

Image Sensing Systems, Inc.
500 Spruce Tree Centre
1600 University Avenue West
Saint Paul, Minnesota 55104-3825

NEWS RELEASE

Contact: Art Bourgeois, Chief Financial Officer
Image Sensing Systems, Inc. Phone: 612.603.7700

FOR IMMEDIATE RELEASE

Image Sensing Systems Announces First Quarter Results

Saint Paul, Minn., April 24, 1998-- Image Sensing Systems, Inc. (NASDAQ/Small Cap: ISNS), a maker of video-based traffic management systems, announced today financial results for its first fiscal quarter ended March 31, 1998.

Revenue for the first quarter was \$758,000, down 16% from \$905,000 for the same period a year ago. The decrease in revenue for the quarter was due primarily to fewer sales of Autoscope® systems, ISS's cornerstone product, by ISS directly to overseas customers and by Econolite Control Products, Inc., its North American distributor. In the first quarter of 1997, both ISS and Econolite had relatively large orders that did not recur in the first quarter of 1998.

Net income for the quarter was \$2,000 or \$.00 per share versus \$5,000 or \$.00 per share for the comparable period in 1997. The \$3,000 decrease in net income was due primarily to the revenue decrease, offset in part by less operating costs. Operating costs for the quarter were less than a year ago as the Company incurred no research and development costs. Instead, efforts were entirely devoted to software development for the new Autoscope Solo product. Costs related to this effort totaled \$259,000 and were capitalized.

Dr. Spiro G. Voglis, President and Chief Executive Officer, said, "We are very satisfied with operating results for the first quarter. We have now had six consecutive profitable quarters. It was pleasing to see that we were still able to generate a profit in the first quarter even though we were not able to duplicate the two large sales that resulted in revenue of over \$377,000 in the first quarter of 1997."

ISS develops and markets products using video image processing technology for use in advanced traffic management systems and traffic data collection to reduce congestion and improve roadway planning. Also known as machine vision or artificial vision, video image processing uses video cameras and computers to emulate the function of the human eye and is used in a variety of industrial applications. ISS has combined its proprietary machine vision technology, consisting of complex algorithms, software, and special purpose hardware, with commercially available computer hardware and video cameras to create a system that collects, processes, and analyzes video images.

Three-Month Periods Ended March 31, 1998 and 1997

(Dollars in thousands except per share amounts)

	<u>1998</u>	<u>1997</u>
Revenue	\$758	\$905
Operating (loss)	(28)	(23)
Net income	2	5
Net income (loss) per share	\$ -0-	\$ -0-
Weighted average number of common shares and dilutive potential common shares outstanding	2,478,000	2,475,000

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