



For Immediate Release

Toronto Stock Exchange Symbol: RC

RDM Corporation Reports First Quarter Financial Results

WATERLOO, ON, February 5, 2010 – RDM Corporation (TSX: RC), a leading developer of specialized software and hardware products for electronic payment processing, today reported its financial results for the three month period ended December 31, 2009.

Q1 2010 Highlights

- Total revenues were \$5.7 million in the first quarter of fiscal 2010, compared to \$7.1 million in the first quarter of 2009.
- Payment Processing Services segment revenues, which are recurring in nature, were \$2.4 million in Q1 2010, compared to \$2.2 million a year earlier.
- Transaction volumes for RDM's Image & Transaction Management System (ITMS®) averaged 3.5 million items per week during the first quarter, compared to 3.3 million items per week a year earlier, and 3.7 million items per week during Q4 2009. The decline in the weekly transaction volume from the fourth quarter of 2009 to the first quarter of 2010 is due to fewer business operating days.
- ITMS® end user locations grew from 17,800 to 18,100 during the first quarter. RDM had 55 independent sales organization (ISO) partners and 41 bank distribution partners at quarter-end, and signed two new banks subsequent to quarter-end.
- The Company shipped 5,800 proprietary scanners in Q1 2010, compared to 7,700 a year earlier.
- Gross profit was \$2.3 million or 40% of revenues, compared to \$2.9 million or 42% of revenues in the first quarter of 2009.
- Net loss was \$489,000 or \$0.02 per share in Q1 2010, compared to a net loss of \$1.6 million or \$0.08 per share in Q1 2009.
- Cash and equivalents were \$16.2 million at December 31, 2009, compared to \$15.7 million at September 30, 2009.

"First quarter results were in line with our expectations in a challenging economic environment. We were pleased to see year-over-year growth in our transaction processing volumes and end users," said Douglas Newman, President and CEO of RDM Corporation. "Our strategy of maintaining product leadership and operational excellence has paid off in the form of sales wins in a number of competitive situations, and I expect these key differentiators to become increasingly important for us in the coming quarters."

Financial Review

Operating Results by Segment

For the Three Months Ended December 31, 2009

(In thousands of Canadian dollars)	Payment Processing Services	Digital Imaging Products	Electronic Payment Solutions	Quality Assurance	Total
Revenue	\$2,354	\$3,009	\$88	\$251	\$5,702
Gross profit	\$940	\$1,130	\$18	\$168	\$2,256
Gross profit percentage	40%	38%	20%	67%	40%

Operating Results by Segment

For the Three Months Ended December 31, 2008

(In thousands of Canadian dollars)	Payment Processing Services	Digital Imaging Products	Electronic Payment Solutions	Quality Assurance	Total
Revenue	\$2,244	\$3,852	\$480	\$511	\$7,087
Gross profit	\$911	\$1,485	\$161	\$391	\$2,948
Gross profit percentage	41%	39%	34%	77%	42%

RDM generated total revenues of \$5.7 million in the three months ended December 31, 2009, a decrease of \$1.4 million from first quarter of the previous year. The majority of the decrease was attributable to the effects of a shift in currency exchange rates over the past year.

Payment Processing Services segment revenues increased by \$110,000 or 5% from a year earlier to \$2.4 million, driven by growth in ITMS transaction volumes and end users, partially offset by the impact of exchange rates. Revenues in the Digital Imaging Products segment decreased by \$0.8 million to \$3.0 million due to a reduction in scanner shipments attributable to general economic conditions as well as the exchange impact. The Electronic Payments Solutions segment and the Quality Assurance segment, which represented a combined 6% of total revenues for the quarter, generated revenues of \$88,000 and \$251,000, respectively, compared to \$161,000 and \$391,000, respectively, in Q1 2009.

Gross profit of \$2.3 million in Q1 2010 was down from \$2.9 million in the first quarter of the previous year. Expressed as a percentage of revenues, the overall gross margin was 40%, compared to 42% a year earlier. Decreased margins were due to the impact of exchange rates. Gross profit in the Payment Processing Services segment grew 3% to \$940,000 in the first quarter, while the gross margin percentage for the segment declined slightly from 41% to 40%. The segment generated an operating loss of \$405,000, an improvement from a loss of \$651,000 a year earlier.

Sales and marketing expense was \$1.1 million in the first quarter of 2010, a decrease of 25% from \$1.4 million in Q1 2009 when the Company made a significant investment in signing new channel partners and launching Simply Deposit™. Research and development expense increased 10% to \$1.2 million as the Company continued to invest

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in new product development. General and administration expenses increased \$75,000 to \$553,000 for the quarter.

Net loss was \$0.5 million in Q1 2010, or \$0.02 per share, compared to a net loss of \$1.6 million or \$0.08 per share a year earlier. Prior year results included a \$1.4 million foreign exchange loss, compared to a \$172,000 foreign exchange gain in the current quarter.

RDM repurchased 29,100 shares during the first quarter under its Normal Course Issuer Bid. At December 31, 2009, the Company had 20.8 million common shares outstanding.

Executive Appointment

RDM also announced that Doug Fisher has been appointed as acting Vice President of Sales. Mr. Fisher has held various sales roles since joining RDM in 2001, including Channel Manager and, most recently, Sales Director of Digital Imaging Solutions. He previously held a number of sales and marketing positions at NCR Corporation and RR Donnelley. Mr. Fisher holds a BA in Economics and a Master of Business Administration from Wilfrid Laurier University.

