

May 10, 2011



Oculus Innovative Sciences Beats Fourth Quarter Guidance and Provides Commercialization Update

Company Beats Fourth Quarter (Ending March 31, 2011) Guidance for:

Revenue

Net Loss Minus Non-Cash Expenses, and

Cash Operating Expenses

Innovacyn, Oculus' Animal Healthcare Partner, Expands Distribution of Products into

Amneal Prepares for Microcyn® Wound Care Products Launch to Podiatrists in the Unit

PETALUMA, Calif., May 10, 2011 (GLOBE NEWSWIRE) -- 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® Technology platform, today provided a business update in advance of the company's June 2, 2011 earnings release and conference call.

"We continue to focus on our core principles of rapidly growing top line revenue through partner-funded channels while rigorously controlling our own costs," said Hoji Alimi, Oculus CEO and founder. "We believe that the cumulative commercial efforts set in motion by our partners in the U.S. will be the key driving factor for our top line revenue growth in the current fiscal year 2012. The current and future planned partner activities give us continued confidence in achieving our stated long-term guidance. We remain committed to build our partners' pipelines with more high-margin, innovative products and product formulations appropriate for their respective markets."

Innovacyn:

Oculus' animal healthcare partner, Innovacyn, recently announced that the Vetericyn® product line, originally introduced into the U.S. equine market, is now available in the companion animal (dogs and cats) market. Vetericyn was recently launched into Petco stores (including online at Petco.com), and is available through more than 8,000 retail stores in the United States.

Per Oculus' previous guidance, in addition to Vetericyn's continued sales ramp, royalties from all Vetericyn sales will also increase from the current 18%-20% range to 30% effective July 1, 2011.

Amneal Enterprises: Amneal Enterprises member, Quinnova, in one of a number of planned initiatives to enhance the marketing of various Microcyn-based products, conducted a marketing roundtable at the 24th Annual Symposium on Advanced Wound Care and Wound Healing Society in Dallas in April of this year. Assembling a panel of key opinion leaders in the wound care space, these healthcare professionals provided Amneal with valuable insights into their selection process for wound care products. Incorporating this information into its marketing efforts, Amneal plans to market the Microcyn wound care products and the new formulation for the treatment of atopic dermatitis in the current fiscal year.

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® 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 "expands," "beats" and "prepares," 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.

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