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NEWS RELEASE

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FOR IMMEDIATE RELEASE

Image Sensing Systems Announces First Quarter Financial Results

Saint Paul, Minn.,-May 15, 2002-Image Sensing Systems, Inc. (ISS) (NASDAQ Small Cap: ISNS) market leading developer and manufacturer of video-based traffic management systems, announced today financial results for its first quarter ended March 31, 2002.

Income before restructuring cost for the quarter was \$ 42,000 or \$.01 per share compared with a net loss of \$224,000 or \$.07 per share for the comparable period in 2001. After taking into account non-recurring restructuring charges the Company reported a loss of \$226,000 or \$.07 per share.

It was determined the Company no longer had the financial resources to continue its strategy outside of machine vision without continuing losses for the foreseeable future. The Board elected to halt all marketing activity not related to machine vision and bring in new management to oversee the restructuring of the Company and to refocus on the Company's strength.

Jim Murdakes, new Chairman, and acting CEO said, "We are happy with the first quarter results considering the extraordinary restructuring cost this quarter. Restructuring has been completed in April."

Our major partner, Econolite Control Products, Inc., will report even a stronger position going forward and with the significant cost reduction the Company has experienced, ISS should yield good results in the near term.

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 also offers a suite of products that provide

wireless transmission of video, data, and audio in a variety of markets. The Company's cornerstone Autoscope® products provide traffic managers the means to reduce roadway congestion, improve roadway planning, and increase cost efficiencies. Econolite Control Products, Inc., based in Anaheim, California, has been the exclusive distributor of Autoscope products throughout North America since 1991. Image Sensing Systems, Inc. and Econolite Control Products, Inc. are particularly suited to provide technical solutions to the emerging intelligent transportation systems and security markets 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 2001 Annual Form 10-KSB.

Three Month Periods Ended March 31, 2002 and 2001 (in thousands, except per share information)

	<u>2002</u>	<u>2001</u>
Revenue	\$1,610	\$1,433
Operating (loss)	(229)	(249)
Net Loss	(226)	(224)
Net loss per share-basic and diluted	(.07)	(.07)
Weighted average number of common shares outstanding:		
Basic and diluted	3,152,800	3,014,600

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