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CSI REPORTS RECORD RESULTS FOR THIRD QUARTER FISCAL 2008

PADUCAH, Ky. (January 7, 2008) — Computer Services, Inc. (CSI) (OTCQX: CSVI) today reported record revenues and net income for the third quarter and nine months ended November 30, 2007.

Third quarter revenues rose 18.3% to \$36.4 million in fiscal 2008 compared with \$30.7 million in the third quarter of fiscal 2007. Net income rose 21.6% to \$4.1 million, and net income per diluted share increased 22.0% to \$0.50 compared with the prior year.

“CSI’s third quarter benefited from increased sales across all business segments and subsidiaries,” stated President and Chief Executive Officer Steven A. Powless. “After the close of the quarter, we announced a \$5 million expansion in our stock repurchase program. We believe CSI’s stock represents an excellent investment at recent prices and this authorization highlights our confidence in the future of the Company.”

Third Quarter Results

Third quarter consolidated revenues rose 18.3% to \$36.4 million compared with \$30.7 million for the third quarter ended November 30, 2006. Processing revenues increased 7.1% to \$25.9 million and accounted for 71% of total revenues compared with \$24.1 million or 79% of total revenues in the third quarter of last year. CSI Data Services recorded double-digit growth in card services revenue, software royalties and maintenance, equipment and supply sales, equipment maintenance, and eBusiness services.

“Our third quarter revenue growth benefited from new accounts at ATTUS, McCoy Myers, and Summit Financial Solutions, acquired in January 2007,” continued Mr. Powless. “We also leveraged our core bank relationships by cross-selling ATTUS’ compliance solutions, Summit’s proprietary Check-21 based image platform and telecommunications services from Heartland Communications.”

Consolidated operating income increased 25.1% to \$6.7 million compared with \$5.4 million in the third quarter of the prior year. Third quarter operating margins were 18.5 % compared with 17.5% in the third quarter of fiscal 2007. The increase in operating income and margin was due primarily to higher revenues and improved product mix.

Net income rose 21.6% to \$4.1 million for the third quarter of fiscal 2008 compared with \$3.4 million in the prior-year period. Net income per fully diluted share was \$0.50 compared with \$0.41 in the same quarter last year. Weighted average shares outstanding were down 0.4% to 8.2 million, due to stock repurchases since last year. CSI has repurchased approximately 138,000 shares in fiscal 2008.

“CSI’s cash flow from operations remains strong,” reports Mr. Powless. “At the end of the third quarter, we had \$5.1 million in cash and cash equivalents and only \$11.5 million in debt. Since the first of the fiscal year, we have paid down \$1.8 million in debt, repurchased almost \$4.6 million in CSI stock, and purchased \$13.7 million in property, equipment and software/licenses, including almost \$6 million in new hardware and software to replace our host processor in Paducah, Kentucky.”

Nine Month Results

Consolidated revenues for the first nine months of fiscal 2008 rose 18.2% to a record \$105.6 million compared with \$89.4 million for the same period in fiscal 2007. The increase in revenues was attributable to growth in processing revenues and the contributions from ATTUS, McCoy Myers, Heartland and Summit.

Operating income rose 12.7% to \$19.7 million for the first nine months of fiscal 2008 compared with \$17.5 million for the same period last year. Net income for the first nine months of fiscal 2008 rose 15.2% to \$12.1 million compared with \$10.5 million in the first nine months of fiscal 2007. Net income per diluted share increased 15.7% to \$1.47 for the latest nine-month period compared with \$1.27 for the same period last year.

“CSI’s acquisitions completed over the past few years have been major contributors to our growth,” stated Mr. Powless. “We remain positive about the continued growth of CSI based on increased demand for services and products across Company lines.”

About Computer Services, Inc.

Computer Services, Inc. is a leading provider of comprehensive technical service and software solutions to financial institutions, with over 3,500 clients throughout the United States. For community banks, CSI delivers core application and item processing services along with state-of-the-art, integrated Internet-based banking solutions. For financial institutions generally, CSI delivers software and services for risk assessment, e-security, fraud prevention, network management, and regulatory compliance related to privacy, Patriot Act, and financial crimes. Based in Paducah, Kentucky, CSI has annual revenue of over \$125 million. For more information about CSI, visit www.csiweb.com.

Forward-Looking Statement

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, 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, 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.
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(In thousands, except per share amounts)

	Third Quarter Ended		Nine Months Ended	
	November 30,	November 30,	November 30,	November 30,
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenues	\$ 36,383	\$ 30,748	\$ 105,638	\$ 89,358
Expenses	<u>29,658</u>	<u>25,371</u>	<u>85,914</u>	<u>71,850</u>
Income before other income (expense)	6,725	5,377	19,724	17,508
Other income (expense), net	<u>(269)</u>	<u>(78)</u>	<u>(562)</u>	<u>(310)</u>
Income before taxes & minority interest	6,456	5,299	19,162	17,198
Provision for income taxes	<u>2,416</u>	<u>2,041</u>	<u>7,172</u>	<u>6,801</u>
Net income before minority interest	\$ 4,040	\$ 3,258	\$ 11,990	\$ 10,397
Minority interest	<u>56</u>	<u>110</u>	<u>141</u>	<u>137</u>
Net income	<u>\$ 4,096</u>	<u>\$ 3,368</u>	<u>\$ 12,131</u>	<u>\$ 10,534</u>
Earnings per share, assuming dilution	<u>\$ 0.50</u>	<u>\$ 0.41</u>	<u>\$ 1.47</u>	<u>\$ 1.27</u>
Weighted average common shares outstanding, assuming dilution	8,215	8,249	8,238	8,266

CONSOLIDATED BALANCE SHEETS
(Unaudited)
(in thousands)

	<u>11/30/2007</u>	<u>2/28/2007</u>
ASSETS		
Cash and cash equivalents	\$ 5,150	\$ 3,850
Other current assets	28,762	18,110
Property and equipment, net	37,235	31,376
Software and software licenses, net	11,149	12,439
Goodwill and other intangible assets	32,263	32,718
Other assets	<u>4,044</u>	<u>4,481</u>
Total Assets	<u>\$ 118,603</u>	<u>\$ 102,974</u>
LIABILITIES & SHAREHOLDERS' EQUITY		
Current liabilities	\$ 25,721	\$ 13,779
Other liabilities	3,332	2,982
Long-term debt	<u>11,507</u>	<u>12,787</u>
Total liabilities	40,560	29,548
Shareholders' equity	<u>78,043</u>	<u>73,426</u>
Total liabilities and shareholders' equity	<u>\$ 118,603</u>	<u>\$ 102,974</u>

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