



RDM CORPORATION REPORTS RECORD REVENUES AND EARNINGS IN FISCAL 2007

~ Company achieves 39% revenue growth ~

WATERLOO, ON, November 26, 2007 - RDM Corporation (TSX: RC), a leading provider of solutions for the electronic commerce and payment processing markets, today reported its financial results for the three and twelve-month periods ended September 30, 2007.

Fiscal 2007 Financial Highlights

- Total revenues were \$33.9 million in fiscal 2007, an increase of 39% from \$24.3 million in 2006.
- The Digital Imaging segment, which represented 85% of revenues, grew by 69% to \$28.7 million of revenues.
- Gross profit was \$13.5 million or 40% of revenues, compared to \$10.0 million or 41% of revenues in 2006.
- Net earnings were \$5.8 million or \$0.26 per share (fully diluted) in 2007, compared to \$2.1 million or \$0.10 per share in the previous year. Approximately \$2.7 million of 2007 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 \$17.4 million at September 30, 2007, from \$6.2 million one year earlier.

Fiscal 2007 Operating Highlights

- Transaction volumes for RDM's Image & Transaction Management System (ITMS) averaged 1,755,000 items per week during the fourth quarter of 2007 and exited the year at 2,081,000 items, compared to 792,000 items per week in Q4 2006.
- Ten new bank distributors were signed during the year, bringing the total to 25 banks.
- ITMS end user locations increased to 8,400 from 3,300 at the start of the year.
- Shipments of proprietary scanner units grew to 55,000 in 2007, compared to 34,000 the prior year.
- Product announcements included the CaptureOne[™] batch scanner which is co-branded with Epson Corporation, and a new version of ITMS Web Client.

"A 39% increase in revenues and the second year in a row of record earnings are a great testament to the employees of RDM who have worked with great dedication and creativity over the past 12 months," said Douglas Newman, President and CEO of RDM Corporation. "RDM continues to be one of the leaders in remote deposit capture and we have established a great foundation for long term growth. Industry estimates are that only 2% of U.S. businesses are using RDC with the potential for 5 million seat deployments over the next five years."

Mr. Newman continued: "RDM is well positioned with our positive cash flow and cash in the bank to take advantage of acquisition and consolidation opportunities as they arise in our industry. We expect our revenue growth rates to continue at the same pace as over the past two years. Over the next year, gross margins may be impacted by fluctuation in the exchange rate between the Canadian and U.S. dollar. At current exchange rates, gross margins achieved are likely to be similar to those of Q4 2007."

Financial Review

RDM's revenues grew year-over-year by \$9.6 million or 39% to \$33.9 million in fiscal 2007. As RDM generates virtually all of its revenues in U.S. dollars, the Company was negatively impacted by the continued strengthening of the Canadian dollar during 2007.

The revenue increase was attributable to strong growth in the Digital Imaging segment, which comprises both scanner sales and the ITMS transaction revenue. Digital Imaging revenues grew by 69% to \$28.7 million from \$17.0 million in 2006, driven by increasing adoption of remote deposit capture services. The vast majority of Digital Imaging revenues were derived from scanner sales, which increased to 54,000 units from 34,000 units in 2006. 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 \$3.2 million in 2007 compared to \$5.5 million the previous year. The Quality Assurance segment, comprised of quality control products sold to commercial check printers and processors, generated revenues of 2.0 million, compared to \$1.8 million in 2006. Results in the two smaller segments were in line with management expectations, and both segments made a positive contribution to operating income.

Gross profit grew by \$3.5 million or 35% to \$13.5 million in fiscal 2007. Expressed as a percentage of revenue, gross margin was 40% in 2007 compared to 41% last year, with the change attributable to business mix.

Sales and marketing expense increased 44% to \$4.2 million, due to higher investment in sales activities related to the rapidly growing Digital Imaging segment, a focus on signing new ITMS banks, and marketing activities to prepare for the introduction of a batch scanner. Research and development expenses, net of investment tax credits, were unchanged at \$3.0 million, as the Company continued to invest in Digital Imaging new product development. General and administration expenses increased 33% to \$2.1 million as a result of increased regulatory compliance requirements, staff recruiting, SAS 70 audit fees and insurance due to the growth of the Company.

In 2007 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 \$657,000 foreign exchange gain in 2007 compared to a \$168,000 loss the prior year. Income tax expense for the year was \$1.2 million, compared to a tax recovery of \$784,000 in 2006. Net earnings of \$5.8 million, or \$0.26 per share (fully diluted), represented significant growth compared to \$2.1 million or \$0.10 per share in 2006.

