



ITURAN LOCATION AND CONTROL LTD. AND ITS SUBSIDIARIES

For immediate release

ITURAN LOCATION AND CONTROL LTD. PRESENTS RECORD RESULTS FOR THE FOURTH QUARTER AND FULL YEAR OF 2006

Record All-Time-High Quarterly and Annual Net Profit and Revenues

AZOUR, Israel – February 20, 2007 – Ituran Location and Control Ltd. (NASDAQ: ITRN, TASE: ITRN), today announced its consolidated financial results for the quarter and full year ended December 31, 2006.

Highlights of the Fourth Quarter and Full Year

- Record results showing growth across all parameters, with gross, operating and net profit presenting continued year-over-year improvement.
- Record annual revenues of \$104.1 million, 18.3% increase over 2005 (excluding revenues from the discontinued business with Partner in 2005); Fourth quarter revenues \$29.0 million, an increase of 23.4% year-over-year
- Strong increase in revenues from wireless products, up 31.4% in fourth quarter 2006 over 2005
- High annual net income of \$19.3 million, an increase of 35.5% (excluding the discontinued business with Partner in 2005); Fourth quarter net income \$5.2 million, an increase of 41.3% year over year
- Record subscribers of 396,000 as of December 31st, 2006, 16.8% growth from 339,000 subscribers as of December 31st, 2005

Ituran completed the acquisition and began to consolidate the results of ERM from December 1st, 2006.

Fourth Quarter Results

Revenues for the fourth quarter of 2006 reached US\$29.0 million. This represents a 23.4% increase compared with revenues of US\$23.5 million in the fourth quarter of last year. The increase in revenues was driven by the continued growth in the Company's subscriber base and particularly strong quarterly growth in sales of the Company's wireless products. In addition, product revenues included the contribution of ERM amounting to \$0.4 million for the quarter.

Operating profit for the fourth quarter of 2006 was US\$6.5 million compared with US\$5.5 million in the fourth quarter of 2005, representing growth of 18.4%.

Net profit was US\$5.2 million in the fourth quarter of 2006 (17.9% of revenues), representing growth of 41.3% over US\$3.7 million (15.6% of revenues), as reported for the fourth quarter of 2005.

Fully diluted EPS in the fourth quarter of 2006 was US\$0.22 compared with US\$0.16 per fully diluted share in the fourth quarter of 2005.



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Full Year Results

Revenues for the full year 2006 reached US\$104.1 million. This represents an 18.3% increase compared with revenues of US\$87.9 million last year, excluding the discontinued business with Partner Communications which was closed at the end of the first quarter of 2005. 2005 revenues including the closed business totaled \$90.1 million. The increase in revenues was driven by the continued growth of the Company's subscriber base and strong growth in the Company's wireless products.

Operating profit for the year was US\$24.7 million compared with US\$19.9 million in 2005, representing growth of 24.1%.

Annual net profit was US\$19.3 million in 2006, or 18.5% of revenues, representing growth of 34.0% over US\$14.4 million, or 15.9% of revenues, as reported in 2005. Annual net profit growth, excluding the discontinued business with Partner, totaled 35.5%. 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 full year 2006 was US\$0.82 compared with US\$0.71 per fully diluted share in 2005.

Cash flow from operations during the fourth quarter and the full year of 2006 were US\$5.2 million and US\$18.3 million, respectively. As of December 31st, 2006 the company had a net cash position (including marketable securities) of US\$59.4 million compared with US\$54.7 million on December 31st, 2005.

On the 19th February 2007, the Board of Directors declared a dividend distribution of a total of US\$4.8 million.

Eyal Sheratzky, Co-CEO of Ituran said, "Again we have shown record top and bottom line results with strong year over year and sequential growth. Our global expansion is progressing to plan and we expect to maintain our double-digit growth rate for the coming year."

"Our core business continues to grow. At the same time, we are always looking for ways to expand the range of services we can provide to our customers," continued Mr. Sheratzky. "In this regard and as a part of our growth strategy, we are constantly examining M&A opportunities. We look to either strengthen our presence in markets where we already operate or to bring us into new territories and synergistic services. We are committed to doing such deals only if they make strong business and financial sense and I hope that we will be able to announce such deals during 2007."



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Conference Call Information

The Company will also be hosting a conference call today, Tuesday, February 20th, 2007 at 9:00am 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:

09:00am Eastern Time, 6:00am Pacific Time, 4:00pm 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 396,000 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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