

**FOR IMMEDIATE RELEASE**

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**I.D. Systems Receives Orders from Walgreens for  
Wireless Industrial Vehicle Management Systems**

Hackensack, NJ, December 27, 2006—I.D. Systems, Inc. (NASDAQ: IDSY), a leading provider of RFID-based wireless asset tracking and management solutions, today announced that it has received purchase orders from Walgreen Co. to deploy I.D. Systems' Wireless Asset Net® industrial fleet management system on fleets of material handling vehicles at Walgreens distribution centers in South Carolina and Illinois. These are Walgreens' sixth and seventh distribution centers to order the Wireless Asset Net system.

“We are very pleased to expand our relationship with Walgreens,” said Rick Muntz, I.D. Systems' executive vice president of sales, marketing and customer satisfaction. “We look forward to continue helping this valued customer achieve substantial benefits through the utilization of our technology, including improved safety and increased efficiency in their warehouse operations.”

The Wireless Asset Net improves 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 reduces 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 also helps 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.

Walgreen Co. is the nation's largest drugstore chain with fiscal 2006 sales of \$47.4 billion. The company operates more than 5,500 stores in 47 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](http://www.walgreens.com).

Based in Hackensack, NJ, I.D. Systems, Inc. is a leading provider of wireless solutions for managing and securing high-value enterprise assets. These assets include industrial vehicles, such as forklifts and airport ground support equipment, and rental vehicles. The Company's patented Wireless Asset Net® system, which utilizes radio frequency identification, or RFID, technology, addresses the needs of organizations to control track, monitor and analyze their assets. For more information about I.D. Systems, visit [www.id-systems.com](http://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, future economic and business conditions, the loss of any of the Company's key customers or reduction in the purchase of its products by any such customers, the failure of the market for the Company's products to continue to develop, the inability to protect the Company's intellectual property, the inability to manage the Company's growth, the effects of competition from a wide variety of local, regional, national and other providers of wireless solutions and other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission, including the Company's annual report on Form 10-K for the year ended December 31, 2005. These risks could cause actual results to differ materially from those expressed in any forward looking statements made by, or on behalf of, the Company. The Company assumes no obligation to update the information contained in this press release.

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