

ESCALON®

News Release

Escalon® Medical Corp. Receives FDA 510(k) Clearance for the Sonomed Escalon VuPad™

An innovation in ultrasound you can see and touch



ARDMORE, Pa., April 4, 2014 – Escalon Medical Corp. (Nasdaq: ESMC) today announced that it received U.S. Food and Drug Administration (FDA) 510(k) clearance for its new tablet-based ultrasound imaging system, the Sonomed Escalon VuPad™.

The VuPad™ combines Sonomed Escalon’s superior UBM and newly enhanced B-scan image quality with an ultra-high-resolution screen that has 25% larger viewing area than other portable ultrasound devices. Proprietary *Enhanced Focus Rendering™* enables capture of both crisp still images and high-resolution video clips that can be reviewed frame-by-frame. The VuPad™ is also remarkably easy to use, thanks to intuitively designed touch screen controls.

“The new VuPad™ is a revolutionary portable ultrasound device that delivers exceptional image quality in a wide range of ophthalmic applications,” commented Chief Executive Officer, Richard J. DePiano Jr. “It also demonstrates the Company’s ongoing commitment to developing and delivering new best-in-class solutions to build on our position as a leader in ophthalmic ultrasound for over 30 years.”

The VuPad™ was previewed at the annual meeting of the American Academy of Ophthalmology (AAO) in November 2013 and recently garnered additional attention at the 2014 World Ophthalmic Congress in Tokyo. The VuPad™ will also be on display at The Exchange 2014, Vision Source's North American Meeting in Boston, April 9-12, and at the Annual Symposium and Congress of the American Society of Cataract and Refractive Surgery (ASCRS) in Boston, April 25-29.

The Company anticipates immediate shipments of VuPad™ systems as orders are received and manufacturing ramps up to meet demand. CE marking and clearance by other international regulatory bodies is anticipated in the coming months.

Mr. DePiano added, "We are pleased by the initial indications and the long term opportunity surrounding the VuPad™ and other new products in our pipeline; however, we may experience sales fluctuations as we update our product offering. In addition, planned increases to research and development expenses as well as increased sales and marketing costs could pressure financial results."

The VuPad™ offers A-scan, B-scan, and/or UBM modalities in a sleek, tablet-like package. Key features include portable ergonomic design, elegant user interface, wireless interconnectivity to EMR's, image management systems, and printers, multi-touch ultra-high-resolution touch screen with pinch zoom functionality, and most notably, outstanding image quality and measurement accuracy.

About Escalon Medical

Founded in 1987, Escalon Medical Corp. (NASDAQ: ESMC) specializes in the development, marketing and distribution of ophthalmic diagnostic imaging and surgical products branded under the Sonomed Escalon name. Products include a variety of ophthalmic ultrasound, digital imaging and photography, and image management systems as well as surgical products including intraocular gases, fiber optic light guides and sources, and other surgical vitreoretinal instruments. The Company seeks to grow its ophthalmic business by further developing and diversifying its product offering through internal development programs, strategic partnerships, and the acquisition of technology so as to best leverage the Company's distribution capabilities. The Company has headquarters in Ardmore, Pennsylvania and research and development, manufacturing and distribution operations in Lake Success, New York, New Berlin, Wisconsin and Stoneham, Massachusetts. For additional information visit www.escalonmed.com and www.sonomedescalon.com

Forward Looking Statements

This press release contains statements that are considered forward-looking under the Private Securities Litigation Reform Act of 1995, including statements about the Company's future prospects. These statements are based on the Company's current expectations and are subject to a number of uncertainties and risks, and actual results may differ materially. The uncertainties and risks include whether the Company is able to: implement its growth and marketing strategies, improve upon the operations of the Company including the ability to make acquisitions and the integration of any acquisitions it may undertake, if any, of which there can be no assurance; grow our remaining ophthalmic business unit; improve our financial position; implement cost reductions; generate cash; and identify, finance and enter into business relationships and acquisitions. Other factors include uncertainties and risks related to: new product development, commercialization, manufacturing and market acceptance of new products; marketing acceptance of existing products in new markets; research and development activities, including failure to demonstrate clinical efficacy; delays by regulatory authorities, scientific and technical advances by the Company or third parties; introduction of competitive products; ability to reduce staffing and other costs and retain benefit of prior reductions; third party reimbursement and physician training, and general economic conditions. Further information about these and other relevant risks and uncertainties may be found in the Company's report on Form 10-K for year ended June 30, 2013, and its other filings with the Securities and Exchange Commission, all of which are available from the Securities and Exchange Commission as well as other sources.

SOURCE Escalon Medical Corp.

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