



ITURAN LOCATION AND CONTROL LTD. AND ITS SUBSIDIARIES

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

Record subscriber growth at 36 thousand in the quarter

AZOUR, Israel – November 18, 2015 – Ituran Location and Control Ltd. (NASDAQ: ITRN, TASE: ITRN), today announced its consolidated financial results for the third quarter ended September 30, 2015.

Highlights of the Third Quarter

- Record net subscribers adds in the quarter amounting to 36 thousand; total subscribers reached 915,000 as of September 30, 2015;
- In local currency terms, Ituran continued to demonstrate year-over-year growth in revenue driven by strong subscriber growth;
- Gross margins at 50.2% and operating margins at 22.4%;
- Generated \$8.8 million in operating cash flow; ended the quarter with \$31.5 million in net cash (including marketable securities);
- Dividend of \$3.1 million declared for the quarter;

Third Quarter 2015 Results

Revenues for the third quarter of 2015 were \$43.8 million, representing an 5.8% decrease from revenues of \$46.5 million in the third quarter of 2014. The significant weakening of the Brazilian Real versus the US Dollar, in addition to weakening of the Israeli Shekel to the US Dollar compared with the third quarter of 2014 reduced the overall revenue level in US Dollars. Excluding the exchange rate impact, the increase in revenues would have been 17% over the third quarter of last year. 72% of revenues were from location based service subscription fees and 28% from product revenues.

Revenues from subscription fees decreased 8.5% over the same period last year. In local currency terms, subscription fees increased 18%, primarily due to the growth in the subscriber base which expanded from 795,000 as of September 30, 2014, to 915,000 as of September 30, 2015.

Product revenues increased by 2% compared with the same period last year. In local currency terms, product revenues grew by 14% compared with product revenues reported in the third quarter in 2014.

Gross profit for the third quarter of 2015 was \$22.0 million (50.2% of revenues), a decrease of 11.5% compared with \$24.9 million (53.5% of revenues) in the third quarter of 2014. The decrease in the gross margin was mainly due to the weakening of the Brazilian Real and the Israeli Shekel versus the US Dollar. In addition, costs of service revenue increased due to the fast growth in subscribers in the past few quarters.

Operating profit for the third quarter of 2015 was \$9.8 million (22.4% of revenues), a decrease of 19% compared with an operating profit of \$12.1 million (26.1% of revenues) in the third quarter of 2014. Excluding the impact of the change in exchange rates over the period, the operating profit would have increased by 7% over the third quarter of last year.



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EBITDA for the quarter was \$12.5 million (28.6% of revenues), a decrease of 16% compared to an EBITDA of \$15.0 million (32.2% of revenues) in the third quarter of 2014. Excluding the impact of the change in exchange rates over the period and one-time costs, the EBITDA would have increased by 11% over the third quarter of last year.

Net profit was US\$6.2 million in the third quarter of 2015 (14.1% of revenues) or fully diluted EPS of US\$0.29. This is compared with a net profit of US\$8.7 million (18.7% of revenues) or fully diluted EPS of US\$0.41 in the third quarter of 2014. The decrease in the net profit was mainly due to the weakening of the Brazilian Real and the Israeli Shekel versus the US Dollar.

Cash flow from operations during the quarter was \$8.8 million.

As of September 30, 2015, the Company had net cash, including marketable securities, of \$31.5 million or \$1.50 per share. This is compared with \$33.4 million or \$1.59 per share as at June 30, 2015.

Dividend

For the third quarter of 2015, a dividend of \$3.1 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 pleased with another quarter of exceptionally strong and record growth in our subscriber base. In only three quarters this year, we have added 98,000 subscribers, compared with 76,000 for the whole of last year. As has been the case throughout the past year, in particular as the Brazilian Real has consistently weakened against the US dollar, our reported US Dollar result do not demonstrate the growth we are seeing in our underlying business, which remains as strong as ever. This strength is ongoing in our operations both in Brazil and Israel, and all signs are that it should continue as indicated by the record growth in subscribers."

Continued Mr. Sheratzky, "At the end of the quarter, a jointly-owned JV we set up in Brazil signed an important agreement with a global and leading automaker in Brazil to offer telematics services in that country. This is a milestone and significant step for our business. This will strengthen our market position, as we evolve into a player in the automotive industry after two decades of operating in the aftermarket segment only. As we grow, it will bring us hundreds of thousands of additional subscribers, positioning us as the clear market leader in Brazil. In addition, we see this agreement opening up further future opportunities for us in the Latin American continent."



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Conference Call Information

The Company will also be hosting a conference call later today, November 18, 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: 1 866 860 9642 or 1 800 896 9108

ISRAEL Dial-in Number: 03 918 0687

CANADA Dial-in Number: 1 866 485 2399

INTERNATIONAL Dial-in Number: +972 3 918 0687

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.

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 915,000 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.

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