



RDM CORPORATION REPORTS SECOND QUARTER RESULTS

~ 34% revenue growth drives 182% increase in net earnings ~

WATERLOO, ON, April 27, 2007 - RDM Corporation (TSX: RC), a leading provider of specialized software and hardware products for electronic payment processing, today reported its financial results for the three month period ended March 31, 2007.

Q2 2007 Highlights

- Total revenues were \$7.9 million in the second quarter of fiscal 2007, an increase of 34% from \$5.9 million in Q2 2006.
- The Digital Imaging segment, which represented over 80% of revenues, grew by \$2.7 million in the second quarter to \$6.5 million of revenues.
- Transaction volumes for RDM's Image & Transaction Management System (ITMS) averaged 1,271,000 items per week during the second quarter, compared to 618,000 items per week a year earlier, and 995,000 items per week in Q1 2007.
- ITMS end user locations increased from 4,100 to 5,100 during the second quarter of 2007.
- Gross profit was \$3.4 million or 43% of revenues in the second quarter, compared to \$2.6 million or 44% of revenues a year earlier.
- Net earnings were \$587,000 or \$0.03 per share, compared to \$208,000 or \$0.01 per share in the previous year's second quarter.

Subsequent Events

- Subsequent to quarter-end, RDM announced Capture One, which was jointly developed with Epson Corporation. Capture One is a batch scanner and is designed for the emerging eCheck market which includes Remote Deposit Capture (ARC, BOC, Check 21, and Image Exchange) and Branch Automation. Capture One is powered by RDM's MICR Imaging and processing technologies.
- The Company also announced that its RDM SYNERGY all-in-one POS payment solution will be distributed as part of the Back Office Capture solution by ProfitStars, a division of Jack Henry & Associates Inc., and that it had received Class B certification from Chase Paymentech which opens new distribution channels for RDM SYNERGY.
- Also subsequent to the quarter, RDM announced that the shareholders and Board of Directors of Xign Corporation have signed an agreement to sell Xign. Upon completion of the transaction RDM expects cash proceeds of at least \$9.0 million. The sale of RDM's minority interest in Xign is expected to result in a one-time gain of \$0.12 to \$0.18 per share, and will enable the Company to redeploy capital to growth opportunities.

"We recorded solid growth in the second quarter, particularly in our core Digital Imaging segment," said Douglas Newman, President and CEO of RDM Corporation. "Scanner shipments remained strong during the quarter, however, as expected, did not equal our first quarter's exceptionally high shipment volumes which contained an unusually large backlog from the previous quarter. ITMS processing volumes continue to grow significantly and we are in the midst of executing contracts to enable two

additional banks to use ITMS as their remote deposit solution. We are also excited about the potential for the recent hardware product announcements to favourably impact our sales in future periods.”

Financial Review

RDM’s revenues of \$7.9 million in the three months ending March 31, 2007 represented growth of \$2.0 million or 34% over the same period of 2006. The increase was attributable to growth in the Digital Imaging segment, which encompasses both scanner sales and the ITMS transaction revenue. Digital Imaging revenues grew by \$2.7 million or 71% from a year earlier, driven by increasing adoption of remote deposit capture services. On a year-to-date basis, total revenues were \$19.6 million in the first six months of fiscal 2007, compared to \$10.9 million in the comparable period of 2006.

As disclosed in the Company’s first quarter 2007 materials, scanner production levels were elevated in the first quarter as the Company worked through an order backlog that had built up as a result of strong demand. The Company shipped 20,000 scanners in the first quarter, of which 5,000 were attributable to orders not filled in the prior quarter. Second quarter 2007 scanner volume of 12,000 units are more representative of the current period’s demand, and compares to 8,000 units a year earlier.

Revenues in the Electronic Payments Solutions segment, comprised of custom development projects for government agencies and financial institution customers, were \$775,000 in the quarter compared to \$1.6 million a year earlier. The Quality Assurance segment, comprised of quality control products sold to commercial check printers and processors, generated revenues of \$594,000, compared to \$502,000 in Q2 2006. Results in the two smaller segments were in line with management expectations, and both segments made a positive contribution to operating income in the quarter.

Gross profit grew by \$0.7 million or 28% to \$3.4 million. Expressed as a percentage of revenue, gross margin declined from 44% to 43% due to changes in the business mix.

Sales and marketing expense grew 42% to \$901,000 in Q2 2007 as a result of increased sales efforts and activities associated with the Company’s rapidly growing Digital Imaging segment. While revenues have grown significantly, costs have been well managed and the Company recorded modest year-over-year decreases in general and administration, research and development, and depreciation and amortization expenses. Interest and other income improved by \$85,000 primarily due to higher cash balances and better interest rates. Total operating expenses increased only marginally to \$2.5 million from \$2.4 million a year earlier.

