



500 Spruce Tree Centre
1600 University Avenue West
St. Paul, Minnesota 55104-3825 USA
651.603.7700 Fax: 651.603.7795
www.imagesensing.com

**Contacts: William L. Russell, Chairman & CEO, Image Sensing Systems, Inc.
Phone: 651.603.7700**

**Karen J. Snedeker, Managing Director, BlueFire Partners
Phone: 612.344.1024**

FOR IMMEDIATE RELEASE

IMAGE SENSING SYSTEMS, INC. ANNOUNCES STOCK DIVIDEND

SAINT PAUL, MINN. — March 29, 2000 — Image Sensing Systems, Inc. (ISS) (Nasdaq SmallCap: ISNS) announced today that its Board of Directors has approved a 20 percent dividend to be paid in the form of additional shares of the Company's common stock.

Stockholders of record at the close of business on April 17, 2000, will receive one additional share of common stock for each five shares of common stock held by them on that date with any fractional share paid in cash. The company's transfer agent will mail the new stock certificates representing the additional shares on or about May 1, 2000.

Currently the company has 2,488,950 shares of common stock outstanding. The stock dividend will increase the number of shares outstanding to 2,977,140.

Bill Russell, Chairman and CEO of ISS, commented, "The Board of Directors authorized this dividend because they believe it will benefit shareholders by obtaining a wider distribution for the stock and improving its marketability. This stock dividend reflects the continued strength and growth of Image Sensing Systems and allows our shareholders to participate in the company's success, especially those who have been investors over the long term."

Based in Saint Paul, Minn., Image Sensing Systems, Inc., the developer and marketer of Autoscope®, is the world leader in products applying video imaging technology for implementation in advanced traffic management systems (ATMS). Autoscope functionality includes intersection detection, freeway incident detection and traffic data collection to help reduce traffic congestion, fuel consumption, air pollution, travel time, enhance motorist safety and improve roadway planning. ISS has more than 3,000 Autoscope systems installed in more than 30 countries around the world, including a large number of U.S. cities. The Company is particularly suited to provide technical solutions to the emerging Intelligent Transportation Systems market worldwide.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: This report contains "forward-looking statements" made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. There are certain factors that could cause results to differ materially from those anticipated by some of the statements made, as listed in the Company's 1999 Annual Form 10-KSB.

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