

RRSAT CONTINUES GLOBAL EXPANSION WITH THE ACQUISITION OF JCA, A LONDON-BASED COMPANY

**Strategic Acquisition Facilitates Creation of RRsat Europe
in London, One of The World's Largest Media and Broadcasting Centres**



Emek Haela, Broadcast Facility, Israel

Airport City Business Park, Israel – September 3, 2013 – RRsat Global Communications Network Ltd. (NASDAQ: RRST), a leading provider of comprehensive digital content management and global content distribution services to the television and radio broadcasting industry, today announced the acquisition of JCA, a London-based provider of content management services. This acquisition is fully aligned with RRsat's growth strategy of becoming a global company with local presence in key locations. The acquisition is expected to be accretive to RRsat's earnings within the first full operational quarter post acquisition.

RRsat is acquiring 100% of TVP Group of which JCA is a wholly owned subsidiary. In consideration for the acquisition, RRsat will pay \$9 million in net cash. An additional payment of \$4.5 million will be deferred, conditional on business results including revenue growth and profitability in the three years following the acquisition. RRsat expects to record approximately \$900,000 in non-recurring, acquisition-related expenses during the third quarter. Management expects the acquisition to be accretive during the fourth quarter this year.

"This acquisition and the formation of RRsat Europe Ltd. are important milestones in the implementation of our strategy to become a global company with local presence, closer to our clients," commented Avi Cohen, RRsat CEO. "There are two major aspects to our business: content management and content distribution. While the content distribution aspect involves our state-of-the-art facilities in the U.S. and Israel, content preparation and management require a local presence working closely with our customers. The addition of JCA's sophisticated local operation in London will enable RRsat to leverage local talent and provide services specifically for content preparation and content management to customers in Europe. This is an important asset that will expand our scope of services and we are confident that it will enhance our leadership position in the market."

“The effort to expand our local presence in key markets began with the acquisition of SM2 in 2012. This gave us an expanded local presence in the United States, content management and distribution of lucrative sports events, as well as access to top-tier North American customers,” added Mr. Cohen. “During 2013, we opened an office in Moscow, augmenting our access to customers in Russia and the Commonwealth of Independent States. Today, we are establishing a strong foothold in Europe, specifically in London, one of the world’s largest centres for media and broadcasting. The continued execution of this strategy will allow RRsat to expand further, effectively leveraging our global distribution infrastructure.”

“Once we complete the integration of JCA, we plan to increase its core service and expand our global customer base and portfolio,” added Mr. Cohen. “Our existing client base will benefit from additional sophisticated content preparation solutions. We plan to take advantage of the experienced local management team and their access to top tier clients in the U.K and Western Europe and offer RRsat's complete set of content management and global distribution products. Financially, we expect this acquisition to improve our overall profitability.”

Simon Kay, JCA's Managing Director stated: “We see that there will be tremendous benefit from leveraging RRsat's content management and distribution capabilities and we are excited to offer these sophisticated services to our clients. Evolving from being a stand-alone local company to being part of a global business will enable us to offer a greatly expanded service portfolio. We are committed to pursuing this opportunity and maximising our capabilities as part of the RRsat group.”

Nick Pannaman, JCA’s Managing Director added: “RRsat is a proven leader in this rapidly growing industry, with state-of-the-art capabilities and an increasingly global footprint. We are excited to become part of this dynamic organisation that will allow us to respond where we were unable to in the past. This move unlocks opportunity for our customers, our team and our business as it will allow us to broaden both our portfolio and customer base.”

Matt Bowman, JCA’s Commercial Director welcomed the news: “JCA’s clients are increasingly looking for global solutions to meet complex opportunities. This acquisition empowers us to be able to meet those challenges head on. By being able to provide a single supplier solution we can simplify the process and deliver world-leading technology whilst at the same time we will be increasing efficiencies. Our service levels will be enhanced and the peace of mind that comes from having direct accountability from one supplier, rather than many, will also be something that I believe our clients will appreciate.”

Strategic benefits of the JCA acquisition include:

- A solid business with impressive track record of growth, exceeding 400% since JCA was acquired by TVP Group in 2004 reaching revenue of just under \$10 million (non-GAAP) during the last year as well as gross margins and profit margins that are consistently higher than RRsat’s.
- A talented management team, with over 30 years of industry experience, which strengthens RRsat’s senior management team. JCA’s Managing Directors, Simon Kay and Nick Pannaman, will remain with the organisation as Managing Directors of RRsat Europe Ltd., and will join RRsat’s executive management team, reporting directly to RRsat’s CEO.
- A presence in London, a key strategic market and one of the premier broadcasting centres in the world, providing access to customers in continental Europe.
- A top-tier customer base, including BBC Worldwide, Sony DADC, Shine International, Channel 4, Classic Media, DRG, Film4 as well as access to additional higher tier local broadcasting customers in the U.K. and Europe.
- A broadening of RRsat’s content management capabilities, including expanded content preparation capabilities such as film restoration, ingest and transcoding, content re-versioning, digital platform distribution and a bespoke Media Window providing clients with their own on-line platform.