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Iteris, Inc. Awarded \$2.0 Million Contract by LA County South Bay Cities to Prioritize and Implement Measure R Highway Fund Projects

-- Iteris to lead program management for implementation of over \$900 Million Transportation infrastructure projects.--

Santa Ana, Calif. – July 06, 2010 -- Iteris, Inc. (NYSE Amex: ITI), a leader in the traffic management market that focuses on the application and development of advanced technologies, today announced that the company has been awarded a major contract to assist the South Bay Cities Council of Governments (SBCCOG) located in Los Angeles County to develop an Implementation Plan and provide Program/Project Management for the South Bay Measure R Highway Program. Building on previous transportation study recommendations and needed gap closures this work will help move transportation projects forward rapidly in partnership with Caltrans. Iteris will also assist South Bay cities in facilitating document completion and streamlining the construction process. This project will employ a monitoring system to track progress and provide early identification of implementation obstacles. The three year contract, with funding provided from South Bay Measure R Highway funds through the Los Angeles County Metropolitan Transportation Authority (METRO) has a total value of \$2.0 million.

Measure R is a one-half cent sales tax approved by Los Angeles County voters in November, 2008 to meet the transportation needs of Los Angeles County. Metro oversees the distribution of the funds. The South Bay sub region is expected to receive approximately \$906 million over the 30- year life of Measure R. Although Measure R is expected to provide a significant amount of funding to the South Bay, the intent of this program is also to leverage the Measure R funds with other available and possible new revenue sources.

“Iteris has a long history of assisting the South Bay Cities on transportation projects,” said Abbas Mohaddes, president and chief executive officer of Iteris. “We are delighted to provide our services with this significant assignment to help implement such a significant program to improve mobility in this important region of Los Angeles County.” Mr. Mohaddes continued, “Additionally, this contract award is an excellent example of how local transportation projects continue to receive funding in these challenging economic times.”

“Voters have remained committed to improving the quality of their transportation systems,” stated Judith Mitchell, Chair, South Bay Cities Council of Governments and Councilmember in the City of Rolling Hills Estates. “We are looking forward to working with Iteris with the ultimate goal of reducing traffic congestion while improving commutes and the quality of life for South Bay travelers.”

The Measure R Ordinance specifies that South Bay Highway funds are to be used to complete freeway ramp and interchange operational improvements on four freeways and adjacent arterials.

The project includes the following four main components:

- Development of an Implementation Plan, including project prioritization and determination of freeway operations nexus
- Development and management of a web-based Program/Project Monitoring System
- Working with the implementing agencies to complete all pre-final design work and environmental documents
- Provision of technical/process assistance to the implementing agencies on selected projects

About Iteris, Inc.

Iteris, Inc. is a leader in the traffic management market focused on the development and application of advanced technologies that reduce traffic congestion, minimize the environmental impact of traffic congestion, and improve the safety of surface transportation systems. Combining outdoor image processing, traffic engineering, and information technology, Iteris offers a broad range of Intelligent Transportation Systems and driver safety solutions to customers worldwide. Iteris is headquartered in Santa Ana, California with offices throughout North America, and in Europe and Asia. Investors are encouraged to contact us at 888-329-4483, or at www.iteris.com.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: This release may contain forward-looking statements, which speak only as of the date hereof and are based upon our current expectations and the information available to us at this time. Words such as "believes," "anticipates," "expects," "intends," "plans," "seeks," "estimates," "may," "will," "can," and variations of these words or similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to, statements about the success and timing of this project and our future prospects.

Important factors that may cause such a difference include, but are not limited to our ability to specify, develop, and complete our technologies in a timely manner; budget constraints and changing governmental priorities; the timing and successful completion of this contract; the potential unforeseen impact of product and service offerings from competitors and other competitive or governmental pressures; and the general economic, political, and specific conditions in the markets we address. Further information on Iteris, Inc., including additional risk factors that

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may affect our forward looking statements, is contained in our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K, and our other SEC filings that are available through the SEC's website (www.sec.gov).

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