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Oculus Innovative Sciences Announces Agreement with Bayer Taiwan Co. Ltd. for Development of Microcyn(R) Technology Use in Taiwanese Animal Market

PETALUMA, Calif.--(BUSINESS WIRE)-- Oculus Innovative Sciences, Inc. (Nasdaq: OCLS), a biopharmaceutical company that develops, manufactures and markets a family of products based upon the Microcyn(R) Technology platform, which is intended to treat infections in chronic and acute wounds, announced today an agreement with Bayer Taiwan Co. Ltd. for development of the Microcyn(R) Technology for use in the Taiwanese animal market.

Mr. Joey Yu, General Manager of Animal Health Division, Bayer Taiwan Co. Ltd., said, "In our country we very much treat our pets as part of the family--that goes for everything from food and shelter to pet exercise and healthcare. So we were excited to discover a wound care technology that truly redefines the standard for treating infections while accelerating the wound healing process--and doing so in an especially well-tolerated manner. Vetericyn excels in terms of efficacy and rapidity of healing for both companion and food animals."

As part of the agreement, Bayer Taiwan Co. Ltd. will be responsible for securing Taiwanese regulatory approval for the use of Microcyn Technology in both the Taiwanese companion animal and food animal markets. Upon receipt of the Taiwanese regulatory approvals, Bayer retains right of first negotiation to enter into a distribution agreement for Oculus' Vetericyn(TM) animal brand (formulated with the Microcyn Technology) for Taiwan.

Hoji Alimi, CEO and founder of Oculus, said, "The ongoing Bayer Animal Health relationship is critical in expanding Microcyn's impact on animal health care worldwide. We announced development agreements this past summer with Bayer for the Australian, New Zealand and Chinese markets. We believe that successful approval and adoption of the Microcyn Technology in these animal health markets, as well as in Taiwan, will significantly increase awareness of the Microcyn technology in additional animal health care markets around the globe."

About Bayer HealthCare

Bayer HealthCare, a subsidiary of Bayer AG, is one of the world's leading innovative companies in the healthcare and medical products industry and is based in Leverkusen, Germany. The company combines the global activities of the Animal Health, Consumer Care, Diabetes Care and Pharmaceuticals divisions. The pharmaceuticals business operates under the name Bayer Schering Pharma and as Bayer HealthCare Pharmaceuticals in the United States and Canada. Bayer HealthCare's aim is to discover and manufacture products that will improve human and animal health worldwide. With sales

of EUR 956 million (2007), the Animal Health Division is one of the world's leading manufacturers of veterinary drugs. The division produces and markets more than 100 different veterinary drugs and care products for livestock and companion animals.

About Oculus

Oculus Innovative Sciences develops, manufactures and markets a family of products based upon the Microcyn(R) Technology platform, which is intended to help prevent and treat infections in chronic and acute wounds. The Microcyn Technology platform features a biocompatible, shelf-stable solution containing active oxychlorine compounds that is currently commercialized primarily in the United States, Europe, India, China and Mexico for the treatment of infected wounds. The solutions derived from this platform have demonstrated, in a variety of research and investigational studies, the ability to treat a wide range of pathogens, including antibiotic-resistant strains of bacteria (including MRSA and VRE), viruses, fungi and spores. A recent Phase II clinical trial of Microcyn Technology conducted in the United States met its primary endpoints of safety and efficacy for the treatment of mildly infected diabetic foot ulcers. The company's headquarters are in Petaluma, California, with operations in Europe and Latin America. More information can be found at www.oculusis.com.

Forward-Looking Statements (Bayer)

This news release contains forward-looking statements based on current assumptions and forecasts made by Bayer Group management. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. These factors include those discussed in our annual and interim reports filed with the Frankfurt Stock Exchange. The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

Forward-Looking Statements (Oculus)

Except for historical information herein, some matters set forth in this press release are forward-looking within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are identified by the use of words such as "securing," "receipt," "enter," "expanding," and "increase," among others. Forward-looking statements in this press release are subject to certain risks and uncertainties inherent in the Company's business that could cause actual results to vary, including risks inherent in the development and commercialization of potential products, the risk that regulatory clinical and guideline developments may change, the risk that scientific data may not be sufficient to meet regulatory standards or receipt of required regulatory clearances or approvals, the risk that clinical results may not be replicated in actual patient settings, the risk that protection offered by our patents and patent applications may be challenged, invalidated or circumvented by our competitors, the risk that present trends will continue and that the available market for our products will not be as large as expected, the risk that our products will not be able to penetrate one or more targeted markets, the risk that revenues will not be sufficient to fund further development and clinical studies, the Company's future capital needs, and its ability to obtain additional funding and other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission including the quarterly report on Form 10-Q for the quarter ended September

30, 2008. Oculus Innovative Sciences disclaims any obligation to update these forward-looking statements.

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Source: Oculus Innovative Sciences, Inc.