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pSivida Announces Last Patient in Phase III Iluvien(R) Trial Completes 2 Year Follow-Up Visit

Top Line 24-Month Results Expected Mid-December from Pivotal Phase III Trial for Potential First Drug Treatment for Diabetic Macular Edema

WATERTOWN, Mass.--(BUSINESS WIRE)--Oct. 14, 2009-- pSivida Corp. (NASDAQ:PSDV)(ASX:PVA), a leading drug delivery company that has developed two of the only three products approved by the FDA for the long-term, sustained release delivery of drug to treat chronic back of the eye disease, today announced that the last patient in the Phase III clinical trial being conducted by its collaborative partner, Alimera Sciences, for a new treatment for diabetic macular edema (DME) has completed the two-year follow up visit. The Phase III studies compare two doses of Iluvien with sham treatment.

“We are very pleased that this important milestone has been achieved and we expect to see top-line 24-month data from the trial in mid-December. Assuming positive data, Alimera expects to file the NDA (New Drug Application) with the FDA in the second quarter of 2010,” said Dr. Paul Ashton, CEO of pSivida.

Iluvien is an investigative, extended release intravitreal insert currently under development for the treatment of Diabetic Macular Edema (DME). Each Iluvien insert is designed to provide a sustained therapeutic effect of up to 36 months, for the low dose Iluvien, and up to 24 months, for the high dose of Iluvien. Iluvien is inserted into a patient’s eye with a needle two thousandths of an inch in diameter, which allows for a self-sealing wound. This insertion is very similar to an intravitreal injection, a procedure commonly employed by retinal specialists. An NDA for Iluvien is expected to be filed with the FDA in the second quarter of 2010 by Alimera.

About pSivida Corp.

pSivida is a world leader in the development of tiny, sustained release, drug delivery products that are administered by implantation, injection or insertion. pSivida’s lead development product delivers fluocinolone acetonide (FA) for the treatment of diabetic macular edema (DME). This product candidate, formerly known as Medidur™ FA for DME, is licensed to Alimera, whi is conducting fully recruited Phase III clinical trials and intends to commercialize the product under the name Iluvien®. pSivida also has two products approved by the Food and Drug Administration (FDA): Retisert® for the treatment of uveitis and Vitrasert® for the treatment of AIDS-related cytomegalovirus (CMV) retinitis. pSivida has licensed both of these products and the technologies underlying them to Bausch & Lomb Incorporated. pSivida has a worldwide collaborative research and license agreement with Pfizer Inc. under which Pfizer may develop additional ophthalmic products.

pSivida owns the rights to develop and commercialize a modified form of silicon known as BioSilicon™, which has potential therapeutic applications. The most advanced BioSilicon product candidate, BrachySil™, delivers a therapeutic P32, a radioactive form of phosphorus used to treat cancer, directly to solid tumors. pSivida has completed an initial safety clinical trial of BrachySil for the treatment of pancreatic cancer and is nearing completion of a follow-on dose-ranging clinical trial.

pSivida’s intellectual property portfolio consists of 62 patent families, over 100 granted patents, including patents accepted for issuance, and over 200 patent applications. pSivida conducts its operations from Boston in the United States and Malvern in the United Kingdom.

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pharmaceutical and biotechnology industries; failure to comply with laws and regulations; manufacturing problems; risks and costs of international business operations; volatility of stock price; possible dilution through exercise of outstanding warrants and stock options; possible influence by Pfizer; payment of registration penalties; nonpayment of dividends; and other factors that may be 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 make it clear that any projected results expressed or implied in such statements will not be realized.

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