



Company Contact Information:

Gil Efron, CFO
Tel: +972 8 861 0000
investors@rrsat.com

External Investor Relations Contacts:

Ehud Helft / Kenny Green
Tel: 1 646 201 9246
info@gkir.com

For Immediate Release

**RRSAT PRESENTS 37% INCREASE IN ADJUSTED NET INCOME AND
RECORD \$155.5 MILLION BACKLOG IN FOURTH QUARTER 2007**

Annual revenues reach record \$59.2 million, up 37% over 2006

Fourth Quarter Highlights (compared to fourth quarter 2006)

- § Revenues reach \$16.3 million, up 36%
- § Adjusted net income up 37% reaching record \$3.6 million (GAAP net income, \$3.2 million)
- § Introduce new 2008 revenue guidance; expect to surpass \$75 million in revenues
- § Cash, cash equivalents & marketable securities further increased to \$63.4 million

OMER, Israel – January 31, 2008 – RRsat Global Communications Network Ltd. (NASDAQ: RRST), a rapidly growing provider of comprehensive content management and global distribution services to the television and radio broadcasting industries, today announced its financial results for the three and twelve months ended December 31, 2007.

Fourth Quarter Results:

Revenues for the fourth quarter of 2007 totaled a record \$16.3 million, an increase of 36% compared to \$12.0 million in the fourth quarter of 2006.

Backlog of signed agreements, as of December 31, 2007, reached a record \$155.5 million, an increase of \$18.2 million from the \$137.3 million backlog of signed agreements as of September 30, 2007.

Operating income for the fourth quarter of 2007 totaled \$3.3 million, a 70% increase compared to \$1.9 million in the fourth quarter of 2006.

Adjusted net income for the fourth quarter of 2007 totaled \$3.6 million, an increase of 37% compared to \$2.6 million in the fourth quarter of 2006. **Adjusted net income per diluted share** totaled \$0.21, compared to \$0.17 in the fourth quarter of 2006.

Net income on a GAAP basis for the fourth quarter of 2007 was \$3.2 million, an increase of 84% compared to \$1.7 million, in the fourth quarter of 2006. **Net income per diluted share** on a GAAP basis was \$0.18, compared with \$0.11 in the fourth quarter of 2006.

Adjusted EBITDA for the fourth quarter of 2007 totaled \$4.2 million, an increase of 15% compared to \$3.6 million in the fourth quarter of 2006.

Cash, cash equivalents and marketable securities as at December 31, 2007 were \$63.4 million, compared with \$59.9 million as at September 30, 2007. During the quarter, the Company generated

\$4.7 million in operating cash flow, excluding the \$0.8 million generated from marketable securities, and presented as an inflow under the GAAP operating cash flow.

Full Year:

Revenues for the full year 2007 totaled a record \$59.2 million, an increase of 37% compared to \$43.3 million in 2006. **Operating income** for 2007 totaled \$12.0 million, a 28% increase compared to \$9.4 million in 2006. **Adjusted net income** for 2007 totaled \$12.3 million, an increase of 52% compared to \$8.1 million in 2006. **Net income on a GAAP basis** for 2007 was \$11.4 million, an increase of 56% compared to \$7.3 million, in 2006. **Adjusted EBITDA** for 2007 totaled \$15.4 million, an increase of 20% compared to \$12.8 million in 2006.

David Rivel, Founder and CEO of RRsat commented, “2007 has been a major year for RRsat. During the year, we continued to expand our global network, forging new partnerships with satellite organizations, while laying additional fiber infrastructure to new regions and cities throughout Europe and North America. This year was also a milestone year in terms of new customers. Throughout 2007, we commenced a total of 60 new contracts, 27 of which were follow-on contracts with existing customers seeking to expand their relationship with RRsat, bringing the total number of channels we broadcast to over 400 at the end of the year. Finally, we culminated the year with a record \$155.5 million in backlog of signed contracts, offering us visibility well into 2008 and beyond, attesting to the true strength of our business model.”

“Looking ahead to 2008, we will continue to seek to enhance our customer base both by leveraging our premier global network, while identifying additional growth drivers which will serve to enhance our services to both our existing customers and to new customers. This, by expanding geographically, while introducing additional innovative solutions, mainly in the promising and evolving market of Internet TV. We expect 2008 annual revenues to be in the range of \$75 - \$76 million, with revenues in the first quarter of 2008 in the range of \$17.3 - \$17.7 million,” **concluded Mr. Rivel.**

Conference Call Information

The Company will hold a conference call scheduled later today, January 31, 2008 at 10:00 am ET (07:00 am PT; 03:00 pm UK Time; 05:00 pm Israel Time). On the call, Mr. David Rivel, Founder & CEO and Mr. Gil Efron, CFO will review and discuss the results and will be available to answer investor questions.

