



FOR IMMEDIATE RELEASE

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I.D. Systems Finalizes Contract Valued at \$1.1 Million With National Shipbuilding Research Program

Hackensack, NJ, December 2, 2003 —

I.D. Systems, Inc. (NASDAQ: IDSY) announced today that it has finalized a contract with the Advanced Technology Institute (ATI), the contracts administrator of the National Shipbuilding Research Program Advanced Shipbuilding Enterprise (NSRP ASE). As announced on September 5, 2003, I.D. Systems' "Wireless Equipment Monitoring and Control System (WEMACS)" was one of only seven projects selected for award this year by the NSRP ASE. The final contract calls for I.D. Systems to develop, integrate, and implement advanced material handling equipment monitoring systems for the U.S. shipyard environment. Under the terms of the one-year contract, I.D. Systems expects to realize approximately \$1.1 million in revenue.

The I.D. Systems-led project team includes three shipyards that expect to deploy the WEMACS system: Northrop Grumman Corporation's (NYSE: NOC) Ship Systems sector in Pascagoula, Mississippi, National Steel and Shipbuilding Company (NASSCO), a subsidiary of General Dynamics Corporation (NYSE: GD), in San Diego, California, and the U.S. Navy's Portsmouth Naval Shipyard in Kittery, Maine. The project team also includes RLW, Inc., a developer of condition based maintenance technologies, and the Applied Research Laboratory at The Pennsylvania State University. Under the terms of the contract, the team will promote and make every effort to deploy WEMACS technology to all other shipyards throughout the United States.

The WEMACS project is intended to expand on I.D. Systems' existing baseline wireless system installation at Portsmouth Naval Shipyard to further research and develop a comprehensive solution for the extensive monitoring, control, and utilization analysis of shipyard material handling equipment (forklifts, straddle trucks, cranes, and similar vehicles). The resultant system will be designed to monitor equipment location, electronically restrict access to qualified operators, analyze equipment usage, enable wireless transmission of work orders, and monitor certain vital equipment functions. Benefits are expected to include reduction of fleet maintenance costs, improved reliability and availability of equipment, enhanced equipment safety and security, and remote monitoring of machinery health functions.

"We are very pleased to finalize the contractual arrangements under this NSRP ASE program, and we are already forging ahead toward the first project milestones," said Rick Muntz, I.D. Systems' executive vice president of sales, marketing, and customer satisfaction. "We look forward to continuing our work with this great team to help the WEMACS system develop into a valuable tool for the entire American shipbuilding industry."

About NSRP

NSRP is a collaboration of 11 U.S. shipyards working with government, industry, and academia to achieve the continuous product and process improvements necessary for the U.S. shipbuilding industry to become internationally competitive, directly resulting in more affordable Navy ships. NSRP is sponsored by the U.S. Navy. For more information on NSRP, visit <http://www.nsrp.org>.

About I.D. Systems

Based in Hackensack, New Jersey, I.D. Systems, Inc. is a leading provider of wireless solutions for corporate asset management. I.D. Systems' customers include Archer Daniels Midland, DaimlerChrysler, Deere & Co., the Federal Aviation Administration, Ford Motor Company, Hallmark Cards, Target Corporation, Walgreen Co., the U.S. Navy, and the U.S. Postal Service, among others. Using local area networks, wide area networks, and the Internet, the company's systems enable management to control and track the location and status of their assets—from letters and containers to forklifts and railcars in real time. For more information on I.D. Systems, Inc., visit www.id-systems.com.

“Safe Harbor” statement under the Private Securities Litigation Reform Act of 1995: This press release contains forward looking statements that are subject to risk and uncertainties, including, but not limited to, the impact of competitive products, product demand and market acceptance risks, fluctuations in operating results and other risks detailed from time to time in I.D. Systems' filings with the Securities and Exchange Commission. These risks could cause I.D. Systems' actual results for the current fiscal year and beyond to differ materially from those expressed in any forward looking statements made by, or behalf of, I.D. Systems.

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