



ITURAN LOCATION AND CONTROL LTD. AND ITS SUBSIDIARIES

ITURAN LOCATION AND CONTROL LTD. PRESENTS RESULTS FOR THE FIRST QUARTER 2014

Record Revenue of \$45.5m; Record operating profit of \$11.7m

AZOUR, Israel – May 15, 2014 – Ituran Location and Control Ltd. (NASDAQ: ITRN, TASE: ITRN), today announced its consolidated financial results for the first quarter ended March 31, 2014.

Highlights of the first quarter

- Net subscribers adds in the quarter amounting to 17 thousand, to a record of 758 thousand as of March 31, 2014;
- Record operating margin at 25.7%
- EBITDA of \$14.4 million or 31.7% of revenues;
- Generated \$9.6 million in operating cash flow; ended the quarter with \$47.4 million in net cash (including marketable securities and deposits in escrow);
- Dividend of \$4.0 million declared for the quarter;

First Quarter 2014 Results

Revenues for the first quarter of 2014 were \$45.5 million, representing a 11% growth from revenues of \$41.0 million in the first quarter of 2013. 71% of revenues were from location based service subscription fees and 29% from product revenues.

Revenues from subscription fees increased 3% over the same period last year. The increase in subscription fees was primarily due to the growth in the subscriber base, which expanded from 684,000 as of March 31, 2013, to 758,000 as of March 31, 2014. While subscriber numbers increased by 11%, the weakening of the Brazilian Real and Argentinean Peso versus the US Dollar over the period reduced the revenue level in US Dollars. Excluding the exchange rate impact, the increase in revenues from services would have been 13% over the first quarter of last year.

Product revenues increased by 39% compared with the same period last year. This increase was driven primarily by increased sales in Israel and ERM.

Gross profit for the first quarter of 2014 was \$23.7 million (52.2% of revenues), an increase of 11% compared with \$21.4 million (52.3% of revenues) in the first quarter of 2013.

Operating profit for the first quarter of 2014 was \$11.7 million (25.7% of revenues), an increase of 26% compared with an operating profit of \$9.3 million (22.6% of revenues) in the first quarter of 2013.

EBITDA for the quarter was \$14.4 million (31.7% of revenues), an increase of 16% compared to an EBITDA of \$12.4 million (30.3% of revenues) in the first quarter of 2013.

Net profit was US\$7.3 million in the first quarter of 2014 (16.1% of revenues) or fully diluted EPS of US\$0.35. This is compared with a net profit of US\$6.0 million (14.7% of revenues) or fully diluted EPS of US\$0.29 in the first quarter of 2013.

Cash flow from operations during the quarter was \$9.6 million.



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As of March 31, 2014, the Company had net cash, including marketable securities and deposits in escrow, of \$47.4 million or \$2.26 per share. This is compared with \$46.6 million or \$2.22 per share as at December 31, 2013.

Dividend

For the first quarter of 2014, a dividend of \$4.0 million was declared in line with the Company's stated policy of issuing at least 50% of net profits in a dividend, on a quarterly basis.

Eyal Sheratzky, Co-CEO of Ituran said, "We are very pleased with our start to 2014. Most notably, we substantially increased our operating profitability in the quarter and this is despite a strong currency headwind. Our results continue to demonstrate of the strong operating leverage inherent in our business model. We look forward to maintaining our growth trend and continue to improve our margins as we move through 2014."

Conference Call Information

The Company will also be hosting a conference call later today, May 15, 2014 at 9am 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 a few 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
ISRAEL Dial-in Number: 03 918 0644
CANADA Dial-in Number: 1 866 485 2399
INTERNATIONAL Dial-in Number: +972 3 918 0644

At:

9:00am 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 from the day after the call in the investor relations section of Ituran's website.

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.



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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. Ituran's subscriber base has been growing significantly since the Company's inception to over 758,000 subscribers distributed globally. Established in 1995, Ituran has over 1,300 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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