



January 24, 2005

## Encision's 3Q Revenue Rises 17%

Boulder, Colorado, January 24, 2005 -- Encision Inc. (Amex: ECI), a medical device company with patented surgical technology emerging as a standard of care in minimally-invasive surgery, announced financial results for its third fiscal quarter ended December 31, 2004.

For its third fiscal quarter, Encision's revenues increased by 17% to \$2.1 million compared to \$1.8 million for last year's third fiscal quarter. Net loss for the third fiscal quarter was \$(143,000), or \$(0.02) per share, compared to net income of \$3,000, or \$0.00 per share, for last year's third fiscal quarter. Gross profit as a percent of sales decreased to 56% in the third fiscal quarter versus 59% in the third fiscal quarter of 2003. Operating expenses for the third fiscal quarter this year increased by 26% to \$1.33 million compared to \$1.06 million in the third fiscal quarter last year.

The increase in operating expenses for the third fiscal quarter this year compared to the third fiscal quarter last year was a result, primarily, of compensation for increased sales employees, increased commissions as a result of higher revenue, and compensation for additional engineers to support development of refinements to the company's product line.

Jack Serino , President and CEO of Encision said, "During the third quarter ended December 31, 2004 , we continued to see a trend in increased revenues from sales to new hospital customers and expanded sales in existing hospitals as our network of direct and independent sales representatives became more proficient. We anticipate increased revenue for our full fiscal year that ends March 31, 2005 ."

Encision Inc. designs, develops, manufactures and markets patented surgical instruments that provide greater safety to patients undergoing minimally-invasive surgery. Based in Boulder , Colorado , the Company pioneered the development of patented AEM® Laparoscopic Instruments to improve electrosurgery and reduce the chance for patient injury in minimally invasive surgery.

*In accordance with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, the Company notes that statements in this press release and elsewhere that look forward in time, which include everything other than historical information, involve risks and uncertainties that may cause actual results to differ materially from those indicated by the forward-looking statements. Factors that could cause the Company's actual results to differ materially include, among others, its ability to increase revenues through the Company's distribution channels, insufficient quantity of new account conversions, insufficient cash to fund operations, scale up production to meet delivery obligations, delay in developing new products and receiving FDA approval for such new products and other factors discussed in the Company's filings with the Securities and Exchange Commission.*

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ENCISION INC.

Condensed Balance Sheets

(Unaudited)

December 31,

March 31,

	2004	2004
Cash and cash equivalents	\$1,287,000	\$1,357,000
Total current assets	3,550,000	3,432,000
Total assets	3,985,000	3,884,000
Current liabilities	958,000	839,000
Shareholders' equity	3,023,000	3,030,000
Total liabilities and shareholders' equity	\$3,985,000	\$3,884,000

ENCISION INC.

Statements of Operations

(Unaudited)

Three months ended December 31,

	2004	2003
Net revenue	\$2,098,000	\$1,791,000
Cost of revenue	914,000	732,000
Gross profit	1,184,000	1,059,000
Gross margin	56.4%	59.1%
Operating expenses	1,327,000	1,057,000
Operating (loss) income	(143,000)	2,000
Net (loss) income	\$(143,000)	\$3,000
Net (loss) income per Share	\$(.02)	\$.00

Nine months ended December 31,

	2004	2003
Net revenue	\$5,927,000	\$5,373,000
Cost of revenue	2,532,000	2,237,000
Gross profit	3,395,000	3,136,000
Gross margin	57.3%	58.4%
Operating expenses	3,886,000	3,062,000
Operating (loss) income	(491,000)	74,000
Net (loss) income	\$(491,000)	\$70,000
Net (loss) income per Share	\$(.08)	\$.01