




DATAWATCH AND TEOCO ANNOUNCE NEW PARTNERSHIP

*TEOCO's New XTrak Utilizes Datawatch's Monarch Data Pump Software
To Eliminate Costly Paper Invoice Management*

Lowell, MA and Fairfax, VA – December 6, 2005 – Datawatch Corporation (NASDAQ: DWCH), a leader in the rapidly growing Information Services market space, today announced a new partnership with TEOCO, the leading provider of communication cost management and revenue management solutions. TEOCO developed the new XTrak solution to reduce paper processing costs and errors by utilizing Monarch Data Pump™ software technology from Datawatch.

Wireline, wireless and cable communication companies exchange tens of thousands of bills each month. With many of these bills received in printed or non-standard electronic formats, it is difficult and costly to accurately enter the information into a system for auditing and payment. By using XTrak, powered by the Monarch Data Pump data transformation engine, communication carriers can automatically extract billing data into a uniform electronic format to load into a cost management system, such as TEOCO's BillTrak Pro™.

“Monarch Data Pump is the ideal solution for enabling XTrak to automatically transform static, problematic invoices into accurate, live data,” said John Kitchen, senior vice president, Datawatch desktop and server solutions. “As with many other industries and Fortune 500 enterprises, TEOCO's telecom customers struggle with inflexible invoicing systems with nonstandard formats. By precisely transforming those invoices into standardized database formats, telecoms optimize the billing process, and preserve the integrity of the data. We're proud to partner with TEOCO and already are working with them on other powerful solutions for telecom and other industries.”



“This is a great combination of complementary technologies, and demonstrably helps our customers better manage vast amounts of billing data from disparate sources,” said TEOCO CEO Atul Jain. “XTrak eliminates the time-consuming and costly paper invoice process, enables accurate billing, and supports Sarbanes-Oxley, auditing and other compliance initiatives.”


“Our partnership is just the beginning of providing even better services and technology for the complex billing, revenue and record keeping processes utilized by our customers. Using the Monarch Data Pump technology, XTrak automates manual and error-prone data collection and entry tasks, freeing staff for other projects, while preserving data accuracy,” said John Devolites, General Manager, TEOCO Telecom Solutions. “Together with BillTrak Pro™, this opens the door to new audit and cost saving opportunities. The initial customer response has been enthusiastic.”

ABOUT MONARCH DATA PUMP

Monarch Data Pump combines the data conversion capabilities of an ETL tool (Extraction, Transformation and Loading) with powerful enterprise Information Delivery capabilities in one easily implemented and inexpensive system. The technology utilizes Datawatch’s Monarch “Report Mining” engine, the de facto standard in mining and transforming data buried within existing report output files – including PDFs. Using Microsoft’s .NET framework, Monarch Data Pump transforms and mines data within existing reports, alone or in combination with data from other sources, on a scheduled, fully automated basis, to create and deliver new customized data views matching end user needs.

ABOUT XTRAK

TEOCO developed the XTrak solution, patent pending, to eliminate manual entry, extract the lowest level of detail, and create a uniform electronic format to load into a cost management system such as BillTrak Pro™. By automating the load of your invoices at the detail level, XTrak opens the door to additional auditing



opportunities. The automated controls XTrak adds to your invoice processing can help you address Sarbanes-Oxley requirements. TEOCO's industry-leading products and services, as well as our experience working with industry organizations and communications vendors, will ensure that today's paper invoices are converted to audit-ready, reliable data sources.

ABOUT TEOCO

Founded in 1994 TEOCO (The Employee Owned Company) is a leading provider of strategic business solutions to large and small enterprises. Twice ranked in Inc. Magazine's List of 500 of the fastest growing privately held companies, TEOCO's Telecom Solutions group is the premier provider of network cost and revenue management solutions to the communications industry. We combine the strength of our renowned BillTrak Pro™ software with in-depth auditing expertise to achieve unrivalled market penetration and industry leadership in the communications space.

TEOCO is widely recognized for its commitment to Principled Entrepreneurship with a particular emphasis on its core values of alignment with employees, clients and community. See more at www.teoco.com.

ABOUT DATAWATCH CORPORATION

Datawatch Corporation is a leader in the rapidly growing Information Services market space. By providing solutions that build on a Service Oriented Architecture (SOA) framework, Datawatch allows organizations to access, enhance, analyze and deliver information from wherever it resides inside or outside the enterprise to solve business problems. Datawatch products are used in more than 20,000 companies, institutions and government agencies worldwide.

The corporate address for Datawatch is 175 Cabot Street, Suite 503, Lowell, MA 01854-3633; telephone (978) 441-2200. More information on Datawatch and its solutions can be found at www.datawatch.com.

###

FOR PRESS INFORMATION:

Datawatch: John Kitchen, john_kitchen@datawatch.com, 978-275-8254.

TEOCO: Hillary Huot, huoth@teoco.com, 703-259-4304.