RDM’s earnings from operations grew to \$887,000 in the second quarter of 2007, from \$208,000 in Q2 2006. The Company recognized a \$300,000 income tax expense in the quarter, compared to no tax expense in the same period of 2006. Net earnings of \$587,000, or \$0.03 per share, represented 182% growth compared to \$208,000 or \$0.01 per share in the second quarter of 2006.

Operating activities generated \$1.3 million of cash flow in the quarter, compared to \$1.8 million in Q2 2006. Cash and equivalents increased \$1.1 million during the quarter to \$10.1 million. This balance does not include the impact of the sale of the Company’s minority interest in Xign Corporation, which was announced April 18, 2007 and is expected to contribute approximately \$9.0 million of cash proceeds by the end of RDM’s current fiscal year.

Conference Call

RDM will be hosting a conference call to discuss the Company’s second quarter 2007 financial results on April 27, 2007 at 9:00 a.m. EDT. Dial-in numbers are 416-644-3419 or 1-800-731-6941. A live audio webcast of the call will be available at www.rdmcorp.com. Detailed financial results and MD&A will be available at www.sedar.com by April 30, 2007.

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 cheque conversion systems and web-based image and transaction management services for banks, retailers, payment processors and government agencies. RDM's Image & Transaction Management System (ITMS®) is an industry leading e-check processing solution whereby transaction information can be remotely captured and processed electronically from distributed locations, freeing up significant customer float time and significantly reducing costs associated with returned checks. For further 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)

	March 31, 2007 (Unaudited)	September 30, 2006 (Audited)
Assets:		
Current assets:		
Cash and cash equivalents	\$ 10,062	\$ 6,174
Accounts receivable	5,125	5,743
Inventories	4,792	3,919
Investment tax credit receivable	713	623
Future income tax asset	342	400
Other	233	266
Total current assets	21,267	17,125
Long-term investment	6,379	6,379
Furniture and equipment	2,053	1,923
Future income tax asset	--	450
Total assets	\$ 29,699	\$ 25,877
Liabilities and shareholders' equity:		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,176	\$ 3,607
Deferred revenue	489	433
Total current liabilities	4,665	4,040
Shareholders' equity:		
Share capital	27,524	26,461
Contributed surplus	1,018	781
Deficit	(3,475)	(5,356)
Share purchase loans	(33)	(49)
Total shareholders' equity	25,034	21,837
Total liabilities and shareholders' equity	\$ 29,699	\$ 25,877

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

	Three months ended March 31		Six months ended March 31	
	2007 (Unaudited)	2006 (Unaudited)	2007 (Unaudited)	2006 (Unaudited)
Revenue	\$ 7,882	\$ 5,897	\$ 19,628	\$ 10,907
Cost of revenue	4,520	3,278	11,797	6,330
Gross Profit	3,362	2,619	7,831	4,577
Operating expenses:				
Sales and marketing	901	636	1,902	1,260
Research and development	942	1,021	1,910	1,854
General and administration	496	518	1,009	795
Depreciation and amortization	177	221	339	434
Stock-based compensation	95	66	170	116
Interest and other	(136)	(51)	112	(80)
	2,475	2,411	5,442	4,379
Earnings from operations	887	208	2,389	198
Current income taxes	300	--	508	--
Net earnings (loss)	\$ 587	\$ 208	\$ 1,881	\$ 198
Deficit, beginning of period	\$ 4,062	\$ (7,422)	\$ (5,356)	\$ (7,412)
Deficit, end of period	\$ 3,475	\$ (7,214)	\$ 3,475	\$ (7,214)
Earnings per share - basic and diluted	\$ 0.03	\$ 0.01	\$ 0.09	\$ 0.01

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

	Three months ended March 31		Six months ended March 31	
	2007 (Unaudited)	2006 (Unaudited)	2007 (Unaudited)	2006 (Unaudited)
Cash provided by (used in):				
Operations:				
Net earnings	\$ 587	\$ 208	\$ 1,881	\$ 198
Items not involving cash:				
<i>Amortization</i>	177	221	339	434
<i>Stock-based compensation</i>	95	66	170	116
<i>Future income taxes</i>	300	--	508	
Change in non-cash operating working capital	88	1,288	313	73
Cash provided by operations	1,247	1,783	3,211	821
Financing:				
Issuance of share capital, net of issue costs	166	190	1,130	210
Repayment of share purchase loans	8	25	16	36
Cash provided by financing activities	174	215	1,146	246
Investing:				
Purchase of furniture and equipment	(272)	(98)	(469)	(228)
Cash used in investing activities	(272)	(98)	(469)	(228)
Increase in cash	1,149	1,900	3,888	839
Cash and cash equivalents, beginning of period	8,913	4,405	6,174	5,466
Cash and cash equivalents, end of period	\$ 10,062	\$ 6,305	\$ 10,062	\$ 6,305