



ITURAN LOCATION AND CONTROL LTD. AND ITS SUBSIDIARIES

ITURAN LOCATION AND CONTROL LTD. PRESENTS RESULTS FOR THE SECOND QUARTER 2015

Record subscriber growth at 34 thousand in the quarter

AZOUR, Israel – August 13, 2015 – Ituran Location and Control Ltd. (NASDAQ: ITRN, TASE: ITRN), today announced its consolidated financial results for the second quarter ended June 30, 2015.

Highlights of the Second Quarter

- Record net subscribers adds in the quarter amounting to 34 thousand; total subscribers reached 879,000 as of June 30, 2015;
- In local currencies, Ituran demonstrated year-over-year growth in revenue, operating profit and net profit;
- Gross margins at 50.8% and operating margins at 22.9%;
- EBITDA of \$12.7 million or 29.0% of revenues;
- Generated \$10.7 million in operating cash flow; ended the quarter with \$33.4 million in net cash (including marketable securities);
- Dividend of \$3.0 million declared for the quarter;

Second Quarter 2015 Results

Revenues for the second quarter of 2015 were \$43.8 million, representing an 6% decrease from revenues of \$46.6 million in the second quarter of 2014. The significant weakening of the Brazilian Real, Israeli Shekel and Argentinean Peso versus the US Dollar compared with the second quarter of 2014 reduced the revenue level in US Dollars. Excluding the exchange rate impact, the increase in revenues would have been 12% over the second quarter of last year. 73% of revenues were from location based service subscription fees and 27% from product revenues.

Revenues from subscription fees decreased 6% over the same period last year. In local currency terms, subscription fees increased 16%, primarily due to the growth in the subscriber base which expanded from 775,000 as of June 30, 2014, to 879,000 as of June 30, 2015.

Product revenues decreased by 7% compared with the same period last year. This was due to the significant weakening of the various currencies in which Ituran sells its products, mainly the Israeli shekel, versus the US Dollar. In local currency terms, product revenues grew by 4.5% compared with product revenues reported in the second quarter in 2014.

Gross profit for the second quarter of 2015 was \$22.2 million (50.8% of revenues), a decrease of 10.5% compared with \$24.8 million (53.3% of revenues) in the second quarter of 2014.

Operating profit for the second quarter of 2015 was \$10.0 million (22.9% of revenues), a decrease of 17% compared with an operating profit of \$12.1 million (25.9% of revenues) in the second quarter of 2014. Excluding the impact of the change in exchange rates over the period, the operating profit would have increased by 8% over the second quarter of last year.

EBITDA for the quarter was \$12.7 million (29.0% of revenues), a decrease of 13% compared to an EBITDA of \$14.6 million (31.4% of revenues) in the second quarter of 2014. Excluding the impact of the change in exchange rates over the period, the EBITDA would have increased by 10% over the second quarter of last year.



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Net profit was US\$5.8 million in the second quarter of 2015 (13.3% of revenues) or fully diluted EPS of US\$0.28. This is compared with a net profit of US\$7.4 million (15.9% of revenues) or fully diluted EPS of US\$0.35 in the second quarter of 2014.

Cash flow from operations during the quarter was \$10.7 million.

As of June 30, 2015, the Company had net cash, including marketable securities, of \$33.4 million or \$1.59 per share. This is compared with \$35.3 million or \$1.68 per share as at March 31, 2015.

Dividend

For the second quarter of 2015, 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 the exceptionally strong and record growth in our subscriber base which has accelerated over the past two quarters. While the currencies had a negative impact on our reported results in US Dollars, the underlying business remains as strong as ever, as reflected by the record growth in subscribers. Over the long term this bodes well, as the marginal cost of adding each new subscriber is minimal, which leads to overall strong operating leverage inherent to our business model. We look forward to continuing the growth trend in all our markets. "

Conference Call Information

The Company will also be hosting a conference call later today, August 13, 2015 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: 1 888 668 9141
ISRAEL Dial-in Number: 03 918 0610
CANADA Dial-in Number: 1 866 485 2399
INTERNATIONAL Dial-in Number: +972 3 918 0610

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.



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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 879,000 subscribers distributed globally. Established in 1995, Ituran has over 1,500 employees worldwide, provides its location based services and has a market leading position in Israel, Brazil, Argentina and the United States.

Company Contact

Udi Mizrahi

udi_m@ituran.com

VP Finance, Ituran

(Israel) +972 3 557 1348

International Investor Relations

Ehud Helft

ituran@gkir.com

GK Investor & Public Relations

(US) +1 646 201 9246