



FOR IMMEDIATE RELEASE

Citizens Financial Services, Inc. Reports 1st Quarter 2009 Earnings

April 25, 2008 - MANSFIELD, PENNSYLVANIA-- April 23, 2008 – Citizens Financial Services, Incorporated (OTC BB: CZFS), parent company of First Citizens National Bank, has released its unaudited financial performance for the first quarter of 2008.

Net income for the three months ended March 31, 2008 was a record \$2,021,000 which compares to \$1,380,000 for the first quarter last year. This represents an increase of \$641,000, or 46.4%. Earnings per share for the three months ended March 31, 2008 and 2007 were \$.72 and \$.48 per share, respectively, representing a 50% increase. Return on equity for the comparable periods were 16.32% and 12.10%, while return on assets was 1.36% and .96%, for the respective time periods.

CEO and President Randall E. Black stated, "As expected, the Federal Reserve decreased the federal funds rate significantly during the first quarter. Recessionary pressures, including a depressed housing market and lagging economic indicators, caused the Federal Reserve to decrease the federal funds rate by 200 basis points. This decrease has resulted in an improvement of our net interest margin by further reducing our short-term deposit and borrowing costs relative to the impact of the reduction of interest rates on our interest sensitive loan portfolio".

The net interest margin, tax effected, on interest earning assets improved from 3.67% for the first quarter of 2007 to 4.24% for the first quarter of this year. "This improvement, along with our emphasis on providing outstanding service to our customers and our continuing ability to manage operating costs are the key factors contributing to our first quarter results," stated Mr. Black.

Total assets at March 31, 2008 also reached a milestone ending the quarter at \$600.4 million, which was an increase of \$9.4 million or 1.6% since December of last year. The investment portfolio increased from \$120.8 million to \$126.1 million. Since the end of 2007, net loans increased \$1.7 million, an increase of .4%. Total deposits and borrowed funds increased \$3.6 million each since last year end.

Stockholders' equity, excluding accumulated other comprehensive income, has increased \$1.4 million, or 2.8% since December. Book value per share at March 31, 2008 was \$17.78 compared with \$17.30 at December 31, 2007. In April, a cash dividend of \$.235 per share was declared and paid to shareholders on April 25, 2008 to record holders as of April 11, 2008. This compares to the cash dividend paid in January 2008 of \$.23 per share and \$.225 per share paid in April 2007. Compared with last April, the current dividend represents an increase of 4.4%.

Citizens Financial Services, Inc., has over 1,500 shareholders, the majority of whom reside in Potter, Tioga, and Bradford Counties, Pennsylvania and Allegany County, New York, where their 16 offices are located.

Note: This press release may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Actual results and trends could differ materially from those set forth in such statements due to various factors. These factors include operating, legal and regulatory risks; changing economic and competitive conditions and other risks and uncertainties.