BioPartners and DURECT Corporation Enter Into Agreement for Development Of Sustained Release Interferon Alpha

ZUG, Switzerland and CUPERTINO, Calif., Nov. 19 /PRNewswire-FirstCall/ — BioPartners, a global biopharmaceuticals company and one of the leaders in the emerging field of competitively priced multi-source biopharmaceuticals, has signed an exclusive agreement with DURECT Corporation (Nasdaq: DRRX), a U.S. based pioneering pharmaceutical systems company, for the development of a sustained release formulation of recombinant interferon alpha for the treatment of Hepatitis C.

The agreement with DURECT entitles BioPartners to exclusively develop and commercialize the sustained release product in key territories including the U.S., Europe, Japan, Australia, New Zealand and the Middle East. The worldwide recombinant interferon alpha market was worth $1.8 Billion in 2001 and is forecast to grow to $5.5 Billion by 2010 due to the added convenience offered by sustained release and pegylation products and the predicted rise in the prevalence of Hepatitis C.

The product will be developed using DURECT's patented drug delivery technology SABER(TM) and BioPartners' daily recombinant interferon alpha product. The SABER(TM) technology works by encapsulating proteins in a viscous carrier from which the drug is slowly released. BioPartners believes that SABER(TM) offers potential advantages in terms of product performance and ease of administration over the pegylation technology that is currently used in marketed sustained release alpha interferons. First, as SABER(TM) does not alter the molecule being delivered (as pegylation does), it may offer greater efficacy and safety. Further, SABER's low solution viscosity upon injection results in the need for a small gauge needle and may result in easier, less painful administration. BioPartners intends to conduct a full clinical development program for the product.

"We are very excited about our agreement with DURECT as it not only shows our commitment and capability to develop multi-source biopharmaceuticals, which offer therapeutic advances, improved patient convenience and competitive pricing, but also because it demonstrates our understanding of the market and highlights that BioPartners is leading the way in multi-source biopharmaceuticals. Importantly, the sustained release product complements our existing portfolio for the treatment of Hepatitis C, which includes a daily recombinant interferon alpha and ribavirin, making it possible for us to provide patients and physicians with a choice of gold standard treatment regimes," stated Brian O'Callaghan, President and CEO of BioPartners.

Commenting on the agreement, Dr. Felix Theeuwes, Chairman and Chief Scientific Officer of DURECT said, "Our patented SABER technology is ideal for products such as recombinant interferon alpha because its hydrophobic nature helps to stabilize proteins and it is well suited for long-term delivery of these novel therapeutics. The SABER delivery system offers significant advantages over existing systems in terms of product performance, ease of

administration, and manufacturability. We are thrilled that BioPartners has chosen to work with DURECT for the development of a sustained release recombinant interferon alpha, which fits with our own corporate goal to enable the delivery of biotechnology products".

Under the agreement, BioPartners and DURECT will share the funding of certain preclinical development activities at DURECT. BioPartners is responsible for additional preclinical activities and all clinical activities. DURECT will receive milestone payments based on the achievement of certain preclinical development milestones and a royalty on product sales. Specific financial terms are undisclosed.

Hepatitis C is a blood-borne infectious disease of the liver and is transmitted through body fluids, primarily blood or blood products, and by sharing needles. In many patients, the mode of transmission is unknown. Unfortunately, most people infected with hepatitis C are unaware of it because it may take years for symptoms to develop and it is therefore sometimes referred to as the "hidden epidemic". Hepatitis C chronically infects an estimated 170 million people worldwide (three percent of the world's population), with as many as 180,000 new cases occurring each year. It is the leading cause of cirrhosis and liver cancer and one of the most common reasons for liver transplants in Europe and the U.S. It is estimated that less than 30 percent of all cases are diagnosed. The standard treatment for Hepatitis C is recombinant interferon alpha as monotherapy or combination treatment with ribavirin. If left untreated, hepatitis C can be fatal for some patients.

Headquartered in Zug, Switzerland, BioPartners (www.biopartners.com) is a global biopharmaceuticals company and a leader in the emerging field of multi-source biopharmaceuticals. BioPartners' mission is to develop patentable and innovative formulations of "first generation" biopharmaceuticals as well source advanced delivery systems that may improve patient compliance to its product portfolio. BioPartners is developing a comprehensive range of biopharmaceutical products that may offer life-saving therapeutic benefits across many therapeutic areas, including oncology, virology, haematology, endocrinology and neurology.

BioPartners was founded by Global Healthcare Partners and Credit Suisse First Boston. Global Health Care Partners currently consists of some of the most respected and recognized figures in the international pharmaceutical industry. These include Henry Wendt, former Chairman of SmithKline Beecham and current Non-Executive Director of BioPartners and Ted Roberts, former Head of Pharmaceuticals of Merck KgaA and current Chairman of BioPartners.

BioPartners has partnered with LG Life Sciences, the leading South Korean manufacturer of biopharmaceuticals for the manufacture of its daily recombinant interferon alpha as well as other recombinant products in development

BioPartners is forming a global distribution network for the commercialization of its products. Worldwide distribution partners include Nycomed Pharma, Cambridge Laboratories, Grupo Vita, Novatec Healthcare, Alphapharm, MediQuest, Key Oncologics and MegaPharm.

DURECT Corporation (www.www.durect.com) is pioneering the development and commercialization of pharmaceutical systems for the treatment of chronic debilitating diseases and enabling biotechnology-based pharmaceutical products. DURECT's goal is to deliver the right drug to the right site in the

right amount at the right time. In November 2001, DURECT completed a pilot phase III program for the CHRONOGESIC(TM) (sufentanil) Pain Therapy System, a 3-month product for the treatment of chronic pain. DURECT owns three proprietary drug delivery platform technologies, including the SABER(TM) Delivery System (a patented and versatile depot injectable useful for protein delivery), the MICRODUR(TM) Biodegradable Microparticulates (microspheres injectable system) and the DURIN(TM) Biodegradable Implant (drug-loaded implant system). NOTE: CHRONOGESIC(TM) is a trademark of DURECT Corporation. SABER(TM), MICRODUR(TM) and DURIN(TM) are trademarks of Southern BioSystems, Inc., a wholly owned subsidiary of DURECT Corporation. Other trademarks referred to belong to their respective owners.

The statements in this press release regarding DURECT's and BioPartner's products in development, product development plans and potential opportunities, are forward-looking statements involving risks and uncertainties that can 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 and BioPartner's abilities to research, develop, manufacture and commercialize these products, obtain product and manufacturing approvals from regulatory agencies, timely enroll patients and clinical sites in connection with clinical studies, effectively administer clinical trials, and protect intellectual property rights, as well as marketplace acceptance of these products. Further information regarding these and other risks is included in DURECT's Annual Report on Form 10-K for the fiscal year ended December 31, 2001 filed with the SEC on March 28, 2002, under the heading "Factors that may affect future results," and other periodic reports filed with the SEC.

SOURCE DURECT Corporation

CONTACT: Shairose Ebrahim of Zaebra Consulting, +44 207 702 1452, or mobile, +44 7930 336720, or fax, +44 207 702 1447, or shairose@zaebraconsulting.com, for BioPartners; or Schond L. Greenway, Senior Director, Investor Relations and Strategic Planning of DURECT Corporation, +1-408-777-1417, or schond.greenway@durect.com/

/Web site: http://www.biopartners.com /