April 9, 2009

pSivida's Iluvien Phase III Study passes final DSMB Review

Watertown, MA. (April 9, 2009) – pSivida Corp. (NASDAQ:PSDV, ASX:PVA, FF:PV3), a leading drug delivery company, today reported that an independent Data Safety Monitoring Board (DSMB) has recommended the continuation of two pivotal Phase III clinical trials for the use of Iluvien™ (formerly known as Medidur FA™) in the treatment of diabetic macular edema (DME) ui the current protocol, without change. The clinical trials are being conducted by the company's licensing partner, Atlanta-based Alimera Sciences, Inc. Top line data from the trials is expected to be available at the end of this year.

The DSMB completed its final review of the currently available safety and efficacy data prior to the 24 month readout scheduled in October 2009. A DSMB provides an independent evaluation of all trial data to identify potential safety issues that might warrant modification or early termination of ongoing clinical studies.

These clinical trials, known collectively as the FAME™ Study (Fluocinolone Acetonide in Diabetic Macular Edema), consist of two 36-month, doublemasked, randomized, multicenter trials in the U.S., Canada, Europe and India in support of a planned global registration filing. The NDA will be filed with safety and efficacy assessed after 24 months of follow-up.

“pSivida is pleased that the DSMB recommended the continuation of the FAME Study without change,” said pSivida CEO, Dr. Paul Ashton. “We are looking forward to the last patient's last visit for the 24-month readout scheduled in October later this year. The NDA filing for Iluvien remains on schedule for early 2010.” He added, “This is another positive development for Iluvien. Last month the company reported very encouraging 12-month interim safety and efficacy data from the first human pharmacokinetic (PK) study of Iluvien which continued to be consistent with our expectations regarding Iluvien.”

About Iluvien™

Iluvien is an intravitreal insert being developed for the treatment of DME. DME is a disease of the retina, which affects individuals with diabetes and can lead to severe vision loss and blindness. Each Iluvien insert is designed to provide a sustained therapeutic effect, up to 36 months for the low dose and up to 24 months for the high dose. Iluvien is inserted into the patient's eye with a 25-gauge needle, which allows for a self-sealing wound. This insertion is very similar to an intravitreal injection, a procedure commonly employed by retinal specialists.

About pSivida Corp.

pSivida is a world leader in the development of miniaturized, injectable, drug delivery systems for the eye. pSivida's lead development product, Iluvien™, delivers fluocinolone acetonide (FA) for the treatment of diabetic macular edema (DME). Formerly known as Medidur™ FA for DME, Illuvien is in fully recruited Phase III clinical trials. pSivida has licensed certain drug delivery technology to Alimera Sciences, Inc. for the development of Iluvien and certain other ophthalmic products. 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 and efficacy clinical trial of BrachySil for the treatment of pancreatic cancer and is conducting a follow-on dose-ranging clinical trial.

pSivida's intellectual property portfolio consists of 45 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.

SAFE HARBOR STATEMENTS UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995: Various statements made in this release are forward-looking and involve a number of risks and uncertainties. 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 forward-looking statements: maintaining key collaboration agreements with Alimera and Pfizer; modification of existing terms of key collaboration agreements with Alimera and Pfizer; uncertainties regarding the achievement of milestones and other contingent contractual payment events; failure to prove safety and efficacy of Iluvien or BrachySil; inability to raise capital; continued losses and lack of profitability; inability to derive revenue from Retisert; termination of license agreements; inability to pay any registration penalties; inability to develop or obtain regulatory approval for new products; inability to protect intellectual property or infringement of others' intellectual property; inability to obtain partners to develop and market products; competition; risks and costs of international business operations; manufacturing problems; insufficient third-party reimbursement for products; failure to retain key personnel; product liability; failure to comply with laws; failure to achieve and maintain effective internal control over financial reporting; impairment of intangibles; volatility of stock price; possible dilution through exercise of outstanding warrants and stock options or future stock issuances; possible influence by Pfizer; 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. We do not undertake 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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