

FOR IMMEDIATE RELEASE

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I.D. Systems Earns Repeat Order from Walgreens for Wireless Industrial Vehicle Management Systems

Hackensack, NJ, May 12, 2005 —

I.D. Systems, Inc. (NASDAQ: IDSY), a leading provider of RFID-based wireless asset tracking and management solutions, announced today that it has received a purchase order from Walgreen Co. to deploy I.D. Systems' Wireless Asset Net™ industrial fleet management system on a fleet of material handling vehicles at a Walgreens distribution center in Illinois. This is Walgreens third major distribution center to be equipped with the Wireless Asset Net.

“We are gratified that Walgreens has again selected I.D. Systems' wireless fleet management system to help improve safety control, maintenance management, and operational efficiency,” said Rick Muntz, I.D. Systems' executive vice president of sales, marketing and customer satisfaction. “In view of other successful enterprise-scale solutions we have delivered into the mass retail distribution environment, we are confident that Walgreens will continue to benefit from its investment in our Wireless Asset Net technology.”

About The Wireless Asset Net

The Wireless Asset Net is designed to improve workplace safety and security by providing electronic safety inspection checklists and restricting industrial vehicle access to trained, authorized operators (as required by OSHA – the Occupational Safety and Health Administration). 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 help improve productivity by ensuring equipment is in the proper place at the right time and by providing management with unique measurements of and reports on fleet utilization and productivity.

About Walgreens

Walgreen Co. is the nation's largest drugstore chain with fiscal 2004 sales of \$37.5 billion. The company operates more than 4,700 stores in 45 states and Puerto Rico, and plans to operate more than 7,000 stores by the year 2010. For more information on Walgreens, visit www.walgreens.com.

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, Daimler Chrysler, 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.

“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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