



ITURAN LOCATION AND CONTROL LTD. AND ITS SUBSIDIARIES

ITURAN LOCATION AND CONTROL LTD. PRESENTS RESULTS FOR THE FIRST QUARTER OF 2007

Quarterly Revenues growing 16% over last year

AZOUR, Israel – May 29, 2007 – Ituran Location and Control Ltd. (NASDAQ: ITRN, TASE: ITRN), today announced its consolidated financial results for the first quarter ended March 31, 2007.

Highlights

- Revenues of \$27.9 million, a 16.2% increase over that of the first quarter of 2006.
- Subscribers reached 407,000 as of March 31st, 2007, an increase of 49,000 subscribers from 358,000 subscribers as of March 31st, 2006
- Following the end of the first quarter, Ituran acquired MAPA group, the main provider of geographical information in Israel.

First Quarter Results

Revenues for the first quarter of 2007 reached US\$27.9 million. This represents a 16.2% increase compared with revenues of US\$24.1 million in the first quarter of last year. The increase in revenues was driven by the continued growth in the Company's subscriber base and growth in sales of the Company's wireless products. In addition, product revenues included the contribution of ERM, whose results were fully consolidated with Ituran's as of December 1st, 2006.

Operating profit for the first quarter of 2007 was US\$6.1 million (21.8% of revenues) compared with US\$5.9 million (24.3% of revenues) in the first quarter of 2006, representing growth of 4.2%. The lower operating margin in the quarter was due to the delay in recognizing revenues from the second and third phase of the project in Korea. In addition, the appreciation of the shekel against the US dollar caused a relative increase, in US dollar terms, of Ituran's expenses generated in Israel. This is because service revenues in Israel are linked to the US dollar and therefore do not benefit from the weaker US Dollar, while a large portion of the expenses are generated in Israeli shekels. Excluding these two effects, the operating margin in the quarter would have been 2% higher.

Furthermore, the new business in Rio De Janeiro which was not operational in the first quarter of 2006, had a negative impact on profitability in the first quarter of 2007 as it is not yet profitable. The operation in Rio is expected to reach break even by year end 2007. In addition, the recently acquired ERM business exhibits margins which are lower than the Group average. Management expects that operating margins will improve in the second half of the year.

Net profit was US\$4.4 million in the first quarter of 2007 (15.7% of revenues), compared with US\$4.5 million (18.8% of revenues), as reported in the first quarter of 2006.

Fully diluted EPS in the first quarter of 2007 was US\$0.19 compared with US\$0.19 per fully diluted share in the first quarter of 2006.



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Cash flow from operations during the quarter was US\$1.3 million. As of March 31st, 2007 the company had a net cash position (including marketable securities) of US\$59.0 million compared with US\$59.4 million on December 31st, 2006.

Eyal Sheratzky, Co-CEO of Ituran said, "Our business continues to grow, and in the quarter we grew our revenues by 16% over last year, adding 49,000 subscribers since March 31, 2006. Even though our profitability was below what we have seen in the last few quarters, we believe that this is temporary and we expect that operating margins will register improvement in the second half of the year."

"Following a year of groundwork, research and development, we recently introduced the 'Ituran GPS' car navigation system for use in all regions in which we operate," continued Mr. Sheratzky. "In the coming months, we expect to commercially launch the system through an intensive marketing campaign which will involve increased expenses in marketing and penetration activities. This new offering highly complements our existing services, and fits our strategy of continuously expanding the scope of the location based services that we can offer to our customers."

"We recently signed our agreement to buy the fast growing Mapa- owner of the only geographical information system for navigation in Israel," concluded Mr. Sheratzky. "This is a highly synergetic acquisition for Ituran, strengthening our location based services and enabling us to provide value added services to our customers. In addition, Mapa's business is a strong fit as it is based on recurring revenues similar to our service revenue model. We are continuing to look to compliment our organic growth with further acquisitions and we see opportunities in the market place. I will only consider them if they make strong business and financial sense. I am very much confident that we will be able to announce further such deals during 2007."

Conference Call Information

The Company will also be hosting a conference call today, Tuesday, May 29, 2007, at 10:00am EDT. 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: 1 888 407 2553
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



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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 407,000 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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