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I.D. Systems Improves Location Tracking for Mobile Assets *Greater Customer Benefits, Higher Return on Investment Expected*

Hackensack, NJ, July 13, 2005 —

I.D. Systems, Inc. (NASDAQ: IDSY) today announced that its RFID-based equipment tracking and management system, the Wireless Asset Net™, has been enhanced with greater location tracking accuracy. The system can now pinpoint the location of mobile assets to within 20 feet – indoors as well as outdoors – to analyze movements, increase security, improve operational efficiencies, and enforce safety regulations. The enhanced system is currently being deployed in multiple applications, including rental car fleet management, homeland security, and material handling equipment management in manufacturing and distribution facilities.

“We expect that this more accurate location tracking capability will help our customers generate an even greater return on investment in our technology,” said Greg Smith, I.D. Systems’ vice president of marketing. “Customers will be able to analyze more precise historical travel paths of equipment to gain new insights into facility layout, identify inefficiencies like high-traffic bottlenecks, and better measure fleet productivity. Precise visibility of asset location can also make a significant impact in managing safety and security issues.”

The system’s high degree of indoor location-tracking accuracy is technically significant because it does not rely on costly, high-bandwidth interconnections with centralized data-processing computers – as required by other types of real-time locating systems – and because it is accomplished through the use of radio frequency (RF) technology only, not GPS (the Global Positioning System). GPS works outdoors only, not indoors.

For applications that require combined indoor-outdoor location tracking, such as airport vehicle security and mail processing/distribution, the Wireless Asset Net offers an optional GPS receiver to provide highly accurate outdoor location data to supplement its RF-based indoor location tracking capability.

“The technical innovations we’ve introduced to the RF communication architecture of the Wireless Asset Net not only deliver a high degree of location accuracy, but they do so in a cost-effective way,” said Michael Ehrman, I.D. Systems’ executive vice president of engineering. “This balance we’ve achieved between location accuracy, data bandwidth, and system cost is critical for mobile asset management applications.”

About The Wireless Asset Net

I.D. Systems’ patented Wireless Asset Net consists of vehicle-mounted wireless computers called Vehicle Asset Communicators (VACs), an RFID-based wireless communication infrastructure consisting of Gateways and Beacons, and client-server software for access control, utilization analysis, location tracking, and many other functions. The system is designed to improve safety by restricting vehicle access to trained and authorized operators (as required by OSHA) and providing electronic safety inspection checklists. The system is designed to reduce maintenance costs by automatically uploading vehicle data, reporting problems identified on checklists in real time, scheduling maintenance according to actual vehicle usage rather than on a calendar basis, and helping management determine the optimal economic time to replace equipment. The Wireless Asst Net also incorporates many tools designed to increase the utilization of equipment and the productivity of equipment operators.

How the Wireless Asset Net Tracks Location

The Wireless Asset Net's improved location tracking accuracy is a result of new system hardware (Beacons), new VAC firmware, and an updated Graphical Viewer user software module. By continually triangulating (weighing relative signal strength and message throughput from multiple Gateways and Beacons), the VAC constantly calculates its own location, stores time-stamped "location records" in its own memory, and transmits that low-bandwidth data via RF to Gateways, which in turn populate the system database with the location data. The Graphical Viewer software translates the data into asset icons on a digitized map of the facility in which the system is deployed. Asset locations can be viewed both historically and in real time.

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.

Editorial Note

In support of this announcement, high-resolution electronic images suitable for publication are available upon request.

Trademarks

I.D. Systems, Inc. and Wireless Asset Net are registered or pending 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 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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