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FOR IMMEDIATE RELEASE

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CSI REPORTS RECORD RESULTS FOR FIRST QUARTER FISCAL 2009

PADUCAH, Ky. (July 2, 2008) – Computer Services, Inc. (CSI) (OTCQX: CSVI) today reported record revenues and net income for the first quarter ended May 31, 2008.

First quarter revenues rose 4.1% to \$35.7 million in fiscal 2009 compared with \$34.3 million in the first quarter of fiscal 2008. Net income rose 5.2% to \$4.5 million, and net income per diluted share increased 7.8% to \$0.55 compared with the prior year.

“CSI’s record results reflected higher sales from CSI Data Services, ATTUS Technologies, McCoy Myers and Heartland Communications,” stated President and Chief Executive Officer Steven A. Powless. “We also experienced growth in margins due to improved product mix that benefited net income. The acquisitions completed over the past few years have significantly expanded our client base and have been major contributors to our growth in sales and margins.”

First Quarter Results

First quarter consolidated revenues rose 4.1% to \$35.7 million compared with \$34.3 million for the first quarter ended May 31, 2007. Processing revenues increased 1.8% to \$25.3 million compared with \$24.9 million in the first quarter of last year. Other revenues rose 9.9% to \$10.4 million in the first quarter of fiscal 2009 compared with \$9.5 million in the same quarter of fiscal 2008.

“Our outlook for fiscal 2009 is for revenue growth to slow in the near future as many banks take a more cautious outlook on IT spending,” continued Mr. Powless. “We believe CSI will be insulated somewhat from a softening economy by our long-term data processing contracts that account for the majority of our revenues. In addition, we expect that our expanded suite of products and services acquired over the past few years have diversified our revenue base and will provide CSI with some resiliency in a soft market.”

First quarter operating income rose 7.5% to \$7.4 million compared with \$6.9 million in the first quarter of the prior year. Operating margin improved in the first quarter to 24.0% compared with 23.6% in the first quarter of fiscal 2008. The increase in operating income and margin benefited from higher sales and improved product mix.

Net income rose 5.2% to \$4.5 million in the first quarter of fiscal 2009 compared with \$4.2 million in the prior-year period. Net income per fully diluted share increased 7.8% to \$0.55 compared with \$0.51 in the same quarter last year.

“CSI’s cash position rose to \$4.1 million at May 31, 2008, up from \$2.2 million at February 29, 2008,” continued Mr. Powless. “We continue to benefit from strong cash flow from operations. During the first fiscal quarter, we used cash to pay down long-term debt, increase our cash dividend and repurchase CSI stock. We bought 93,485 shares of CSI stock for a total of \$3.0 million during the first fiscal quarter. In addition, we purchased \$3.2 million in software and equipment, up from \$1.1 million in the same quarter of last year.”

About Computer Services, Inc.

Computer Services, Inc. (CSI) delivers core banking, payments processing, Internet, card services, risk assessment, fraud prevention, network management, and regulatory compliance solutions to over 4,600 financial institutions and corporate entities. Technology planning, local account managers and world-class customer service explain why CSI has been known as the nation's premier provider of banking solutions for over 40 years. CSI’s stock is traded on the 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 the 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, 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
CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(In thousands, except per share data)

	Three Months Ended	
	May 31,	May 31,
	2008	2007
Revenues	\$ 35,699	\$ 34,302
Expenses	<u>28,297</u>	<u>27,414</u>
Income before other income (expense)	7,402	6,888
Other income (expense), net	<u>(94)</u>	<u>(115)</u>
Income before taxes & minority interest	7,308	6,773
Provision for income taxes	<u>2,850</u>	<u>2,570</u>
Net income before minority interest	4,458	4,203
Minority interest	<u>12</u>	<u>45</u>
Net income	<u>\$ 4,470</u>	<u>\$ 4,248</u>
Earnings per share, assuming dilution	\$ 0.55	\$ 0.51
Weighted average common shares outstanding, assuming dilution	8,080	8,252

CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)

	<u>5/31/2008</u>	<u>2/29/2008</u>
ASSETS		
Cash and cash equivalents	\$ 4,128	\$ 2,249
Other current assets	19,804	20,083
Property and equipment, net	29,403	30,005
Software and software licenses, net	15,365	14,690
Goodwill and intangible assets	34,143	34,273
Other assets	<u>5,635</u>	<u>5,413</u>
Total assets	<u>\$ 108,478</u>	<u>\$ 106,713</u>
LIABILITIES & SHAREHOLDERS' EQUITY		
Current liabilities	\$ 13,731	\$ 12,882
Other liabilities	1,968	2,015
Long-term debt	<u>9,908</u>	<u>9,990</u>
Total liabilities	25,607	24,887
Minority Interest	615	437
Shareholders' equity	<u>82,256</u>	<u>81,389</u>
Total liabilities and shareholders' equity	<u>\$ 108,478</u>	<u>\$ 106,713</u>