

March 16, 2015



Oculus Innovative Sciences Announces Sale of 350,000 Shares of Ruthigen Stock for \$962,500 in Non-Dilutive Funding

- **Additional \$4.5 million in non-dilutive funding in sale of remaining 1.65 million Ruthigen shares upon closing of Ruthigen/Pulmatrix merger expected by no later than August 2015**
- **Non-dilutive funding to support growth of Oculus' new dermatology division, IntraDerm Pharmaceuticals**
- **Ruthigen and Pulmatrix enter into definitive merger agreement as of March 13, 2015**

PETALUMA, Calif., March 16, 2015 (GLOBE NEWSWIRE) -- Oculus Innovative Sciences, Inc. (NASDAQ: Common Stock – OCLS, Warrants - OCLSW), a specialty pharmaceutical company that develops and markets solutions for the treatment of dermatological conditions and advanced tissue care, today announced the sale of 350,000 shares of Ruthigen (Nasdaq:RTGN) stock to an undisclosed investor group at \$2.75 per share for non-dilutive funding of \$962,500, predicated upon the announcement of a definitive merger agreement entered into by Ruthigen and Pulmatrix, a clinical-stage biotechnology company. This merger was announced on March 13, 2015.

If the merger closes, which is expected to occur by August 2015, Oculus has agreed to sell its remaining 1.65 million Ruthigen shares to an investor group at \$2.75 per share for non-dilutive funding of approximately \$4.5 million.

Ruthigen was a wholly owned subsidiary of Oculus that was spun out as a separate company upon its initial public offering on the NASDAQ Capital Market on March 26, 2014. In this process, Ruthigen was granted a license to some of Oculus' Microcyn®-based drug assets and had been pursuing a clinical program to evaluate one such formulation for use in prevention of infection associated with abdominal surgery. As part of this licensing agreement, Oculus was to receive milestone payments and royalties.

Following the merger and after August 31, 2016, Oculus' management anticipates one of three outcomes relative to these milestones and royalties:

1. Ruthigen/Pulmatrix would continue to move the clinical study forward and be responsible for future milestone and royalty payments.
2. Ruthigen/Pulmatrix would sell these licensing rights to another company, which would then be accountable to Oculus for the same milestone payments and royalties. Ruthigen/Pulmatrix has until August 31, 2016 to complete the sale or initiate the clinical program.

3. If neither of the above alternatives are completed and/or initiated, then the drug formulations license would revert back to Oculus.

"Five and a half million dollars in non-dilutive funding will allow us to continue to grow our new dermatology division, IntraDerm Pharmaceuticals, which has already exceeded our expectations in terms of its introduction of new derm formulations for the management of atopic dermatitis and scars," said Robert Miller, Oculus' COO and CFO. "We believe these monies will move our dermatology business more quickly towards profitability without dilution to our current shareholders."

For more information on the Ruthigen/Pulmatrix merger, visit www.ruthigen.com. For more information about Oculus' agreements with Ruthigen and Pulmatrix, please see the 8-K at <http://ir.oculusis.com/sec.cfm>.

About Oculus Innovative Sciences, Inc.

Oculus Innovative Sciences is a specialty pharmaceutical company that develops and markets solutions for the treatment of dermatological conditions and advanced tissue care. The company's products, which are sold throughout the United States and internationally, have improved outcomes for more than five million patients globally by reducing infections, itch, pain, scarring and harmful inflammatory responses. The company's headquarters are in Petaluma, California, with manufacturing operations in the United States and Latin America. European marketing and sales are headquartered in Roermond, Netherlands. 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 commercial and technology progress and future financial performance of Oculus Innovative Sciences, Inc. and its subsidiaries (the "Company"). These forward-looking statements are identified by the use of words such as "expected," "continue," "anticipates," and "complete," 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 common stock and warrants may be delisted from NASDAQ, 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, the Company may not be able 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 its annual report on Form 10-K for the year ended March 31, 2014. The Company disclaims any obligation to update these forward-looking statements, except as required by law.

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