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pSivida Corp. Announces Tech Evaluation Agreement for Tethadur™ Protein/Antibody Delivery System with Leading Biopharmaceutical Company

WATERTOWN, Mass.--(BUSINESS WIRE)-- pSivida Corp. (NASDAQ: PSDV) (ASX: PVA), a leader in developing sustained release, drug delivery products for treatment of back-of-the-eye diseases, today announced that it has signed a funded technology evaluation agreement with a leading global biopharmaceutical company to evaluate pSivida's Tethadur™ protein/antibody delivery technology in the field of ophthalmology.

Tethadur™ is an application of pSivida's BioSilicon™ technology platform designed to provide sustained delivery of large biologic molecules, including proteins, antibodies and peptides. Tethadur utilizes an injectable, bioerodible, nanostructured, porous BioSilicon material for drug delivery. The sizes of the pores in the BioSilicon material are manufactured using nanotechnology to accommodate specific protein, peptide or antibody molecules that are then released on a sustained basis over time as the material bioerodes.

"This is our first commercial agreement for Tethadur, based on BioSilicon, our second key technology platform, following our three approved products utilizing our Durasert ™ technology platform. We are very pleased to be entering into this evaluatior agreement with a global leader in the field," said Dr. Paul Ashton, President and CEO of pSivida Corp. "A sustained delivery system for these types of molecules would offer a significant clinical advance in the ophthalmic area where injections of protein based drugs into the eye every one or two months are sometimes required."

pSivida has developed three of the four sustained release devices for retinal diseases that have been approved in either the US or Europe, the most recent being ILUVIEN®, partnered with Alimera and approved in multiple EU countries. Independently, pSivida is developing an injectable, sustained release product to treat uveitis affecting the back of the eye (posterior uveitis) and an injectable, bioerodible product to treat glaucoma and ocular hypertension in collaboration with Pfizer.

About pSivida Corp.

pSivida Corp., headquartered in Watertown, MA, develops tiny, sustained release, drug delivery products designed to deliver drugs at a controlled and steady rate for months or years. pSivida is currently focused on treatment of chronic diseases of the back of the eye utilizing its core technology systems, Durasert™ and BioSilicon™. ILUVIEN for the treatment of Diabetic Macular Edema (DME), which is licensed to Alimera Sciences, Inc., is pSivida's most advanced product candidate. It has received marketing authorization for chronic DME considered insufficiently responsive to available therapies in the UK, Austria and Portugal following a positive review by Austria, France, German, Italy, Portugal, Spain and the UK under the Decentralized Procedure. Marketing authorization in the remaining countries is anticipated in the coming months. An investigator-sponsored clinical trial is ongoing for an injectable, bioerodible insert to treat glaucoma and ocular hypertension. pSivida's two FDA-approved products, Retisert® and Vitrasert®, are implants that provide long-term, sustained drug delivery to treat two other chronic diseases of the retina.

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 Tethadur to successfully deliver proteins, peptides and antibodies; necessity to raise additional capital to finance Phase III uveitis trials as well as other working capital needs; ability to obtain additional capital; ability to initiate and complete clinical trials and obtain regulatory approval of product candidates; adverse side effects; Alimera's ability to successfully obtain regulatory approval of and commercialize ILUVIEN for DME in the EU; actions with respect to regulatory approval of ILUVIEN for DME in the U.S.; ability to attain profitability; exercise by Pfizer of the Latanoprost Product option; further impairment of intangible assets; fluctuations in operating results; decline in royalty revenues; 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 guidelines, recommendations or studies; ability to protect intellectual property and avoid 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; 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.

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