



RDM CORPORATION REPORTS THIRD QUARTER RESULTS

~ Momentum continues to build in remote deposit capture business ~

WATERLOO, ON, July 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 June 30, 2007.

Q3 2007 Highlights

- Total revenues were \$6.8 million in the third quarter of fiscal 2007, an increase of 10% from \$6.2 million for the same period in 2006.
- The Digital Imaging segment, which represented over 80% of revenues, grew by 32% over Q3 2006 to \$5.5 million of revenues.
- Gross profit was \$2.8 million or 41% of revenues, compared to \$2.4 million or 39% of revenues a year earlier.
- Net earnings were \$3.2 million or \$0.15 per share in Q3 2007, compared to \$236,000 or \$0.01 per share in the previous year's third quarter. Approximately \$2.7 million of earnings or \$0.13 per share were attributable to a gain on the sale of RDM's minority stake in Xign Corporation.
- Cash and equivalents grew to \$16.8 million at June 30, 2007, from \$10.1 million three months earlier.
- 8 new bank distributors were added, one of which is a leading global financial services firm.
- Transaction volumes for RDM's Image & Transaction Management System (ITMS) averaged 1,485,000 items per week during the third quarter of 2007, compared to 689,000 items per week a year earlier, and 1,271,000 items per week in Q2 2007.
- ITMS end user locations increased from 5,100 to 6,700 during the third quarter of 2007.
- RDM released a new version of ITMS Web Client and announcing the CaptureOne batch scanner which will be co-branded with Epson Corporation.

"Our third quarter was a building period", said Douglas Newman, President and CEO of RDM Corporation. "Our ITMS transaction volumes were up 17% over the previous quarter and 116% year over year, while our end user base increased by 31% during the three month period. Scanner shipments, while 32% above the same period last year, were weaker than expected. There was significant sales and marketing activity during the quarter that added to our strong foundation for significant long term growth in the remote deposit capture market."

Financial Review

RDM's revenues of \$6.8 million in the three months ending June 30, 2007 represented growth of \$0.6 million or 10% 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 \$1.3 million or 32% from a year earlier, driven by increased adoption of remote deposit capture services. On a year-to-date basis, total revenues were \$26.4 million in the first nine months of fiscal 2007, compared to \$17.1 million in the comparable period of 2006.

The Company shipped 10,500 scanners during the third quarter, compared to 8,000 units a year earlier and 12,000 in the second quarter of 2007. Management anticipates continued volatility of units shipped on a quarterly basis, but expects to see an upward trend in scanner sales over the longer term.

Revenues in the Electronic Payments Solutions segment, comprised of custom development projects for government agencies and financial institution customers, were \$745,000 in the quarter compared to \$1.5 million a year earlier. The Quality Assurance segment, comprised of quality control products sold to commercial check printers and processors, generated revenues of \$579,000, compared to \$576,000 in Q3 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 \$0.4 million or 15% to \$2.8 million. Expressed as a percentage of revenue, gross margin increased from 39% to 41% driven primarily by the growth in the ITMS business.

Sales and marketing expense grew 58% year-over-year to \$1.2 million in Q3 2007 as the Company focused on signing new ITMS bank partners and preparing for new product introductions. General and administration expense increased \$107,000 to \$391,000, while research and development spending grew by \$146,000 to \$882,000. The Company recognized an Exchange gain of \$684,000 in the quarter as a result of previous hedging decisions and fluctuations in the Canadian dollar exchange rate.

RDM recorded a \$2.7 million gain on sale of long term investment related to the sale of its minority interest in Xign Corporation. The Company recorded a \$315,000 income tax expense in the quarter, compared to no tax expense in the same period of 2006. Net earnings of \$3.2 million, or \$0.15 per share, represented significant growth compared to \$236,000 or \$0.01 per share in the third quarter of 2006.

Operating activities utilized \$1.8 million of cash flow in the quarter, compared to \$1.9 million in Q3 2006. Investing activities provided \$8.4 million of cash, comprised primarily of proceeds from the sale of the Company's minority interest in Xign Corporation. Cash and equivalents were \$16.8 million at June 30, 2007.

Conference Call

RDM will be hosting a conference call to discuss the Company's third quarter 2007 financial results on July 27, 2007 at 9:00 a.m. EDT. Dial-in numbers are 416-644-3416 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 July 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.

