

FOR IMMEDIATE RELEASE

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I.D. Systems Launches PowerFleet™ with Vision Software and SecureStream Wireless Communications—A New Generation of Industrial Vehicle Management Technology

Chicago, IL, January 13, 2009—I.D. Systems, Inc. (Nasdaq: IDSY), a leading provider of wireless Vehicle Management Systems (VMS), today announced that it has launched PowerFleet™, a new wireless VMS for forklifts and other industrial trucks. The system incorporates the company's most powerful, versatile combination of software and wireless communication technology to date. The system is being demonstrated at the ProMat material handling exposition, which opened yesterday at the McCormick Place Convention Center in Chicago.

PowerFleet™ focuses on managing the most critical safety and maintenance functions associated with industrial vehicles—access control, electronic safety checklists and impact sensing—but also provides a unique array of system expansion modules to solve even more complex problems facing industrial fleets. Modular options include:

- productivity optimization;
- vehicle visibility, including true location tracking, historical movement analysis, and zone control;
- material handling resource planning, including electronic “kanban” part replenishment;
- vehicle speed management;
- vehicle battery management (both battery swap and fast-charge systems);
- advanced maintenance scheduling and control; and
- two-way text messaging/task dispatching.

“The beauty of the PowerFleet™ system is that it meets customers’ basic needs at a very competitive price, yet can be highly tailored to tackle a customer’s specific operational challenges—either at initial system deployment, or at any later time that suits the customer,” said Peter Fausel, I.D. Systems’ executive vice president of sales, marketing and customer support. “In addition, PowerFleet™ incorporates the most flexible software and wireless communications technology to enable customers to deploy the system with minimal effort, maximum security, and quickest speed to benefit.”

PowerFleet Vision™ software is available in both client-server and browser-based formats, with user-friendly navigation designed to be as intuitive and flexible as the world’s most popular office business programs. The software’s unique licensing system enables users to view only those modules authorized for their operation. Task-oriented menus help users navigate with direct mouse clicks to accomplish their work quickly. An embedded “help” function provides instant answers to questions. And international users will find that PowerFleet Vision™ incorporates multi-lingual features to make it user-friendly across borders.

PowerFleet™ also incorporates a new generation of wireless technology called SecureStream™, which includes I.D. Systems’ patented architecture of “distributed intelligence”, advanced zone-based functionality, and a flexible combination of Intelligent RF and Wi-Fi wireless communications.

“Distributed intelligence” means that key PowerFleet™ functions are controlled and processed by multiple system elements, including, most importantly, an autonomous, interactive device onboard each vehicle. The benefits of this intelligence, in contrast to centrally-controlled systems, include assured communication effectiveness and data integrity, with no single point of failure, and minimal need for technical support from IT organizations.

Zone-based functions available in the new PowerFleet™ system include geo-fencing (geographically based restrictions of vehicle activity) and localized speed management (by which risky driving behavior can be automatically curtailed within defined areas).

The Intelligent RF component of SecureStream™ technology enables data to be processed continually, in real time, but communicated only periodically, in compact, efficient data packets with an inherently encrypted structure. This results in ultra-low bandwidth usage in both wireless and wired network transmissions, minimal network maintenance, and, at the same time, failsafe data retention and robust network security.

SecureStream™ also includes high-security, industry-standard Wi-Fi communications, which enables vehicles to communicate over most existing wireless networks. The system supports the latest network security protocols, including WPA-PSK (TKIP), WPA2-PSK (AES), WPA-EM (PEAP-MSCHAPv2), WPA2-EM (PEAP-MSCHAPv2) and, in the near future, FIPS 140-2 for military applications. In addition, SecureStream™ enables remote configuration (and re-configuration) of wireless network settings without having to touch any vehicles. This automatic process is a significant advantage over systems that require hands-on hardware configuration on every vehicle, especially during post-installation system upgrades and modifications to network security settings.

About Vehicle Management Systems

Wireless Vehicle Management Systems for industrial trucks 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 VMS technology helps improve productivity by establishing accountability for use of equipment, ensuring equipment is in the proper place at the right time, streamlining work flow, and providing management with unique metrics on—and controls over—fleet utilization.

About I.D. Systems

Based in Hackensack, New Jersey, with a European business office 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 PowerFleet™ 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.

“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.

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