To participate, please call one of the following teleconferencing numbers. Please begin placing your calls at least 10 minutes before the conference call commences. If you are unable to connect using the toll-free numbers, please try the international dial-in number.

US Dial-in Number: 1-888-668-9141

UK Dial-in Number: 0-800-917-5108

Israel Dial-in Number: 03-918-0609

International Dial-in Number: +972 3 918 0609

A replay of the call will be available from the day after the call. The link to the replay will be accessible from RRsat’s website at: www.RRsat.com. In addition, a telephone replay will be available for two days following the call. To access the replay dial one of the following: 1 877 456 0009 (US) and +972 3 925 5940 (International).

Use of Non- GAAP Financial Measures

RRsat uses two financial measures, adjusted net income and adjusted EBITDA, which are non-GAAP financial measures. RRsat believes that both non-GAAP financial measures are principal indicators of the operating and financial performance of its business. Adjusted net income is calculated based on the net income in our financial statements excluding non-cash equity-based compensation charges recorded in accordance with SFAS 123R, the non-cash income (loss) reflecting changes in the fair value of embedded currency conversion derivatives resulting from the application of SFAS 133, the

resulting income tax (increase) decrease and one-time expenses in the fourth quarter of 2006 relating to the IPO and related taxes.

Adjusted EBITDA is calculated by deducting from net income interest and marketable securities income, currency fluctuation and other financial income (expenses), net, changes in fair value of embedded currency conversion derivatives, other income (expenses), net, and adding non-cash equity-based compensation charge, depreciation and amortization and one-time expenses in the fourth quarter of 2006 relating to the IPO and related taxes. Management believes the non-GAAP financial measures (adjusted net income and adjusted EBITDA) provided are useful to investors' understanding and assessment of RRsat's on-going core operations and prospects for the future. Management uses these non-GAAP financial measures in order to evaluate the performance of the company. However, such measures should not be considered in isolation or as substitutes for results prepared in accordance with GAAP. In addition, RRsat's adjusted EBITDA may not be comparable to adjusted EBITDA as reported by other companies.

Reconciliations of the non-GAAP measures (adjusted net income and adjusted EBITDA) to net income, the most comparable GAAP measure, are provided in the schedules attached to this release.

About RRsat Global Communications Network Ltd.

RRsat Global Communications Network Ltd. (NASDAQ: RRST) provides global, comprehensive, content management and distribution services to the rapidly expanding television and radio broadcasting industries. Through its proprietary "RRsat Global Network," composed of satellite and terrestrial fiber optic transmission capacity and the public Internet, RRsat is able to offer high-quality and flexible global distribution services for content providers. RRsat's comprehensive content management services include producing and playing out TV content as well as providing satellite newsgathering services (SNG). RRsat concurrently provide these services to more than 400 television and radio channels, covering more than 150 countries. Visit the company's website www.rrsat.com for more information.

Safe Harbor Statement

This press release contains forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding (i) the growth of our business and the television and radio broadcasting industries, (ii) our expectation to expand our client base and sell additional services to our existing client base, and (iii) our ability to report future successes. These forward-looking statements involve known and unknown risks and uncertainties and are based on current expectations, assumptions, estimates and projections about the companies and the industry as of the date of this press release. The company undertakes no obligation to update forward-looking statements to reflect subsequent occurring events or circumstances, or to changes in its expectations, except as may be required by law. Forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those contemplated by the forward-looking statements, including the risks indicated in our filings with the Securities and Exchange Commission (SEC). For more details, please refer to our SEC filings and the amendments thereto, including our Annual Report on Form 20-F for the year ended December 31, 2006 and our Current Reports on Form 6-K.