"I congratulate Doug on his new position. He has been instrumental in developing key customer relationships for us, and I look forward to the fresh perspective and enthusiasm he brings to the position," said Douglas Newman.

Conference Call

RDM will be hosting a conference call to discuss the Company's first quarter results on February 5, 2010 at 8:30 a.m. EST. Dial-in numbers are 647-427-7450 or 1-888-231-8191. The call will be webcast live and archived at www.rdmcorp.com. Detailed financial results and Management's Discussion and Analysis will be filed on www.sedar.com.

About RDM Corporation

RDM Corporation is headquartered in Waterloo, Ontario and trades on the Toronto Stock Exchange under the symbol RC. RDM is a leading provider of specialized software and hardware products for electronic payment processing. RDM has pioneered electronic check conversion systems and web based image and transaction management services for banks, retailers, payment processors and government agencies as well as print quality control and image quality systems for a variety of global customers. For more information, visit RDM's website at www.RDMCorp.com

This news release contains forward-looking statements. Forward-looking statements are based on estimates and assumptions made by RDM in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors that RDM believes are appropriate in the circumstances. Many factors could cause RDM's actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements. Risk factors relating to RDM are discussed in the Risks and Uncertainties section of RDM's Annual Information Form and year-end Management's Discussion and Analysis. These factors should be considered carefully, and readers should not place undue reliance on RDM's forward-looking statements. RDM has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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RDM CORPORATION
Consolidated Balance Sheets
(Amounts In Canadian Dollars, In Thousands)

	December 31, 2009 Unaudited	September 30, 2009 Audited
Assets:		
Current assets:		
Cash and cash equivalents	\$ 16,151	\$ 15,718
Accounts receivable	3,976	4,123
Inventories	2,914	3,409
Investment tax credit receivable	1,815	1,770
Other	1,714	2,039
Total current assets	26,570	27,059
Furniture and equipment	3,053	3,275
Intangible assets	320	288
Total assets	\$ 29,943	\$ 30,622
Liabilities and shareholders' equity:		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,862	\$ 3,062
Deferred revenue	461	498
Total current liabilities	3,323	3,560
Future income tax liability	201	201
Shareholders' equity:		
Share capital	27,611	27,639
Contributed surplus	1,961	1,886
Deficit	(3,153)	(2,664)
Total shareholders' equity	26,419	26,861
Total liabilities and shareholders' equity	\$ 29,943	\$ 30,622

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RDM CORPORATION
Consolidated Statements of Operations
(Amounts in Canadian Dollars, In Thousands, Except Per Share Amounts)

Three months ended December 31	2009 (unaudited)	2008 (unaudited)
Revenue	\$ 5,702	\$ 7,087
Cost of revenue	3,446	4,139
Gross profit	2,256	2,948
Operating expenses (income):		
Sales and marketing	1,069	1,425
Research and development	1,182	1,071
General and administration	553	478
Depreciation and amortization	47	60
Stock-based compensation	75	144
Foreign exchange loss (gain)	(172)	1,448
Interest income	(9)	(59)
	2,745	4,567
Loss before income taxes	(489)	(1,619)
Income tax expense	-	-
Net loss and comprehensive loss	\$ (489)	\$ (1,619)
Net loss per share - basic and diluted	\$ (0.02)	\$ (0.08)

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RDM CORPORATION Statement of Changes in Shareholder's Equity (Amounts in Canadian Dollars, In Thousands)

	Share capital	Contributed surplus	Retained earnings (deficit)	Total
Balance as at September 30, 2008	\$ 28,338	\$ 1,162	\$ (641)	\$ 28,859
Net loss and comprehensive loss	-	-	(1,619)	(1,619)
Repurchase of share capital	(160)	-	-	(160)
Stock-based compensation	-	144	-	144
Balance as at December 31, 2008	\$ 28,178	\$ 1,306	\$ (2,260)	\$ 27,224
Balance as at September 30, 2009	\$ 27,639	\$ 1,886	\$ (2,664)	\$ 26,861
Net loss and comprehensive loss	-	-	(489)	(489)
Repurchase of share capital	(28)	-	-	(28)
Stock-based compensation	-	75	-	75
Balance as at December 31, 2009	\$ 27,611	\$ 1,961	\$ (3,153)	\$ 26,419

RDM CORPORATION
Consolidated Statements of Cash Flows
(Amounts in Canadian Dollars, In Thousands)

Three months ended December 31	2009 (unaudited)	2008 (unaudited)
Cash provided by (used in):		
Operations:		
Net Loss	\$ (489)	\$ (1,619)
Items not involving cash:		
Amortization of furniture and equipment	279	212
Amortization of intangible assets	8	12
Stock based compensation	75	144
Future income taxes (recovery)	-	(74)
Change in non-cash operating working capital	685	1,641
Cash provided by operations	558	316
Investing:		
Repurchase of share capital	(28)	(160)
Purchase of furniture and equipment	(57)	(274)
Additions to intangible assets	(40)	(39)
Cash used in investing activities	(125)	(473)
Increase (decrease) in cash and cash equivalents	433	(157)
Cash and cash equivalents, beginning of year	15,718	17,421
Cash and cash equivalents, end of period	\$ 16,151	\$ 17,264