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NEWS RELEASE

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FOR IMMEDIATE RELEASE

IMAGE SENSING SYSTEMS, INC. ANNOUNCES FIRST QUARTER UNAUDITED RESULTS

SAINT PAUL, Minn., April 26, 2000 — Image Sensing Systems, Inc. (ISS) (Nasdaq SmallCap: ISNS) market leading developer and manufacturer of video-based traffic management systems, announced today financial results for its first fiscal quarter ended March 31, 2000.

Net income for the quarter was \$85,000, or \$.03 per share, compared with \$55,000, or \$.02 per share, for the comparable period in 1999. Revenues for the first quarter of 2000 were \$1,095,000, a decrease of 5 percent from \$1,156,000 for the same period a year ago.

The decrease in first quarter revenues was due primarily to minor delays in receiving international orders, as well as delays in shipments of existing Asian projects by third parties. The expected operating results were due to front-end loaded business development and technology spending, which is typical of the beginning of a new business year and in line with the plan for fiscal year 2000. The \$30,000 increase in net income was due primarily to recognition of certain tax benefits.

Bill Russell, Chairman and CEO of ISS said, "We are satisfied with first quarter results, especially following a very strong fourth quarter. Our balance sheet is healthy and we continue to have a strong cash position. We expect the international business development effort to yield good results in the near term as evidenced by the successes recently announced."

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 ITS 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.

Three-Month Periods Ended March 31, 2000 and 1999
(Dollars in thousands except per share amounts)

	<u>2000</u>	<u>1999</u>
Revenue	\$1,095	\$1,156
Operating income (loss)	(61)	39
Net income	85	55
Net income per share-basic and diluted	\$0.03	\$0.02
Weighted average number of common shares outstanding:		
Basic	<u>2,512,200</u>	<u>2,479,000</u>
Diluted	<u>2,725,200</u>	<u>2,531,000</u>

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