

FOR IMMEDIATE RELEASE

CONTACTS:

For Financial Press

Ned Mavrommatis
Chief Financial Officer
ned@id-systems.com

For Trade Press

Greg Smith
Vice President Marketing
gsmith@id-systems.com

General Phone: 201-996-9000. General Fax: 201-996-9144

Xerox Selects I.D. Systems' PowerKeyPLUS™ for Wireless Industrial Fleet Management

Hackensack, NJ, July 2, 2008—I.D. Systems, Inc. (NASDAQ: IDSY), a leading provider of wireless asset management solutions, today announced that it will implement its PowerKeyPLUS™ wireless industrial vehicle monitoring system for Xerox Corporation (NYSE:XXR). The system will be deployed on a fleet of forklifts at a Xerox distribution center in Ohio. The order was facilitated by Hy-Tek Material Handling, Inc., a national provider of integrated systems solutions and an Ohio-based dealer of Yale® industrial lift trucks.

PowerKeyPLUS™ provides vehicle access control, safety checklists and impact sensing—the most popular functions for managing the inherent safety and maintenance issues associated with industrial vehicles. PowerKeyPLUS™ is a competitively priced standalone system suitable for any fleet size, small or large. In addition, PowerKeyPLUS™ serves as a platform for seamless expansion to I.D. Systems' industry-leading, full-featured Wireless Asset Net® fleet management technology.

Xerox is the world's leading document management technology and services enterprise, providing the industry's broadest portfolio of color and black-and-white document processing systems and related supplies, as well as document management consulting and outsourcing services. Xerox is a Fortune 150 company, with fiscal 2007 revenues of more than \$17 billion.

“We are very pleased to add another world-class company like Xerox to our growing customer base,” said Peter Fausel, I.D. Systems' executive vice president of sales, marketing and customer service. “We look forward to introducing our best-practice technology to Xerox to help them manage the intrinsic safety, productivity, and operational cost issues associated with fleets of material handling vehicles.”

About Wireless Industrial Vehicle Management

Wireless industrial vehicle management systems improve workplace safety and security by restricting vehicle access to trained, authorized operators, providing electronic vehicle safety inspection checklists, and sensing vehicle impacts. These systems also reduce fleet maintenance costs by automatically uploading vehicle data, reporting vehicle problems electronically, scheduling maintenance according to actual vehicle usage rather than by calendar or manual data entry, and helping determine the optimal economic time to replace equipment. In addition, wireless fleet management systems help improve productivity by establishing accountability for use of equipment, ensuring equipment is in the proper place at the right time, streamlining work flow through automated messaging, and providing management with unique metrics on—and controls over—equipment utilization.

About I.D. Systems

Based in Hackensack, New Jersey, with European business offices in Düsseldorf, Germany, 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, please visit www.id-systems.com.

About Hy-Tek Material Handling

Hy-Tek Material Handling, Inc. is celebrating its 45th anniversary as a leading integrated systems supplier, providing trucks, conveyor, storage and software solutions engineered to meet the high-productivity demands of today's economy. Hy-Tek is employee-owned and its headquarters in Columbus, Ohio, along with branches in Florence, Kentucky, Cleveland, Ohio and Indianapolis, Indiana, have completed systems projects in 40 states. For more information, please visit www.hy-tek.net.

“Safe Harbor” statement:

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. Forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, expectations, anticipations, assumptions, estimates, intentions, and future performance, and involve known and unknown risks, uncertainties and other factors, which may be beyond our control, and which may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. All statements other than statements of historical fact are statements that could be forward-looking statements. These forward-looking statements 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, 2007. 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.

#