

FOR IMMEDIATE RELEASE

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**I.D. Systems' State-of-the-Art Wireless Fleet Management
Technology to be Deployed in Walgreens Distribution Centers**

Hackensack, NJ, May 19, 2003 —

I.D. Systems, Inc. (NASDAQ: IDSY) today announced that it has finalized a purchase contract with Walgreen Co.(NYSE: WAG) under which I.D. Systems' Wireless Asset Net™ industrial fleet management system will be implemented on material handling fleets at two Walgreens distribution centers. Both deployments are expected to be completed this year.

“We are very pleased that Walgreens, our first customer in the retail drug market, has selected I.D. Systems to provide our wireless solutions for material handling fleet management,” said Ken Ehrman, I.D. Systems president and chief operating officer. “We believe that since another Fortune 100 company, a leader in its industry, has invested in the Wireless Asset Net, especially in the current economic environment, is a testament to the positive impact our technology can make on the safety, efficiency, and profitability of our customers' operations. We look forward to expediting the initial system deployments with Walgreens and building on the partnership in the future.”

The Wireless Asset Net is designed to improve workplace safety and security by restricting industrial vehicle access to trained and authorized operators (as required by OSHA) and providing electronic safety inspection checklists. The system is designed to reduce maintenance expenses by automatically uploading vehicle data, reporting problems identified on checklists in real time, scheduling maintenance according to actual vehicle usage rather than on a calendar basis, and helping management determine the optimal economic time to replace equipment. The system is also designed to improve productivity by ensuring equipment is in the proper place at the right time and by providing management with unique reports on vehicle utilization.

About Walgreens

Walgreen Co. is the nation's largest drugstore chain with fiscal 2002 sales of \$28.7 billion. The company operates 4,029 stores in 43 states and Puerto Rico, in addition to Walgreens Health Initiatives, which provides mail service prescriptions, pharmacy benefits management and other clinical services.

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., Federal Aviation Administration, Ford Motor Company, General Motors, Golub Corporation, 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, 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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