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Transportation Security Administration Issues Final Report on I.D. Systems' Wireless Vehicle Tracking Program at Newark Airport

Hackensack, NJ, December 20, 2005 —

I.D. Systems, Inc. (NASDAQ: IDSY) today announced that the Transportation Security Administration (TSA) has published its final report on the company's wireless vehicle tracking/fleet management project at Newark Liberty International Airport. The report concludes that the three-phase project, under which approximately 80 vehicles were monitored, successfully demonstrated that I.D. Systems' RFID-based Wireless Asset Net™ system is an effective tool for securing and managing vehicles in the radio frequency (RF)-rich environment of a major U.S. airport.

Under the project, more than 100 distinct system elements were tested without a single requirement failure. The system hardware "proved highly reliable" and vehicle access control was extremely effective, with "not one instance during any phase of the trial" of unauthorized personnel being able to operate a monitored vehicle. The system was also found to provide "extensive planning/management tools that permit managers to maximize their resources, leading to a more efficient operation."

"We are gratified to see another validation of the Wireless Asset Net's technical and practical effectiveness made public," said Rick Muntz, I.D. Systems' executive vice president of sales, marketing and customer satisfaction. "Fortunately, we have had the opportunity to perfect our technology through years of experience with commercial and industrial customers. We have witnessed our wireless vehicle management system help customers make significant improvements to the safety, security, productivity, and cost-effectiveness of their vehicle operations, to the point where our technology is considered a best practice for any enterprise. This TSA report confirms our technology's applicability to aviation security."

"Looking ahead," continued Mr. Muntz, "a multi-airport technology demonstration with complete wireless coverage of the entire secured airport operational area, plus fleet-wide vehicle monitoring, would provide a template to provide access control, security, and increased efficiency for airside vehicles at any airport in the country. We look forward to working with all the necessary stakeholders to make this happen."

The TSA's final report on the wireless vehicle tracking system details the project's goals, test methodologies, issues, and conclusions, with emphasis on the system's:

- Durability and reliability, including the achievement of zero failures of the system's wireless communication infrastructure nodes and overall system availability in excess of 95%
- Practical safety and security performance, including restrictions on vehicle access control, enforcement of safety checklist requirements, and the effectiveness of geo-fencing alerts

- Communication range and RF performance, including verification that under worst-case conditions of structural congestion and outside RF interference, the system can still transmit approximately 500 feet with no adverse effects on system functionality
- Data accuracy, including real-time graphical display of GPS locations; vehicle/driver movement histories, and integration capability with a separate Command, Control, Communications, Computers and Intelligence (C4I) system
- Software configuration, including the effectiveness of training materials
- Wireless network security, including validation of the system's ability to ignore external wireless data

The complete report, reference number DHS/TSA/TSL-05/76, is on file at the TSL Library at the Atlantic City, New Jersey, International Airport, and also accessible to the public through the U.S. National Technical Information Service (NTIS) in Springfield, Virginia.

About The Wireless Asset Net™

The Wireless Asset Net consists of intelligent wireless devices installed on powered industrial vehicles, a patented communication infrastructure, and client-server software for access control, utilization analysis, real-time location tracking, and many other functions. The system is designed to improve industrial workplace safety and security by restricting vehicle access to trained, authorized operators and by providing electronic safety inspection checklists. The system is designed to reduce maintenance expenses by automatically uploading vehicle data, reporting problems in real time, scheduling maintenance according to actual vehicle usage rather than on a calendar basis, and helping plant management determine the optimal economic time to replace equipment. The system is also designed to help 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 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 3M Company, American Axle, Archer Daniels Midland, DaimlerChrysler, Deere & Co., Ford Motor Company, General Dynamics, Hallmark Cards, Northrop Grumman, Target Corporation, Walgreen Co., the U.S. Navy, the U.S. Postal Service, and the U.S. Transportation Security Administration, 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 forklifts and cranes to automobiles and trucks to complex fixed machinery — in real time. For more information on I.D. Systems, Inc., visit www.id-systems.com.

Trademarks

I.D. Systems, Inc. and Wireless Asset Net are registered or pending trademarks of I.D. Systems, Inc.

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This press release contains forward looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and 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 to differ materially from those expressed in any forward looking statements made by, or on behalf of, I.D. Systems. I.D. Systems assumes no obligation to update the information contained in this press release.

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