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Oculus Innovative Sciences Receives New FDA 510(k) Clearance for Microcyn-Based Dermatology HydroGel for Management of Atopic Dermatitis, Radiation Dermatitis and Other Skin Dermatoses

- Oculus Intends to License Newly Cleared HydroGel to New U.S. Dermatology Partner
- Seventh FDA Clearance to Date
- Additional Dermatology Products in the FDA Queue to Enhance Growing Rx and OTC Dermatology Product Portfolio

PETALUMA, Calif.--(BUSINESS WIRE)-- Oculus Innovative Sciences, Inc. (NASDAQ:OCLS), a commercial healthcare company that designs, produces and markets safe and effective tissue care products based upon the Microcyn(R) Technology platform, announced today it had received a new FDA 510(k) clearance for its uniquely formulated Microcyn-based Epicyn(TM) HydroGel. Under the supervision of a healthcare professional, it is indicated to manage and relieve the burning, itching and pain experienced with various types of dermatoses, including atopic dermatitis and radiation dermatitis. Epicyn HydroGel may also be used to relieve the pain of first- and second-degree burns and can help to relieve dry waxy skin by maintaining a moist wound and skin environment, which is beneficial to the healing process. The hydrogel is a shelf-stable hypochlorous acid formulation based on the company's proprietary Microcyn Technology platform.

"Our newly approved dermatology indication opens two interesting new markets to Oculus -- atopic dermatitis, which afflicts 15 million U.S. patients, and radiation dermatitis, with over one million U.S. patients. The use of the proprietary Microcyn Technology for these challenging skin afflictions is truly a unique approach and adds both depth and breadth to Oculus' dermatology product portfolio," said Hoji Alimi, founder and CEO of Oculus. "And in line with our business strategy, we plan to partner this new indication at the earliest for faster commercialization."

About Atopic Dermatitis

More than 15 million patients have symptoms of atopic dermatitis, characterized by itchy skin, which can lead to rash, redness, swelling, crusting and scaling. The disease affects up to 20 percent of infants and young children, who continue to have symptoms as adults with significant impact on their quality of life. The exact cause is unknown, but genetics are considered a key factor.

In a 2009 GlobalData study, it was estimated the global atopic dermatitis therapeutics market

delivered revenues of $643 million in 2009. It is expected to grow to $810 million at a Compound Annual Growth Rate (CAGR) of 3.4% by 2016. This growth is primarily attributed to an increase in competition among existing products and the presence of a strong pipeline with more emerging therapies. Globally, the United States remains the largest market for atopic dermatitis therapeutics, and generated revenue of $402 million in 2009. It is forecast to grow at a CAGR of 3.8% over the next seven years to reach $582 million by 2016.

About Radiation Dermatitis

Radiation dermatitis is an unintended and often unavoidable skin reaction commonly experienced by patients receiving radiation therapy as part of their cancer treatment. This side effect, caused by radiation passing through skin cells, is often unpleasant and painful and may contribute to poor quality of life in cancer patients. In some cases, radiation dermatitis may become so severe as to necessitate interruption or cessation of radiation therapy. A wide variety of products have been used to treat radiation dermatitis with little or no evidence to support their use. According to estimates from the International Agency for Research on Cancer (IARC), there were 12.7 million new cancer cases in 2008 worldwide, of which 5.6 million occurred in economically developed countries and 7.1 million in economically developing countries. Of the total cancer patients, approximately 60 percent receive radiation treatment, and up to 95% of those are afflicted with radiation dermatitis.

About Oculus Innovative Sciences

Oculus Innovative Sciences is a commercial healthcare company that designs, produces and markets safe and effective tissue care products based upon the Microcyn(R) Technology platform, which significantly reduces the need for antibiotics while reducing infections and accelerating healing. The Microcyn Technology addresses the need for improved solutions in multiple markets, including dermatology, oral care, cosmeceutical, wound care and others. It features a biocompatible, shelf-stable solution that is currently commercialized in the United States, Europe, India, China and Mexico and select Middle East countries under various country-specific regulatory clearances and approvals. Several 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; increase blood flow to the wound site; and reduce both inflammation and pain while assisting in faster wound closure. The company's headquarters are in Petaluma, California, with manufacturing operations in the United States and Latin America. More information can be found at www.oculusis.com.

Forward-Looking Statements

Except for historical information herein, 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 the Company's commercial and technology progress and future financial performance. These forward-looking statements are identified by the use of words such as "opens," "adds" and "plan," 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 such risks that regulatory clinical and guideline developments may change, scientific data may not be sufficient to meet regulatory standards or receipt of required regulatory clearances or approvals, clinical results may not be replicated in actual patient settings, protection offered

by the Company's patents and patent applications may be challenged, invalidated or circumvented by its competitors, the available market for the Company's products will not be as large as expected, the Company's products will not be able to penetrate one or more targeted markets, revenues will not be sufficient to fund further development and clinical studies, the Company may not meet its future capital needs, and its ability to obtain additional funding, as well as uncertainties relative to varying product formulations and a multitude of diverse regulatory and marketing requirements in different countries and municipalities, and other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission, including the annual report on Form 10-K for the year ended March 31, 2010. Oculus Innovative Sciences disclaims any obligation to update these forward-looking statements except as required by law.

Source: Oculus Innovative Sciences, Inc.