For more information, please contact:

Jeff Codispodi
Investor Relations
The Equicom Group Inc.
(416) 815-0700 ext. 261 phone
(416) 815-0080 fax
jcodispodi@equicomgroup.com

James Merwin
Chief Financial Officer
RDM Corporation
(519) 746-8483 ext. 284 phone
(519) 746-3317 fax
jmerwin@rdmcorp.com

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

	June 30, 2007 (Unaudited)	September 30, 2006 (Audited)
Assets:		
Current assets:		
Cash and cash equivalents	\$ 16,784	\$ 6,174
Accounts receivable	5,502	5,743
Other receivables	536	-
Inventories	4,851	3,919
Investment tax credit receivable	758	623
Future income tax asset	27	400
Other	1,224	266
Total current assets	29,682	17,125
Long-term investment	-	6,379
Furniture and equipment	2,088	1,923
Future income tax asset	-	450
Total assets	\$ 31,770	\$ 25,877
Liabilities and shareholders' equity:		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,864	\$ 3,607
Deferred revenue	392	433
Total current liabilities	3,256	4,040
Shareholders' equity:		
Share capital	27,636	26,461
Contributed surplus	1,138	781
Deficit	(235)	(5,356)
Share purchase loans	(25)	(49)
Total shareholders' equity	28,514	21,837
Total liabilities and shareholders' equity	\$ 31,770	\$ 25,877

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

	Three months ended June 30		Nine months ended June 30	
	2007 (Unaudited)	2006 (Unaudited)	2007 (Unaudited)	2006 (Unaudited)
Revenue	\$ 6,791	\$ 6,187	\$ 26,419	\$ 17,095
Cost of revenue	4,021	3,785	15,817	10,115
Gross Profit	2,770	2,402	10,602	6,980
Expenses and other income:				
Sales and marketing	1,182	746	3,085	2,006
Research and development	882	736	2,792	2,590
General and administration	391	284	1,399	1,078
Depreciation and amortization	154	253	493	687
Stock-based compensation	120	70	290	186
Interest	(123)	(55)	(252)	(147)
Exchange	(684)	132	(442)	145
Gain on sale of long term investment	(2,707)	-	(2,707)	-
	(785)	2,166	4,658	6,545
Earnings before income taxes	3,555	236	5,944	435
Income Taxes	315	-	823	-
Net earnings	\$ 3,240	\$ 236	\$ 5,121	\$ 435
Deficit, beginning of period	\$ (3,475)	\$ (7,213)	\$ (5,356)	\$ (7,412)
Deficit, end of period	\$ (235)	\$ (6,977)	\$ (235)	\$ (6,977)
Earnings per share - basic	\$ 0.15	\$ 0.01	\$ 0.24	\$ 0.02
Earnings per share - fully diluted	\$ 0.15	\$ 0.01	\$ 0.23	\$ 0.02

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

	Three months ended June 30		Nine months ended June 30	
	2007 (Unaudited)	2006 (Unaudited)	2007 (Unaudited)	2006 (Unaudited)
Cash provided by (used in):				
Operations:				
Net earnings	\$ 3,240	\$ 236	\$5,121	\$ 435
Items not involving cash:				
<i>Amortization</i>	154	253	493	687
<i>Stock-based compensation</i>	120	70	290	186
<i>Future income taxes</i>	315	-	823	-
<i>Gain on sale of long-term investment</i>	(2,707)	-	(2,707)	-
Change in non-cash operating working capital	(2,931)	(2,415)	(2,618)	(2,343)
Cash provided by operations	(1,809)	(1,856)	1,402	(1,035)
Financing:				
Issuance of share capital, net of issue costs	112	-	1,242	210
Repayment of share purchase loans	8	22	24	58
Cash provided by financing activities	120	22	1,266	268
Investing:				
Cash Proceeds on sale of long-term investment	8,600	-	8,600	-
Purchase of furniture and equipment	(189)	(159)	(658)	(387)
Cash provided by (used in) investing activities	8,411	(159)	7,942	(387)
Increase in cash	6,722	(1,993)	10,610	(1,154)
Cash and cash equivalents, beginning of period	10,062	6,305	6,174	5,466
Cash and cash equivalents, end of period	\$ 16,784	\$ 4,312	\$ 16,784	\$ 4,312