



For Immediate Release

Toronto Stock Exchange Symbol: RC

RDM Corporation Reports Fourth Quarter and Year End Financial Results

WATERLOO, ON, December 9, 2011 – RDM Corporation (TSX:RC), a leading provider of specialized software and hardware products for electronic payment processing, today reported its financial results for the year and three month period ended September 30, 2011. All figures are reported in Canadian dollars unless otherwise stated.

2011 Q4 Highlights

- Total revenue was \$4.8 million in the fourth quarter of fiscal 2011, compared to \$5.1 million in the fourth quarter of 2010 and \$4.6 million in the prior quarter. Excluding the effect of foreign exchange, revenue would have been the same as the prior year quarter.
- EBITDA was \$569,000 in the fourth quarter of 2011 compared to a negative EBITDA of \$194,000 in the fourth quarter of 2010.
- The Company generated \$987,000 in cash from operations during the quarter.
- Payment Processing Services revenue was \$2.6 million up 4% over Q3 2011.
- Gross profit was \$2.2 million or 46% of revenues in the fourth quarter of 2011, compared to \$1.9 million or 37% of revenues in the fourth quarter of 2010.
- Net income, excluding special charges was \$298,000. The special charge consisted of a \$413,000 impairment to the value of tooling. In the fourth quarter of 2010 net income excluding special charges of \$692,000 was \$136,000.

2011 Annual Highlights

- Total revenue in 2011 was \$21.2 million compared to \$20.8 million in 2010. Revenue increased by \$0.4 million or 2% despite a 6% weakening of the U.S. dollar.
- The Company added 2,982 new end user seats during the year, an increase of 16% and processed 9.2 million more transactions in 2011 compared to 2010.
- Net loss for 2011 was \$138,000 compared to a net loss of \$3.0 million in 2010. Excluding the non-cash special charges of \$413,000 net income for the year was \$275,000.
- EBITDA for 2011 was \$1.4 million compared to a negative EBITDA of \$1.6 million in 2010.
- The Company generated \$2.2 million in cash from operations during the year. The cash balance was \$15.5 million at the end of the year.

“2011 was a year of transition for RDM,” said Randy Fowlie, President and Chief Executive Officer of RDM Corporation. “I am pleased to report that we have made significant progress in turning the Company around. Gross margins have improved and we grew our end-user base 16% over the course of the year. Excluding the fourth quarter non-cash special charge of \$413,000, the Company was profitable. I look forward to working with the dedicated employees at RDM to build on this momentum in fiscal 2012.”

Conference Call

RDM will be hosting a conference call to discuss the Company's year end and fourth quarter results on December 9, 2011 at 9:00 a.m. EDT. Dial-in numbers are 647-427-7450 or 1-888-231-8191. 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.

Non-GAAP Measures

EBITDA (earnings before interest, taxes, depreciation and amortization) is provided to assist management and investors in determining the Corporation's approximate operating cash flows before interest, income taxes, and depreciation and amortization. EBITDA does not have any standardized meaning prescribed by Canadian GAAP and may not be comparable to similar measures presented by other companies. Management believes that RDM shareholders and potential investors in RDM use non-GAAP financial measures such as EBITDA in making investment decisions about the Company and measuring the operational results.

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 more 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)

As at September 30	2011	2010
Assets:		
Current assets:		
Cash and cash equivalents	\$ 15,529	\$ 14,198
Accounts receivable	2,934	3,624
Inventories	3,437	3,730
Investment tax credit receivable	545	1,393
Prepaid and other	670	1,722
Total current assets	23,115	23,873
Investment tax credits	631	-
Furniture and equipment	2,506	3,552
Intangible assets	1,175	592
Total assets	\$ 27,427	\$ 28,817
Liabilities and shareholders' equity:		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,561	\$ 4,186
Deferred revenue	292	370
Total current liabilities	2,853	4,556
Future income tax liability	-	201
Shareholders' equity:		
Share capital (note 5)	28,155	27,558
Contributed surplus	2,224	2,169
Deficit	(5,805)	(5,667)
Total shareholders' equity	24,574	24,060
Total liabilities and shareholders' equity	\$ 27,427	\$ 28,817

