



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
rrsat@gkir.com

For Immediate Release

**RRSAT REPORTS 20% REVENUE GROWTH AND 18 NEW CONTRACTS
COMMENCED IN THE THIRD QUARTER OF 2009**

*Adjusted net income up 23% YoY to \$3.8 million;
Backlog increases to \$171 million*

RE'EM, Israel – November 12, 2009 – 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 third quarter ended September 30, 2009.

Third Quarter 2009 Highlights

- § Record revenues of \$24.1 million, growing 20% over last year.
- § Operating income reaches \$4.2 million; adjusted EBITDA reaches \$5.7 million;
- § Net income reaches \$2.9 million; adjusted net income reaches \$3.8 million;
- § 18 new contracts commenced in the quarter, 12 with new customers and 6 with existing customers; and
- § Introduces fourth quarter guidance, forecasts sequential growth with revenues of \$25.1 - \$25.6 million.

Third Quarter 2009 Results

Revenues for the third quarter of 2009 totaled \$24.1 million, an increase of 20% compared to \$20.1 million in the third quarter of 2008.

Gross profit for the third quarter of 2009 totaled \$7.5 million, an increase of 14% compared to \$6.6 million in the third quarter of 2008. Gross margin for the third quarter of 2009 totaled 31.0% compared to 32.7% in the third quarter of 2008. The main factors that negatively affected the gross margins were the appreciation of the Israeli Shekel against the US Dollar during the quarter, and an increase in available capacity in anticipation of future demand.

Operating income for the third quarter of 2009 totaled \$4.2 million, an increase of 5% compared to \$4.0 million in the third quarter of 2008. Operating income was affected by the lower gross margins as described above and the weakness of the US Dollar versus the Israeli Shekel, in which a certain portion of operating expenses are denominated.

Net income on a GAAP basis for the third quarter of 2009 was \$2.9 million, compared to \$4.0 million in the third quarter of 2008. **Net income per diluted share** on a GAAP basis was \$0.17, compared to \$0.23 in the third quarter of 2008.

Adjusted EBITDA for the third quarter of 2009 totaled \$5.7 million, an increase of 12% compared to \$5.1 million in the third quarter of 2008.

Adjusted net income for the third quarter of 2009 totaled \$3.8 million, an increase of 23% compared to \$3.1 million in the third quarter of 2008. **Adjusted net income per diluted share**, totaled \$0.22 in the third quarter, compared to \$0.18 in the third quarter of 2008.

Backlog of signed contracts: During the quarter, the increased demand for new services contributed to the commencement of a net 18 new contracts. Backlog grew slightly to \$171 million as of September 30, 2009 compared to \$170 million as of June 30, 2009.

Cash, cash equivalents and marketable securities as at September 30, 2009 were \$44.4 million, compared to \$42.8 million as at June 30, 2009. During the quarter, the Company generated \$6.5 million in operating cash flow, invested \$2.1 million in capital expenditure, and paid out a dividend of \$2.9 million in September 2009.

David Rivel, founder and CEO of RRSat commented, “We are very proud with our 18 new contracts, including 12 contracts with new clients. In addition, we have also more recently commenced contracts with two major networks, Fox Sports and Kidsco, a member of the NBC Universal Group. These developments have broadened and strengthened our customer base, and have increased our ability to sell additional services. We believe this growth in new contracts is a testament to the increase in demand for our services that we are experiencing, some of which is coming from the increasingly pervasive High-Definition market. To meet the consumer demand for HD, customers are increasingly looking to outsource their distribution to us, given our new HD platform utilizing a state-of-the-art playout facility, built on leading edge end-to-end technologies.”

Mr. Rivel added, “We believe that the market is returning to its normal behavior, as is evident by the strong pipeline and demand that we see for our services, and the return to normal contract length. Given the market strength that we see, we are also stepping up our capacity, in anticipation of our future utilization requirements over the coming months.”

“Based on our good visibility and healthy backlog, we are forecasting that revenues in the fourth quarter will be between \$25.1-25.6 million,” **concluded Mr. Rivel**.

Conference Call Information

Conference call scheduled later today, November 12, 2009 at 9:00 am ET. 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: 1-888-281-1167

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

Israel Dial-in Number: 03-918-0609

International Dial-in Number: +972-3-918-0609

at:

9:00 am Eastern Time; 6:00 am Pacific Time; 2:00 pm UK Time; 4:00 pm Israel Time

Additionally, the call will be simultaneously webcast live through a link on RRSat’s website at <http://www.rrsat.com>, or from the following link:

<http://investor.shareholder.com/media/eventdetail.cfm?mediaid=39299&c=RRST&mediakey=AC34FDD8E43947B82656E3250D2A48BA&e=0>

A replay of the call will be available from the day after the call. A link to the replay will be accessible from RRsat's website. In addition, a telephone replay will be available for two days following the call. To access the telephone replay dial one of the following numbers: **1 877 332 1104 (US) or +972 3 925 5901(Intl)**.

