



News Release

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DERMA SCIENCES ANNOUNCES \$6 MILLION AGREEMENT

*3-year deal with large Canadian retail pharmacy chain ties exclusivity on
MEDIHONEY™ Antimicrobial dressings with extended wound care line*

PRINCETON, N.J., May 22, 2008 -- Derma Sciences, Inc. (OTC Bulletin Board: DSCI), a provider of advanced wound-care products, announced today that it has reached an agreement in principle with a major Canadian retail pharmacy chain, and expects a contract to be executed by both parties in the near future. The terms call for minimum purchases of \$2 million each year for three years, totaling at least \$6 million. The \$2 million per year will be comprised of a mix of MEDIHONEY™ antimicrobial dressings, private label adhesive strips and traditional wound-care dressings. During the term of the agreement, the retailer will have the exclusive rights to distribute Derma Sciences' MEDIHONEY antimicrobial products at retail throughout Canada. Derma Sciences received clearance from Health Canada in Q3 2007 to market and sell their MEDIHONEY Antimicrobial Dressings with Active *Leptospermum* Honey.

CEO Ed Quilty commented, "As we have stated previously, bringing the MEDIHONEY line to the retail market is a significant priority for us. Entering into an exclusive distribution arrangement with this large retailer further validates the brand and underscores the interest being generated by consumers. Additionally, linking the exclusivity on MEDIHONEY to incremental sales for our private label line of adhesive strips and traditional wound-care dressings is a great example of how sales of MEDIHONEY is providing significant pull-through product sales, and also why the First Aid Division we acquired last year made terrific sense. We believe we are uniquely positioned in the field of first aid wound care to leverage our proprietary technologies and command a greater share of the basic wound care and adhesive strip business.

"As the MEDIHONEY line has been rolled out into the global markets, the retail interest has always followed. We expect there to be similar deals established in these other markets, which will represent large growth opportunities for Derma Sciences and our global commercialization partner, Comvita New Zealand, Ltd."

Initial orders of the MEDIHONEY line are expected to take place in December 2008, and initial orders for the other products are anticipated to begin in the Spring of 2009.

About Derma Sciences

Derma Sciences is a global manufacturer and marketer of advanced wound-care products. Its key product, MEDIHONEY, is sold throughout the world by Derma Sciences and Comvita New Zealand -- the licensor of the patented honey-based technology -- and is the leading brand of honey-based dressings for the management of wounds and burns. The product has been shown to be effective in a variety of wounds and burns, and was recently the focus of a large-scale randomized controlled trial on leg ulcers. For more information about Derma Sciences, Inc., visit its home page on the Internet at www.dermasciences.com.

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