



## **DepoMed, Inc. Announces Separation of Units**

December 1, 1997

FOSTER CITY, CA - December 1, 1997 - DepoMed, Inc. (Nasdaq: DPMDU) today announced that, effective December 1, 1997, the Common Stock and Warrants comprising the Company's Units will become detachable and separately transferable. Also effective as of December 1, 1997, the shares of Common Stock and the Warrants will be quoted and traded separately on the Nasdaq SmallCap Market. The trading symbols for the Common Stock and Warrants will be DPMD and DPMDW, respectively.

The Company also announced that, effective December 8, 1997, the Units will no longer be traded or quoted on the Nasdaq SmallCap Market. Currently, each Unit consists of one share of Common Stock and one Warrant to purchase one share of Common Stock.

Each Warrant entitles the registered holder to purchase, during the period commencing on November 5, 1998 and ending on November 4, 2002, one share of Common Stock at an exercise price of \$7.625 per share. The Warrants are subject to redemption by the Company, in whole but not in part at \$.10 per Warrant, on 30 days' prior written notice, provided that the average closing bid price exceeds 200% of the then-current Warrant exercise price per share for any 20 trading days within a period of 30 consecutive trading days ending on the fifth trading day prior to the date of the notice of redemption.

DepoMed, Inc., a development stage company, is engaged in the development of unique oral drug delivery technologies. The Company has developed two types of proprietary oral drug delivery systems, the Gastric Retention System, designed to be retained in the stomach for an extended period of time while it delivers the incorporated drug or drugs, and the Reduced Irritation System, designed to reduce gastrointestinal irritation, a side effect of many orally administered drugs.

The statements in this press release that are not historical facts are forward-looking statements that involve risk and uncertainties, including risks associated with the development of products, technological changes, FDA and other regulatory approvals, dependence on and need for collaborative partners, competition, uncertainty relating to patent and proprietary rights and other risks identified in the Company's registration statement on Form SB-2 (File No. 333-25445), filed with the Securities and Exchange Commission. Actual results, events, and performance may differ materially. Readers are cautioned not to place undue relevance on these forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to release publicly the result of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of anticipated events.