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 and the resulting income tax (increase) decrease.

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, and other income (expenses), net, income tax expense and adding non-cash equity-based compensation charge, and depreciation and amortization. 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 500 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, (iii) our ability to successfully integrate the teleports we acquired, (iv) our ability to develop and commercialize the RRsat Global Internet TV service, (v) our expectation to extend the average length of our contracts in the future, (vi) our ability to report future successes and (vii) our intention to distribute dividends in the future and the size of any dividends declared. 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, 2008 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

	Nine months ended		Three months ended	
	Sep- 30 2009	Sep- 30 2008	Sep- 30 2009	Sep- 30 2008
Revenues	\$ 68,903	\$ 57,039	\$ 24,109	\$ 20,075
Cost of revenues	46,572	38,793	16,631	13,501
Gross profit	22,331	18,246	7,478	6,574
Operating expenses				
Sales and marketing	4,147	2,818	1,436	970
General and administrative	5,162	4,902	1,870	1,626
Total operating expenses	9,309	7,720	3,306	2,596
Operating income	13,022	10,526	4,172	3,978
Interest and marketable securities income	387	1,096	112	293
Currency fluctuation and other financing income, net	514	330	243	(66)
Changes in fair value of embedded currency conversion derivatives	(1,996)	154	(1,064)	1,347
Other income, net	25	12	-	-
Income before taxes on income	11,952	12,118	3,463	5,552
Income taxes	(3,077)	(2,271)	(567)	(1,597)
Net income	\$ 8,875	\$ 9,847	\$ 2,896	\$ 3,955

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

In thousands, except share data

	Nine months ended		Three months ended	
	Sep-30 2009	Sep-30 2008	Sep-30 2009	Sep-30 2008
Income per ordinary share				
Basic income per ordinary share	<u>\$0.51</u>	<u>\$0.57</u>	<u>\$0.17</u>	<u>\$0.23</u>
Diluted income per ordinary share	<u>\$0.51</u>	<u>\$0.57</u>	<u>\$0.17</u>	<u>\$0.23</u>
Weighted average number of ordinary shares used to compute basic income per ordinary share	<u>17,306,783</u>	<u>17,286,762</u>	<u>17,306,783</u>	<u>17,286,762</u>
Weighted average number of ordinary shares used to compute diluted income per ordinary share	<u>17,413,503</u>	<u>17,417,215</u>	<u>17,415,053</u>	<u>17,402,058</u>

RRsat Global Communications Network Ltd. and its subsidiaries
Reconciliation of Adjusted Net Income and Adjusted EBITDA

in thousands except share data

	Nine months ended		Three months ended	
	Sep-30 2009	Sep-30 2008	Sep-30 2009	Sep-30 2008
Reconciliation of Net Income to Adjusted Net Income:				
Net income - as reported	\$ 8,875	\$ 9,847	\$ 2,896	\$ 3,955
Non-cash equity-based compensation charge	312	312	104	105
Changes in fair value of embedded currency conversion derivatives	1,996	(154)	1,064	(1,347)
Change in deferred tax on embedded derivatives	(519)	40	(277)	350
Adjusted net income	\$ 10,664	\$ 10,045	\$ 3,787	\$ 3,063
Adjusted net income per diluted ordinary share	\$ 0.61	\$ 0.58	\$ 0.22	\$ 0.18
Reconciliation of Net Income to Adjusted EBITDA:				
Net income - as reported	\$ 8,875	\$ 9,847	\$ 2,896	\$ 3,955
Interest and marketable securities income	(387)	(1,096)	(112)	(293)
Currency fluctuation and other financial income, net	(514)	(330)	(243)	66
Changes in fair value of embedded currency conversion derivatives	1,996	(154)	1,064	(1,347)
Other income, net	(25)	(12)	-	-
Income tax expense	3,077	2,271	567	1,597
Non-cash equity-based compensation charge	312	312	104	105
Depreciation and amortization	4,105	2,770	1,448	991
Adjusted EBITDA	\$17,439	\$13,608	\$5,724	\$5,074

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

In thousands except share data

	Sep- 30	Dec- 31
	2009	2008
Current assets		
Cash and cash equivalents	\$ 12,752	\$ 34,749
Short term deposits	10,200	-
Marketable securities	7,171	6,102
Accounts receivable:		
Trade (net of provision for doubtful accounts of \$2,856 and \$2,188 as of September 30, 2009 and December 31, 2008 respectively)	16,897	11,227
Other	693	417
Fair value of embedded currency conversion derivatives	1,505	2,234
Deferred taxes	1,264	552
Prepaid expenses	1,176	1,390
Total current assets	51,658	56,671
Deposits and long-term receivables	1,674	1,791
Marketable securities	14,266	5,743
Long term prepaid expenses	7,809	7,897
Assets held for employee severance payments	1,518	1,305
Fixed assets, at cost, less accumulated depreciation and amortization	28,054	25,993
Goodwill	3,734	3,734
Intangible assets, at cost, less accumulated amortization	1,296	1,353
Total assets	\$ 110,009	\$ 104,487

