August 16, 2012

Oculus Innovative Sciences Enrolls First Patient in Study of Microcyn(R) Hydrogel in Management of Scars

PETALUMA, Calif., Aug. 16, 2012 (GLOBE NEWSWIRE) -- Oculus Innovative Sciences, Inc. (Nasdaq:OCLS), today announced it has enrolled the first patients in its double-blind, randomized clinical study evaluating an advanced Microcyn® hydrogel for management of hypertrophic or keloid scars under an FDA-reviewed protocol. The company plans to complete its 40-patient trial and provide top-line data by mid-2013 calendar year. The study design calls for recruitment of up to 40 patients at four different U.S. sites, which are Albuquerque, NM, High Point, NC, Austin, TX and College Station, TX.

"Our dermatology partner, AmDerma/Quinnova, has agreed to pay an upfront milestone payment at the time of the FDA Pre-Market Notification clearance that will reimburse Oculus for the cost of this trial. This, along with their seasoned dermatology sales team, supports our continued business strategy of ramping revenues without increasing overhead. We expect to complete the trial and submit the data to FDA within the first half of calendar year 2013."

Upon completion of the study, the data will be submitted to the FDA in support of the 510k application. The FDA's published key performance index indicates the standard review time from submission to clearance is ninety days, although industry averages suggest this process can take up to six months.

Scar Treatment Market

According to a 2003 report by Frost & Sullivan, it is estimated that 62 million scars are formed each year in the United States. There are about 93 million people in the United States suffering from scars, out of which about 169 million scars can be characterized as hypertrophic (raised) and keloid (red colored) scars. The raised and red scars market forms the primary target for the scar therapy products. Annually, about 600,000 visits for burns and more than 2.6 million emergency room visits for cut injuries, this forms the potential market for the scar therapy products. The statistics show that out of 6.2 million reconstructive procedures performed on patients in a year, 250,000 surgeries are related with scar revisions.

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, surgical, wound care, animal healthcare and others, and has commercialized products in the United States, Europe, India, China and 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 "reimburse," "ramping" and "submitted," 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.

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Source: Oculus Innovative Sciences, Inc.