



# Durect Corporation Adopts Stockholder Rights Plan

CUPERTINO, Calif., Jul 6, 2001 /PRNewswire/ — DURECT Corporation (Nasdaq: DRRX) announced today that its Board of Directors adopted a Stockholder Rights Plan. The Rights Plan is designed to protect and maximize the value of stockholders' interest in DURECT Corporation, to enable all DURECT stockholders to realize the full value of their investment and to provide for fair and equal treatment for all stockholders in the event that an unsolicited attempt is made to acquire DURECT. The adoption of the plan was not made in response to any specific attempt to acquire DURECT or its shares and the company is not aware of any current offers to do so.

The rights issued pursuant to the Rights Plan will initially trade with shares of DURECT's common stock, unless and until they are separated upon the occurrence of certain future events, and will have no impact on the way in which the company's shares are traded. The distribution of the rights will be payable to stockholders of record on July 20, 2001. The rights will expire on July 6, 2011. The rights are not exercisable until ten days after a person or group announces acquisition of 17.5 percent or more of DURECT's outstanding common stock or the commencement of a tender offer, which would result in ownership by the person or group of 17.5 percent or more of DURECT's outstanding common stock.

If a person or group acquires 17.5 percent or more of DURECT's common stock, all rights holders except the potential acquiror will be entitled to acquire DURECT common stock at a discount. The effect will be to discourage acquisitions of more than 17.5 percent of DURECT's common stock without negotiations with DURECT's Board of Directors. Under certain circumstances, the company's Board of Directors may also exchange the rights (other than those owned by the acquiror or its affiliates) for the company's common stock at an exchange ratio of one share of common stock per right. The company is entitled to redeem the rights at any time on or before the tenth day following acquisition by a person or group of 17.5 percent or more of the company's common stock. Additional details regarding the Rights Plan will be outlined in a summary to be mailed to stockholders of record as of the record date.

The statements in this press release regarding DURECT's plans and future activities are forward-looking statements involving risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. Potential risks and uncertainties include, but are not limited to, DURECT's ability to develop, manufacture and commercialize its products, successfully complete clinical trials, obtain product and manufacturing approvals from regulatory agencies, and validate and qualify a manufacturing facility, as well as marketplace acceptance of DURECT's products. Further information regarding these and other risks is included in the company's Quarterly Report on Form 10Q for the quarter ended March 31, 2001 filed with the SEC on May 11, 2001 and Annual Report on Form 10K for the fiscal year ended December 31, 2000 filed with the SEC on March 30, 2001.

Contact: Schond L. Greenway, Director, Investor Relations of DURECT Corporation,



408-777-1417, [schond.greenway@durect.com](mailto:schond.greenway@durect.com).

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CONTACT: Schond L. Greenway, Director, Investor Relations of DURECT Corporation, 408-777-1417, [schond.greenway@durect.com](mailto:schond.greenway@durect.com) (DRRX)