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Oculus Innovative Sciences Announces Reverse Split of Common Stock

Focus on Continued Growth in U.S. Dermatology Market While Expanding Potential Institutional Investor Base

PETALUMA, Calif., June 22, 2016 (GLOBE NEWSWIRE) -- Oculus Innovative Sciences, Inc. (NASDAQ: OCLS, warrants OCLSW), a specialty pharmaceutical company that develops and markets unique and effective solutions for the treatment of dermatological conditions and advanced tissue care, announced today that a 1-for-5 reverse split of its common stock will be effective after the close of business on Friday, June 24, 2016. The reverse stock split was previously approved by the company's stockholders at the company's special meeting held on June 29, 2015. The company's board of directors approved the implementation of a reverse stock split and determined the appropriate reverse stock split to be a ratio of 1-for-5 on June 2, 2016. The reverse split was not the result of any NASDAQ actions.

"Two years ago, we set out to change the strategic direction of our company with a new board of directors, new management team and new strategic direction focusing on the U.S. dermatology market with our own direct sales force. Since then, we've shown measurable progress resulting in growth in U.S. revenue of 123% for the last twelve months," said Jim Schutz, Oculus CEO. "Now that we've demonstrated that our restructuring plan is bearing fruit with strong sales of our seven prescription products and fast revenue growth, our next steps are to change the name of the company in the upcoming months to more accurately reflect our focus on dermatology, and second, to proactively execute a reverse split to position our stock price to be attractive to larger investors, closer to the \$5 per share investment grade target. We believe that the combination of a higher stock price and the continued success of our dermatology strategy with quarterly new product launches and a growing sales force of over 20 will be attractive to a new level of investors and help propel Oculus forward."

At the effective time of the reverse stock split, every five shares of Oculus' issued and outstanding common stock will be automatically converted into one newly issued and outstanding share of common stock, without any change in the par value per share. All fractional shares will be paid an amount equal to the product obtained by multiplying (a) the closing price per share of the common stock as reported on the NASDAQ Capital Market as of the date of the effective date, by (b) the fraction of one share owned by stockholder.

The reverse stock split will reduce the number of shares of Oculus' common stock outstanding from 21 million to approximately 4.2 million. The number of authorized shares of the company's common stock will also be proportionally reduced from 60 million to 12 million. Proportional adjustments will be made to Oculus' stock options, warrants and equity-compensation plans. The reverse stock split will have no effect on the company's authorized shares of preferred stock.

The company's common stock will continue to trade on The NASDAQ Capital Market under the symbol "OCLS" until such time a corporate name change is implemented. A new CUSIP number will be assigned to Oculus' common stock after the reverse stock split becomes effective.

The reverse stock split is intended to increase the per share trading price of the company's ordinary shares to both satisfy the \$1.00 minimum bid price requirement on The NASDAQ Capital Market and to encourage the trading of Oculus shares by institutional funds that typically pass on stocks that are priced less than \$5.00 per share.

Once the reverse stock split becomes effective, stockholders holding shares through a brokerage account will have their shares automatically adjusted to reflect the 1-for-5 reverse stock split. Existing stockholders holding common stock certificates will receive a letter of transmittal from the company's transfer agent, Computershare, Inc. with specific instructions regarding the exchange of shares.

About Oculus Innovative Sciences, Inc.

Oculus Innovative Sciences is a specialty pharmaceutical company that develops and markets unique and effective 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 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 "change," "execute," and "propel," 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 common stock and warrants may be delisted from NASDAQ, 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, 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 fiscal year ended March 31, 2016. The Company disclaims any obligation to update these forward-looking statements,

except as required by law.

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