



RDM CORPORATION REPORTS FOURTH QUARTER AND YEAR END FINANCIAL RESULTS

WATERLOO, ON, November 27, 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 and twelve-month periods ended September 30, 2008.

Fiscal 2008 Financial Highlights

- Total revenues were \$26.6 million in fiscal 2008, a decrease of 22% from \$33.9 million in 2007.
- Payment Processing Services revenues generated by RDM's Image & Transaction Management System (ITMS)® grew 75% to \$6.0 million compared to \$3.4 million reported in 2007.
- Gross profit was \$9.6 million or 36% of revenues, compared to \$13.1 million or 39% of revenues in 2007.
- Net loss before income taxes and gain on sale of Xign was \$1.6 million in 2008, compared to net earnings of \$4.2 million before income taxes and gain on sale of Xign in 2007.
- Net loss was \$1.0 million or \$0.05 per share (fully diluted) in 2008, compared to net earnings of \$5.8 million or \$0.27 per share in the previous year.
- Cash and equivalents were \$17.4 million at September 30, 2008, unchanged from the \$17.4 million one year earlier.

Fiscal 2008 Operating Highlights

- ITMS transaction volumes averaged 3.12 million items per week during the fourth quarter of 2008, compared to 1.76 million items per week in Q4 2007, and 2.75 million items per week during Q3 2008.
- Seven new bank distributors were signed during the year, bringing the total to 32 banks.
- ITMS end user locations increased to 14,900 from 8,400 at the start of the year.
- RDM shipped 39,622 proprietary scanners in 2008, compared to 54,696 a year earlier.
- The Company released Simply Deposit™, a web-based remote deposit capture solution designed specifically for the small business market.
- RDM entered into distribution agreements with 24 independent sales organizations ("ISOs") who are marketing RDC directly to end users.

"Our fourth quarter revenues and scanner shipments represented our best performance of fiscal 2008," said Douglas Newman, President and CEO of RDM Corporation. "This year presented several challenges, including an unfavourable exchange rate shift, slower than expected industry adoption of remote deposit capture technology, and most recently, the U.S. financial crisis. Nevertheless, we recorded double digit sequential growth rates in our ITMS business every quarter. We also launched Simply Deposit for the small business market and began signing ISO partners to help distribute it."

Mr. Newman continued: "I remain convinced that widespread remote deposit capture deployment is inevitable, and that RDM is very well positioned to continue to capitalize on the opportunity. Over the shorter term it is difficult to predict adoption rates due to macroeconomic conditions. We are maintaining our commitment to product leadership and operational excellence, and working closely with our distribution partners to ensure we aggressively pursue growth opportunities in the marketplace."

Financial Review

RDM recorded revenues of \$26.6 million in the year ended September 30, 2008, a decrease of \$7.3 million from the previous year. The decrease was primarily due to lower scanner sales and a weakening in the U.S. dollar. The reduction in scanner sales, which was caused in part by unusually high shipments in the first quarter of 2007 when the Company fulfilled a large order backlog, is reflected in the results for the Digital Imaging Products segment. Revenues for the segment were \$16.1 million in 2008, a decrease of \$9.1 million from the prior year.

Revenues in the Payment Processing Services segment, comprised of ITMS transaction processing revenues, were \$6.0 million in fiscal 2008, representing 75% growth compared to \$3.4 million in 2007. The growth was a result of significant increases in ITMS transaction processing volumes and end user locations during the year. In order to maximize its market share, in 2008, the Company launched its Simply Deposit solution targeted at small businesses, and broadened its distribution channels in part by signing agreements with a number of ISOs.

Revenues in the Electronic Payments Solutions segment, comprised of custom development projects for government agencies and financial institution customers, were \$2.8 million in fiscal 2008, consistent with Management expectations, although down from \$3.2 million in 2007.

Revenues in the Quality Assurance segment, comprised of quality control products sold to commercial check printers and processors, were \$1.7 million, compared to \$2.0 million in 2007.

Gross profit was \$9.6 million in fiscal 2008, down \$3.5 million from \$13.1 million a year earlier. Expressed as a percentage of revenue, gross margin was 36% in 2008 compared to 39% last year. The decrease was primarily a result of the shift in currency exchange rates.

Sales and marketing expense increased to \$4.9 million from \$4.2 million, as efforts were focused on signing new ITMS banks and ISO resellers, preparation for the introduction of a batch scanner, and the launch of Simply Deposit. This investment was made to enable the Company to continue to build recurring revenue in the Payment Processing Services segment. Research and development expenses increased by \$0.8 million to \$3.8 million, primarily due to the absence in 2008 of \$651,000 in investment tax credits claimed in 2007, as the Company continued to invest in new product development. General and administration expenses decreased 7% to \$1.9 million for the year.

Net loss was \$1.0 million or \$0.05 per share (fully diluted) in 2008, compared to net earnings of \$5.8 million or \$0.27 per share in the previous year. In addition to the weaker operating results described above, the decrease in earnings was the result of a \$552,000 exchange loss recorded in 2008 versus a \$657,000 gain in 2007, and by a \$2.1 million difference in the gain on the sale of Xign.

