



Corporate:

Oculus Innovative Sciences is a biopharmaceutical company with a proprietary Microcyn® Technology platform intended to help prevent and treat infections in wounds and infectious diseases. We are focused on the development, manufacturing and marketing of various technology applications formulated with Microcyn®.

Microcyn® has received European Union certification for wound cleaning and reduction of microbial load, various drug approvals in Mexico and India, as well as three FDA 510(k) clearances as a medical device in the United States.

Oculus has initiated a Phase II clinical study to evaluate the effectiveness of Microcyn® in patients with infections in open wounds. Following expected completion of the Phase II in mid-2007, we intend to establish a protocol for a Phase III clinical trial in a similar patient population, which we intend to begin in late 2007. We anticipate this trial to last approximately 12-18 months after which time we will file a New Drug Application (NDA) with the FDA.

Microcyn® Technology:

Oculus' principal platform, Microcyn® Technology, is a potent broad-spectrum antimicrobial designed to treat a wide range of pathogens, including viruses, fungi, spores and antibiotic-resistant strains of bacteria such as Methicillin-resistant *Staphylococcus aureus* (MRSA) and Vancomycin-resistant *Enterococcus* (VRE) or bleach-resistant bacteria, all of which cause disease or inhibit the healing in both acute and chronic wounds. Chronic and acute wound care represents an aggregate of \$9.6 billion in global product sales, of which \$3.3 billion is for the treatment of skin ulcers, \$1.6 billion to treat burns and \$4.7 billion for the treatment of surgical and trauma wounds.

An electronically charged, super-oxidized water-based solution containing oxychlorine compounds with a shelf life of two years, the non-irritating Microcyn® Technology has a safety profile surpassing that of current standards of care. Used topically to treat skin structure infections, it provides the broadest range of pathogen kill as verified by independent testing laboratories and can be used as a complementary product with many advanced wound care technologies, such as negative pressure wound therapy, jet lavage and tissue-engineered skin substitutes. Microcyn® has the potential to help treat infection, accelerate wound-healing time and, in certain cases, may help reduce the need for systemic antibiotics, thereby lowering overall patient cost.

How Microcyn® Works:

By virtue of our proprietary manufacturing process, Microcyn® contains reactive chemicals that interact with and inactivate surface proteins on microorganisms and viruses. The functions of these proteins are varied and play significant roles in cell communication, nutrient and waste transport, and other required functions for cell viability. Once Microcyn® surrounds single cell microorganisms, it damages these proteins causing cell membrane rupture and leading to cell death. The solution remains non-toxic to animal and human tissues because mammalian cells are interlocked and prevent Microcyn® from targeting individual cells within the tissues.

Financials:

Revenue for the nine-month period ended December 31, 2006 was \$3.38 million, up 103% from \$1.66 million for the same period last year.

Employees:

As of September 30, 2006, Oculus had 76 full-time employees globally, 37 of those in the United States.

MANAGEMENT

Hoji Alimi, President & CEO

Michael Wokasch, COO

Robert Miller, CFO

James Schutz, VP Corporate Development,
General Counsel, Corporate Secretary

Bruce Thornton, VP International
Operations and Sales

CORPORATE HEADQUARTERS

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LOCATIONS:

We have two principal subsidiaries:
Oculus Technologies of Mexico, S.A. de
C.V., organized in Mexico, and Oculus
Innovative Sciences Netherlands, B.V.,
organized in The Netherlands.

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