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Oculus Innovative Sciences Announces New Partnership Agreement with V&M Industries, Inc. for Microcyn(R)-Based OTC Human Wound Care Products

Continuation of Oculus' Business Strategy to Broaden Product Offerings, Expand Commercialization, Ramp Revenues and Focus on Profitability through Partnering

PETALUMA, Calif.--(BUSINESS WIRE)-- Oculus Innovative Sciences, Inc. (Nasdaq: OCLS), a biopharmaceutical company that develops, manufactures and markets a family of products based upon the Microcyn^(R) Technology platform, which is intended to treat infections in chronic and acute wounds, announced today it has entered into a new strategic partnership with V&M Industries, Inc. for non-exclusive rights to market Microcyn-based skin and wound care over-the-counter products in the United States and Canada while providing Oculus with a significant percentage of those revenues.

"We licensed the U.S. and Canadian rights to the Microcyn-based Vetericyn(TM) formulations for animals earlier this year and have been delighted by the initial market response. Based upon our positive ramp, I anticipate we will exceed first year projected sales for the family of Vetericyn products," said Bob Burlingame, CEO of California-based V&M Industries. "Our team recognizes that the North American retail market is hungry for compelling over-the-counter human wound care products that are clinically proven safe and effective. In these economic times, cost-conscious consumers are focused on maintaining their health and reducing the number of visits to their family doctor. Based on our experience with Vetericyn, we expect to generate immediate Microcyn OTC sales while producing testimonials from satisfied customers, creating an ongoing demand from consumers."

V&M Industries will underwrite sales and marketing costs related to the Microcyn-based OTC skin and wound care formulations.

"The management team at V&M has proven its ability to champion a wide variety of products from concept to profitability in relatively short order," said Hoji Alimi, founder and CEO of Oculus. "They have built a seasoned marketing team that understands the dynamics of the U.S. over-the-counter space and are prepared to fully invest so as to generate meaningful sales for the Microcyn OTC products. This further validates the wisdom of the Oculus business model in which we license key product niches to strong partners who underwrite the costs of product marketing while we share in the revenues. This allows us to maintain our reduced overhead with a focus on our target of cash breakeven by March of this coming year."

About V&M Industries, Inc.

V&M Industries, Inc. is a privately held company established by Bob Burlingame in 2009. Mr. Burlingame is the chief executive officer and chairman of the board of Burlingame Industries, Inc., a manufacturer of automated equipment specializing in the concrete roof-tile industry and the largest concrete roof tile manufacturer in America, which he founded in 1969. He received a B.S. in business from Michigan State University and was a pilot in the U.S. Navy. He was selected "Master Entrepreneur of the Year" for the Inland Empire in 1995 by Ernst & Young. A privately held company, V&M was formed for the purpose of providing premier health products to the animal and over-the-counter human markets. V&M Industries promotes products it believes will truly revolutionize healthcare, both animal and human--products that are effective, cause no harm to the patient and cause no harm to the environment.

About Oculus Innovative Sciences

Oculus Innovative Sciences develops, manufactures and markets a family of products based upon the Microcyn^(R) Technology platform, which includes new formulations designed to significantly reduce the need for antibiotics as it reduces infections. The Microcyn Technology platform features a biocompatible, shelf-stable solution that is currently commercialized in the United States, Europe, India, China and Mexico and select Middle East countries under various country specific regulatory clearances and approvals. Several solutions derived from this platform have demonstrated, in a variety of research and investigational studies, the ability to treat a wide range of pathogens, including antibiotic-resistant strains of bacteria (including MRSA and VRE), viruses, fungi and spores, increase blood flow to the wound site, reduce both inflammation and pain while assisting in faster wound closure. The company's headquarters are in Petaluma, California, with operations in Latin America. More information can be found at www.oculusis.com.

Forward-Looking Statements

Except for historical information herein, some 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. These forward-looking statements are identified by the use of words such as "anticipate," "believes," "to deliver," and "prepared," 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 risks inherent in the development and commercialization of potential products, the risk that regulatory clinical and guideline developments may change, the risk that scientific data may not be sufficient to meet regulatory standards or receipt of required regulatory clearances or approvals, the risk that clinical results may not be replicated in actual patient settings, the risk that protection offered by our patents and patent applications may be challenged, invalidated or circumvented by our competitors, the risk that present trends will continue and that the available market for our products will not be as large as expected, the risk that our products will not be able to penetrate one or more targeted markets, the risk that revenues will not be sufficient to fund further development and clinical studies, the Company's 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 quarterly

report on Form 10-Q for the quarter ended June 30, 2009. Oculus Innovative Sciences disclaims any obligation to update these forward-looking statements.

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Source: Oculus Innovative Sciences, Inc.