



RDM CORPORATION REPORTS THIRD QUARTER RESULTS

WATERLOO, ON, July 31, 2008 - 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 month period ended June 30, 2008.

Q3 2008 Highlights

- ITMS® end user locations increased from 11,500 to 13,333 during the third quarter.
- Total revenues were \$5.2 million in Q3 2008, compared to \$6.8 million in Q3 2007.
- Digital Imaging segment revenues were \$4.3 million, compared to \$5.5 million a year earlier.
- Gross profit was \$1.9 million or 37% of revenues, compared to \$2.8 million or 41% of revenues in the third quarter of 2007.
- The remaining proceeds from the Xign disposal totaling \$1,062,000 were received resulting in a gain of \$559,000. Xign was disposed in 2007.
- Net loss was \$298,000 or \$(0.01) per share in the third quarter of 2008, compared to net earnings of \$3,240,000 or \$0.15 per share a year earlier.
- Cash and equivalents at June 30, 2008 were \$17.1 million.
- Scanner volume for the third quarter of 2008 was 7,500 units compared to 10,480 units in the third quarter of 2007.
- Transaction volumes for RDM's Image & Transaction Management System (ITMS®) averaged 2.75 million items per week during the third quarter of fiscal 2008, compared to 1.5 million items per week a year earlier, and 2.5 million items per week during Q2 2008.
- RDM added four additional bank distributors and five new independent sales organizations (ISOs) during the quarter.

"We continue to see positive momentum in our ITMS business. Strong interest in our recently launched Simply Deposit™ product enabled us to grow our ISO channel from one partner to six during the third quarter. We processed an average of 300,000 more transactions per week than the previous quarter, and established a new record by adding 1,833 new end user locations to our network," said Douglas Newman, President and CEO of RDM Corporation. "Scanner sales, which still constitute the majority of our revenues, were lower than expected. We experienced delays in some anticipated large orders, as well as an order for 5,000 units that was booked late in the quarter with nearly half of the shipments sliding into the next period."

Mr. Newman continued: "The remote deposit capture market represents an excellent long-term opportunity, although I believe the rate of deployment has slowed this year with U.S. banks being distracted by credit-related issues. Heading into the fourth quarter, we expect to see sequential growth with fourth quarter revenues returning to the range we saw in the first two quarters of the fiscal year."

Financial Review

RDM recorded revenues of \$5.2 million in the three months ended June 30, 2008, a decrease of \$1.6 million from the comparable period of fiscal 2007. The decrease in reported revenue was primarily caused by the rapid appreciation over the past year of the Canadian dollar compared to the U.S. dollar, and by a decrease in the volume of scanner

sales. The Digital Imaging segment generated \$4.4 million of revenues, a decrease of 20% from Q3 2007, as lower equipment sales were only partially offset by the continued growth in ITMS revenues.

RDM's main distribution channel for its remote deposit capture (RDC) products and services has been U.S. financial institutions, which over the past six months have faced challenging times due to asset valuation issues. As a result of this financial uncertainty, a number of planned or anticipated RDC initiatives by financial institutions have been delayed due to resource constraints or shifted priorities. RDC adoption has not grown as quickly in 2008 as many had expected and overall seat deployment is lower than industry projections made just 10 months ago.

To both broaden RDM's distribution channel and to accelerate its growth rate of ITMS revenue, RDM has developed Simply Deposit™, an RDC solution targeted at the small business market. Simply Deposit™ can be offered to businesses through the ISO channel without the need for the businesses to change their depository relationship.

Revenues in the Electronic Payments Solutions segment comprised of custom development projects for government agencies and financial institution customers, decreased \$191,000 to \$554,000 in the third quarter of 2008 compared to the third quarter of 2007. Revenues in the Quality Assurance segment, comprised of quality control products sold to commercial check printers and processors, were below expectations at \$331,000, compared to \$579,000 in Q3 2007.

Gross profit was \$1.9 million in Q3 2008 compared to \$2.8 million in the third quarter of 2007. Expressed as a percentage of revenue, gross margin was 37% in Q3 2008 compared to 41% a year earlier, due to the impact of exchange rates and a change in product mix.

Sales and marketing expense increased to \$1.3 million from \$1.2 million in Q3 2007, as efforts were focused on signing new ITMS banks and ISO resellers, preparing for the introduction of a batch scanner, and the launch of Simply Deposit™. Research and development expenses grew \$6,000 to \$888,000 as the Company maintained its investment in new product development. General and administration expenses increased \$193,000 to \$584,000 during the quarter, with the increase largely attributable to costs associated with the launch of Simply Deposit™, as well as an unusually low G&A expense incurred in the third quarter of 2007 due to the timing of certain expenses.

RDM recorded a net loss of \$298,000 in the third quarter of 2008, or \$(0.01) per share, compared to net earnings of \$3,240,000 or \$0.15 per share a year earlier. The decrease was caused by a decrease in exchange income on the forward contracts totaling \$0.6 million, a difference in the gain on the sale of Xign of \$2.1 million as well as the impact of the dramatic changes in exchange rates on revenues.

