

## FOR IMMEDIATE RELEASE

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### **I.D. Systems, Inc. Reports Third Quarter Financial Results**

Hackensack, NJ, November 6, 2003 —

I.D. Systems, Inc. (NASDAQ: IDSY) today announced financial results for the three-month and nine-month period ended September 30, 2003. Revenues for the quarter increased to \$1,743,000, up 14% over the 3<sup>rd</sup> quarter a year ago, as the company's Wireless Asset Net™ system for tracking and managing fleets of industrial equipment continued to gain market recognition. Revenues for the 9 months increased 55% to \$5,477,000. Gross profit margins for the three-month and nine-month periods remained strong and stable at 53% and 52%, respectively. Net loss for the three-month period was \$336,000, or \$.05 per basic and diluted share, compared to a net loss of \$329,000, or \$.05 per basic and diluted share, for the third quarter of 2002. Net loss for the nine months decreased 33% to \$932,000, or \$.14 per basic and diluted share, compared to \$1,391,000, or \$.21 per basic and diluted share, for the same period last year.

"I.D. Systems continues to execute on its strategic goals," said Jeffrey Jagid, the company's Chairman and Chief Executive Officer. "Our patented wireless technology continues to penetrate the market and gain market share. Our systems demonstrate a compelling return on investment for our customers, and we continue to maintain robust gross profit margins during a sustained period of double-digit revenue growth. We are especially pleased that the company not only continued to build business with existing customers during the quarter, but also added several new customers. We believe this reflects continued acceptance of our technology as a best practice for safety improvements, security enhancements, and operating cost reductions."

"I.D. Systems' financial condition remains strong and stable," added Chief Financial Officer Ned Mavrommatis. "At September 30, 2003, the company's cash, cash equivalents, and investments totaled \$8,067,000, with \$7,883,000 of working capital."

Selling, general and administrative (SG&A) expenses for the quarter were relatively flat at \$1,087,000, compared to \$1,104,000 for the quarter ended September 30, 2002. Research and development (R&D) expenses decreased slightly to \$243,000 for the quarter, from \$261,000 for the third quarter of 2002. For the nine months ended September 30, 2003, SG&A and R&D expenditures were \$3,275,000 and \$694,000, respectively, compared to \$2,801,000 and \$812,000, respectively, for the same period last year.

Highlights in the third quarter of 2003 included:

- Ford Motor Company continued its corporate-wide deployment of I.D. Systems' wireless Industrial Vehicle Electronic Control System (IVECS). The deployment plan calls for more than 20 Ford assembly and stamping plants in North America to implement IVECS on a significant portion of their material handling vehicles by the end of 2003.
- The National Shipbuilding Research Program Advanced Shipbuilding Enterprise (NSRP ASE) selected I.D. Systems' "Wireless Equipment Monitoring and Control System (WEMACS)" as one of only seven new projects to receive funding during the upcoming year. The WEMACS project exploits I.D. Systems' ongoing baseline wireless system installation at Portsmouth Naval Shipyard to further research and develop a comprehensive solution for the monitoring, control,

and utilization analysis of shipyard material handling equipment such as forklifts, straddle trucks, cranes, and similar vehicles. The I.D. Systems-led project team includes: Northrop Grumman Corporation's Ship Systems sector; the National Steel and Shipbuilding Company (NASSCO), a subsidiary of General Dynamics Corporation; and the U.S. Navy's Portsmouth Naval Shipyard. Formal work on this project has begun, and it should contribute to I.D. Systems' revenues in 2004. Specific terms of the program will be announced shortly.

- I.D. Systems added another food industry customer during the quarter. WinCo Foods, Inc., which owns and operates more than 40 grocery stores in the western United States, will implement I.D. Systems' Wireless Asset Net™ fleet management system for material handling equipment at its flagship distribution center. WinCo joins Archer Daniels Midland, Golub Corporation, and other food industry companies as I.D. Systems customers.
- Avis Rent A Car System, Inc., a wholly owned subsidiary of Cendant Corporation, began the initial installation of the first Wireless Asset Net units on its 2,000-vehicle rental car fleet in Puerto Rico. Simultaneously, I.D. Systems continued development of an extensive automated interface between the Wireless Asset Net software and Avis' Wizard rental management system. The goals of the I.D. Systems-Avis program are to automate various aspects of the car rental and return process, improve customer service, and increase the efficiency of fleet operations. Avis is the world's second largest general-use car rental brand, with more than 1,700 locations worldwide.

### **Investor Conference Call**

I.D. Systems will be holding a conference call for investors and analysts at 4:45 p.m. Eastern Standard Time on November 6, 2003. Jeffrey Jagid, chairman and CEO, Kenneth Ehrman, president and COO, Ned Mavrommatis, CFO, and Rick Muntz, executive vice president, will discuss the results of the quarter and recent corporate developments. After opening remarks, there will be a question and answer period. The conference call will be broadcast live over the Internet via the Investors section of the company's web site at [www.id-systems.com](http://www.id-systems.com). To listen to the live call, go to the web site at least 10 minutes early to download and install any necessary audio software.

### **About the Company**

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, Target Corporation, Walgreen Co., the U.S. Department of Homeland Security, the 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](http://www.id-systems.com).

Wireless Asset Net and the I.D. Systems, Inc. logo are trademarks of I.D. Systems, Inc.

“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.

— Table to follow —

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

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2002</b>	<b>2003</b>	<b>2002</b>	<b>2003</b>
Revenues	\$ 1,532,000	\$ <b>1,743,000</b>	\$ 3,541,000	\$ <b>5,477,000</b>
Cost of Revenues	617,000	<b>812,000</b>	1,585,000	<b>2,643,000</b>
Gross Profit	915,000	<b>931,000</b>	1,956,000	<b>2,834,000</b>
Selling, general and administrative expenses	1,104,000	<b>1,087,000</b>	2,801,000	<b>3,275,000</b>
Research and development expenses	261,000	<b>243,000</b>	812,000	<b>694,000</b>
Loss from operations	(450,000)	<b>(399,000)</b>	(1,657,000)	<b>(1,135,000)</b>
Interest income	123,000	<b>79,000</b>	269,000	<b>244,000</b>
Interest expense	(2,000)	<b>(16,000)</b>	(3,000)	<b>(41,000)</b>
<b>Net loss</b>	<b>\$ (329,000)</b>	<b>\$ (336,000)</b>	<b>\$ (1,391,000)</b>	<b>\$ (932,000)</b>
<b>Net loss per share - basic and diluted</b>	<b>\$ (0.05)</b>	<b>\$ (0.05)</b>	<b>\$ (0.21)</b>	<b>\$ (0.14)</b>
<b>Weighted average common shares outstanding - basic and diluted loss per share</b>	<b>6,799,000</b>	<b>6,898,000</b>	<b>6,682,000</b>	<b>6,845,000</b>

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