



For Immediate Release

Toronto Stock Exchange Symbol: RC

RDM Corporation Reports First Quarter Financial Results

WATERLOO, ON, February 9, 2012 – RDM Corporation (TSX:RC), a leading provider of specialized software and hardware products for electronic payment processing, today reported its financial results for the three month period ended December 31, 2011. In accordance with reporting requirements for Canadian public issuers, RDM's results have been prepared under International Financial Reporting Standards (IFRS). All figures, including prior year comparable amounts, are now reported in U.S. dollars unless otherwise stated.

Q1 2012 Highlights

- Total revenue was \$4.5 million in the first quarter of fiscal 2012, compared to \$6.2 million in the first quarter of 2011 and \$4.9 million in the prior quarter.
- Gross profit was \$2.2 million or 49% of revenues in Q1 2012, compared to \$2.1 million or 35% of revenues in Q1 2011.
- Payment Processing Services revenue was \$2.7 million, an increase of 13% over Q1 2011.
- The Company added 956 new end user seats during the first quarter, an increase of 18.5% compared to Q1 2011 and 5% compared to the prior quarter.
- EBITDA was \$454,000 in the first quarter of 2012 compared to \$857,000 a year earlier.
- Net income was \$144,000 or \$0.01 per share in Q1 2012, compared to \$594,000 or \$0.03 per share in the first quarter of 2011.
- The Company accumulated \$277,000 in cash during the quarter and ended the period with a cash balance of \$15.1 million.

"I am pleased with the gross margin performance we are achieving in both of our product lines, as well as the year over year growth in our Payment Processing Services business," said Randy Fowlie, President and Chief Executive Officer of RDM Corporation. "This combination enabled us to deliver improved operating results. We continue to see improvements in our overall business model, despite experiencing some weakness in our hardware business."

Conference Call

RDM will be hosting a conference call to discuss the Company's first quarter results on February 9, 2012 at 9:00 a.m. EST. 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-IFRS 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 IFRS and may not be comparable to similar measures presented by other companies. Management believes that RDM shareholders and potential investors in RDM use non-IFRS 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
Condensed Interim Consolidated Balance Sheets
(Amounts in thousands of U.S. Dollars)

(Unaudited)

	December 31, 2011	September 30, 2011	October 1, 2010
Assets:			
Current assets:			
Cash and cash equivalents	\$ 15,092	\$ 14,815	\$ 13,798
Accounts receivable	2,871	2,799	3,522
Inventories	3,667	3,455	3,589
Derivative assets	-	-	278
Investment tax credit receivable	573	520	1,354
Prepaid and other assets	634	639	1,395
Total current assets	22,837	22,228	23,936
Investment tax credits	556	602	-
Furniture and equipment	2,290	2,455	3,457
Intangible assets	1,074	1,162	564
Total assets	\$ 26,757	\$ 26,447	\$ 27,957
Liabilities and shareholders' equity:			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 2,443	\$ 2,376	\$ 4,068
Deferred revenue	299	279	360
Derivative liabilities	-	67	-
Total current liabilities	2,742	2,722	4,428
Deferred income tax liability	-	-	195
Shareholders' equity:			
Share capital	19,960	19,960	19,371
Contributed surplus	2,174	2,115	2,083
Accumulated other comprehensive income	87	-	-
Retained earnings	1,794	1,650	1,880
Total shareholders' equity	24,015	23,725	23,334
Total liabilities and shareholders' equity	\$ 26,757	\$ 26,447	\$ 27,957

RDM CORPORATION
Condensed Interim Consolidated Balance Sheets
(Amounts in thousands of U.S. Dollars, except per share amounts)

(Unaudited)

Three months ended December 31	2012	2011
Revenue:		
Payment Processing Services	\$ 2,723	\$ 2,400
Digital Imaging Products	1,783	3,802
	4,506	6,202
Cost of revenue	2,293	4,065
Gross profit	2,213	2,137
Operating expenses:		
Sales and marketing	898	875
Research and development	964	942
General and administration	526	712
	2,388	2,529
Results from operating activities	(175)	(392)
Other items:		
Foreign exchange gain	355	954
Interest	28	32
	383	986
Income before income taxes	208	594
Income tax expense:		
Current	64	-
Future	-	-
	-	-
Income for the period	\$ 144	\$ 594
Income per share – basic and diluted	\$ 0.01	\$ 0.03

RDM CORPORATION
Condensed Interim Consolidated Statements of Comprehensive Income
(Amounts in thousands of U.S. Dollars)

(Unaudited)

Three months ended December 31	2012	2011
Income for the period	\$ 144	\$ 594
Other comprehensive income:		
Effective portion of changes in fair value of cash flow hedges	87	-
Comprehensive income	\$ 231	\$ 594

RDM CORPORATION
Condensed Interim Consolidated Statement of Changes in Shareholder's Equity
(Amounts in thousands of U.S. Dollars)

(Unaudited)

	Share capital	Contributed surplus	Accumulated other comprehensive income	Retained earnings	Total
Balance as at October 1, 2010	\$ 19,371	\$ 2,083	\$ -	\$ 1,880	\$ 23,334
Income and comprehensive income	-	-	-	594	594
Repurchase of share capital	(103)	21	-	-	(82)
Issuance of share capital	726	(218)	-	-	508
Stock-based compensation	-	32	-	-	32
Balance as at December 31, 2010	\$ 19,994	\$ 1,918	-	\$ 2,474	\$ 24,386
Balance as at September 30, 2011	\$ 19,960	\$ 2,115	-	\$ 1,650	\$ 23,725
Total comprehensive income for the period:					
Income for the period	-	-	-	144	144
Effective portion of changes in fair value of cash flow hedges	-	-	87	-	87
Stock-based compensation	-	59	-	-	59
Balance as at December 31, 2011	\$ 19,960	\$ 2,174	\$ 87	\$ 1,794	\$ 24,015

RDM CORPORATION
Condensed Interim Consolidated Statements of Cash Flows
(Amounts in thousands of U.S. Dollars)

(Unaudited)

Three months ended December 31	2012	2011
Cash provided by (used in):		
Operations:		
Income for the period	\$ 144	\$ 594
Items not involving cash:		
Depreciation of furniture and equipment	186	219
Amortization of intangible assets	88	76
Stock-based compensation	59	32
Interest earned	(25)	(31)
Exchange gains on cash held in foreign currency	(389)	(201)
Change in non-cash operating working capital	(252)	(339)
Cash provided by (used in) operations	(189)	350
Interest received	11	33
Net cash provided by (used in) operations	(178)	383
Financing:		
Issuance of share capital	-	508
Repurchase of share capital	-	(83)
Cash provided by financing activities	-	425
Investing:		
Purchase of furniture and equipment	(21)	(82)
Additions to intangible assets	-	(27)
Cash used in investing activities	(21)	(109)
Exchange gains on cash held in foreign currency	476	201
Increase in cash and cash equivalents	277	900
Cash and cash equivalents, beginning of period	14,815	13,798
Cash and cash equivalents, end of period	\$ 15,092	\$ 14,698