



ITURAN LOCATION AND CONTROL LTD. AND ITS SUBSIDIARIES

ITURAN LOCATION AND CONTROL LTD. PRESENTS RECORD RESULTS FOR THE THIRD QUARTER OF 2006

Ituran Presents Record Net Profit and Revenues

AZOUR, Israel – November 21, 2006 – Ituran Location and Control Ltd. (NASDAQ: ITRN, TASE: ITRN), today announced its consolidated financial results for the quarter ended September 30, 2006.

Highlights of the third quarter

- Record results with strong growth across all parameters, with gross, operating and net profit continuing year-over-year improvement.
- Record revenues of \$26 million, representing year-over-year growth of 13.5%.
- Record net income of \$4.9 million, representing year-over-year growth of 35%.
- Record net margin of 18.8%.
- The number of subscribers as of September 30th, 2006 reached 383,000 representing a 20% growth compared with 320,000 subscribers as of September 30th, 2005.

Revenues for the third quarter of 2006 reached US\$26.0 million. This represents a 13.5% increase compared with revenues of US\$23.0 million in the third quarter of last year. The increase in revenues was driven by the continued growth of the Company's subscriber base, sales of infrastructure in the Far East, and sales of the AMR products.

Gross margin in the third quarter of 2006 was 48.7% compared with 48.6% in the third quarter of 2005.

Net profit was US\$4.9 million in the third quarter of 2006, or 18.8% of revenues, representing growth of 34.6% over US\$3.6 million, or 15.7% of revenues, as reported for the third quarter of 2005. The main reason for the continued improvement in margins over the last few quarters was primarily due to the operating leverage inherent in the Company's business.

Fully diluted EPS in the third quarter of 2006 was US\$0.21 compared with US\$0.19 per fully diluted share in the third quarter of 2005. Due to the Company's initial public offering on the NASDAQ in the fourth quarter of 2005, the number of shares grew from 19.1 million in the third quarter of 2005 to 23.4 million in the third quarter of 2006.

Cash flow from operations during the third quarter of 2006 was US\$5.6 million. As of September 30th, 2006 the company had a net cash position (including marketable securities) of US\$57.3 million compared with US\$2 million on September 30th, 2005.

Eyal Sheratzky, Co-CEO of Ituran said, "Again we have shown record top and bottom line results. Our global expansion is progressing to plan. In South Korea, our subsidiary Telematics Wireless, was awarded a \$14.6 million order for the second and third phase of the deployment of our infrastructure equipment, to our local customer in Korea."



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“Our core business continues to grow and we are also looking to expand the range of services we can provide,” continued Mr. Sheratzky. “During the quarter we announced our intention to purchase a majority stake in ERM, a manufacturer of leading-edge vehicle alarm and GPRS tracking systems. The main reason for this purchase is the significant synergies we see with our business. We intend to leverage our brand through the value added services that can be provided by ERM, using our existing marketing and sales infrastructure, as well as our 24-hour service control center. We see the ERM business as an additional growth engine for Ituran.”

Mr. Sheratzky concluded, “We remain well positioned internationally in countries with strong growth potential such as Brazil, Argentina, China and South Korea, while our core business in Israel remains strong. We expect our growth to continue over the rest of the year and into 2007.”

Conference Call Information

The Company will also be hosting a conference call today, Tuesday, November 21st 2006 at 10am EST. On the call, management 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 5 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: 0-800-917-9141
ISRAEL Dial-in Number: 03-918-0610
INTERNATIONAL Dial-in Number: +972-3-918-0610

At:
10:00am Eastern Time, 7:00am Pacific Time, 5:00pm Israel Time

For those unable to listen to the live call, a replay of the call will be available for three months from the day after the call in the investor relations section of Ituran’s website, at: www.ituran.com

About Ituran

Ituran provides location-based services, consisting predominantly of stolen vehicle recovery and tracking services, as well as wireless communications products used in connection with its location-based services and various other applications. Ituran offers mobile asset location, Stolen Vehicle Recovery, management & control services for vehicles, cargo and personal security, and radio frequency identification products for various purposes including automatic meter reading, electronic toll collection and homeland security applications. Ituran’s subscriber base has been growing significantly since the Company’s inception to over 383,000 subscribers distributed globally. Established in 1995, Ituran has approximately 800 employees worldwide, provides its location based services and has a market leading position in Israel, Brazil, Argentina and the United States. The company also sells its products in China and South Korea.



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