

**FOR IMMEDIATE RELEASE**

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**I.D. Systems, Inc. Reports Fourth Quarter and Year-End Financial Results:  
Revenue Growth Leads to Fourth Quarter Profit**

Hackensack, NJ, February 13, 2003 —

I.D. Systems, Inc. (NASDAQ: IDSY) today announced financial results for the fourth quarter and fiscal year ended December 31, 2002. Revenues for the year were \$5,544,000, a six-fold increase over fiscal 2001 revenues of \$923,000. As a percentage of revenues, gross profit increased to 56% in fiscal 2002, up from 41% for the twelve months ended December 31, 2001. Net loss for the year was \$1,384,000, or \$0.21 per basic and diluted share. This represents a 65% reduction of the net loss of \$3,908,000, or \$0.67 per basic and diluted share, for fiscal 2001.

For the fourth quarter ended December 31, 2002, revenues were \$2,003,000, a 31% increase over third quarter 2002 revenues and more than six times the \$311,000 in revenues recorded for the fourth quarter of 2001. As a percentage of revenue, gross profit for the quarter was 58%, compared to 35% for the three months ended December 31, 2001. Net income for the quarter was \$7,000 — break-even on a per-share basis — compared to a net loss of \$1,270,000, or \$0.22 per basic and diluted share, for the fourth quarter ended December 31, 2001.

Selling, general and administrative expenses in fiscal 2002 were \$3,835,000, an increase of approximately 8%, compared to selling, general and administrative expenses of \$3,552,000 for the year ended December 31, 2002. Research and development expenditures for the year declined approximately 10% to \$938,000 from \$1,038,000 for the year ended December 31, 2001.

“In accordance with our business plan, revenues continue to grow sequentially as well as year-over-year,” said Jeffrey Jagid, I.D. Systems chairman and chief executive officer. “The fourth quarter of 2002 was our sixth consecutive quarter of growth, and we are very pleased to be able to report a slight profit for the period. We are equally encouraged about the improvement in year-end results. Importantly, we continue to receive both repeat orders from existing customers and new customer orders, which we believe reflect the continuing successful commercial acceptance of our technology.”

“I.D. Systems’ financial condition remains strong,” added chief financial officer Ned Mavrommatis. “As of December 31, 2002, the company had total assets of approximately \$12.9 million, including approximately \$7.8 million in cash, cash equivalents and investments. In addition, we have continued to control our expenses carefully, and we are seeing the benefits of our research and development efforts both in customer satisfaction and in lower product costs, which have contributed to improved margins. We are confident that we have the financial resources required to continue to execute our business plan.”

Highlights of the fourth quarter of 2002 included:

- Cooperative agreements with the Port Authority of New York and New Jersey and United Airlines to deploy I.D. Systems’ Wireless Asset Net™ fleet management technology on fleets of vehicles at Newark Liberty International Airport and San Francisco International Airport, respectively, pursuant to a \$1,000,000 grant awarded to I.D. Systems by the Federal Aviation Administration and Transportation Security Administration, as announced on July 15, 2002.
- A new program with Target Corporation to provide the Wireless Asset Net fleet management system for that Fortune 100 retailer’s material handling vehicles.
- A new program with Avis Rent A Car System, Inc., formally announced on January 7, 2003, to implement the Wireless Asset Net for Avis’ fleet of approximately 2,000 rental vehicles in Puerto Rico.

The system is designed to automate various aspects of the car rental and return process, in order to improve customer service and increase the efficiency of fleet operations.

### **Investor Conference Call**

I.D. Systems will be holding a conference call for investors and analysts at 4:30 p.m. Eastern Standard Time on Thursday, February 13, 2003. Jeffrey Jagid, Chairman and CEO, Kenneth Ehrman, President and COO, Ned Mavrommatis, CFO, and Rick Muntz, EVP of Sales and Marketing, will discuss fiscal 2002 results, as well as recent corporate developments. After opening remarks, there will be a question and answer period. The conference call will be broadcast live over the Internet via the Investor Relations section of the company's web site at [www.id-systems.com](http://www.id-systems.com). To listen to the live call, go to the web site at least ten (10) minutes early to download and install any necessary audio software.

### **About the Company**

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., Federal Aviation Administration, Ford Motor Company, General Motors, Hallmark Cards, Target Corporation, 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](http://www.id-systems.com).

Wireless Asset Net and the I.D. Systems, Inc. logo are trademarks of I.D. Systems, Inc.

*“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 the Company's filings With the Securities and Exchange Commission. These risks could cause the Company's 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, the company.*

— Table follows on next page —

**Statements of Operations**

	<b>Year Ended December 31,</b>	
	<b>2001</b>	<b>2002</b>
Revenue	\$ 923,000	\$ <b>5,544,000</b>
Cost of revenue	<u>548,000</u>	<u><b>2,430,000</b></u>
Gross profit	<u>375,000</u>	<u><b>3,114,000</b></u>
Operating expenses:		
Selling, general and administrative expenses	3,552,000	<b>3,835,000</b>
Research and development expenses	<u>1,038,000</u>	<u><b>938,000</b></u>
	<u>4,590,000</u>	<u><b>4,773,000</b></u>
Loss from operations	(4,215,000)	<b>(1,659,000)</b>
Interest income	310,000	<b>279,000</b>
Interest expense	<u>(3,000)</u>	<u><b>(4,000)</b></u>
Net loss	<u><b>\$(3,908,000)</b></u>	<u><b>\$(1,384,000)</b></u>
	<u>\$(.67)</u>	<u><b>\$(.21)</b></u>
Net loss per share - basic and diluted		
<b>Weighted average common shares outstanding - basic and diluted loss per share</b>	<u><b>5,840,000</b></u>	<u><b>6,711,000</b></u>

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