

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: 612.603.7709**

FOR IMMEDIATE RELEASE

Image Sensing Systems Announces New CEO

Saint Paul, Minn., May 18, 1998-- Image Sensing Systems, Inc. (ISS) announced today that Dr. Spiro Voglis, its president and chief executive officer, will retire June 10, 1998. Named to replace Dr. Voglis is William L. Russell, 49, who has been the president of Peek Traffic U.S.A., a \$52 million subsidiary of Peek plc, based in Henley, England.

A committee made up of ISS Board members was established to find a replacement for Voglis, 59, who has been with ISS for five years and has been CEO since 1994, after Voglis decided to retire and move back to his native Greece.

During Voglis's term as president he helped bring the company public in May 1995, giving it organizational structure and focus in a highly competitive industry. During Voglis's last year (1997), ISS reported record revenues of 4.3 million, up 36% from 3.2 million in 1996, while generating earnings of \$487,000 (\$.20 per share) compared to a loss of \$1,038,000 (\$.42 per share) in 1996.

Bill Russell began his career in traffic management in 1967 with Econolite Control Products, Inc., which is currently ISS's exclusive manufacturer and sales distributor in the U.S. Russell has held a number of executive positions in traffic management. In 1992, Russell was named general manager of Peek Traffic Sarasota and was promoted to president of Peek Traffic U.S.A. in 1993. Peek develops and installs equipment to monitor and regulate traffic flow in metropolitan areas.

Looking ahead, Dr. Panos Michalopoulos, founder and chairman of ISS, said, "I am impressed with Bill's strong traffic management expertise and experience and believe he is well positioned to take ISS to another level in a dynamic, growing industry."

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.

###