



ITURAN LOCATION AND CONTROL LTD. AND ITS SUBSIDIARIES

ITURAN LOCATION AND CONTROL LTD. PRESENTS RESULTS FOR THE SECOND QUARTER OF 2008

Second quarter 2008 revenues reached \$35.2m, a pro-forma YoY growth of 45%

AZOUR, Israel – August 12, 2008 – Ituran Location and Control Ltd. (NASDAQ: ITRN, TASE: ITRN), today announced its consolidated financial results for the second quarter ended June 30, 2008.

Highlights of the Quarter

- Strong top-line and subscriber growth
- Strong year over year improvement in pro-forma gross and operating margins
- A 15,000 net subscriber increase to a record of 479,000 as of June 30th, 2008

As previously announced, the sale of Telematics was completed on December 31st, 2007. The results of the second quarter of 2008 therefore exclude the contribution of Telematics. The pro-forma results of the comparable quarter in 2007 also exclude the contribution of Telematics, to enable investors to compare Ituran's historical results with current results on a similar basis.

Second Quarter Results

Revenues for the second quarter of 2008 reached US\$35.2 million. This represents a 45% increase compared with pro-forma revenues of US\$24.2 million in the second quarter of last year. The increase in revenues was primarily driven by the strong growth in the Company's subscriber base particularly in Brazil and Israel during the quarter, revenues from the recently acquired MAPA businesses, the increased average revenue per user and the weak US dollar.

Operating profit for the second quarter of 2008 was US\$6.8 million (19.3% of revenues) compared with a pro-forma operating profit of US\$4.0 million (16.5% of revenues) in the second quarter of 2007.

EBITDA for the quarter was \$9.3 million (26.4% of revenues) compared to a pro-forma EBITDA of \$5.5 million (22.6% of revenues) in the second quarter of last year.

Financial expense in the quarter was US\$2.3 million as compared with a pro-forma financial income of \$691 thousand in the second quarter of last year.

The unusually high financial expense is as a result of the devaluation of the US dollar against the Israeli shekel during the quarter.

The Company's functional currency in Israel is the Israeli shekel and therefore for reporting purposes the Company's accounts are prepared in shekels and translated to US dollars. Therefore, due to the fact that most of the Company's cash is held in dollars, in shekel terms this amount was reduced by approximately NIS 8.3 million (US\$ 2.5 million) in the quarter. Thus, Ituran recorded a financial charge of \$2.5 million in the quarter, despite the fact that this cash did not change in value in dollar terms.



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Given that the primary purpose of Ituran's cash holdings is for the acquisition of synergistic business which are priced in US dollars, management believes that it is strategically prudent to maintain its cash holdings in US dollars, in order to hedge against currency fluctuations which may affect its ability to make potential acquisitions, despite the short term fluctuations in the Company's profit and loss statement that this may cause.

GAAP net profit was US\$2.5 million in the second quarter of 2008 (7.1% of revenues), compared with a pro-forma net profit of US\$3.1 million (12.9% of revenues), as reported in the second quarter of 2007. Fully diluted GAAP EPS in the second quarter of 2008 were US\$0.12, compared with US\$0.13 per fully diluted share in the second quarter of 2007.

Excluding the abovementioned financial charge, net profit in the quarter was US\$4.3 million (12.2% of revenues) and fully diluted EPS was US\$0.20.

Cash flow from operations during the quarter was US\$5.3 million. Excluding the above-mentioned financial charge, cash flow from operations was US\$7.8 million. During the quarter, the company repurchased 0.7 million shares for a total of US\$8.9 million.

As of June 30, 2008 the company had a net cash position (including marketable securities) of US\$53.5 million compared with US\$37.9 million on December 31st, 2007.

Eyal Sheratzky, Co-CEO of Ituran said, "Our second quarter was a very good quarter particularly in terms of record revenue and growth, as well as strong improvement in profitability. We are very much seeing the financial rewards and the fruits of our investments throughout last year. Our strong market position and unique business model based on recurring revenues from our established and growing customer base, underlies our performance. We expect to continue to show growth in revenues and profit throughout this year and beyond."

Conference Call Information

The Company will be hosting a conference call today, August 12, 2008, at 10am Eastern Time. 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 10 minutes before the conference call commences.

US Dial-in Number: 1 888 668 9141
UK Dial-in Number: 0 800 032 3367
ISRAEL Dial-in Number: 03 918 0691
INTERNATIONAL Dial-in Number: +972 3 918 0691

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 from the day after the call in the investor relations section of Ituran's website, at: www.ituran.com



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Certain statements in this press release are "forward-looking statements" within the meaning of the Securities Act of 1933, as amended. These forward-looking statements include, but are not limited to, our plans, objectives, expectations and intentions and other statements contained in this report that are not historical facts as well as statements identified by words such as "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates" or words of similar meaning. These statements are based on our current beliefs or expectations and are inherently subject to significant uncertainties and changes in circumstances, many of which are beyond our control. Actual results may differ materially from these expectations due to changes in global political, economic, business, competitive, market and regulatory factors.

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. Ituran's subscriber base has been growing significantly since the Company's inception to over 479,000 subscribers distributed globally. Established in 1995, Ituran has approximately 1100 employees worldwide, provides its location based services and has a market leading position in Israel, Brazil, Argentina and the United States.

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**** FINANCIAL TABLES TO FOLLOW ****