



ITURAN LOCATION AND CONTROL LTD. AND ITS SUBSIDIARIES

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

*Revenue of \$46.5m;
Record gross, operating and net margins of 53.5%, 26.1% & 18.7% respectively*

AZOUR, Israel – November 18, 2014 – Ituran Location and Control Ltd. (NASDAQ: ITRN, TASE: ITRN), today announced its consolidated financial results for the third quarter ended September 30, 2014.

Highlights of the Third Quarter

- Net subscribers adds in the quarter amounting to 20 thousand, to a record subscriber base of 795 thousand as of September 30, 2014;
- Record gross margins at 53.5%;
- Record operating margin at 26.1%;
- Record EBITDA of \$15.0 million or 32.2% of revenues;
- Generated \$12.9 million in operating cash flow; ended the quarter with \$45.5 million in net cash (including marketable securities);
- Dividend of \$4.5 million declared for the quarter;

Third Quarter 2014 Results

Revenues for the third quarter of 2014 were \$46.5 million, representing a 10% growth from revenues of \$42.4 million in the third quarter of 2013. 74% of revenues were from location based service subscription fees and 26% from product revenues.

Revenues from subscription fees increased 10% over the same period last year. The increase in subscription fees was primarily due to the growth in the subscriber base, which expanded from 721,000 as of September 30, 2013, to 795,000 as of September 30, 2014.

Product revenues increased by 9% compared with the same period last year.

Gross profit for the third quarter of 2014 was \$24.9 million (53.5% of revenues), an increase of 13% compared with \$22.0 million (51.8% of revenues) in the third quarter of 2013.

Operating profit for the third quarter of 2014 was \$12.1 million (26.1% of revenues), an increase of 12% compared with an operating profit of \$10.8 million (25.5% of revenues) in the third quarter of 2013.

EBITDA for the quarter was \$15.0 million (32.2% of revenues), an increase of 10% compared to an EBITDA of \$13.6 million (32.1% of revenues) in the third quarter of 2013.

The company recorded a financial gain on its US Dollar deposits leading to the high level of financial income of \$1.3 million in the quarter. This is because some of the Ituran's cash is held in US Dollars, and there was a 7.5% appreciation of the US Dollar versus the Israeli Shekel between the end of the second quarter end of the third quarter of 2014, while Ituran's functional currency in Israel is the Israeli Shekel.



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Net profit was US\$8.7 million in the third quarter of 2014 (18.7% of revenues) or fully diluted EPS of US\$0.41. This is compared with a net profit of US\$7.0 million (16.5% of revenues) or fully diluted EPS of US\$0.33 in the third quarter of 2013.

Cash flow from operations during the quarter was \$12.9 million.

As of September 30, 2014, the Company had net cash, including marketable securities, of \$45.5 million or \$2.17 per share. This is compared with \$44.0 million or \$2.10 per share as at June 30, 2014.

Dividend

For the third quarter of 2014, a dividend of \$4.5 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 third quarter 2014 results. Our core business is growing very well in our target regions, demonstrated by the net addition of 20k subscribers in the quarter. Furthermore, we continue to benefit from the strong operating leverage which is inherent to our business model. Every additional subscriber we add can be serviced by our existing infrastructure, so as the revenue from our subscriber base continues to grow, we increasingly benefit through improving margins. Toward the end of the third quarter and into the fourth quarter we have seen the weakening of the local currencies in which we operate versus the US dollar, which had a negative impact on our results which we report in US dollars. Notwithstanding this, we look forward to maintaining our growth trend in subscribers and expect to continue showing strong margins going forward."

Conference Call Information

The Company will also be hosting a conference call later today, November 18, 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: 1 888 407 2553
ISRAEL Dial-in Number: 03 918 0650
CANADA Dial-in Number: 1 866 485 2399
INTERNATIONAL Dial-in Number: +972 3 918 0650

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",



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"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 795,000 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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