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Oculus Innovative Sciences Enters Into Agreement to Sell Ruthigen, Inc. Shares for \$5.5 Million in Event of Ruthigen Merger

PETALUMA, Calif., Jan. 12, 2015 (GLOBE NEWSWIRE) -- Oculus Innovative Sciences, Inc. (Nasdaq:OCLS) today announced that the company has entered into a securities purchase agreement with two current Ruthigen investors, under which these two buyers agree to purchase all of Oculus' two million Ruthigen (Nasdaq:RTGN) shares at \$2.75 per share, or an aggregate of \$5.5 million. The agreement expires in 60 days and is subject to Ruthigen entering into a definitive agreement for a merger.

For more information or to obtain a copy of the securities purchase agreement, please see the company's current report on form 8-K, also filed today with the SEC.

In accordance with the provisions of the agreements with Ruthigen, they will continue to have an obligation to make a total of \$8 million of milestone payments to Oculus, as follows: \$1.5 million upon completion of last patient enrollment in the Phase 1/2 clinical trial expected in the spring of 2015; \$1.5 million upon completion of last patient enrollment in the pivotal clinical trial; \$3 million upon completion of the first meeting with the FDA following completion of the first pivotal clinical trial; and \$2 million upon first patient enrollment in the second pivotal clinical trial. There is no guarantee that Ruthigen will achieve these milestones and make the corresponding payments.

Ruthigen also anticipates making royalty payments to Oculus based on annual net product sales from the date of first commercial sale to the date that Ruthigen ceases to commercialize the product. This percentage royalty rate will vary between 3% and 20% and will increase based on various net sales thresholds and differs depending on the country in which the sales are made.

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 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 "purchase," "expected," and "agree," 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 the sale of the shares may not be completed, that the Company may never receive the milestone payments, scientific data may not be sufficient to meet regulatory standards or receipt of required regulatory clearances or approvals, protection offered by the Company's patents and patent applications may be challenged, invalidated or circumvented by its competitors, 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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