I.D. Systems, Inc.™

Expanding the range of wireless solutions

FOR IMMEDIATE RELEASE

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I.D. Systems Wins Grant from Transportation Security Administration (TSA) to Integrate RFID Baggage Tag Tracking Into Vehicle Security System

Symbol Technologies, Inc. to Provide RFID Solutions

Hackensack, NJ, April 11, 2005 —

I.D. Systems, Inc. (NASDAQ: IDSY) announced today that it has been awarded a grant from the Transportation Security Administration (TSA) to integrate RFID (radio frequency identification)-based baggage tracking capability into the company's Wireless Asset Net™ vehicle security and tracking system. I.D. Systems will develop and prototype a mobile, automated baggage tracking system in which "intelligent" containers and vehicles identify and locate items tagged with EPC (electronic product code)-compliant RFID tags, and communicate that data through I.D. Systems' wireless vehicle management network.

To support the RFID integration, I.D. Systems will collaborate with Symbol Technologies, Inc. (NYSE: SBL), a worldwide leader in data capture, mobile computing, wireless infrastructure and RFID technology, to provide the EPC-compliant RFID tags and readers.

The proposed system design has three unique elements. First, it will create a new type of container-mounted wireless device that "aggregates" data from a virtually unlimited number of RFID-tagged items, enabling efficient, effective location tracking of both the container itself and its RFID-tagged contents. Second, it will utilize baggage handling vehicles as mobile RFID portals, significantly increasing the area over which RFID tags can be tracked, reducing the number of fixed-position RFID readers required in a facility, and increasing the visibility and security of RFID-tagged items. Third, it leverages I.D. Systems' existing RF (radio frequency) infrastructure to communicate data back to local or wide area networks. The company has such infrastructure deployed in numerous manufacturing, distribution and transportation environments for both government and commercial customers.

"We welcome the confidence that the TSA has expressed in us by funding this innovative project with I.D. Systems, and we look forward to developing a potentially groundbreaking integration of RFID-based technologies," said Jeffrey Jagid, I.D. Systems' chairman and chief executive officer. "Unlike other approaches to RFID tracking, which depend heavily on constant wireless network connectivity and continuous communication with a single control point, our patented system of 'distributed intelligence' will enable autonomous wireless hardware on both vehicles and containers to track RFID-tagged items without regard to immediate network availability. We see this integrated vehicle/container/item-level tracking system as a way to significantly increase asset visibility, not only for homeland security applications like baggage tracking, but also for broad supply chain applications – from container ports, through distribution centers, all the way to retail stores."

"Baggage and cargo tracking is an ideal application for RFID, and an application that Symbol is intensely focused on," said John Shoemaker, Symbol's vice president RFID Sales. "The integration of Symbol 's RFID solutions into I.D. Systems' existing wireless vehicle management system is an excellent fit, not just for airports and seaports but also for other supply chain environments. This TSA project further demonstrates the successful integration of RFID with other technologies to provide a comprehensive solution for security and baggage handling."

About The Wireless Asst Net

I.D. Systems' Wireless Asset Net consists of programmable vehicle-mounted wireless devices called Vehicle Asset Communicators (VACs), 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 safety by restricting vehicle access to trained and authorized operators (as required by OSHA) and providing electronic safety inspection checklists. The Wireless Asst Net is designed to reduce maintenance costs 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 also incorporates many tools designed to increase the utilization of equipment and the productivity of equipment operators.

In vehicle security applications, such as at port facilities, the Wireless Asset Net serves as a critical line of defense against security breaches, providing not only wireless access control and location tracking, but also geo-fencing and remote vehicle disabling.

New Approach to Tracking RFID-Tagged Items

Under the TSA-funded RFID integration project, I.D. Systems will develop two new products: a new version of its vehicle-mounted VAC that integrates an EPC-compliant RFID reader, and a standalone Tag Aggregator™ that mounts on cargo and baggage containers.

With an integrated RFID reader, the VAC will track the identity and time-stamped routes of RFID-tagged items transported by the vehicle on which the VAC is mounted, as well as the location of the vehicle itself and the identities of vehicle operators. The VAC will process and verify RFID data independently of a central computer and provides instantaneous feedback to the operators.

The Tag Aggregator will be a battery-powered transceiver designed to read RFID tags on any individual items (e.g. luggage) inside the container on which it is mounted. Each Tag Aggregator will be able to transmit the location and contents of its container to a database – both directly, via the Wireless Asset Net's RF communications network, and indirectly, through the vehicle-mounted VACs.

This use of VACs to transfer data from Tag Aggregators to the system database is a unique new approach to solve a potentially critical security issue: how to identify and locate containers and their contents when those containers are either out of range of a wireless network or in between stationary RFID reader points. In I.D. Systems' proposed solution, any vehicle equipped with a VAC will also collect data from Tag Aggregators as the vehicle travels throughout the facility. Whenever the vehicle comes in range of the RF network, it will upload all Tag Aggregator data indicating the whereabouts and specific contents of the containers.

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 — in real time. For more information on I.D. Systems, Inc., visit www.id-systems.com or email info@id-systems.com.

Trademarks

I.D. Systems, Inc., Wireless Asset Net, Tag Aggregator, Machine Asset Communicator, Charger Monitoring Point, and Battery ChaMP are all registered or pending trademarks of I.D. Systems, Inc.

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