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# Ruthigen Establishes Independent Headquarters and Targets Public Offering In 2013

PETALUMA, Calif. and SANTA ROSA, Calif., Jan. 28, 2013 (GLOBE NEWSWIRE) -- Ruthigen, Inc., a biopharmaceutical company focused on a unique and new drug candidate, RUT58-60, today announced it has established independent offices at a new facility in Santa Rosa, California, in preparation for spinoff and an intended public offering in 2013. RUT58-60 is a drug candidate intended for accelerating patient discharge post surgery, on average 25% faster, as compared to current standards of care. RUT58-60 contributes to prevention and treatment of infections in hospital settings, as well as healing incision sites via promotion of angiogenesis.

Designed to prevent and treat infections, including *MRSA* and *C diff*, RUT58-60's addressable market includes 46 million surgical and trauma procedures performed in U.S. hospitals and more than 200 million procedures globally.

Hoji Alimi, founder and CEO of Ruthigen said: "The spinoff of Ruthigen is part of our growth strategy with an eye to providing current Oculus shareholders equity in both companies. I'm proud to have been able to lead a dedicated team that has grown Oculus from a clinically focused biotech during the Wall Street meltdown of 2008 to the successful commercial company it is today—with a revenue run rate of $18 million, 39% average product revenue growth rate over the past three years and EBITDAS losses of only $235,000 for the first six months of the current fiscal year. Oculus is on track for profitability and has a strong cash position of $8.3 million as of the end of September 2012. I plan to focus Ruthigen on development of its unique drug, RUT58-60, to accelerate patient discharge post surgery as demonstrated in a number of clinical investigations and peer-reviewed publications. Finally, I am confident that Jim Schutz is the ideal candidate to take the wheel at Oculus given his experience in licensing, mergers, acquisitions and partnering."

Jim Schutz, newly appointed CEO of Oculus said: "Oculus is well positioned to achieve profitability and sustainable growth over the next few years. In parallel with the Ruthigen spinoff, the Oculus team is focused on accelerating revenue growth by offering new products through current partners, the addition of new partners, and all while expanding our international footprint. We believe the one-two punch of Ruthigen and Oculus will benefit shareholders today and going forward."

**Ruthigen Spinoff Preparations**

Oculus management is working with securities counsel and bankers on a plan to provide equity in Ruthigen to Oculus shareholders. Oculus expects the spinoff to be a tax-free stock distribution and ultimately anticipates Ruthigen to become an independent NASDAQ-traded

company. Oculus has retained bankers and financial advisors for the spinoff, and expects the spinoff to be completed in 2013. Execution of the transaction requires further work relative to structure, governance and other significant matters and risks.

The completion of the proposed spinoff is subject to certain customary conditions, including final approval by Oculus' board of directors, the filing and effectiveness of appropriate filings with the U.S. Securities and Exchange Commission including a registration statement on form S-1, and any necessary third-party consents, as well as certain other matters relating to the spinoff, receipt of legal opinions, execution of intercompany agreements, and final approval of the transactions contemplated by the spinoff, as may be required under Delaware law. Oculus notes that there can be no assurance that any separation transaction will ultimately occur, or, if one does occur, its terms or timing.

**About Ruthigen**

Ruthigen, Inc. is a fully owned subsidiary of Oculus Innovative Sciences, Inc. (Nasdaq:OCLS). Ruthigen focuses on the development of RUT58-60, a drug candidate intended for accelerating patient discharge post surgery. RUT58-60 is a new and unique chemical formulation containing twice the concentration of hypochlorous acid as compared to Microcyn® Technology, along with magnesium and no sodium hypochlorite. It is specifically designed for internal use targeting organ exposure.

RUT58-60 has been formulated based on several clinical studies in international markets including a 2006 clinical retrospectively controlled study involving 40 post-surgical peritonitis patients. The 20 patients in the study group, who were treated with the preliminary RUT58-60 formulation and saline, were in the hospital on an average of 22.4 days following surgery, whereas the control group, which was treated with saline alone, demonstrated a longer hospital stay on average of 31.9 days. Both groups were treated with systemic antibiotics.

**About Oculus Innovative Sciences**

Oculus Innovative Sciences is a healthcare company that designs, produces and markets innovative, safe and effective products and medical devices based on Microcyn® Technology. Oculus is a commercial medical device company with laser-sharp focus on revenue growth and profitability through its partnerships in a number of diverse markets including wound care, dermatology and animal healthcare. 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 "achieve," "accelerating," and "expanding," 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, the uncertainties associated with effecting a spinoff of a separate public company, and the discretion of Oculus' Board of Directors to delay or cancel the spinoff prior to execution, 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.

Oculus press releases contain information about products, which may or may not be available in any particular country, and if applicable, may have received approval or market clearance by a governmental regulatory body for different indications and restrictions in different countries. Each country has specific laws, regulations and medical practices governing the communication of medical or other information about medical products. Nothing herein should be construed as a solicitation or promotion for any product or for an indication for any product, which is not authorized by the laws and regulations of the country where the reader resides.



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