FINANCIAL TABLES FOLLOW

RRsat Global Communications Network Ltd. and its Subsidiaries
Consolidated Statements of Operations

In thousands, except share data

	Year ended		Three months ended	
	Dec-31 2007	Dec-31 2006	Dec-31 2007	Dec-31 2006
Revenues	\$ 59,221	\$ 43,284	\$ 16,332	\$ 12,041
Cost of revenues	38,419	27,451	10,769	7,698
Gross profit	20,802	15,833	5,563	4,343
Operating expenses				
Sales and marketing	3,017	1,831	842	430
General and administrative	5,767	3,588	1,466	998
One time fees associated with IPO	-	1,000	-	1,000
Total operating expenses	8,784	6,419	2,308	2,428
Operating income	12,018	9,414	3,255	1,915
Interest and marketable securities income	2,631	450	720	328
Currency fluctuation and other financing income, net	329	374	211	147
Changes in fair value of embedded currency conversion derivatives	(646)	243	(420)	21
Other income, net	4	4	-	-
Income before taxes on income	14,336	10,485	3,766	2,411
Income taxes	2,932	3,180	553	664
Net income	\$ 11,404	\$ 7,305	\$ 3,213	\$ 1,747

RRsat Global Communications Network Ltd. and its Subsidiaries
Consolidated Statements of Operations (cont'd)

	<u>Year ended</u>		<u>Three months ended</u>	
	<u>Dec-31</u>	<u>Dec-31</u>	<u>Dec-31</u>	<u>Dec-31</u>
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Income per ordinary share				
Basic income per ordinary share	<u>0.66</u>	<u>0.53</u>	<u>0.19</u>	<u>0.11</u>
Diluted income per ordinary share	<u>0.65</u>	<u>0.53</u>	<u>0.18</u>	<u>0.11</u>
Weighted average number of ordinary shares used to compute basic income per ordinary share	<u>17,249,710</u>	<u>13,746,467</u>	<u>17,271,941</u>	<u>15,843,967</u>
Weighted average number of ordinary shares used to compute diluted income per ordinary share	<u>17,418,180</u>	<u>13,793,694</u>	<u>17,472,282</u>	<u>15,889,796</u>

RRsat Global Communications Network Ltd and its subsidiaries

Reconciliation of Adjusted Net Income and Adjusted EBITDA

in thousands except per share data

	Year ended		Three months ended	
	Dec-31 2007	Dec-31 2006	Dec-31 2007	Dec-31 2006
Reconciliation of Net Income to Adjusted Net Income:				
Net income - as reported	\$ 11,404	\$ 7,305	\$ 3,213	\$ 1,747
Non-cash equity-based compensation charge	411	117	102	73
Changes in fair value of embedded currency conversion derivatives	646	(243)	420	(21)
Change in deferred tax on embedded derivatives	(181)	71	(115)	2
One time fees associated with the IPO	-	1,000	-	1,000
Taxes on one time management fee	-	(155)	-	(155)
Adjusted net income	\$ 12,280	\$ 8,095	\$ 3,620	\$ 2,646
Adjusted net income per diluted ordinary share	\$ 0.71	\$ 0.59	\$ 0.21	\$ 0.17
Reconciliation of Net Income to Adjusted EBITDA:				
Net income - as reported	\$ 11,404	\$ 7,305	\$ 3,213	\$ 1,747
Interest and marketable securities income	(2,631)	(450)	(720)	(328)
Currency fluctuation and other financial (income) expenses, net	(329)	(374)	(211)	(147)
Changes in fair value of embedded currency conversion derivatives	646	(243)	420	(21)
Other income, net	(4)	(4)	-	-
Income tax expense	2,932	3,180	553	664
One time fees associated with the IPO	-	1,000	-	1,000
Non-cash equity-based compensation charge	411	117	102	73
Depreciation and amortization	2,979	2,274	810	651
Adjusted EBITDA	15,408	12,805	4,167	3,639

RRSat Global Communications Network Ltd. and its Subsidiaries
Consolidated Balance Sheets

In thousands, except share data

	December 31	December 31
	2006	2007
	<u> </u>	<u> </u>
Current assets		
Cash and cash equivalents	\$51,393	\$ 28,409
Marketable securities	1,454	28,291
Accounts receivable:		
Trade (net of provision for doubtful account of \$ 1,882 and \$ 987 as of December 31, 2007 and December 31, 2006, respectively)	10,187	10,421
Other	797	518
Fair value of embedded currency conversion derivatives	743	1,303
Related parties	64	14
Deferred taxes	184	711
Prepaid expenses	215	919
	<u> </u>	<u> </u>
Total current assets	65,037	70,586
Deposits and long-term receivables	1,018	1,104
Marketable securities	-	6,722
Assets held for employee severance payments	626	987
Fixed assets, at cost, less accumulated depreciation and amortization	12,452	15,991
	<u> </u>	<u> </u>
Total assets	<u><u>\$ 79,133</u></u>	<u><u>\$ 95,390</u></u>

