



FOR IMMEDIATE RELEASE

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I.D. Systems Common Stock Chosen for Russell Microcap Index

Hackensack, NJ, July 14, 2005 —

I.D. Systems, Inc. (NASDAQ: IDSY), a leader in RFID-based wireless asset tracking and management solutions, today announced that it has been selected for inclusion in the Russell Microcap™ Index, a new investment tool that will track the performance of 2,000 small companies representing approximately 3% of the U.S. equity market. Companies are selected for the Russell Microcap Index based on market capitalization, ranging from approximately \$55 million to \$500 million.

“Microcaps have outperformed small caps in three of the past four years, and the cumulative four-year gap is impressive,” said Steve Swartley, senior manager research analyst at Russell. “This performance gap shows the importance of using a distinct benchmark that accurately captures this dynamic segment of the market.”

The new microcap benchmark reflects a four-year return of 73.6%, compared to 43.8% for small caps.

“We are very pleased to have earned a position in the new Russell Microcap Index – we think it is a testament to the success and growth of our company,” said Ned Mavrommatis, I.D. Systems’ chief financial officer. “We believe our inclusion in this index will increase I.D. Systems’ visibility with investors and institutions that rely on the Russell indexes as part of their investment strategy.”

About Russell

Russell Investment Group, a global leader in multi-manager investing, provides investment products and services in more than 39 countries. Russell manages more than \$133 billion in assets and advises clients worldwide representing more than \$2.3 trillion. Founded in 1936, Russell is a subsidiary of Northwestern Mutual and is headquartered in Tacoma, Washington. Visit Russell online at www.russell.com.

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 3M Company, American Axle, Archer Daniels Midland, DaimlerChrysler, 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 — 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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