

FIRST SOUTH BANCORP, INC.
PRESS RELEASE
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First South Bancorp, Inc.

FOR IMMEDIATE RELEASE
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First South Bancorp, Inc. Recognized

Washington, North Carolina - First South Bancorp, Inc. (Nasdaq: FSBK)

First South Bancorp, Inc., the parent holding company of First South Bank, has recently been recognized in an article by FORTUNE Small Business, a sister publication of FORTUNE, as one of the fastest growing small companies in America.

The article, which is titled, "The FSB One Hundred: America's Fastest Growing Small Companies," provides a ranking of the top one hundred small American public companies, identifying those in the list as public companies traded on the major exchanges with less than \$200 million in annual revenue. The overall rankings are based on an average of how each company ranks in earnings growth, revenue growth, and stock return, including dividends, over the past three calendar years. Of the 100 companies identified in the rankings, First South Bancorp ranks 39th.

Tom Vann, President and Chief Executive Officer of the company, stated, "We are excited to receive recognition such as this with such a high level of visibility. First South Bancorp has reached another milestone with its inclusion in the FSB One Hundred. Such a ranking further exemplifies the growing recognition that our company is experiencing in the business and investment communities."

FORTUNE began publication in 1930 and is now published internationally. According to the magazine's website, its sister publication, FORTUNE Small Business, is delivered to 1,000,000 of the most affluent and influential entrepreneurs in small business, the largest circulation of any business magazine. This year's FSB One Hundred is the third annual listing of this sort done by FORTUNE Small Business.

First South Bank has been serving the citizens of eastern North Carolina since 1902 and offers a variety of financial products and services, including a Leasing Company and securities brokerage services through an affiliation with a broker/dealer. The Bank operates through its main office headquartered in Washington, North Carolina, and has twenty-two full service branch offices and a loan production office located throughout eastern and southeastern North Carolina.

Statements contained in this release, which are not historical facts, are forward-looking statements as defined in the Private Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties which could cause actual results to differ materially from those currently anticipated due to a number of factors which include the effects of future economic conditions, governmental fiscal and monetary policies, legislative and regulatory changes, the risks of changes in interest rates, the effects of competition, and including without limitation to other factors that could cause actual results to differ materially as discussed in documents filed by the Company with the Securities and Exchange Commission from time to time.

(Nasdaq: FSBK)