



Toronto Stock Exchange Symbol: RC

RDM CORPORATION REPORTS THIRD QUARTER RESULTS

WATERLOO, ON, July 30, 2009 - 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, 2009.

Q3 2009 Highlights

- Total revenues were \$5.9 million in the third quarter of fiscal 2009, compared to \$5.2 million in the third quarter of 2008.
- Payment Processing Services segment revenues, which are recurring in nature, were \$2.5 million in Q3 2009, compared to \$1.7 million a year earlier.
- Transaction volumes for RDM's Image & Transaction Management System (ITMS®) averaged 3.8 million items per week during the third quarter, compared to 2.8 million items per week a year earlier, and 3.6 million items per week during Q2 2009.
- ITMS® end user locations grew from 17,000 to 17,800 during the third quarter and 13,300 at the end of the third quarter in 2008.
- RDM added one additional bank distributor and two new independent sales organizations (ISOs) during the quarter.
- Gross profit was \$2.5 million or 42% of revenues, compared to \$1.8 million or 34% of revenues in the third quarter of 2008.
- Net earnings were \$175,000 or \$0.01 per share (fully diluted) in Q3 2009, compared to a net loss of \$298,000 or \$0.01 per share in Q3 2008.
- Cash and equivalents of \$16.9 million at June 30, 2009 were unchanged from the end of the prior quarter.

"While recent economic conditions have restricted growth opportunities in our sector, we made continued progress in growing our recurring revenues from our Payment Processing Services", said Douglas Newman, President and CEO of RDM Corporation. "ITMS transaction volumes and end users have increased sequentially and year over year and we continue to expand both our distribution network and our product footprint. Our strong financial position has enabled us to build on our competitive advantage through ongoing investment in product leadership, which we believe maximizes our long-term growth potential."

Financial Review

Operating Results by Segment

For the Three Months Ended June 30, 2009

(In thousands of Canadian dollars)	Payment Processing Services	Digital Imaging	Electronic Payment Solutions	Quality Assurance	Total
Revenue	\$2,491	\$2,948	\$180	\$322	\$5,941
Gross profit	\$1,173	\$1,032	\$66	\$235	\$2,506
Gross profit percentage	47%	35%	37%	73%	42%

Operating Results by Segment
For the Three Months Ended June 30, 2008

(In thousands of Canadian dollars)	Payment Processing Services	Digital Imaging	Electronic Payment Solutions	Quality Assurance	Total
Revenue	\$1,680	\$2,672	\$554	\$331	\$5,237
Gross profit	\$467	\$822	\$249	\$220	\$1,758
Gross profit percentage	28%	31%	45%	67%	34%

RDM generated total revenues of \$5.9 million in the three months ended June 30, 2009, an increase of \$0.7 million from the third quarter of fiscal 2008. The strengthening of the U.S. dollar compared to last year's third quarter resulted in a \$0.8 million favourable impact on reported revenues.

Payment Processing Services segment revenues increased by \$0.8 million or 48% from a year earlier to \$2.5 million, driven by growth in ITMS transaction volumes and end users as well as the change in currency exchange rates. Revenues in the Digital Imaging Products segment increased by \$0.3 million to \$2.9 million, as a reduction in proprietary scanner shipments was offset by the favourable impact of exchange rates and higher third party scanner shipments. The Electronic Payments Solutions segment and the Quality Assurance segment, which represented a combined 8% of total revenues in the third quarter, generated revenues of \$180,000 and \$322,000, respectively, compared to \$554,000 and \$331,000, respectively, in the third quarter of 2008.

Gross profit increased by \$0.7 million to \$2.5 million in the third quarter of 2009 from \$1.8 million in the comparable period of fiscal 2008. Expressed as a percentage of revenues, gross margin was 42%, compared to 34% in Q3 2008. Increased margins were due to the favourable impact of exchange rates and a change in product mix to include a higher proportion of payment processing recurring revenue. Gross profit in the Payment Processing Services segment grew to \$1.2 million in the third quarter from \$467,000 a year earlier. The segment generated an operating loss of \$233,000, compared to a loss of \$776,000 in Q3 2008. This improvement in operating earnings was realized even as the Company invested an additional \$162,000 in sales, marketing and research and development efforts.

Sales and marketing expense decreased \$36,000 to \$1.2 million in Q3 2009, with efforts focused primarily on the rapidly growing Payment Processing Services segment, and in particular on signing new ITMS banks and ISO resellers and promoting Simply Deposit™. Research and development expenses increased \$242,000 to \$1.1 million as the Company continued to invest in new product development including Simply Deposit Mobile™. Simply Deposit Mobile is a downloadable remote deposit product application that will initially be available for the iPhone and latest Blackberry handsets. General and administration expenses decreased \$51,000 to \$533,000.

Net earnings were \$175,000 in the third quarter of 2009, or \$0.01 per share, compared to a net loss of \$298,000 or \$0.01 per share a year earlier. In addition to the factors noted above, earnings were affected by a foreign exchange gain of \$692,000 recognized in the quarter, compared to a gain of \$131,000 in Q3 2008. The foreign exchange gain was due to the impact of a shift in exchange rates during the quarter on forward contracts held by the Company as economic hedges, partially offset by a gain in U.S. denominated monetary assets.