RDM CORPORATION
Consolidated Statements of Operations

(Amounts in Canadian Dollars, In Thousands, Except Per Share Amounts)

	Three months ended September		Twelve months ended September	
	2011 (Unaudited)	2010 (Unaudited)	2011 (Unaudited)	2010 (Unaudited)
Revenue				
Payment Processing Services	2,602	2,630	10,062	9,919
Digital Imaging Products	2,205	2,499	11,118	10,911
	\$ 4,808	\$ 5,129	\$ 21,180	\$ 20,830
Cost of revenue	2,582	3,218	13,043	12,998
Gross Profit	2,226	1,910	8,137	7,832
Operating expenses (income):				
Sales and marketing	796	874	3,213	3,812
Research and development	842	847	3,339	4,214
General and administration	231	390	1,630	1,815
Depreciation and amortization	44	51	164	198
Stock-based compensation (note 6)	80	60	260	258
Foreign exchange	(6)	(421)	(599)	(517)
Interest Income	(27)	(27)	(113)	(56)
Special charges	413	692	413	1,111
	2,373	2,466	8,307	10,835
Income (loss) before income taxes	(147)	(556)	(170)	(3,003)
Income tax recovery	(32)	-	(32)	-
Net income (loss) and comprehensive income (loss)	(115)	(556)	(138)	(3,003)
Net income (loss) per share – basic and diluted (note 7)	\$ (0.01)	\$ (0.03)	\$ (0.01)	\$ (0.14)

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

	Share Capital	Contributed Surplus	Retained earnings (deficit)	Total
Balance as at September 30, 2009	\$ 27,639	\$ 1,886	\$ (2,664)	\$ 26,861
Net loss and comprehensive loss	-	-	(3,003)	(3,003)
Repurchase of share capital	(81)	25	-	(56)
Stock-based compensation	-	258	-	258
Balance as at September 30, 2010	\$ 27,558	\$ 2,169	\$ (5,667)	\$ 24,060
Balance as at September 30, 2010	\$ 27,558	\$ 2,169	\$ (5,667)	\$ 24,060
Net income (loss) and comprehensive income (loss)	-	-	(138)	(138)
Repurchase of share capital	(166)	28	-	(138)
Issuance of share capital	763	(233)	-	530
Stock-based compensation	-	260	-	260
Balance as at September 30, 2011	\$ 28,155	\$ 2,224	\$ (5,805)	\$ 24,574

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

	Three months ended September		Twelve months ended September	
	2011 (Unaudited)	2010 (Unaudited)	2011 (Unaudited)	2010 (Unaudited)
Cash provided by (used in):				
Operations:				
<i>Net income (loss)</i>	\$ (115)	\$ (556)	\$ (138)	\$ (3,003)
<i>Items not involving cash:</i>				
Amortization of furniture and equipment	237	312	944	1,169
Write-down of furniture and equipment	413	-	413	-
Amortization of intangible assets	92	77	321	236
Stock-based compensation	80	60	259	258
Future income taxes	(201)	-	(201)	-
Change in non-cash operating working capital	481	(395)	555	1,495
Cash provided by (used in) operations	987	(502)	2,153	155
Financing:				
Issuance of share capital	-	-	530	-
Cash provided by financing activities	-	-	530	-
Investing:				
Repurchase of share capital	-	(9)	(138)	(56)
Purchase of furniture and equipment	(188)	(434)	(311)	(1,446)
Intangible assets	25	(53)	(904)	(173)
Cash used in investing activities	(163)	(496)	(1,353)	(1,675)
Increase (decrease) in cash and cash equivalents	824	(998)	1,330	(1,520)
Cash and cash equivalents, beginning of period	14,705	15,196	14,198	15,718
Cash and cash equivalents, end of period	\$ 15,529	\$ 14,198	\$ 15,528	\$ 14,198