October 2, 2008

Results from the six-month interim readout of the Human PK Iluvien Study

Boston, MA – Drug delivery company, pSivida Corp. (NASDAQ: PSDV, ASX: PVA, FF: PV3), together with its licensing and development partner, Alimera Sciences have today reported the interim six-month safety and efficacy results from the first human pharmacokinetic* (PK) study of Medidur™ FA, which will be marketed under the trade name Iluvien™, if approved by the U.S. Food and Drug Administration.

This 36 month, open label Phase II study, running concurrently with the pivotal Phase III FAMETM study (Fluocinolone Acetonide in Diabetic Macular Edema), is designed primarily to assess systemic exposure of the corticosteroid, fluocinolone acetonide (FA) after administration of Iluvien in diabetic macular edema (DME) patients. The study is also designed to provide information on the safety and efficacy of Iluvien in a DME population.

A total of 37 subjects were enrolled in the PK study, 20 patients received a low-dose Iluvien (which delivers an approximate 0.23?g per day dose) and 17 patients received a higher-dose Iluvien (which delivers an approximate 0.45?g per day dose).

The six-month interim readout from the PK study showed 25% of the low dose patients and 41% of the higher dose patients had an improvement in best corrected visual acuity (BCVA) of 10 or more letters on an eye chart compared with their baseline vision. In addition, the sixmonth readout showed 18% of the higher dose patients had an improvement in BCVA of 15 or more letters from baseline. The percentage of low dose patients that had an improvement in BCVA of 15 or more letters from baseline decreased from the 20% seen at the three-month readout due to one patient having developed a cataract and one patient having developed an epiretinal membrane involving the macula prior to the readout. The development of cataracts and epiretinal membranes in a diabetic population are not unusual and are commonly addressed with surgical intervention.

At three months, 29% of higher dose patients and 20% of low dose patients had gained 10 or more letters in BCVA compared to baseline. 18% of the higher dose and 20% of the low dose patients had gained 15 or more letters.

From a safety perspective, 12% of patients in the higher dose group and no patients in the low dose had a recorded intraocular pressure (IOP) of above 30mmHg during the six months. This was unchanged from the three month read-out. At six months, two patients in each group had experienced an adverse event related to cataract formation and one additional patient in each group underwent cataract extraction.

Iluvien is an intravitreal insert (formerly known as Medidur) being developed for the treatment of DME, a disease of the retina that affects individuals with diabetes. DME is one of the leading causes of blindness in people under 65 years of age. 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 higher dose. Iluvien is inserted into the patient's eye with a 25-gauge injector system, which allows for a self-sealing wound. This insertion is very similar to an intravitreal injection, a procedure commonly employed by retinal specialists.

The early readout from this PK study and comparison with Bausch & Lomb's Retisert® (also developed by pSivida) provides further insight into the dose-response of Iluvien. Retisert releases the same drug, FA, as Iluvien but at a higher dose and faster release rate (initially 0.6 ?g per day). In a similarly sized clinical trial of Retisert in DME at 6 months, 27% of patients receiving Retisert had gained 10 or more letters of BCVA and 15% gained more than 15 letters**. Iluvien was designed with the hypothesis that by better device design it would be possible to achieve similar efficacy in DME to Retisert, while reducing side effects and improving ease of administration.

"This very encouraging six-month readout from the Iluvien PK study indicates continued improvement of visual acuity and continues to support the hypothesis that Iluvien, can have a substantial impact on DME while minimizing the side effects usually associated with corticosteroids," said Dr. Paul Ashton, Managing Director, pSivida Corp.

Data from the PK study is being evaluated on an ongoing basis with interim looks at months 3, 6, 12, 18, 24 and 36. Except for the month 12 and final month 36 looks, when the database will be fully locked, interim evaluations are based on unaudited data. The last patient was enrolled in this study at the end of February 2008.

*The study of absorption, distribution, metabolism and excretion of a drug.

**Data presented at the American Academy of Ophthalmology in 2002.

Released by:

pSivida Corp.
Brian Leedman
Vice President, Investor Relations
pSivida Corp.
Tel: +61 8 9227 8327
brianl@psivida.com

US Public Relations
Beverly Jedynak
President
Martin E. Janis & Company, Inc
Tel: +1 (312) 943 1100 ext. 12
bjedynak@janispr.com

About pSivida Corp.

pSivida is a drug delivery company committed to the biomedical sector, with a primary focus on ophthalmology and oncology. pSivida 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 one product in fully recruited Phase III clinical trials: Iluvien™, which delivers fluocinolone acetonide (FA) for the treatment of diabetic macular edema (DME), formerly known as Medidur FA for DME. pSivida has licensed certain drug delivery technology to Alimera Sciences, Inc. for the development of Iluvien and certain other ophthalmic products. 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 recently completed a initial safety and efficacy clinical trial of BrachySil for the treatment of pancreatic cancer and has commenced a dose-ranging clinical trial.

pSivida's intellectual property portfolio consists of 64 patent families, 122 granted patents, including patents accepted for issuance, and 282 patent applications. pSivida conducts its operations from Boston in the United States, and Malvern in the United Kingdom .

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