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Washington Hospital Center Implements MedQuist's SpeechQ for Radiology™ Solution

Mount Laurel, NJ, November 2, 2006 -- Named as one of America's Best Hospitals by *U.S. News & World Report* (www.usnews.com), Washington Hospital Center (WHC) is a 907-bed medical center located in Washington, D.C. *Hospitals & Health Networks* (www.hhnmag.com), a publication of the American Hospital Association, also included WHC among the "100 Most Wired," a list of hospitals and health systems with the most complete information technology. Seeking speech recognition software for its radiologists that would meet their exacting needs, this facility of distinction recently turned to MedQuist (Pink Sheets: MEDQ).

WHC is currently implementing MedQuist's premier speech recognition software for radiology, SpeechQ for Radiology™. Gayle Thompson Smillie, WHC director of radiology, who spearheaded the comprehensive selection process, says, "SpeechQ for Radiology's ability to integrate with the medical center's existing Picture Archiving and Communication System (PACS) was of vital importance to us. This will maximize the radiologists' workflow and productivity, as well as provide our referring physicians and departments with the clinical information they need to treat their patients promptly and efficiently."

The radiology department at WHC performs more than 260,000 procedures each year, including many exams for the hospital's trauma center and emergency department. Once SpeechQ for Radiology is fully implemented, the radiologists will be able to dictate their reports, instantaneously review their findings while the radiology image is still displayed, and electronically sign the report -- all within minutes after the radiology exam has been completed. Immediately after the radiologist has authenticated the report, copies are routed to the requesting physician and departments so that appropriate treatment can begin.

"We are honored that a facility such as WHC, which has been recognized for its use of technology to deliver exceptional patient care, has selected MedQuist to provide its physicians with a speech recognition solution," says Scott Bennett, MedQuist senior vice president of Sales and Marketing.

Powered by the Philips SpeechMagic™ speech engine, SpeechQ for Radiology integrates with most radiology-specific information systems and PACS, and was rated number one for front-end speech recognition by its customers in the KLAS Enterprise Speech Recognition Report¹.

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MedQuist, a member of the Philips Group of Companies, is a leading provider of clinical documentation workflow solutions in support of the electronic health record. MedQuist provides electronic medical transcription, health information and document management products and services, including digital dictation, speech recognition, Web-based transcription, electronic signature, medical coding, mobile dictation devices, and outsourcing services.

"Safe Harbor" Statement under the U.S. Private Securities Litigation Reform Act of 1995: Statements in this press release regarding MedQuist's business which are not historical facts are "forward-looking statements" that involve risks and uncertainties. Such risks and uncertainties, which could cause actual results to differ from those contained in forward-looking statements include, but are not limited to: (1) our ability to recruit and retain qualified transcriptionists and other employees; (2) the impact of new services or products on the demand for our existing services; (3) our current dependence on medical transcription for substantially all of our business; (4) our ability to expand our customer base; (5) changes in law, including, without limitation, the impact the Health Insurance Portability and Accountability Act (HIPAA) will have on our business; (6) infringement on the proprietary rights of others; (7) risks inherent in diversifying into other businesses; (8) any continuation of pricing pressures and declining billing rates; (9) difficulties relating to the implementation of management changes throughout the Company; (10) the outcome of pending and future legal and regulatory proceedings and investigations; and (11) any direct or indirect impact of the matters disclosed in the Form 8-K filed by the Company on August 8, 2006. 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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