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NEWS RELEASE

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FOR IMMEDIATE RELEASE

Image Sensing Systems Named One of Minnesota's Fastest Growing Technology Companies

Saint Paul, Minn., October 14, 2004--Image Sensing Systems, Inc. (ISS) (NASDAQ Small Cap: ISNS) announced today that the company has been named to the Technology Fast 50 Program for Minnesota, a ranking of the fifty fastest growing technology companies in the area by Deloitte & Touche LLP. This year's award makes ISS a three time winner, having previously won in 2003 and 1998. Rankings are based on the percentage of growth in fiscal year revenues over the previous five years, from 1999 to 2003.

James Murdakes, Chairman and CEO, gives the company's employees and strategic partners credit for their dedication in pioneering technology in uncharted waters and for the 94 percent revenue growth from 1999 to 2003. He said, "Technology is the essence for growth and it takes vision along with focused product development and key strategic partners all working together, to achieve that growth and to continue moving forward."

The company's revenues grew from \$4.772 Million in 1999 to \$9.259 Million in 2003, a 94 percent increase, which qualified ISS for the 2004 Technology Fast 50 for Minnesota.

To qualify for the Minnesota Fast 50, companies must have had operating revenues of at least \$50,000 in 1999 and \$1,000,000 in 2003, must be public or private companies headquartered in Minnesota and be a "technology company" defined as owning proprietary technology that contributes to a significant portion of the company's operating revenues and/or devoting a significant proportion of revenues to research and development of technology.

Winners of the 18 regional Technology Fast 50 programs in the United States and Canada are automatically entered in the Deloitte Technology Fast 500 program, which ranks North America's top 500 fastest growing technology companies.

Headquartered in St. Paul, Minnesota, Image Sensing Systems, Inc. combines expertise in image processing, hardware and software engineering, and communications to develop video vehicle detection systems for traffic management and control applications. The Autoscope vehicle detection system is the world leader in video detection for advanced traffic management systems for highways, tunnel incident detection, intersection control and traffic data collection. The Autoscope system provides traffic managers the means to reduce roadway congestion, improve roadway planning and improve cost efficiencies. www.imagesensing.com

Deloitte, one of the nation's leading professional services firms, provides audit, tax, financial advisory services and consulting through nearly 30,000 people in more than 80 U.S. cities. "Deloitte" refers to the associated partnerships of Deloitte & Touche USA LLP (Deloitte & Touche LLP and Deloitte Consulting LLP) and subsidiaries. Deloitte is the US member firm of Deloitte Touche Tohmatsu. For more information, please visit Deloitte's web site at www.deloitte.com/us.

Safe Harbor Statement: Statements made in this release concerning the Company's or management's intentions, expectations, or predictions about future results or events are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements reflect management's current expectations or beliefs, and are subject to risks and uncertainties that could cause actual results or events to vary from stated expectations, which variations could be material and adverse. Factors that could produce such a variation include, but are not limited to, the following: the inherent unreliability of earnings, revenue and cash flow predictions due to numerous factors, many of which are beyond the Company's control; developments in the demand for the Company's products and services; relationships with the Company's major customers and suppliers; unanticipated delays, costs and expenses inherent in the development and marketing of new products and services; the impact of governmental laws and regulations; and competitive factors. Our forward-looking statements speak only as of the time made, and we assume no obligation to publicly update any such statements. Additional information concerning these and other factors that could cause actual results and events to differ materially from the Company's current expectations are contained in the Company's Form 10-KSB for the year ended December 31, 2003.

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