

I.D. Systems to Partner With Spectro Inc. to Develop Equipment Health Monitoring Technology for the U.S. Army

WOODCLIFF LAKE, N.J., May 31, 2011 (GLOBE NEWSWIRE) -- I.D. Systems, Inc. (Nasdaq:IDSY), a leading provider of wireless asset management solutions, today announced that it has partnered with Spectro Inc., a subsidiary of QinetiQ North America (LSE: QQ), one of the world's leading defense and security technology companies, to participate in a research and development contract for the U.S. Army Aviation Applied Technology Directorate. Under the contract, I.D. Systems will integrate its commercial-off-the-shelf (COTS) wireless equipment management technology with Spectro's oil analysis sensing and machine health monitoring technologies, with the goal of providing real-time, intelligent information on the oil condition of U.S. Army helicopters.

"Planned maintenance, based on timely data and predictive analytics, is critical to maximize rotorcraft uptime and mission readiness, especially for our Apache and Blackhawk helicopters deployed in forward operating areas," said John Moffatt, Project Manager for the U.S. Army Aviation Applied Technology Directorate. "Intelligent maintenance practices are also critical in keeping the Army's costs down in the face of increasing budget pressures. This project seeks to combine wireless communications with advanced oil analysis for our rotorcraft fleet to increase the velocity of actionable maintenance information and enhance the predictability of maintenance issues before they lead to costly downtime."

Mitch Shikowitz, Director of Business Development for Spectro, added, "Existing Health Usage Monitoring Systems (HUMS) and Condition Based Maintenance (CBM) help protect the Army's rotorcraft fleet, but the focus of HUMS has been vibration and stress monitoring. We envision this project's development of an intelligent, real-time oil monitoring system—backed by state-of-the-art data mining—as a valuable extension of current HUMS technologies".

"Ultimately," Mr. Shikowitz concluded, "we want to change the way machine oil analysis is viewed—in both military and commercial applications—as a best practice that utilizes oil analysis as a cost effective maintenance tool to track machine condition and equipment wear. By quickly and effectively identifying, analyzing, and communicating information about machine condition, we aim to significantly improve maintenance planning, reduce the frequency and cost of repairs, and optimize asset uptime."

"We are pleased to team with Spectro and QinetiQ North America, which are world-class technology providers, to develop such a high-value potential solution for our armed services," said Kenneth Ehrman, President of I.D. Systems. "In addition to building a smart, wireless, on-craft communication module for this project, we will be creating middleware and a graphical user interface to help correlate the real-time machine oil data to an extensive historical database of oil-related maintenance prognostics. We view this effort as having upside potential for many applications, in both government and industrial environments."

About I.D. Systems

Based in Woodcliff Lake, New Jersey, with subsidiaries in Germany and the United Kingdom, I.D. Systems is a leading provider of solutions for securing, controlling, tracking, and managing high-value enterprise assets, including vehicles, powered equipment, trailers, containers, and cargo. The Company's patented technologies address the needs of organizations to monitor and analyze their assets to improve safety, security, efficiency, and productivity. For more information, visit www.id-systems.com.

About Spectro Inc.

Spectro Inc., a subsidiary of QinetiQ North America, is enabling the fast-growing field of predictive equipment maintenance, with the most innovative oil analysis instruments for the lab and in the field. Reliability and maintenance engineers around the world use Spectro's instruments to monitor in-use oil to keep vital equipment finely tuned and running at peak performance. The benefits include reduced costs, improved safety, greater overall equipment effectiveness and greener operations. Spectro's instruments are at work in the military, power, mining, marine and many other critical industries. With more installed units and more experience than any other company in the business, Spectro Inc. is the choice of laboratories and predictive maintenance programs worldwide. For more information, please visit www.spectroinc.com

"Safe Harbor" Statement:

This press release contains forward looking statements within the meaning of federal securities laws. Forward-looking statements include statements with respect to I.D. Systems' beliefs, plans, goals, objectives, expectations, anticipations, assumptions, estimates, intentions, and future performance, and involve known and unknown risks, uncertainties and other factors, which may be beyond I.D. Systems' control, and which may cause its actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. All statements other than statements of historical fact are statements that could be forward-looking statements. For example, forward-looking statements include: statements regarding prospects for additional customers; market forecasts; projections of earnings, revenues, synergies, accretion or other financial information; and plans, strategies and objectives of management for future operations, including integration plans in connection with acquisitions. The risks and uncertainties referred to above include, but are not limited to, future economic and business conditions, the loss of key customers or reduction in the purchase of products by any such customers, the failure of the market for I.D. Systems' products to continue to develop, the possibility that I.D. Systems may not be able to integrate successfully the business, operations and employees of acquired businesses, the inability to protect I.D. Systems' intellectual property, the inability to manage growth, the effects of competition from a variety of local, regional, national and other providers of wireless solutions, and other risks detailed from time to time in I.D. Systems' filings with the Securities and Exchange Commission, including its annual report on Form 10-K for the year ended December 31, 2010. These risks could cause 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, and expressly disclaims any obligation to do so, whether as a result of new information, future events or otherwise.

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