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

In thousands except share data

	Sep- 30 2009	Dec- 31 2008
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable:		
Trade	\$ 10,979	\$ 8,709
Other	2,438	1,944
Fair value of embedded currency conversion derivatives	2,472	1,205
Related parties	58	25
Deferred income	5,540	5,440
Total current liabilities	21,487	17,323
Long - term liabilities		
Deferred income	6,819	6,689
Liability in respect of employee severance payments	1,673	1,378
Deferred taxes	815	747
Total long - term liabilities	9,307	8,814
Total liabilities	30,794	26,137
Commitments, contingent liabilities and liens		
Shareholders' equity		
Share capital:		
Ordinary share NIS 0.01 par value each (20,000,000 shares authorized as of September 30, 2009 and December 31, 2008; 17,306,783 shares issued and fully paid as of September 30, 2009 and December 31, 2008)	40	40
Additional paid in capital	52,418	52,106
Retained earnings	26,704	26,309
Accumulated other comprehensive loss	53	(105)
Total shareholders' equity	\$ 79,215	\$ 78,350
Total liabilities and shareholders' equity	\$ 110,009	\$ 104,487

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

In thousands

	<u>Nine months ended</u>		<u>Three months ended</u>	
	<u>Sep- 30</u>	<u>Sep- 30</u>	<u>Sep- 30</u>	<u>Sep- 30</u>
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Cash flows from operating activities				
Net income	\$ 8,875	\$ 9,847	\$ 2,896	\$ 3,955
Adjustments required to reconcile net income to net cash provided by operating activities				
Depreciation and amortization	4,105	2,770	1,448	991
Provision for losses in account receivable	668	541	238	172
Deferred taxes	(699)	(89)	(350)	278
Discount accretion and premium amortization of held- to- maturity securities, net	(264)	(565)	(174)	(180)
Discount accretion and premium amortization of available- for- sale securities, net	295	(178)	239	(58)
Changes in liability for employee severance payments, net	82	184	(6)	13
Capital gains on sale of fixed assets, net	(25)	(12)	-	-
Stock- based compensation	312	312	104	105
Changes in fair value of embedded currency conversion derivatives	1,996	(154)	1,064	(1,347)
Profit from trading securities, net	(320)	(111)	(115)	209
Changes in assets and liabilities:				
Decrease (increase) in account receivable - trade	(6,338)	1,406	(1,703)	76
Decrease (increase) in related parties, net	33	(34)	16	(6)
Decrease (increase) in account receivable - other	(276)	290	(133)	616
Decrease (increase) in prepaid expenses	214	(13)	447	358
Increase (decrease) in deposits and long-term receivables	117	(556)	100	(52)
Increase in account payables	2,723	2,069	1,085	1,203
Increase (decrease) in deferred income	230	294	1,320	834
Net cash provided by operating activities	<u>\$ 11,728</u>	<u>\$ 16,001</u>	<u>\$ 6,476</u>	<u>\$ 7,167</u>

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

In thousands

	Nine months ended		Three months ended	
	Sep- 30 2009	Sep- 30 2008	Sep- 30 2009	Sep- 30 2008
Cash flows from investing activities				
Investment in fixed assets	\$ (6,008)	\$ (9,113)	\$(2,111)	\$(1,089)
Investment in other assets	-	(22)	-	(2)
Investment in short term deposits	(10,200)	-	(2,991)	-
Payment in respect of acquisition of activity	-	(3,525)	-	(100)
Investments in securities available- for- sale	(15,711)	(19,188)	(4,264)	(8,795)
Decrease in trading securities, net	62	2,144	(6)	327
Proceeds from securities available- for- sale	2,540	4,000	1,470	-
Proceeds from securities held to maturity	4,019	19,507	802	3,047
Proceeds from sale of fixed assets	53	17	1	-
Net cash provided by (used in) investing activities	\$ (25,245)	\$ (6,180)	\$(7,099)	\$ (6,612)
Cash flows from financing activities				
Dividend paid	\$ (8,480)	\$ (5,532)	\$ (2,942)	\$-
Net cash used in financing activities	\$ (8,480)	\$ (5,532)	\$ (2,942)	\$-
Increase (decrease) in cash and cash equivalents	\$ (21,997)	\$ 4,289	\$(3,565)	\$ 555
Balance of cash and cash equivalents at beginning of period	34,749	28,409	16,317	32,143
Balance of cash and cash equivalents at end of period	\$ 12,752	\$ 32,698	\$ 12,752	\$32,698
A. Non-cash transactions				
Investment in fixed assets	\$ 347	\$ 164	\$ 347	\$ 164
B. Supplementary cash flow information				
Income taxes paid	\$ 4,245	\$ 1,827	\$ 1,334	\$ 385