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Oculus Innovative Sciences to Create Subsidiary for Company's Anti-Infective Drug Assets

PETALUMA, Calif., Nov. 26, 2012 (GLOBE NEWSWIRE) -- Oculus Innovative Sciences, Inc. (Nasdaq:OCLS), today announced it has initiated the process to create a wholly owned subsidiary that will hold the company's anti-infective drug assets. The company recently announced, that based upon market research, there appeared to be a significant opportunity for a new drug utilizing the Microcyn® Technology for surgical suite use. The company's new surgical formulation has been finalized and the company is now preparing the clinical strategy in preparation for discussions with the FDA.

"The creation of a subsidiary allows us to better leverage our drug opportunities, including Oculus' surgical anti-infective program," said Hoji Alimi, founder and CEO of Oculus. "We plan on exploring all strategic alternatives to unlock the value of these assets, which we believe will lead to new drug applications for Microcyn Technology within the surgical suite. This subsidiary could allow our existing shareholders to gain equity in both entities, and moving forward should attract both biotech investors focused on our drug programs as well as fundamental investors whose priority is the sales growth and profitability of our medical device products."

Company management believes that the creation of this subsidiary will provide focused resources for the drug development platform as well as financing opportunities specific to the subsidiary, or future spinoff. The objective is to generate funding for the company's FDA clinical trials without issuing additional shares of the parent company.

About Oculus Innovative Sciences

Oculus Innovative Sciences is a *healthcare* company that designs, produces and markets innovative, safe and effective anti-infective medical devices while also developing multiple drug candidates for various indications including treatment of acne and surgical suite use. Oculus is pioneering innovative solutions in multiple markets for the dermatology, surgical, wound care, and animal healthcare markets, and has commercialized products in the United States, Europe, India, China, 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 "preparing," "creation" and "leverage," 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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