



ITURAN LOCATION AND CONTROL LTD. AND ITS SUBSIDIARIES

ITURAN LOCATION AND CONTROL LTD. PRESENTS RESULTS FOR THE FIRST QUARTER 2013

Revenues of \$41 million and EPS of \$0.29

AZOUR, Israel – May 13, 2013 – Ituran Location and Control Ltd. (NASDAQ: ITRN, TASE: ITRN), today announced its consolidated financial results for the first quarter ended March 31, 2013.

Highlights of the First quarter

- A 17 thousand increase in net subscribers in the quarter, to a record of 684 thousand as of March 31, 2013;
- Record gross margin at 51.2% and record operating margin at 22.6%;
- EBITDA of \$12.4 million or 30.3% of revenues;
- Generated \$8.9 million in operating cash flow; ended the quarter with \$38.3 million in net cash (including long-term deposits);
- Dividend of \$3.0 million declared for the quarter;

First quarter 2013 Results

Revenues for the first quarter of 2013 were \$41.0 million, representing a 9% growth from revenues of \$37.7 million in the first quarter of 2012. 76% of revenues were from location based service subscription fees and 24% from product revenues.

Revenues from subscription fees increased 7.5% over the same period last year. The increase in subscription fees was primarily due to the growth in the subscriber base, which expanded from 628,000 as of March 31, 2012, to 684,000 as of March 31, 2013.

Product revenues increased by 12% compared with the same period last year. This increase was driven primarily by sales in Israel and sales of ERM.

Gross profit for the first quarter of 2013 was \$21.0 million (51.2% of revenues), an increase of 14% compared with \$18.4 million (48.7% of revenues) in the first quarter of 2012.

Operating profit for the first quarter of 2013 was \$9.3 million (22.6% of revenues), an increase of 24% compared with an operating profit of \$7.5 million (19.7% of revenues) in the first quarter of 2012.

EBITDA for the quarter was \$12.4 million (30.3% of revenues), an increase of 10% compared to an EBITDA of \$11.3 million (29.8% of revenues) in the first quarter of 2012.

Net profit was US\$6.0 million in the first quarter of 2013 (14.7% of revenues), compared with a net profit of US\$5.1 million (13.5% of revenues) in the first quarter of 2012. Fully diluted EPS in the first quarter of 2013 was US\$0.29, compared with fully diluted EPS of US\$0.24 in the first quarter of 2012.

Cash flow from operations during the quarter was \$8.9 million.

As of March 31, 2013, the Company had net cash, including long-term deposits, of \$38.3 million or \$1.83 per share. This is compared with \$34.2 million or \$1.63 per share as at December 31, 2012.



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For the first quarter, a dividend of \$3.0 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 2013. Our subscriber base continues to show solid growth especially in Brazil and Israel, which has led to our revenue growth in the quarter. In fact, excluding currency effects, our revenue would have shown double digit growth over the first quarter of last year. The operating leverage inherent in our business model, whereby a large portion of the increase in revenue fall straight to the operating profit is very evident, and we demonstrated record gross and operating margins this quarter. We look forward to continuing our performance throughout the year."

Conference Call Information

The Company will also be hosting a conference call later today, May 13, 2013 at 9am ET. 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 0664
CANADA Dial-in Number: 1 866 485 2399
INTERNATIONAL Dial-in Number: +972 3 918 0664

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 684,000 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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*** FINANCIAL TABLES TO FOLLOW ****