

FOR IMMEDIATE RELEASE

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**Sierra Army Depot Marks Successful Demonstration of
Wireless Vehicle Management Technology from I.D. Systems, Inc.**

Sierra, CA, February 25, 2009—Sierra Army Depot (SIAD) hosted a ribbon-cutting ceremony today to mark the successful demonstration of an innovative wireless industrial Vehicle Management System (VMS) from I.D. Systems, Inc. (Nasdaq: IDSY). The system—referred to by SIAD as the Centralized Fleet Automated Management System (CFAMS)—was implemented under a Commercial Technologies for Maintenance Activities (CTMA) program, with the goals of reducing industrial vehicle maintenance costs, improving fleet mission readiness, increasing material handling productivity and the consequential velocity of critical war-fighter supplies, and improving worker safety.

The ribbon-cutting also served as a formal introduction of CFAMS to other U.S. Department of Defense (DoD) agencies, and was attended by representatives of DoD facilities from across the United States.

“We consider CFAMS one of our marquee CTMA projects, with a projected benefit across the DoD measured in the tens of millions of dollars,” said Greg Kilchenstein, of the Office of the Assistant Deputy Under Secretary of Defense for Maintenance Policy and Programs.

SIAD’s demonstration of CFAMS capabilities focused on proving three primary areas of benefit:

- improving vehicle preventative maintenance management and reducing fleet maintenance costs;
- identifying opportunities to reduce fleet size and associated capital and operating costs; and
- reducing the costs associated with facility and equipment damage caused by vehicles.

Based on months of accumulated data, the CFAMS deployment at SIAD demonstrated that the following benefits were achievable:

- By automatically uploading true vehicle usage data for more accurate maintenance scheduling, and by automatically alerting maintenance personnel to problematic conditions on vehicles, CFAMS showed that fleet maintenance costs could be reduced by at least 22%.
- By isolating vehicle utilization patterns by equipment type and role, CFAMS demonstrated that a fleet reduction of at least 15%-20% was immediately achievable, with a commensurate reduction in purchase outlays, fuel costs, and maintenance costs. In addition, this fleet “right-sizing” could enable a substantial reallocation of labor to increase overall depot productivity.
- By monitoring and recording detailed data on vehicle “impact events,” by preventing unauthorized personnel from using vehicles, and by establishing better driver accountability, CFAMS showed that the costs resulting from damage caused by vehicles could be reduced by up to 25%.
- Overall, CFAMS demonstrated that it could pay for itself and start generating positive cash flow for the depot within 12 to 16 months of deployment.

“Maintenance is a significant expense for the DoD and a critical factor in sustaining materiel readiness for our nation’s armed forces,” said Peter Fausel, I.D. Systems’ executive vice president of sales, marketing and customer service. “We are honored and pleased that our wireless vehicle management technology has demonstrated an ability to have a positive influence on the DoD’s material handling operations. We look forward to introducing CFAMS to many more DoD facilities.”

The initial CFAMS implementation at SIAD was funded through an agreement with the National Center for Manufacturing Sciences, a non-profit organization that forms partnerships between the DoD and private industry to facilitate development, deployment and validation of innovative commercial technologies that can provide operational benefits and cost savings for DoD maintenance activities.

SIAD is an installation of the U. S. Army's Tank-automotive and Armaments Command (TACOM) under the U. S. Army Materiel Command. The depot's mission is to provide worldwide logistics support for the U.S. Army, including receipt, storage, repair, shipping, maintenance, and fabrication of assets. The depot is a Center of Industrial Technical Excellence focused on "lean manufacturing" process improvements.

About I.D. Systems:

Based in Hackensack, New Jersey, with a European business office in Düsseldorf, Germany, I.D. Systems is a leading provider of wireless solutions for managing and securing high-value enterprise assets, including industrial vehicles, such as forklifts and airport ground support equipment, and rental vehicles. The company's patented technology, which utilizes radio frequency identification, or RFID, technology, addresses the needs of organizations to control, track, monitor and analyze their assets. For more information, 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, such as the Company's outlook for 2008 financial results and prospects for additional customers and revenues. 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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