RDM implemented a Normal Course Issuer Bid in May, and purchased 207,400 common shares under the Bid in fiscal 2008. At September 30, 2008 the Company had 21,280,426 common shares outstanding.

Fourth Quarter Review

RDM recorded revenues of \$7.5 million in the three month period ended September 30, 2008, consistent with \$7.5 million in the fourth quarter of 2007. Gross margin was 36% in the quarter compared to 39% a year earlier. Operating expenses were \$2.0 million, consistent with \$2.0 million in Q4 2007.

Net loss was \$476,000 or \$0.02 per share in the fourth quarter of 2008, compared to earnings of \$636,000 or \$0.03 per share in the comparable period of last year. Q4 2007 earnings were positively impacted by the recognition of \$666,000 of investment tax credits and by a \$215,000 exchange gain, while Q4 2008 results included a \$399,000 exchange loss due to the impact of the strengthening of the U.S. dollar during the quarter.

Conference Call

RDM will be hosting a conference call to discuss the Company's year-end financial results on November 27, 2008 at 9:00 a.m. ET. Dial-in numbers are 416-644-3415 or 1-800-732-9303. 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 further information, visit RDM's website at www.rdmcorp.com.

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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.

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

| At September 30 | 2008 | 2007 |
|---|------------------|------------------|
| Assets: | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 17,421 | \$ 17,418 |
| Accounts receivable | 4,929 | 6,365 |
| Other receivable | - | 503 |
| Inventories | 6,325 | 4,720 |
| Investment tax credit receivable | 1,703 | 1,451 |
| Other | 1,087 | 1,843 |
| Total current assets | 31,465 | 32,300 |
| Furniture and equipment | 2,893 | 2,011 |
| Intangible assets | 278 | 235 |
| Total assets | \$ 34,636 | \$ 34,546 |
| Liabilities and shareholders' equity: | | |
| Current liabilities: | | |
| Accounts payable & accrued liabilities | \$ 4,945 | \$ 4,587 |
| Future income tax liability | - | 210 |
| Deferred revenue | 631 | 427 |
| Total current liabilities | 5,576 | 5,224 |
| Future income tax liability | 201 | 32 |
| Commitments | | |
| Shareholders' equity: | | |
| Share capital | 28,338 | 27,978 |
| Contributed surplus | 1,162 | 927 |
| Retained earnings (Deficit) | (641) | 401 |
| Share purchase loans | - | (16) |
| Total shareholders' equity | 28,859 | 29,290 |
| Total liabilities and shareholders' equity | \$ 34,636 | \$ 34,546 |

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

| Years ended September 30 | 2008 | 2007 |
|---|------------|-----------|
| Revenue | \$ 26,622 | \$ 33,922 |
| Cost of revenue | 16,973 | 20,781 |
| Gross profit | 9,649 | 13,141 |
| Operating expenses: | | |
| Sales and marketing | 4,886 | 4,210 |
| Research and development | 3,802 | 3,048 |
| General and administration | 1,914 | 2,058 |
| Depreciation and amortization | 189 | 283 |
| Stock-based compensation | 494 | 421 |
| Foreign exchange loss (gain) | 552 | (657) |
| Gain on sale of long term investment | (559) | (2,707) |
| Interest | (587) | (441) |
| | 10,691 | 6,215 |
| Earnings (loss) before income taxes | (1,042) | 6,926 |
| Income tax expense (recovery): | | |
| Current | 41 | 77 |
| Future | (41) | 1,092 |
| | - | 1,169 |
| Net earnings (loss) and comprehensive earnings (loss) | \$ (1,042) | \$ 5,757 |
| Earnings (loss) per share - basic | \$ (0.05) | \$ 0.27 |
| - diluted | \$ (0.05) | \$ 0.26 |

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

| Years ended September 30 | 2008 | 2007 |
|---|------------|-----------|
| Cash provided by (used in): | | |
| Operations: | | |
| Net earnings (loss) | \$ (1,042) | \$ 5,757 |
| Items not involving cash: | | |
| Amortization of furniture and equipment | 819 | 657 |
| Amortization of intangible assets | 40 | 33 |
| Stock-based compensation | 494 | 421 |
| Future income taxes | (41) | 1,092 |
| Gain of sale of long term investment | (559) | (2,707) |
| Change in non-cash operating working capital | 897 | (2,871) |
| Cash provided by operations | 608 | 2,382 |
| Financing: | | |
| Issuance of share capital | 321 | 1,242 |
| Repayment of share purchase loans | 16 | 33 |
| Cash provided by financing activities | 337 | 1,275 |
| Investing: | | |
| Repurchase of share capital | (220) | - |
| Proceeds from sale of long term investment | 1,062 | 8,600 |
| Purchase of furniture and equipment | (1,701) | (941) |
| Additions to intangible assets | (83) | (72) |
| Cash provided by (used in) investing activities | (942) | 7,587 |
| Increase in cash and cash equivalents | 3 | 11,244 |
| Cash and cash equivalents, beginning of year | 17,418 | 6,174 |
| Cash and cash equivalents, end of year | 17,421 | 17,418 |
| Cash and cash equivalents comprises: | | |
| Cash | 4,040 | 2,194 |
| Guaranteed investment certificates | 13,381 | 15,224 |
| | \$ 17,421 | \$ 17,418 |