DURECT Amends Agreement with Voyager Governing Memryte(TM)

CUPERTINO, Calif., Jan. 24 /PRNewswire-FirstCall/ —
DURECT Corporation (Nasdaq: DRRX) announced today that it has amended its development and commercialization agreement with Voyager Pharmaceutical Corporation governing Memryte(TM), an investigational drug under development for the treatment of Alzheimer's disease based on DURECT's proprietary DURIN(TM) Biodegradable Implant technology. Under the amendment, among other changes to the agreement, the royalty rate that we will receive on net sales of Memryte, if commercialized, was doubled (to 10-14% of net sales after the amendment), and in addition, we will now receive 10% of any upfront, milestone and other fees received by Voyager in the event that the product is sublicensed to another pharmaceutical company. In return, DURECT will pay Voyager $1 million in cash and forgive approximately $725,000 which was owed to DURECT for previously provided services.

(Logo: http://www.newscom.com/cgi-bin/prnh/20020717/DRRXLOGO)

"We believe that our support will assist Voyager to collect and analyze the data from its Phase III trial, and that the data, once collected and analyzed, will potentially confirm the positive data that was obtained in an earlier phase II women's trial," stated Dr. Felix Theeuwes, Chairman and Chief Scientific Officer of DURECT. "With this modest investment, we have substantially strengthened our potential economic returns from this opportunity."

In July 2002, DURECT entered into a feasibility, development and commercialization agreement with Voyager under which we granted Voyager the exclusive, worldwide rights to develop and commercialize a product, Memryte, using DURECT's DURIN implant system to deliver the peptide leuprolide acetate to treat Alzheimer's disease based on Voyager's patented method of treatment. Voyager has previously announced the completion of a Phase II clinical trial in women and a Phase II clinical trial in men, in each case using the active agent (but not the Memryte dosage form incorporating the DURIN implant system). In October 2005, Voyager initiated its Phase III program for Memryte. In October 2006, Voyager informed us that Voyager was ending its Phase III clinical trials for Memryte in order to get an early look at potential efficacy. There can be no assurance that Voyager will be able to complete the data analysis from its current Phase III trials to assess efficacy and that the data from the study will indicate efficacy.

About DURECT Corporation

DURECT Corporation is an emerging specialty pharmaceutical company focused on the development of pharmaceutical systems based on its proprietary drug delivery platform technologies focused on treating chronic and episodic diseases and conditions. The Company currently has a number of late-stage pharmaceutical products in development initially focused on significant unmet medical needs in pain management, with a number of research programs underway in a variety of other therapeutic areas. For more information, please visit www.www.durect.com.

NOTE: DURIN(TM) is a trademark of DURECT Corporation, and Memryte(TM) is a trademark of Voyager Pharmaceutical Corporation. Memryte is a drug candidate under development and has not been submitted or approved for commercialization by the US Food and Drug Administration or other health authorities.

DURECT Forward-Looking Statement

The statements in this press release regarding Memryte, the potential data and results from the Phase III clinical trial and DURECT's potential economic returns from future sale and sublicensing of Memryte 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, Voyager Pharmaceutical's ability to complete the data analysis from its Phase III trials to assess efficacy, that the data from the study will be positive, Voyager Pharmaceutical's ability to obtain future funding or obtain a corporate partner to fund further development and commercialization of Memryte, and Voyager Pharmaceutical's ability to design, enroll, conduct and complete clinical trials, complete the design, development, and manufacturing process development of Memryte, obtain product and manufacturing approvals from regulatory agencies, and manufacture and commercialize Memryte, as well as marketplace acceptance of Memryte. Further information regarding these and other risks is included in DURECT's Form 10-Q dated November 3, 2006 under the heading "Risk Factors."

SOURCE DURECT Corporation
01/24/2007
CONTACT: Schond L. Greenway, Vice President, Investor Relations and Strategic Planning of DURECT Corporation, +1-408-777-1417; or Media, Jeremiah Hall, Senior Vice President of Feinstein Kean Healthcare, +1-415-677-2700, or jeremiah.hall@fkhealth.com, for DURECT Corporation
Photo: NewsCom: http://www.newscom.com/cgi-bin/prnh/20020717/DRRXLOGO
AP Archive: http://photoarchive.ap.org
PRN Photo Desk, photodesk@prnewswire.com
Web site: http://www.www.durect.com
(DRRX)