



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

NEWS RELEASE

**Contacts: Craig A. Anderson, Vice President Marketing & Technical Services
Image Sensing Systems, Inc. Phone: 651.603.7700**

FOR IMMEDIATE RELEASE

Image Sensing Systems Named One of the Fortune Small Business 100

Saint Paul, Minn., June 30, 2005--Image Sensing Systems, Inc. (ISS) (NASDAQ Small Cap: ISNS) announced June 20th that Fortune Small Business has ranked ISS 24th on the fifth annual FSB 100 list of the 100 fastest growing small companies in America. The list, which is comprised of public companies, appears in the July/August issue of FORTUNE Small Business, available on newsstands July 4 and at www.fsb.com.

This is the first time ISS has been named to the FSB 100. James Murdakes, CEO, says, "We have had similar recognition at the local level before, but it is more special to receive this recognition on a national level and to be ranked among the top 25 in the country. As the great entertainer Jackie Gleason once said, "How sweet it is." It's a great honor for all our employees and strategic partners who have contributed to our achieving this recognition."

To compile the list, FORTUNE Small Business asked financial research firm Zacks to screen annual reports for public companies with annual revenue of less than \$200 million and a stock price of more than \$1. Within that group, companies were ranked based on the past three years' earnings growth, revenue growth, and stock performance. Real estate firms and banks, which had begun to override the list in recent years, were not considered for the list this year.

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

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, 2004.

###