



Corporate Headquarters
1000 Bishops Gate Blvd., Suite 300
Mount Laurel, NJ 08054-4632

FOR IMMEDIATE RELEASE

For more information, call:

Kathleen Lang

Marketing Communications

856-206-4725

klang@medquist.com

MedQuist Announces Completion of Transaction

Mount Laurel, NJ, August 6, 2008 – MedQuist Inc. (NASDAQ: MEDQ) today announced the closing of the transaction by Koninklijke Philips Electronics N.V. to sell its approximate 69.5% ownership interest in MedQuist to CBaySystems Holdings Ltd., a publicly traded holding company with a portfolio of investments in medical transcription, healthcare technology, and healthcare financial services, including CBay Systems & Services Inc., CBay Systems Private Ltd., and Mirrus Systems.

Raman Kumar, vice chairman of CBaySystems Holdings Ltd., said, "We welcome MedQuist to CBaySystems Holdings. With MedQuist's long-standing customer relationships, award-winning dictation and speech recognition technologies, and world-class services, I believe the Company is well-positioned for the future. The MedQuist business model complements our existing portfolio of companies that continue to grow and innovate by delivering cost-effective, high quality services to their target markets."

Robert M. Aquilina, newly appointed chairman of the MedQuist board of directors, said, "This is a particularly exciting time for both CBay and MedQuist. The medical transcription market is expected to experience significant growth, fueled by favorable demographics and market trends. I look forward to working with the many talented people at MedQuist."

Mark Ivie, interim president and CEO of MedQuist, commented, "Our recent results show that the market has been very receptive to our technologies and services, and we expect that the transaction will only help us build on that momentum. We see MedQuist emerging as an even stronger company, with enhanced growth opportunities for our employees, customers, and all of our shareholders. We believe that the strategic and financial oversight to be provided by our new holding company will benefit all of our constituencies."

MedQuist is the largest Medical Transcription Service Organization (MTSO) in the world and a leader in technology-enabled clinical documentation workflow. MedQuist's enterprise solutions – including mobile voice capture devices, speech recognition, Web-based workflow platforms, and global network of medical editors – help healthcare facilities improve patient care, increase physician satisfaction, and lower operational costs. For more information, please visit www.medquist.com.

"Safe Harbor" Statement under the U.S. Private Securities Litigation Reform Act of 1995: Statements in this press release regarding MedQuist's business that are not historical facts are "forward-looking statements" that involve risks and uncertainties. Actual outcomes and results may differ materially from what is expressed or forecasted in forward-looking statements. As a result, forward-looking statements speak only as of the date they were made, and the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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