

September 20, 2012



Oculus Innovative Sciences Updates Guidance: Faster Path to Positive EBITDAS as Result of Recent Partnership

For quarter beginning Oct 1, 2012:

- **Reduced SG&A by approximately \$3 million annually due to transfer of Mexico marketing and sales function to More Pharma**
- **Guidance for quarterly cash operating expenses reduced 15% to the range of \$2.5 million**
- **Positive EBITDAS to be achieved on quarterly revenues of between \$3.7 million and \$4 million**
- **Increased cash position of nearly \$8 million projected for the end of September as result of More Pharma's \$5.1 upfront payment**

PETALUMA, Calif., Sept. 20, 2012 (GLOBE NEWSWIRE) -- Oculus Innovative Sciences, Inc. (Nasdaq:OCLS), a *commercial healthcare* company that designs, produces and markets innovative, safe and effective healthcare products, today announced the finalization of transition of marketing and sales to More Pharma in Mexico, thus reducing Oculus' guidance for quarterly cash operating expenses 15% to the range of \$2.5 million for the quarter beginning October 1, 2012. With the reduction of expenses effective in late August, operating expenses for the quarter ending September 30, 2012, will include some sales and marketing, severance and transition costs. The reduction of cash operating expenses shortens the company's projected timeline to achieve positive EBITDAS, which is anticipated once quarterly revenues are in the range of \$3.7 million to \$4 million.

In an effort to expand commercialization of Microcyn Technology, More Pharma is now preparing regulatory filings for approval of the Microcyn® Technology in six Latin American and Caribbean countries including El Salvador, Dominican Republic, Guatemala and Jamaica. An update on this partnership as well as guidance on the annual rate of revenue growth will be included in Oculus' Q2 2013 earnings call to be held on November 1, 2012.

"The partnership with More Pharma is a strategically prudent initiative that provides Oculus with multiple upsides," Bob Miller, CFO of Oculus said. "We've reduced our quarterly expenses and are now on track to positive EBITDAS at a more rapid pace. As well, we now have a major partner working on our behalf to secure regulatory approvals in multiple Latin America and Caribbean countries, thus eventually opening up new markets for the Microcyn Technology. Finally, and not to be overlooked, their upfront payment of \$5.1 million provides us with a much stronger balance sheet position."

About More Pharma

Founded in 2007, More Pharma is a pharmaceutical company with strong growth

performance and a team of more than 300 people. The company has a talented sales and marketing team with significant prior experience with large international pharmaceutical companies. They have ample funding and support by their renowned financial sponsors, Southern Cross Group and Evercore, both of which manage more than \$1 billion of venture funds. The company is dedicated to finding solutions to healthcare challenges via product development, in-licensing and product acquisitions. With headquarters in Mexico City, More Pharma has a presence in Mexico, Latin America and the Caribbean. More information can be found at www.morepharmacorp.com/eng/compania.php

About Oculus Innovative Sciences

Oculus Innovative Sciences is a *commercial healthcare* company that designs, produces and markets innovative, safe and effective healthcare products. Oculus is pioneering innovative solutions in multiple markets including dermatology, surgical, wound care, animal healthcare and others, and has commercialized products in the United States, Europe, India, China and Mexico and select Middle East countries. The company's headquarters are in Petaluma, California, with manufacturing operations in the United States and Latin America. 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 Company's commercial and technology progress and future financial performance. These forward-looking statements are identified by the use of words such as "include," "reaffirms" and "provides," 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 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, 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 annual report on Form 10-K for the year ended March 31, 2012. Oculus Innovative Sciences disclaims any obligation to update these forward-looking statements except as required by law.

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