RRSat Global Communications Network Ltd. and its Subsidiaries
Consolidated Balance Sheets (cont'd)

	December 31	December 31
	2006	2007
Liabilities and shareholders' equity		
Current liabilities		
Account payable:		
Trade	\$4,488	\$ 5,040
Other	1,845	1,559
Fair value of embedded currency conversion derivatives	410	1,616
Related parties	27	26
Deferred income	3,992	5,191
Total current liabilities	10,762	13,432
Long-term liabilities		
Deferred income	3,945	5,169
Liability in respect of employee severance payments	660	1,011
Deferred taxes	421	619
Total long-term liabilities	5,026	6,799
Total liabilities	15,788	20,231
Shareholders' equity		
Share capital		
Ordinary share NIS 0.01 par value each (20,000,000 authorized as of December 31, 2007 and December 31, 2006, 17,286,762 and 17,242,300 shares issued and fully paid as of December 31, 2007 and December 31, 2006, respectively)	40	40
Additional paid in capital	51,280	51,691
Retained earnings	12,025	23,429
Accumulated other comprehensive loss	-	(1)
Total shareholders' equity	63,345	75,159
Total liabilities and shareholders' equity	\$ 79,133	\$ 95,390

RRsat Global Communications Network Ltd. and its Subsidiaries
Consolidated Statements of Cash Flows

In thousands

	Year end December 31		Three months ended December 31	
	2006	2007	2006	2007
Cash flows from operating activities				
Net income	\$ 7,305	\$ 11,404	\$ 1,747	\$ 3,213
Adjustments required to reconcile net income to net cash provided by operating activities				
Depreciation and amortization	2,274	2,979	651	810
Provision for losses in account receivable	618	895	445	286
Deferred taxes	32	(329)	33	(169)
Interest and amortization of held-to-maturity securities	-	(1,361)	-	(416)
Interest and amortization of available for sale securities	-	(18)	-	(18)
Changes in liability for employee severance payments, net	23	(10)	(83)	(121)
Capital gains on sale of fixed assets, net	(1)	(4)	3	-
Expenses in relation of options granted	117	411	73	102
Changes in fair value of embedded currency conversion derivatives	(243)	646	(21)	420
Changes in assets and liabilities:				
Decrease (increase) in marketable securities, net	(232)	(2,013)	(78)	844
Decrease (increase) in account receivable-trade	(5,180)	(1,129)	(921)	(1,397)
Decrease (increase) in related parties, net	(37)	49	(37)	60
Decrease in account receivable - other	25	279	256	568
Decrease (increase) in prepaid expenses	127	(704)	232	167
Decrease (Increase) in deposits and long-term receivables	(227)	(86)	9	(292)
Increase in account payables	1,912	128	527	677
Increase in deferred income	3,306	2,423	1,766	761
Net cash provided by operating activities	\$ 9,819	\$ 13,560	\$ 4,602	\$ 5,495

RRsat Global Communications Network Ltd. and its Subsidiaries
Consolidated Statements of Cash Flows (cont'd)

In thousands

	Year ended December 31		Three months ended December 31	
	2006	2007	2006	2007
Cash flows from investing activities				
Investment in fixed assets	\$ (5,903)	\$ (6,385)	\$ (1,497)	\$ (1,342)
Investment in securities available for sale	-	(2,000)	-	(2,000)
Investment in securities held to maturity	-	(35,037)	-	94
Proceeds from securities held to maturity	-	5,807	-	4,216
Proceeds from securities available for sale	-	1,062	-	1,062
Proceeds from sale of fixed assets	1	9	(4)	(3)
Net cash (provided by) used in investing activities	(5,902)	(36,544)	(1,501)	2,027
Cash flows from financing activities				
Dividend paid	(1,975)	-	-	-
Proceeds from issuance of ordinary shares net of offering cost of \$5,046	47,391	-	47,652	-
Decrease in short term credit	-	-	-	(177)
Net cash provided by (used in) financing activities	45,416	-	47,652	(177)
Increase (decrease) in cash and cash equivalents	49,333	(22,984)	50,753	7,345
Balance of cash and cash equivalents at beginning of period	2,060	51,393	640	21,064
Balance of cash and cash equivalents at end of period	\$51,393	\$28,409	\$51,393	\$28,409
A. Non-cash transactions				
Investment in fixed assets	-	\$138	-	\$138
B. Supplementary cash flow information				
Income taxes paid	\$2,941	\$3,650	\$401	\$711