



ITURAN LOCATION AND CONTROL LTD. AND ITS SUBSIDIARIES

ITURAN LOCATION AND CONTROL LTD. PRESENTS RESULTS FOR THE FOURTH QUARTER AND FULL YEAR OF 2008

*Full year 2008 revenues reached \$132.6 million, a pro-forma YoY growth of 27%;
2008 earnings per share reached \$0.69, a pro-forma YoY growth of 20%*

AZOUR, Israel – February 23, 2008 – Ituran Location and Control Ltd. (NASDAQ: ITRN, TASE: ITRN), today announced its consolidated financial results for the fourth quarter and full year ended December 31, 2008.

Highlights of the Quarter (compared with the pro-forma fourth quarter last year)

- Strong bottom-line growth
- Improvement in pro-forma gross and operating margins
- A 16,000 net subscriber increase in the quarter to a record of 511,000 as of December 31, 2008

As previously announced, the sale of Telematics was completed on December 31st, 2007. The 2008 results therefore exclude the contribution of Telematics. The pro-forma results of 2007 and 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.

Fourth Quarter Results

Revenues for the fourth quarter of 2008 reached US\$29.4 million. This represents a slight 0.5% decrease compared with pro-forma revenues of US\$29.5 million in the fourth quarter of last year. Excluding the effect of the strengthening US dollar, particularly against the Brazilian Real, Ituran would have seen an increase in revenues.

Operating profit for the fourth quarter of 2008 was US\$5.2 million (17.6% of revenues) compared with a pro-forma operating profit of US\$4.7 million (15.8% of revenues) in the fourth quarter of 2007. The operating profit was negatively affected by the increase in the value of the dollar against the other currencies in which Ituran operates, particularly the Brazilian Real.

EBITDA for the quarter was \$8 million (27.1% of revenues) compared to a pro-forma EBITDA of \$6.6 million (22.4% of revenues) in the fourth quarter of last year.

Financial income in the quarter was US\$5.3 million as compared with a pro-forma financial income of \$0.6 million in the fourth quarter of last year.

A financial gain of \$4.5 million was recorded as a result of the strong appreciation of the US dollar against the Israeli shekel during the quarter, compared with the prior quarter. This, as previously explained, is due to the fact that most of the Company's cash is held in US dollars for strategic purposes, while Ituran's functional currency in Israel is the Israeli Shekel.

In the quarter, the Company recorded a \$1.6 million write-off related to an investment in South Korea which was made in the first half of 2007.



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Net profit was US\$5.9 million in the fourth quarter of 2008 (20% of revenues), representing a fully diluted EPS of US\$0.28. This is compared with a pro-forma net profit of US\$3.7 million (12.5% of revenues), representing a fully diluted EPS of US\$0.16, excluding the net proceeds from the sale of the Telematics business and a one-time write-off related to an affiliated company of \$0.3 million, as recorded in the fourth quarter of 2007.

Cash flow from operations during the quarter was US\$9 million.

Full Year Results

Revenues for the full year 2008 reached US\$132.6 million. This represents a 27% increase compared with pro-forma revenues of US\$104.6 million, achieved in 2007.

Operating profit for the full year grew 44%, reaching US\$25.7 million (19.3% of revenues) compared with a pro-forma operating profit of US\$17.8 million (17% of revenues) in 2007.

Annual net profit, which includes a write-off of \$1.6 million related to an investment in South Korea, was US\$14.9 million in 2008 or earnings per diluted share of \$0.69. This is compared with a pro-forma net profit of US\$13.5 million or earnings per diluted share of \$0.58, as reported in 2007, excluding the net proceeds from the sale of the Telematics business and a one-time write-off related to an affiliated company of \$0.3 million.

Cash flow from operations during 2008 was US\$27.3 million.

As of December 31, 2008 the company had a net cash position (including marketable securities) of US\$55.3 million compared with US\$57.6 million on September 30, 2008 and US\$37.9 million on December 31, 2007.

Dividend

The Board of Directors declared a dividend of US\$3.7 million for 2008.

Eyal Sheratzky, Co-CEO of Ituran said, “While our financial results on the top line were negatively impacted by the currency translation to dollars, from a business and strategic standpoint, we are happy with our results. Our subscriber base continues to grow, surpassing the half-a-million milestone, with a net increase of 16,000 in the fourth quarter from which our Brazilian business contributed the majority.”

“While the sharp global macroeconomic slowdown worsened in the past quarter, our results demonstrate the defensive nature of our business. We have a unique business model, built upon on a recurring revenue stream, from a firmly established customer base with continued growth potential in emerging regions, where we are market leaders. This underlies our expectations for continued growth in our subscriber base throughout 2009,” concluded Mr. Sheratzky.



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Conference Call Information

The Company will be hosting a conference call today, February 23rd, 2009, 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: 1 888 723 3164
ISRAEL Dial-in Number: 03 918 0691
CANADA Dial-in Number: 1 866 958 6867
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

Safe Harbor Statement

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 511,000 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 ****