

FOR IMMEDIATE RELEASE

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**I.D. Systems Is Awarded Patent for RFID-Based
Rental Car Fleet Management System**

Hackensack, NJ, May 11, 2005 —

I.D. Systems, Inc. (NASDAQ: IDSY), a leader in wireless RFID-based asset tracking and management solutions, announced today that it has been awarded a United States patent for a fully automated wireless vehicle rental and return system designed to enhance the car rental experience for consumers and increase security, reduce operational costs, and increase revenues for car rental companies.

The patented system starts with an automated in-vehicle check-out process. Sensors automatically track and wirelessly transmit vehicle mileage and fuel level, as well as location and status on the rental lot. A unique radio frequency communication architecture prevents interference during multiple sensor transmissions. System software further automates various rental processes, such as vehicle readiness updates and vehicle return status. A customer-friendly in-vehicle payment method is also included in the patent.

I.D. Systems expects the patent to help it further penetrate the market for wireless rental fleet management technology.

“The patent validates the originality of our concept to fully automate the car rental, return, and fleet management processes,” stated Jeffrey Jagid, I.D. Systems’ chairman and chief executive officer. “Our vision of the rental industry in the future is one in which customers take more control of their own rental experience and rental companies enjoy significant cost savings and revenue enhancements through wireless automation of their operations. We believe our technology is capable of revolutionizing the car rental industry in the same way on-line ticketing and electronic check-in have transformed the airline industry.”

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 Avis Rent A Car System, Inc., Archer Daniels Midland, Daimler Chrysler, Deere & Co., Ford Motor Company, General Dynamics, Hallmark Cards, Northrop Grumman, Target Corporation, Walgreen Co., the U.S. Navy, the U.S. Postal Service, and the U.S. Transportation Security Administration, 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 forklifts and cranes to automobiles and trucks to complex fixed machinery — 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 made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and 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 to differ materially from those expressed in any forward looking statements made by, or on behalf of, I.D. Systems. I.D. Systems assumes no obligation to update the information contained in this press release.

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