



TEMCO SERVICE INDUSTRIES, INC.

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PRESS RELEASE

FOR IMMEDIATE RELEASE

TEMCO SERVICE INDUSTRIES, INC. AGREES TO ACQUIRE DIVERSCO, INC.

New York, New York, July 9, 2008 – Temco Service Industries, Inc. (OTC Symbol: TMCO), an international facility services company, announced today that it has signed a definitive agreement to acquire Diversco, Inc. (“Diversco”) for approximately \$31.6 million in cash. The transaction is expected to close this month.

Founded in 1968, Diversco provides cleaning and maintenance specialized contract services and security services to more than 300 clients, primarily in the manufacturing and industrial segments, in the Southeast, Midwest and Mid-Atlantic regions of the United States. Diversco is headquartered in Spartanburg, South Carolina and generated approximately \$84 million in revenue for its fiscal year ended March 31, 2008.

“Diversco’s strong position in the Southern and Mid-Atlantic states significantly strengthens our position in the highly fragmented and competitive facility services industry and complements our company’s well-known historic strength in the Northeastern markets,” said Henrik Thomassian, Temco’s President and Chief Executive Officer. “We believe the acquisition of Diversco will accelerate our growth strategy and assist the Company in our ongoing commitment to increase shareholder value. In addition, Temco anticipates realizing synergies in excess of \$4 million after full integration of the companies’ operations.”

“We moved aggressively when we identified the opportunity to acquire Diversco,” added Mr. Thomassian. “The acquisition of Diversco’s talented management and employees and its outstanding customer base will enhance our competitive position going forward.”

About Temco Service Industries, Inc.

Temco is a major international provider of facility support services to corporate, commercial, manufacturing and educational facilities in the United States, Belgium, The Netherlands, Luxembourg and the United Kingdom. With revenues in excess of \$350 million and more than 10,000 employees, Temco provides cleaning, grounds care, labor sourcing solutions, technical support and security services to more than a thousand clients each day. Temco Service Industries, Inc., the parent company, is headquartered in New York City, while the European operations are headquartered in Brussels, Belgium.

This press release contains forward-looking statements that set forth management's anticipated results based on management's plans and assumptions. Any number of factors could cause Temco's actual results to differ materially from those anticipated. These risks and uncertainties include, but are not limited to: (1) the possibility that the proposed acquisition of Diversco may not be completed; (2) the risk that the businesses will not be integrated successfully; (3) the risk that the anticipated cost savings and synergies from the acquisition of Diversco may not be fully realized or may take longer to realize than expected; (4) the risk that disruption from the acquisition may make it more difficult to maintain relationships with clients; (5) the risk that the acquisition may involve unexpected costs; (6) the possibility that the businesses may suffer as a result of the acquisition; and (7) other issues and uncertainties beyond Temco's and Diversco's control.

For further information contact:

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