shares used in computing earnings per common and common equivalent share				
Basic	14,526,547	14,547,775	14,609,566	14,627,012
Diluted	14,786,686	14,969,876	14,875,352	15,077,878

COMPUTER SERVICES, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(Audited)
(in thousands, except share data)

	02/28/2011	02/28/2010
ASSETS		
Current assets		
Cash and cash equivalents	\$ 3,527	\$ 3,281
Accounts receivable	19,018	19,427
Income tax receivable	2,042	-
Prepaid expenses and other current assets	5,933	5,285
Total current assets	30,520	27,993
Property and equipment, net	30,008	30,857
Software and software licenses, net	18,245	15,015
Goodwill	48,761	46,761
Intangible assets	1,500	2,171
Other assets	7,088	3,123
Total assets	\$ 136,122	\$ 125,920
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	\$ 12,271	\$ 10,955
Deferred revenue	6,575	6,263
Income tax payable	-	895
Notes payable	191	138
Earn-out provision related to acquisition	2,000	2,000
Total current liabilities	21,037	20,251
Long-term liabilities		
Notes payable	3,099	8,340
Deferred income taxes	4,269	1,008
Earn-out provision related to acquisition	-	2,000
Other long-term liabilities	1,014	879
Total long-term liabilities	8,382	12,227
Total liabilities	29,419	32,478
Shareholders' equity		
Preferred stock; shares authorized, 5,000,000; none issued	-	-
Common stock, no par; shares authorized, 20,000,000 in fiscal 2011 and 2010; shares issued and outstanding, 14,581,602 at February 28, 2011 and 14,639,782 at February 28, 2010	16,523	15,320
Retained earnings	93,055	81,055
Restricted stock	(2,875)	(2,933)
Total shareholders' equity	106,703	93,442
Total liabilities and shareholders' equity	\$ 136,122	\$ 125,920