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NEWS RELEASE

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FOR IMMEDIATE RELEASE

Image Sensing Systems, Inc. Announces First Quarter Results

Saint Paul, Minn., April 26, 1999-- 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, 1999.

Revenues for the first quarter of 1999 were \$1,156,000, an increase of 53% from \$758,000 for the same period a year ago. Net income for the quarter was \$55,000 or \$.02 per share versus \$1,000 or \$.00 per share for the comparable period in 1998.

The increase in first quarter revenues was due primarily to more sales of Autoscope® systems by both Image Sensing Systems, Inc. and by its North American distributor, Econolite Control Products, Inc. Econolite reported a significant sale representing a 33 system extension of an existing project in Michigan. The \$54,000 increase in net income was due primarily to the revenue increase, offset in part by increased operating expenses. Operating expenses for the quarter were higher primarily due to increased efforts in research and development and business development.

William L. Russell, President and Chief Executive Officer, said, "We are extremely pleased with operating results for the first quarter, our tenth consecutive profitable quarter. It was particularly gratifying to see that Econolite sales in the first quarter resulted in royalties to the Company which were greater than expected. Asian sales were also better than expected with 12 units sold in the first quarter of 1999 versus zero units sold in the comparable period a year ago."

Mr. Russell added, "We are seeing evidence that the \$198 billion U. S. Transportation bill signed into law in 1998 is providing local transportation authorities with more funding for deployment of Intelligent Transportation Systems (ITS). As more ITS projects are funded and deployed, the more opportunities Econolite will have to sell the Company's Autoscope products. Royalties from Econolite in the fourth quarter of 1998 and the first quarter of 1999 are clear evidence of increased spending for ITS. We are guardedly optimistic that this trend will continue. Additionally, we are seeing heightened ITS activity in Asia and Europe where Autoscope is particularly attractive."

Image Sensing Systems' Autoscope® wide area video vehicle detection system collects a broad range of traffic data including volume, speed, roadway occupancy, headways, ramp queue lengths and vehicle classification. ISS has more than 2,800 Autoscope systems installed in 30 countries around the world, including a large number of U.S. sites.

Based in Saint Paul, Minnesota, Image Sensing Systems, Inc. is the world leader in products applying video imaging technology for implementation in advanced traffic management systems (ATMS), freeway incident detection and traffic data collection to help reduce traffic congestion and improve roadway planning. The Company's cornerstone Autoscope products provide traffic managers the means to reduce

roadway congestion, improve roadway planning and increase cost efficiencies. The Company is particularly suited to provide technical solutions to the emerging ITS market worldwide.

Statements regarding the Company's anticipated performance for 1999 are forward-looking and therefore involve risk and uncertainties, including but not limited to: the ability and willingness of governmental agencies responsible for roadway planning to invest in Autoscope machine vision technology for advanced traffic management, the impact of new products introduced by competitors, higher than expected expenses to establish a worldwide marketing presence and the ability of the Company's North American manufacturing and distribution partner, Econolite Control Products, Inc., to adequately manufacture and effectively market the Autoscope system and to pay royalties owed the Company for sales of the Autoscope system.

Three-Month Periods Ended March 31, 1999 and 1998

(Dollars in thousands except per share amounts)

	<u>1999</u>	<u>1998</u>
Revenue	\$1,156	\$ 758
Operating income (loss)	39	(28)
Net income	55	1
Net income per share-basic and diluted	\$ 0.02	\$0.00
Weighted average number of common shares outstanding:		
Basic	<u>2,479,000</u>	<u>2,478,000</u>
Diluted	<u>2,531,000</u>	<u>2,478,000</u>

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