



February 5, 2004

**Encision Reports Q3 Results;  
6th Consecutive Quarter of Net Income**

BOULDER, Colo. February 5, 2004 -- /PRNewswire-FirstCall/ -- Encision Inc. (Amex: ECI) today reported net income in the third quarter which represents its sixth consecutive quarter of profitability.

The Company achieved revenues for its fiscal third quarter of \$1,791,000, a 1 percent decrease from revenues of \$1,812,000 for the quarter ended December 31, 2002. The Company reported a net income of \$3,000 or \$0.00 per share, compared to a net income of \$148,000 or \$0.03 per share in the third quarter of last fiscal year.

Revenues for the nine months ended December 31, 2003 of \$5,373,000 represented a 9 percent increase over prior fiscal year's nine months revenues of \$4,908,000. Net income of \$70,000 or \$0.01 per share for the current fiscal year's nine months compares to a net income of \$153,000 or \$0.03 per share for the prior fiscal year's nine months. Gross profit margin for the nine months just ended was 58 percent compared to 60 percent in the prior year.

"We continue to achieve solid revenue from our installed base of hospitals and the pipeline of new hospital prospects remains strong," stated James A. Bowman, President and CEO of Encision. "The progress of new hospital prospects through the sales continuum is slower than desired and, as a result, we have seen a lower rate of new hospital conversions during the past nine months than planned."

"Our ongoing actions, intended to lead to results commensurate with the special potential of our AEM technology, are focused on adding independent sales reps with a dedication to growing the business through new hospital conversions," said Mr. Bowman. "We have trained 43 new independent reps in the past 4 months. While it will take a number of months before they generate new hospital conversions, the combination of the new rep additions and an expanded sales management team is intended to provide the field focus necessary to achieve market gains."

"Despite the number of new hospital conversions being less than our goal, the Company's operations and business model are providing profitable results," added Mr. Bowman. "The ongoing revenue from our installed base of hospitals remains solid due to strong customer retention." Over 400 hospitals have used AEM® Surgical Instruments to advance patient safety and patient outcome in minimally-invasive surgery.

On January 20, 2004, Encision Inc. was approved for listing by the American Stock Exchange (Amex) and the Company's common stock now trades on Amex under symbol ECI.

Encision Inc. designs and manufactures innovative surgical devices that allow the surgeon to optimize technique and patient safety during a broad range of surgical procedures. 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.

**ENCISION INC.**  
**Statement of Operations**  
**(Unaudited)**

	For three months ended December 31	
	2003	2002
Net Revenue	\$1,790,849	\$1,812,053
Cost of Revenue	\$731,853	\$754,117
Gross Profit	\$1,058,996	\$1,057,936
Gross Margin	59%	58%
Operating Expenses	\$1,057,168	\$910,109
Operating Income	\$1,828	\$147,827
Net Income	\$3,142	\$148,362
Basic and Diluted Net Income per Share	\$.00	\$.03
	For nine months ended December 31	
	2003	2002
Net Revenue	\$5,372,808	\$4,908,318
Cost of Revenue	\$2,236,571	\$1,952,973
Gross Profit	\$3,062,410	\$2,955,345
Gross Margin	58%	60%
Operating Expenses	\$3,062,410	\$2,806,682
Operating (loss) Income	\$73,827	\$148,663
Net (loss) Income	\$69,882	\$152,984
Basic and Diluted Net Income (loss) per share	\$.01	\$.03

**ENCISION INC.**  
**Condensed Balance Sheets**  
**(Unaudited)**

	December 31, 2003	March 31, 2003
Cash Cash Equivalents	\$1,212,333	\$585,552
Total Current Assets	3,495,794	2,523,612
Total Assets	3,986,303	2,933,129
Current Liabilities	885,044	926,781
Shareholders' Equity	3,986,303	2,933,129
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$3,986,303</b>	<b>\$2,933,129</b>

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