Operating activities provided \$2.4 million of cash flow in 2007, compared to \$0.9 million in 2006. Investing activities provided \$7.6 million of cash, comprised primarily of proceeds from the sale of the Company's minority interest in Xign Corporation. Cash and equivalents were \$17.4 million at September 30, 2007.

Fourth Quarter Review

RDM recorded revenues of \$7.5 million in the three month period ended September 30, 2007, an increase of 3.5% from \$7.2 million in the fourth quarter of 2006. [Revenue growth expressed in U.S. dollars was approximately 11%.] Gross margin was 39% in the quarter compared to 41% a year earlier. Operating expenses were \$2.0 million, compared to \$2.1 million in Q4 2006.

Net earnings were \$636,000 or \$0.03 per share in the fourth quarter of 2007, compared to \$1.6 million or \$0.08 per share in the comparable period of last year. Q4 2007 earnings were positively impacted by the recognition of \$666,000 of federal investment tax credits as a reduction to R&D expense, [and by a \$215,000 exchange gain]. In the fourth quarter of 2006 earnings were positively impacted by the recognition of \$264,000 of investment tax credits, and by the recognition of an \$850,000 future tax asset.

Conference Call

RDM will be hosting a conference call to discuss the Company's year-end 2007 financial results on November 26, 2007 at 9:00 a.m. EST. Dial-in numbers are 416-644-3419 or 1-800-732-6179. A live audio webcast of the call will

be available at www.rdmcorp.com. Detailed financial results and management's discussion and analysis will be filed at 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 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)

At September 30	2007	2006
Assets:		
Current assets:		
Cash and cash equivalents	\$ 17,418	\$ 6,174
Accounts receivable	6,365	5,743
Other receivable	503	-
Inventories	4,720	3,919
Investment tax credit receivable	1,451	623
Future income tax asset	-	400
Other	1,843	266
Total current assets	32,300	17,125
Long-term investment	-	6,379
Furniture and equipment	2,011	1,727
Intangible assets	235	196
Future income tax asset	-	450
Total assets	\$ 34,546	\$ 25,877
Liabilities and shareholders' equity:		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,587	\$ 3,607
Future income tax liability	210	-
Deferred revenue	427	433
Total current liabilities	5,224	4,040
Future income tax liability	32	-
Commitments		
Shareholders' equity:		
Share capital	27,978	26,461
Contributed surplus	927	781
Retained earnings (Deficit)	401	(5,356)
Share purchase loans	(16)	(49)
Total shareholders' equity	29,290	21,837
Total liabilities and shareholders' equity	\$ 34,546	\$ 25,877

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

Years ended September 30	2007	2006
Revenue	\$ 33,922	\$ 24,340
Cost of revenue	20,374	14,339
Gross profit	13,548	10,001
Operating expenses:		
Sales and marketing	4,210	2,930
Research and development	3,048	3,100
General and administration	2,058	1,542
Depreciation and amortization	690	911
Stock-based compensation	421	273
Foreign exchange loss (gain)	(657)	168
Gain on sale of long term investment	2,707	-
Interest	(441)	(195)
	6,622	8,729
Earnings before taxes	6,926	1,272
Income taxes expense (recovery):		
Current	77	66
Future	1,092	(850)
	1,169	(784)
Net earnings and comprehensive earnings	5,757	2,056
Deficit, beginning of year	(5,356)	(7,412)
Retained earnings (Deficit), end of year	\$ 401	\$ (5,356)
Earnings per share - basic	\$ 0.27	\$ 0.10
- diluted	\$ 0.26	\$ 0.10

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

Years ended September 30	2007	2006
Cash provided by (used in):		
<i>Operations:</i>		
Net Earnings	\$ 5,757	\$ 2,056
Items not involving cash:		
Amortization of furniture and equipment	657	886
Amortization of intangible assets	33	25
Stock based compensation	421	273
Future income taxes	1,092	(850)
Gain of sale of long term investment	(2,707)	-
Change in non-cash operating working capital	(2,871)	(1,477)
Cash provided by operations	2,382	913
<i>Financing:</i>		
Issuance of share capital	1,242	259
Repayment of share purchase loans	33	66
Cash provided by financing activities	1,275	325
<i>Investing:</i>		
Proceeds from sale of long term investment	8,600	-
Purchase of furniture and equipment	(941)	(420)
Additions to intangible assets	(72)	(110)
Cash provided by (used in) investing activities	7,587	(530)
Increase in cash and cash equivalents	11,244	708
Cash and cash equivalents, beginning of year	6,174	5,466
Cash and cash equivalents, end of year	\$ 17,418	\$ 6,174