

FOR IMMEDIATE RELEASE

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I.D. Systems Receives Order from Walgreens to Deploy Wireless Fleet Management System in Fifth Walgreens Distribution Center

Hackensack, NJ, September 13, 2005 —

I.D. Systems, Inc. (NASDAQ: IDSY), a leading provider of RFID-based wireless asset tracking and management solutions, today announced 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 Arizona. This will be Walgreens fifth major distribution center to be equipped with the Wireless Asset Net.

“We are gratified that Walgreens continues to expand its implementation and practical utilization of our technology,” said Rick Muntz, I.D. Systems' executive vice president of sales, marketing and customer satisfaction. “We enjoy a very positive, interactive relationship with Walgreens, and place extremely high value on their input on how our system can improve safety and increase efficiency in warehouse operations.”

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 2005 sales of \$42.2 billion. The company operates more than 4,900 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, 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.

“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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