



FOR IMMEDIATE RELEASE

CONTACT INFO: **I.D. Systems, Inc.**
Ned Mavrommatis
Chief Financial Officer
nmavrommatis@id-systems.com
Phone 201-996-9000 Fax 201-996-9414

I.D. Systems Leads Team Selected for Award by the National Shipbuilding Research Program

Project Team Includes Northrop Grumman, General Dynamics, and the U.S. Navy

Hackensack, NJ, September 5, 2003 —

I.D. Systems, Inc. (NASDAQ: IDSY) announced today that, after competitive review, its “Wireless Equipment Monitoring and Control System (WEMACS)” project has been selected for award by the National Shipbuilding Research Program Advanced Shipbuilding Enterprise (NSRP ASE). WEMACS was one of only seven new research projects selected as part of a Navy/industry co-funded portfolio specifically designed to save taxpayers money in Navy shipbuilding and ship repair. The specific scope and terms of the WEMACS project will be determined in contract negotiations over the next 45 days.

Participants in the I.D. Systems-led WEMACS project team include Northrop Grumman Corporation’s (NYSE: NOC) Ship Systems sector, National Steel and Shipbuilding Company (NASSCO), a subsidiary of General Dynamics Corporation (NYSE: GD), the U.S. Navy’s Portsmouth Naval Shipyard, RLW, Inc., and the Applied Research Laboratory at The Pennsylvania State University.

The WEMACS project exploits I.D. Systems’ ongoing 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 extremely gratified that the NSRP, which represents the nation’s leading shipyards and is funded by both the U.S. Navy and industry, has selected the WEMACS project for award,” said Jeffrey Jagid, I.D. Systems’ chairman and chief executive officer. “We have put together a great team on this project – Northrop Grumman Ship Systems, NASSCO, the Portsmouth Naval Shipyard, RLW, Inc., and the Applied Research Lab at Penn State – and we look forward to negotiating a definitive agreement with NSRP on the exact scope and funding for the project.”

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.

#