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Oculus Innovative Sciences Receives Chinese SFDA Regulatory Approval of Microcyn(R) Hydrogel

PETALUMA, Calif., July 10, 2012 (GLOBE NEWSWIRE) -- Oculus Innovative Sciences, Inc. (Nasdaq:OCLS) today announced that the Chinese State Food and Drug Administration (SFDA) has approved Microcyn® Hydrogel for moistening, repairing and healing of acute and chronic wounds in China. This approval allows Oculus' Chinese partner, Shanghai Sunvic, to market Microcyn Hydrogel in both the over-the-counter and professional healthcare markets in China. Shanghai Sunvic plans to launch the Microcyn hydrogel in the third quarter of 2012.

This approval follows successful completion of randomized trials at five major Chinese hospitals for use of Microcyn Hydrogel in the treatment of acute wounds, diabetic foot care and post-surgical incisions.

"The randomized trials in China followed by the SFDA approval provides Oculus with a significant business opportunity underwritten by a very strong partner in Shanghai Sunvic," said Bruce Thornton, vice president of international sales for Oculus Innovative Sciences. "With nearly 1.3 billion people, China represents a major healthcare market opportunity for Oculus and our partners."

Oculus Innovative Sciences entered into an agreement with Shanghai Sunvic in 2011 for the distribution of Microcyn-based products in China. The partnership allows Oculus and the Microcyn Technology to gain a foothold in China via new product launches supported by Shanghai Sunvic Technology Company's national sales network.

"As one of the major medical device groups in China, we believe our medical community will enthusiastically embrace an anti-infective technology that is proven both safe and effective in treating topical infection," said Water Chang, president of Shanghai Sunvic. "We see the SFDA's rapid approval indicative of a marketplace eager for an anti-infective that works as promised without promoting bacterial resistance as is the case for many of today's antibiotics."

Chinese Healthcare Market

According to Journal of the American Medical Association, as is the case in much of the rest of the world, the aged proportion of China's population is increasing. The population older than 65 years included 100.4 million persons, or 7.69% of China's total population, in 2005 and is expected to increase at an annual rate of 3.28%. With this increased aged population, total health care needs and expenditures will increase as well. China's proportion of GDP allocated to health care, currently about 5.55%, is likely to increase steadily to become closer to that of developed countries, most of which have comparable rates of 8% to 11%,

up to nearly 16% in the United States.

Decision Resources, one of the world's leading research and advisory firms focusing on pharmaceutical and healthcare issues, finds that the prevalence of type 2 diabetes in China is staggering, rivaling that of the United States, Europe, and Japan combined. According to a new Emerging Markets-China report entitled *Type 2 Diabetes in China*, the type 2 diabetes drug market in China was expected to reach \$1.3 billion in 2010. The report also finds that increasing economic power in China has led to growing numbers of patients with supplementary healthcare insurance and an improved ability to afford Western-branded drugs.

About Oculus Innovative Sciences

Oculus Innovative Sciences is a *commercial healthcare* company that designs, produces and markets innovative, safe and effective healthcare products. Oculus is pioneering innovative solutions in multiple markets including dermatology, oral care, surgical, wound care, animal healthcare and others, and has commercialized products in the United States, Europe, India, China, Mexico, and select Middle East countries. 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 "provides," "gain," and "embrace," 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, 2012. Oculus Innovative Sciences disclaims any obligation to update these forward-looking statements except as required by law.

Oculus and Microcyn are trademarks or registered trademarks of Oculus Innovative Sciences, Inc. All other trademarks and service marks are the property of their respective owners.

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