



FOR IMMEDIATE RELEASE

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U.S. Postal Service Awards Contract to I.D. Systems, Inc. for National Deployment of Wireless Vehicle Management System

Hackensack, NJ, January 18, 2005 —

I.D. Systems, Inc. (NASDAQ: IDSY), a leading provider of wireless asset management solutions, announced today that it has won a contract from the U.S. Postal Service (USPS) to implement the company's Wireless Asset Net™ industrial equipment tracking and management system at USPS facilities nationwide. The contract has a minimum guaranteed value of approximately \$4 million for a near-term deployment at eight major USPS facilities. Over the duration of the three-year contract, the USPS could deploy the system at up to 460 facilities of varying sizes.

This is an "indefinite quantity" contract, in which a minimum and maximum number of facilities are defined but exact quantities, times and places of product deliveries are not known at the time of contract award. It is also a fixed price contract, with agreed upon pricing in effect for the full three-year contract term.

The contract was awarded to I.D. Systems after a competitive bid process in which the USPS defined requirements for a wide-ranging, value-driven, wireless vehicle management solution that would work effectively in the mail processing environment. I.D. Systems' RFID-based technology has demonstrated significant operational benefits in several USPS facilities where it is currently deployed.

Postal Service Vice President Thomas G. Day said "This wireless system provides real-time information for managing our vehicle fleet in a safe, efficient and cost effective strategy. The results from this system will aid postal managers in increasing operational efficiency while sustaining a safe work environment, which are goals in our blueprint for the future, the Transformation Plan." To view the plan go to www.usps.com/strategicplanning.

The Wireless Asset Net consists of intelligent wireless devices installed on vehicles, a patented communication infrastructure, and client-server software for access control, utilization analysis, real-time location tracking, and many other functions. I.D. Systems will tailor certain system functionality to meet specific USPS needs, resulting in I.D. Systems' most technologically advanced wireless solution to date.

Under the contract, I.D. Systems will provide turnkey implementation services and technical support. To provide these services – including hardware installation, user training and a 24/7 help desk – I.D. Systems will utilize subcontracted services from Unisys Corporation (NYSE: UIS), the global leader in information technology services and systems integration, which has extensive experience managing and supporting U.S. Government programs.

Jeffrey Jagid, I.D. Systems' chairman and chief executive officer, stated, "We are truly gratified and proud that the United States Postal Service has chosen I.D. Systems for this important project. This enterprise-level contract is a major milestone, not only in our long-standing relationship with the USPS, but also in our

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company's strategic plan to achieve mass commercialization of our unique wireless technology. To make the program a success, we will leverage our experience deploying enterprise-wide solutions for companies like Ford and Target. We look forward to helping the USPS reap significant rewards through this wireless fleet management initiative.”

About The Wireless Asset Net™

The Wireless Asset Net 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 vehicle 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 — 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 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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