# DURECT Corporation Increases Focus on Product Development Activities and Reducing Costs

CUPERTINO, Calif., Nov. 22 /PRNewswire-FirstCall/ —
DURECT Corporation (Nasdaq: DRRX) today announced that it is reducing operating expenses in accordance with the Company's overall corporate objectives for the fiscal year 2003. DURECT's long-term strategy and business plan remain on track. The Company is reducing personnel levels to focus specifically on the CHRONOGESIC(TM) product and development programs utilizing the SABER(TM) and DURIN(TM) drug delivery systems.

As part of its rationalization activities, DURECT is eliminating 26 positions, or 16 percent of the Company's workforce. After the reduction in workforce, the company will have approximately 135 employees. Affected employees will be eligible for severance packages. The reductions will be completed in November 2002. This will enable the Company to conserve its cash reserves and to continue its pursuit to develop products with significant sales potential.

"It is never an easy process to make decisions that affect employees who have contributed so much to the Company's success to date and we thank them all for the support and dedication that they have given us," said Dr. James E. Brown, President and Chief Executive Officer of DURECT. "The decisions made today allow us to focus our spending on advancing our development programs with the potential to create significant value for patients with chronic debilitating diseases. These personnel reductions in no way hinder our breadth of development programs and our ability to execute on our corporate objectives."

Dr. Brown added, "DURECT has produced and will continue to enhance the value that we have created for both patients and shareholders. We expect to continue to forge new collaborations with pharmaceutical and biotechnology companies. To date, we have announced several strategic partnerships using our drug delivery technologies. We are very pleased with the collaboration with Endo Pharmaceuticals for our CHRONOGESIC product for the treatment in pain management. This agreement is complemented by our agreements with Cardinal Health using our SABER(TM) delivery system to develop long acting oral gel-cap products, BioPartners to develop a sustained release interferon alpha, Voyager Pharmaceutical for Alzheimer's Disease using our DURIN(TM) implant and our expanded licensing agreement to develop veterinary products with Thorn BioScience. These collaborations provide the company with a broad base of potential product opportunities and an additional source of funding. These partnered products, together with our internally funded post-operative pain and asthma development programs, give DURECT a very strong product development pipeline."

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 products in development and product development plans and projected financial results, 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 ability to complete the design, development, and manufacturing process development of its products, manufacture and commercialize its products, obtain product and manufacturing approvals from regulatory agencies, manage its growth and expenses, finance its activities and operations, as well as marketplace acceptance of DURECT's 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, DURECT's Quarterly Report on Form 10-Q for the quarter ended September 30, 2002 filed with the SEC on November 14, 2002 and other periodic reports filed with the SEC under the heading "Factors that may affect future results."

CHRONOGESIC is under development by DURECT and has not been submitted or approved for commercialization by the US Food and Drug Administration or other health authorities.

SOURCE DURECT Corporation

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