

FOR IMMEDIATE RELEASE

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I.D. Systems, Inc. Reports First Quarter Financial Results

Hackensack, NJ, May 6, 2003 —

I.D. Systems, Inc. (NASDAQ: IDSY) announced today its financial results for the three months ended March 31, 2003. As a result of continued market acceptance of the company's patented Wireless Asset Net™ system for tracking and managing fleets of industrial equipment, revenues in the quarter increased 94% to \$1,609,000 compared to \$831,000 in the three months ended March 31, 2002. Gross profit margins in the quarter remained stable at 53% and net loss was reduced to \$385,000, a 41% improvement compared to the net loss of \$657,000 in the same period last year.

"We are pleased with the company's continued year over year revenue growth, healthy margins, and market acceptance," said Jeffrey Jagid, I.D. Systems' chairman and chief executive officer. "Our Wireless Asset Net industrial fleet monitoring system is generating positive results for our existing customers and we are continuing to win new customers. The system is designed to bring a wide array of benefits to manufacturing and warehouse environments, including essential safety controls and innovative productivity enhancement tools for mobile industrial equipment. We anticipate positive developments with both new and existing customers in the near future."

"Our technology is meeting with success in new applications as well," continued Mr. Jagid. "Under the agreement we concluded with Avis in the first quarter, we will adapt the Wireless Asset Net for Avis' fleet of approximately 2,000 rental vehicles in Puerto Rico this year."

"I.D. Systems' financial condition remains strong," said Ned Mavrommatis, I.D. Systems' chief financial officer. "As of March 31, 2003, the company had \$7,471,000 in cash, cash equivalents and investments and \$8,323,000 of working capital compared to \$7,757,000 and \$8,295,000, respectively, at December 31, 2002."

Selling, general and administrative expenses in the three months ended March 31, 2003, were \$1,083,000 compared to \$883,000 in the same period of 2002. The increase was attributable primarily to increased payroll expenses and insurance costs. As a percentage of revenues, however, selling, general and administrative expenses decreased to 67%, compared to 106% in the three months ended March 31, 2002.

Research and development expenditures in the quarter decreased 17% to \$232,000 from \$280,000 in the first quarter last year, reflecting the commercial maturation of the company's wireless technology for managing industrial vehicles. Our R&D investments were devoted primarily to product enhancements.

Highlights of the quarter ended March 31, 2003 included:

- Receipt of a purchase order valued at approximately \$650,000 from Golub Corporation, the privately held owner and operator of Price Chopper supermarkets. I.D. Systems' Wireless Asset Net will be deployed on a fleet of material handling vehicles at Price Chopper's primary distribution center. Golub Corporation owns and operates more than 100 Price Chopper grocery stores in the northeast, with estimated 2002 sales exceeding \$2 billion. The family-owned

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company prides itself on longstanding traditions of innovative food merchandising, leadership in community service, and cooperative employee relations.

- Execution of an agreement with Avis Rent A Car System, Inc., a wholly owned subsidiary of Cendant Corporation (NYSE: CD). Avis and I.D. Systems are working together to implement the Wireless Asset Net fleet management system on Avis' 2,000-vehicle rental fleet in Puerto Rico. The technology is designed to automate various aspects of the car rental and return process, improving customer service and increasing the efficiency of fleet operations. By accurately detecting and automatically transmitting vehicle data, the Wireless Asset Net is designed to help customers get into the vehicle of their choice faster at the beginning of the rental, and help get them on their way more quickly at the end of the rental. Avis and its subsidiaries operate the world's second largest general-use car rental brand, with more than 1,700 locations worldwide.
- The appointment of Frederick "Rick" F. Muntz to the position of executive vice president, sales and marketing. Mr. Muntz brings more than 20 years of experience in high technology business development, sales and marketing, most recently as vice president of the Americas, at InVision Technologies (NASDAQ: INVN). Over the past five years, he has been responsible for generating more than \$750 million in revenue for InVision, including significant programs with the U.S. Federal Aviation Administration and Transportation Security Administration.

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 Archer Daniels Midland, DaimlerChrysler, Deere & Co., Ford Motor Company, Hallmark Cards, Target Corporation, the U.S. Department of Homeland Security, U.S. Navy, and the U.S. Postal Service, 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 letters and containers to forklifts and railcars—in real time. For more information on I.D. Systems, Inc., visit 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 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 for the current fiscal year and beyond to differ materially from those expressed in any forward looking statements made by, or behalf of, I.D. Systems.

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I.D. Systems, Inc.
Condensed Statements of Operations
(Unaudited)

	Three months ended	
	March 31,	
	2002	2003
Revenues	\$ 831,000	\$ 1,609,000
Cost of Revenues	<u>375,000</u>	<u>755,000</u>
Gross Profit	456,000	854,000
Selling, general and administrative expenses	883,000	1,083,000
Research and development expenses	<u>280,000</u>	<u>232,000</u>
Loss from operations	(707,000)	(461,000)
Interest income	51,000	86,000
Interest expense	<u>(1,000)</u>	<u>(10,000)</u>
Net loss	<u><u>\$ (657,000)</u></u>	<u><u>\$ (385,000)</u></u>
Net loss per share – basic and diluted	<u><u>\$ (0.10)</u></u>	<u><u>\$ (0.06)</u></u>
Weighted average common shares outstanding- basic and diluted loss per share	<u><u>6,444,000</u></u>	<u><u>6,804,000</u></u>

I.D. Systems, Inc.
Condensed Balance Sheets

	December 31, 2002	March 31, 2003 (Unaudited)
ASSETS		
Cash and cash equivalents	\$ 3,758,000	\$ 2,919,000
Investments	3,031,000	3,592,000
Accounts receivable, net	1,114,000	1,260,000
Inventory	1,471,000	1,073,000
Investment in sales type leases	159,000	263,000
Interest receivable	73,000	97,000
Officer loan	10,000	10,000
Prepaid expenses and other current assets	147,000	70,000
Total current assets	<u>9,763,000</u>	<u>9,284,000</u>
Investments	968,000	960,000
Fixed assets, net	679,000	683,000
Investment in sales type leases	522,000	918,000
Installment receivable - non-current portion	867,000	818,000
Officer loan	41,000	39,000
Deferred contract costs	--	63,000
Other assets	107,000	107,000
	<u>\$ 12,947,000</u>	<u>\$ 12,872,000</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 1,205,000	\$ 516,000
Long term debt – current portion	--	182,000
Line of credit	137,000	137,000
Deferred revenue	26,000	26,000
Other current liabilities	100,000	100,000
Total current liabilities	<u>1,468,000</u>	<u>961,000</u>
Long term debt	--	789,000
Deferred rent	66,000	71,000
	<u>1,534,000</u>	<u>1,821,000</u>
STOCKHOLDERS' EQUITY		
Preferred stock; authorized 5,000,000 shares, \$.01 par value; none issued		
Common stock; authorized 15,000,000 shares, \$.01 par value; issued and outstanding 6,799,000 shares and 6,811,000 shares	68,000	68,000
Additional paid-in capital	22,042,000	22,065,000
Treasury stock; 40,000 shares at cost	(113,000)	(113,000)
Accumulated deficit	(10,584,000)	(10,969,000)
	<u>11,413,000</u>	<u>11,051,000</u>
	<u>\$ 12,947,000</u>	<u>\$ 12,872,000</u>