Depomed Announces Prepayment of $100 Million of Secured Debt Facility

April 4, 2016

- Company Prepays Maximum Amount Allowed Under Agreement -
- Furthers Commitment to De-Levering the Company -

NEWARK, Calif., April 04, 2016 (GLOBE NEWSWIRE) -- Depomed Inc., (NASDAQ:DEPO) today announced that, in accordance with its stated plans and the terms of the secured debt facility with Deerfield and Pharmakon Advisors, LP, today the company prepaid $100 million of principal amount of its $575 million secured indebtedness. In addition, Depomed paid a prepayment fee of $5 million.

Under the terms of the 7-year loan agreement, which matures in 2022, Depomed has the option to either pay down or refinance the remainder of the $475 million secured indebtedness starting in April 2017, marking the second anniversary of the transaction.

“We are pleased to be able to execute on our stated goal of prepaying the maximum amount allowed under our loan agreement at this 1-year anniversary,” said Jim Schoeneck, president and chief executive officer of Depomed. “Our ability to do so speaks to the strength of our business and our strong cash flows, which together allow us to de-lever the company and provide the flexibility to pursue future acquisition opportunities.”

"Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995. The statements that are not historical facts contained in this release are forward-looking statements that involve risks and uncertainties including, but not limited to, those related to the company’s ability to repay its outstanding indebtedness and raise additional capital and other risks detailed in the company’s Securities and Exchange Commission filings, including the company’s Annual Report on Form 10-K for the year ended December 31, 2015. The inclusion of forward-looking statements should not be regarded as a representation that any of the company’s plans or objectives will be achieved. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The company undertakes no obligation to publicly release 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 unanticipated events.

About Depomed

Depomed is a leading specialty pharmaceutical company focused on enhancing the lives of the patients, families, physicians, providers and payers we serve through commercializing innovative products for pain and neurology related disorders. Depomed markets six medicines with areas of focus that include mild to severe acute pain, moderate to severe chronic pain, neuropathic pain, migraine and breakthrough cancer pain. Depomed is headquartered in Newark, California. To learn more about Depomed, visit www.depomed.com.

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