RDM repurchased 30,100 shares in the third quarter, including 12,600 shares repurchased since the renewal of its Normal Course Issuer Bid on May 21, 2009. At June 30, 2009, the Company had 20.8 million common shares outstanding.

Conference Call

RDM will be hosting a conference call to discuss the Company's third quarter financial results on July 30, 2009 at 9:00 a.m. EDT. Dial-in numbers are 416-644-3422 or 1-800-587-1893. 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)

	June 30, 2009 Unaudited	September 30, 2008 Audited
Assets:		
Current assets:		
Cash and cash equivalents	\$ 16,939	\$ 17,421
Accounts receivable	3,714	4,929
Inventories	4,167	6,325
Investment tax credit receivable	1,714	1,703
Other	951	1,087
Total current assets	27,485	31,465
Furniture and equipment	3,095	2,893
Intangible assets	318	278
Total assets	\$ 30,898	\$ 34,636
Liabilities and shareholders' equity:		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 3,627	\$ 4,945
Deferred revenue	609	631
Total current liabilities	4,236	5,576
Future income tax liability	138	201
Shareholders' equity:		
Share capital	27,980	28,338
Contributed surplus	1,494	1,162
Retained earnings (deficit)	(2,950)	(641)
Total shareholders' equity	26,524	28,859
Total liabilities and shareholders' equity	\$ 30,898	\$ 34,636

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	
	2009 (Unaudited)	2008 (Unaudited)	2009 (Unaudited)	2008 (Unaudited)
Revenue	\$ 5,941	\$ 5,237	\$ 18,810	\$ 19,131
Cost of revenue	3,435	3,479	10,776	12,180
Gross Profit	2,506	1,758	8,034	6,951
Operating expenses:				
Sales and marketing	1,233	1,269	3,879	3,564
Research and development	1,130	888	3,295	2,846
General and administration	533	584	1,449	1,471
Depreciation and amortization	64	60	186	176
Stock-based compensation	75	126	332	383
Foreign exchange loss (gain)	(692)	(131)	1,319	153
Interest Income	(12)	(181)	(117)	(512)
Gain on sale of long term investment	-	(559)	-	(559)
	2,331	2,056	10,343	7,522
Earnings (loss) before income taxes	175	(298)	(2,309)	(571)
Future Income Tax expense (recovery)	-	-	-	(5)
Net earnings (loss) and comprehensive earnings (loss)	175	(298)	(2,309)	(566)
Earnings (loss) per share – basic and diluted	\$.01	\$ (.01)	\$ (.11)	\$ (.03)

RDM CORPORATION
Statement of Shareholder's Equity
(Amounts in Canadian Dollars, In Thousands)

	Share Capital	Contributed Surplus	Retained earnings (deficit)	Share Purchase Loans	Total
Balance as at October 1, 2007	\$ 27,978	\$ 927	\$ 401	\$ (16)	\$ 29,290
Net earnings (loss) and comprehensive earnings (loss)	-	-	(566)	-	(566)
Stock-based compensation	-	383	-	-	383
Repayment of share purchase loans	-	-	-	16	16
Issuance of Capital	321	-	-	-	321
Repurchase of Share Capital	(20)	-	-	-	(20)
Balance as at June 30, 2008	\$ 28,279	\$ 1,310	\$ (165)	\$ (16)	\$ 29,424
Balance as at September 30, 2008	28,338	\$ 1,162	\$ (641)	\$ -	\$ 28,859
Net earnings (loss) and comprehensive earnings (loss)	-	-	(2,309)	-	(2,309)
Repurchase of share capital	(358)	-	-	-	(358)
Stock-based compensation	-	332	-	-	332
Balance as at June 30, 2009	\$ 27,980	\$ 1,494	\$ (2,950)	\$ -	\$ 26,524

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

	Three months ended		Nine months ended	
	June		June	
	2009	2008	2009	2008
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cash provided by (used in):				
Operations:				
Net earnings (loss)	\$ 175	\$ (298)	\$ (2,309)	\$ (566)
Items not involving cash:				
Amortization of furniture and equipment	262	235	711	580
Amortization of intangible assets	13	11	36	30
Stock-based compensation	75	126	332	383
Future income taxes	10	-	(64)	(5)
Gain on sale of long-term investment	-	(559)	-	(559)
Change in non-cash operating working capital	(238)	(1,052)	2,159	121
Cash provided by (used in) operations	297	(1,537)	865	(16)
Financing:				
Issuance of share capital; net of issue costs	-	-	-	321
Repayment of share purchase loans	-	-	-	16
Cash provided by financing activities	-	-	-	337
Investing:				
Repurchase of share capital	(25)	(20)	(358)	(20)
Cash proceeds on sale of long-term investment	-	1,062	-	1,062
Purchase of furniture and equipment	(181)	(232)	(913)	(1,600)
Additions to intangible assets	(16)	(16)	(76)	(74)
Cash used in investing activities	(222)	794	(1,347)	(632)
Increase (decrease) in cash and cash equivalents	75	(743)	(482)	(311)
Cash and cash equivalents, beginning of period	16,864	17,850	17,421	17,418
Cash and cash equivalents, end of period	\$ 16,939	\$ 17,107	\$ 16,939	\$ 17,107