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pSivida and Pfizer Amend Agreement to Focus Solely on Development of Sustained-Release Implant to Deliver Latanoprost for Ocular Hypertension and Glaucoma

pSivida to receive up to $168m plus royalties

WATERTOWN, Mass., Jun 14, 2011 (BUSINESS WIRE) --

Drug delivery company pSivida Corp (NASDAQ:PSDV)(ASX:PVA) today announced it amended and restated its Research and Development Agreement with Pfizer Inc. (NYSE:PFE) to focus solely on the development of a long-term, sustained-release implant to deliver latanoprost for patients with ocular hypertension and glaucoma. The proposed implant is a bioerodible version of pSivida's proprietary Durasert™ technology system and is designed to be injected into the subconjunctival space of the eye.

Under this revised agreement, Pfizer will make an initial payment of $2.3 million. pSivida will, with technical assistance from Pfizer, have the right to develop the glaucoma product candidate through Phase II clinical trials. At that point, Pfizer may exercise its option for an exclusive, worldwide license to develop and commercialize the product candidate in return for a $20 million payment, double-digit royalty payments on any sales of the product and additional development, regulatory and sales performance milestone payments of up to $146.5 million. If Pfizer does not exercise its option, pSivida will retain the right to develop and commercialize the glaucoma product on its own or with a partner. As part of the amended agreement, pSivida regains all rights to its intellectual property in ophthalmic applications previously included in the original Research and Collaboration Agreement other than that required for the latanoprost implant.

"Pfizer is an excellent partner, and we are pleased to be entering into this new stage of our relationship involving development of a potentially enhanced glaucoma product," said Dr. Paul Ashton, President and CEO of pSivida. "The $2.3 million payment from Pfizer comes on top of the approximately $7.0 million in R&D support we have already received from Pfizer since we first started our partnership in 2007. We believe that regaining rights to intellectual property in the ophthalmic arena outside the scope of the amended agreement is a key step for our Company."

Yvonne Greenstreet, Senior Vice President and Head of the Medicines Development Group for Pfizer's Specialty Care Business Unit, added, "Latanoprost is the most commonly prescribed drug for reduction of intraocular pressure in the treatment of ocular hypertension and glaucoma. If successfully developed and approved by regulatory authorities, using pSivida's unique drug-delivery technology to deliver latanoprost could play a significant role in addressing compliance issues associated with a daily eye drop regimen for the treatment of glaucoma."

About pSivida

pSivida partnered ILUVIEN®, another product based on pSivida's Durasert technology system, with Alimera Sciences, Inc.. Alimera recently resubmitted a New Drug Application to the U.S. Food & Drug Administration for approval of ILUVIEN in the treatment of diabetic macular edema, and a decision is expected in the fourth quarter of this calendar year. Under the terms of this agreement, pSivida has received approximately $30 million in license fees, milestones and other payments. FDA approval would trigger a $25 million milestone payment, and pSivida would be entitled to receive 20% of Alimera's profits (as defined) on sales of ILUVIEN for DME.

SAFE HARBOR STATEMENTS UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995: Various statements made in this release are forward-looking, and are inherently subject to risks, uncertainties and potentially inaccurate assumptions. All statements that address activities, events or developments that we intend, expect or believe may occur in the future are forward-looking statements. The following are some of the factors that could cause actual results to differ materially from the anticipated results or other expectations expressed, anticipated or implied in our forward-looking statements: ability of pSivida, with Pfizer, another partner or alone, to successfully develop, obtain regulatory approval for, finance, and commercialize a latanoprost implant; ability to obtain additional capital uncertain; future losses; impairment of intangibles; fluctuations in the fair values of certain outstanding warrants; fluctuations in operating results; decline of royalty income from Bausch & Lomb; Alimera's ability to obtain regulatory approval of ILUVIEN; Alimera's ability to successfully commercialize ILUVIEN if approved; risk/benefit profile of ILUVIEN; timeliness of approval, if any, of ILUVIEN and any limitations on uses

thereof; ability to complete clinical trials and obtain regulatory approval of other product candidates; ability to find partners to develop and market products; termination of license agreements; competition; market acceptance of products and product candidates; reduction in use of products as a result of future publications; ability to protect intellectual property or infringement of others' intellectual property; retention of key personnel; product liability; consolidation in the pharmaceutical and biotechnology industries; compliance with environmental laws; manufacturing risks; risks and costs of international business operations; credit and financial market conditions; legislative or regulatory changes; volatility of stock price; possible dilution through exercise of outstanding warrants and stock options or future stock issuances; possible influence by Pfizer; ability to pay any registration penalties; absence of dividends; and other factors described in our filings with the Securities and Exchange Commission. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Our forward-looking statements speak only as of the dates on which they are made. We do not undertake any obligation to publicly update or revise our forward-looking statements even if experience or future changes makes it clear that any projected results expressed or implied in such statements will not be realized.

SOURCE: pSivida Corp

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