RDM implemented a normal course issuer bid in May, and repurchased 12,700 shares during the quarter. The Company had 21,475,126 common shares outstanding at June 30, 2008.

Conference Call

RDM will be hosting a conference call to discuss the Company's third quarter financial results on July 31, 2008 at 9:00 a.m. ET. Dial-in numbers are 416-644-3421 or 1-800-731-5319. The call will be webcast live and archived at www.rdmcorp.com. Detailed financial results and management's discussion and analysis for the third quarter of fiscal 2008 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 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 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)

	June 30, 2008 Unaudited	September 30, 2007 Audited
Assets:		
Current assets:		
Cash and cash equivalents	\$ 17,107	\$ 17,418
Accounts receivable	3,713	6,365
Other receivable	-	503
Inventories	8,343	4,720
Investment tax credit receivable	1,586	1,451
Other	341	1,843
Total current assets	31,090	32,300
Furniture and equipment	3,031	2,011
Intangible assets	279	235
Total assets	\$ 34,400	\$ 34,546
Liabilities and shareholders' equity:		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,349	\$ 4,587
Future income tax liability	210	210
Deferred revenue	390	427
Total current liabilities	4,949	5,224
Future income tax liability	27	32
Shareholders' equity:		
Share capital	28,279	27,978
Contributed surplus	1,310	927
Retained earnings (deficit)	(165)	401
Share purchase loans	-	(16)
Total shareholders' equity	29,424	29,290
Total liabilities and shareholders' equity	\$ 34,400	\$ 34,546

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

	Three months ended June		Nine months ended June	
	2008 (Unaudited)	2007 (Unaudited)	2008 (Unaudited)	2007 (Unaudited)
Revenue	\$ 5,237	\$ 6,791	\$ 19,131	\$ 26,419
Cost of revenue	3,293	4,021	11,746	15,817
Gross Profit	1,944	2,770	7,385	10,602
Operating expenses:				
Sales and marketing	1,269	1,182	3,564	3,085
Research and development	888	882	2,846	2,792
General and administration	584	391	1,471	1,399
Depreciation and amortization	246	154	610	493
Stock-based compensation	126	120	383	290
Interest	(181)	(123)	(512)	(252)
Foreign exchange loss (gain)	(131)	(684)	153	(442)
Gain on sale of long term investment	(559)	(2,707)	(559)	(2,707)
	2,242	(785)	7,956	4,658
Earnings (loss) before taxes	(298)	3,555	(571)	5,944
Future income Tax expense (recovery)	-	315	(5)	823
Net earnings (loss) and comprehensive earnings (loss)	\$ (298)	\$ 3,240	\$ (566)	\$ 5,121
Retained earnings (deficit), beginning of period	\$ 133	\$ (3,475)	\$ 401	\$ (5,356)
Retained earnings (deficit), end of period	\$ (165)	\$ (235)	\$ (165)	\$ (235)
Earnings per share - basic	\$ (.01)	\$ 0.15	\$ (.03)	\$ 0.24
Earnings per share - basic and diluted	\$ (.01)	\$ 0.15	\$ (.03)	\$ 0.23

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

	Three months ended June 2008 (Unaudited)		2007 (Unaudited)		Nine months ended June 2008 (Unaudited)		2007 (Unaudited)	
Cash provided by (used in):								
Operations:								
Net earnings (loss)	\$	(298)	\$	3,240	\$	(566)	\$	5,121
Items not involving cash:								
<i>Amortization of furniture and equipment</i>		235		144		580		469
<i>Amortization of intangible assets</i>		11		10		30		24
<i>Stock-based compensation</i>		126		120		383		290
<i>Future income taxes</i>		-		315		(5)		823
<i>Gain on sale of long-term investment</i>		(559)		(2,707)		(559)		(2,707)
Change in non-cash operating working capital		(1,052)		(2,931)		121		(2,618)
Cash provided by (used in) operations		(1,537)		(1,809)		(16)		1,402
Financing:								
Issuance of share capital; net of issue costs		-		112		321		1,242
Repayment of share purchase loans		-		8		16		24
Cash provided by financing activities		-		120		337		1,266
Investing:								
Repurchase of share capital		(20)		-		(20)		-
Cash proceeds on sale of long-term investment		1,062		8,600		1,062		8,600
Purchase of furniture and equipment		(232)		(162)		(1,600)		(591)
Additions to intangible assets		(16)		(27)		(74)		(67)
Cash provided by (used in) investing activities		794		8,411		(632)		7,942
Increase (decrease) in cash		(743)		6,722		(311)		10,610
Cash and cash equivalents, beginning of period		17,850		10,062		17,418		6,174
Cash and cash equivalents, end of period	\$	17,107	\$	16,784	\$	17,107	\$	16,784