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# Oculus Innovative Sciences Announces Development of Microcyn(R)-Based Hydrogel Formulation

## Microcyn-Gel Provides Prolonged Moistening of Wound and Delivery of Anti-Infective and Wound Healing Agents

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 help prevent and treat infections in chronic and acute wounds, announced today that the company's research and development team has completed work on the development of a Microcyn hydrogel formulation. Microcyn-Gel has been specifically designed to address a broad spectrum of applications including potential treatment of various skin disorders (acne, psoriasis, and dermatitis), as well as for use in wound care, cosmeceuticals, animal health care, treatment of burns and as an anti-fungal in foot care.

Microcyn-Gel, when used as a wound treatment, is a clear, amorphous and isotonic hydrogel that helps maintain a moist wound environment that is conducive to rapid wound healing. In addition, Microcyn-Gel delivers an antimicrobial agent to the wound bed to inhibit the growth of pathogens. Non-adherent, the Microcyn-Gel keeps wounds moist without the use of gauze or adhesive strips and can be removed without trauma to the wound bed. Regulatory approval of the Microcyn-Gel will be requested in India, Europe and Mexico, territories where Oculus partners have successfully commercialized the original Microcyn formulation. In addition, regulatory approval will be sought from China's State Food and Drug Administration (SFDA), which in March of this year provided marketing approval for the original Microcyn Technology as an antimicrobial wound healing agent. The Chinese product launch for the original Microcyn is scheduled for later this year by Oculus' partner, China Bao Tai and sub-distributor, Sinopharm.

"We plan to file with the FDA," explained Hoji Alimi, Oculus founder and CEO, "our U.S. application for clearance of our hydrogel formulation as a 510k, or medical device. Once we have this clearance, we intend to distribute product immediately to the many hospitals and doctors across the United States that have been using the original 510k-cleared Microcyn solution with great success in the treatment of various wounds including diabetic foot ulcers, pressure ulcers, infected wounds, burns and more. Microcyn-Gel is further evidence of our commitment to the growth of our product portfolio based upon the Microcyn Technology."

Microcyn Technology, an anti-infective therapeutic with wound healing capability, is a small molecule oxychlorine compound that mimics the same oxychlorine composition as that

manufactured by neutrophils in the body's immune system. Neutrophils are the most abundant type of white blood cells in humans and form an integral part of the immune system. One of Microcyn's primary modes of action is its ability to treat a wide range of pathogens, including antibiotic-resistant strains of bacteria (including MRSA and VRE), viruses, fungi and spores. Studies also demonstrate that Microcyn delivers wound-healing benefits including increased blood flow to the wound bed and reduction of inflammation all while remaining safe as saline and biocompatible. Microcyn Technology is novel in that it has antimicrobial and wound healing properties in a uniquely stable formulation.

Bruce Thornton, vice president of international sales and operations for Oculus Innovative Sciences, said, "Our marketing and clinical teams continuously solicit market feedback and one of the most frequent requests has been for a Microcyn gel formulation that encapsulates both the safety profile and the efficacy of the original Microcyn solution in an extended-moistening formula that also provides an ongoing barrier to infection and a medium that allows for delivery of Microcyn's active ingredients over an extended period of time. The R&D team has created a large U.S. and international opportunity with this Microcyn-Gel and we look forward to moving rapidly to bring this product to commercialization, first in our existing distribution channels in India, Europe, Mexico, China, and then in the U.S. upon 510k clearance from the FDA."

#### About Oculus Innovative Sciences

Oculus Innovative Sciences is a biopharmaceutical company that 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 is a biocompatible, shelf-stable solution containing active oxychlorine compounds that is currently commercialized outside the United States (Europe, India and Mexico) for the treatment of infected wounds. The solutions derived from the Microcyn Technology 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.

In addition to the company's existing and under-development therapeutic products, Oculus also develops, manufactures and markets a number of 510k devices and products for both professional and consumer. This includes the recently announced Oculus MDD (Microcyn Delivery Device) for dressing-free treatment of both chronic and acute wounds. As well, Dermacyn Wound Care is currently being test marketed in the U.S. for the moistening and debriding of wounds.

A recently completed U.S. Phase II clinical trial of Microcyn Technology met the primary endpoints of safety and efficacy for the treatment of mildly infected diabetic foot ulcers.

Oculus' principal operations are in Petaluma, California, and it conducts operations in Europe, Latin America and Japan through its wholly owned subsidiaries, Oculus Innovative Sciences Netherlands B.V., Oculus Technologies of Mexico, S.A. de C.V. and Oculus Japan K.K. Oculus' website is [www.oculusis.com](http://www.oculusis.com).

#### Forward-Looking Statements

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, including statements about our plans to seek various regulatory approvals for the new hydrogel formulation and our ability to distribute product immediately upon regulatory approval or clearance. These forward-looking statements are identified by the use of words such as "designed," "requested," "being sought," "plan," and "scheduled," 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 March 31, 2008. Oculus Innovative Sciences disclaims any obligation to update these forward-looking statements.

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Source: Oculus Innovative Sciences, Inc.