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For Immediate Release

## **Pointer Signs Non-Binding MOU to Acquire Cellocator**

The accretive acquisition is anticipated to generate annualized revenues, of approximately US\$ 15 million

Givatayim, Israel -March 16<sup>th</sup>, 2007. Pointer Telocation Ltd. (NASDAQ: PNTR), a leading provider of services to the insurance and automotive industries including road-side assistance, fleet management and stolen vehicle retrieval services in Israel, Argentina and Mexico, announced today the signing of a non-binding Memorandum of Understanding to acquire the assets and liabilities of Cellocator Ltd., a private Israeli company active in the field of cellular location-based services and technology.

The closing of the transaction is expected in June 2007 subject to the completion of a due diligence process to the satisfaction of Pointer, and reaching a definitive agreement.

Based on Cellocator's forecasts, as provided to Pointer prior to the due diligence, the activities of Cellocator are anticipated to generate annualized revenues, for year 2007, of approximately US\$ 15 million.

Pointer will pay Cellocator and its shareholders approximately US\$ 18.5 million in cash, shares and a convertible debenture. Following the completion of the transaction and upon conversion of the debenture, Cellocator and/or its shareholders will hold approximately 8% of the issued share capital of Pointer

Commenting on the signing of the MOU, Danny Stern, Pointer's CEO said: "We are proud to announce the agreement to acquire Cellocator. This accretive acquisition is in line with our strategic goal for international growth and for penetrating to European markets. Cellocator complements our business by providing supreme quality technology and high class customer relationships, mainly in Europe. Cellocator's product platform will enable Pointer to introduce new services such as remote diagnostics, driver behavior monitoring, PAYD (Pay as You Drive), along with SVR (Stolen Vehicle Recovery) and Fleet Management services.

We expect the acquisition to improve and increase Pointer's technological competencies. The three agreements signed in the last few days will, upon completion, have a substantially positive impact on Pointer's financial results from 2007. We will therefore release updated guidance after an in-depth analysis of the financials involved", concluded Mr. Stern.

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### ***About Cellocator***

Cellocator Ltd [www.cellocator.net](http://www.cellocator.net) provides sophisticated, cost-effective and reliable OEM products for the vehicle security and fleet management service industry, as well as solutions for wireless M2M (machine to machine).

Cellocator is a B2B company that supplies and integrates its technology with solutions for its partners/clients in different business sectors -

- fleet management operators and service providers
- security service providers
- Integrators and turn-key solutions providers

With Cellocator equipment, its partners/clients can offer their customers the following competitive advantages -

- Improved customer service
- Optimized resources usage (money, manpower, time)
- Increased profitability
- Improved cargo and vehicle security
- Decreased outlay communications, fuel, labor, maintenance, insurance

Currently around 150,000 vehicles in over 25 countries are outfitted with Cellocator products. Its growing customer base includes vehicle security and fleet service providers based in the UK, Greece, Mexico, Russia, Croatia, Germany, Czech Republic, Latvia, Turkey, Hong Kong, Singapore, India, Panama, Costa Rica, Brazil, Norway, Venezuela, Hungary and Israel.

### ***About Pointer Telocation:***

Pointer Telocation Ltd [www.pointer.com](http://www.pointer.com) provides a range of services to insurance companies and automobile owners, including road-side assistance, vehicle towing, stolen vehicle retrieval, fleet management and other value added services. Pointer Telocation provides services, for the most part, in Israel, through its subsidiary Shagrir, and in Argentina and Mexico through its local subsidiaries. Independent operators provide similar services in Russia and Venezuela utilizing Pointer's technology and operational know-how.

### **Safe Harbor Statement**

*This press release contains forward-looking statements with respect to the business, financial condition and results of operations of Pointer and its affiliates. These forward-looking statements are based on the current expectations of the management of Pointer, only, and are subject to risk and uncertainties relating to changes in technology and market requirements, the company's concentration on one industry in limited territories, decline in demand for the company's products and those of its affiliates, inability to timely develop and introduce new technologies, products and applications, and loss of market share and pressure on pricing resulting from competition, which could cause the actual results or performance of the company to differ materially from those contemplated in such forward-looking statements. Pointer undertakes no obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. For a more detailed description of the risks and uncertainties affecting the company, reference is made to the company's reports filed from time to time with the Securities and Exchange Commission.*

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