

February 6, 2014



Oculus Innovative Sciences Announces Completion of Agreements Required for IPO by Company's Subsidiary, Ruthigen, Inc.

PETALUMA, Calif., Feb. 6, 2014 (GLOBE NEWSWIRE) -- Oculus Innovative Sciences, Inc. (Nasdaq:OCLS), today announced that as of January 31, 2014, Oculus has entered into certain new and amended agreements with its wholly owned subsidiary, Ruthigen Inc., which are required for Ruthigen's continued IPO process.

A new financing agreement between Oculus and Ruthigen governs the terms of certain additional financing. Oculus has agreed to continue to fund Ruthigen for a total of up to, but not greater than, \$760,000 to allow the subsidiary to proceed with its intended initial public offering. Any funds provided by Oculus pursuant to this funding agreement will be repaid by Ruthigen at the time of the closing of the Ruthigen initial public offering, if and when that occurs.

"We are committed to the Ruthigen IPO process because of the benefits to Oculus, first in the form of reduced Oculus expenses post-separation; secondly, the balance sheet benefits from our equity ownership in a separate Ruthigen; thirdly, the immediate payback of IPO-related expenses and finally the creation of strong, separate boards dedicated to their respective shareholders and teams," said Jim Schutz, Oculus CEO. "But like any prudent investor, we have essentially put a stop-loss into place via a final capped budget, which we think minimizes our downside risk."

Other agreements amended and signed include a separation agreement, a license and supply agreement and a shared services agreement. Additional information concerning these agreements can be found in form 8-K filed by Oculus with the SEC on February 6, 2014.

About Oculus Innovative Sciences

Oculus Innovative Science is a global healthcare company that designs, manufactures and markets prescription and non-prescription products in 31 countries. The company's products are used to treat patients in surgical/advanced wound management, dermatology, women's health and animal health; addressing the unmet medical needs of these markets, while raising the standard of patient care and lowering overall healthcare costs. 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 commercial and technology 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 "anticipates," "believes," "expects," "may," "plans," and "will," 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, 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, the uncertainties associated with an initial public offering of a separate public company, 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, 2013. The Company disclaims any obligation to update these forward-looking statements, except as required by law.

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Source: Oculus Innovative Sciences, Inc.