pSIVIDA CORP. REPORTS ILUVIEN® FOR CHRONIC DIABETIC MACULAR EDEMA RECEIVES MARKETING AUTHORIZATION IN SWEDEN, 10TH EU APPROVAL

WATERTOWN, MA – September 3, 2014 -- pSivida Corp. (NASDAQ: PSDV, ASX: PVA), a leader in the development of sustained release, drug delivery products for treating eye diseases, today announced that the Swedish Medical Products Agency granted marketing authorization to ILUVIEN® for the treatment of vision impairment associated with chronic diabetic macular edema (DME) considered insufficiently responsive to available therapies. ILUVIEN has now been approved in ten EU countries (Austria, Denmark, France, Germany, Italy, Norway, Portugal, Spain, Sweden and the United Kingdom), and is commercially available in the United Kingdom and Germany. ILUVIEN is in the national phase, pending approval, in seven more EU countries (Belgium, the Czech Republic, Finland, Ireland, Luxembourg, the Netherlands and Poland) following successful completion of the Mutual Recognition Procedure (MRP) for subsequent marketing authorizations.

ILUVIEN is currently under review by the U.S. Food and Drug Administration with a Prescription Drug User Fee Act (PDUFA) goal date of September 26, 2014.

“We are pleased to see another marketing authorization for ILUVIEN, expanding the potential for its future sales in the EU,” said Paul Ashton, Ph.D., president and chief executive officer of pSivida. “We look forward to the FDA’s action on ILUVIEN. We are entitled to a $25 million milestone payment from our licensee Alimera Sciences upon FDA approval of ILUVIEN. We are also entitled to share in the net profits from Alimera’s sales of ILUVIEN on a country-by-country basis including in the EU and the U.S.”

About pSivida Corp.

pSivida Corp., headquartered in Watertown, MA, is a leader in the development of sustained release, drug delivery products for treating eye diseases. pSivida is currently focused on treatment of chronic diseases of the back of the eye utilizing its core technology systems, Durasert™ and BioSilicon™, including Tethadur™. pSivida has instituted a pivotal Phase III clinical trial of its lead product candidate, Medidur™ for treatment of the chronic, back-of-the-eye disease posterior uveitis. Medidur uses the same injectable, sustained release micro-insert as pSivida’s lead licensed product, ILUVIEN® for the treatment of DME, licensed to Alimera Sciences, Inc. ILUVIEN is

marketed in the U.K. and Germany, has also received marketing authorization in ten EU countries and is pending approval in seven more EU countries approvals under the Mutual Recognition Procedure for the treatment of chronic DME considered insufficiently responsive to available therapies. ILUVIEN for DME is currently under review by the FDA with a PDUFA goal date of September 26, 2014. pSivida's FDA-approved Retisert®, an implant which provides long-term, sustained drug delivery to treat posterior uveitis, is licensed to and sold by Bausch & Lomb Incorporated. pSivida's preclinical research is focused on ocular and systemic delivery of biologics and treatment of wet and dry age-related macular degeneration, osteoarthritis and glaucoma.

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: Alimera's ability to finance, achieve additional marketing approvals, obtain adequate pricing and reimbursement for, successfully commercialize and achieve market acceptance of, and generate revenues to pSivida from, ILUVIEN for DME in the EU; Alimera's ability to obtain regulatory approval for, and if approved, to finance, successfully commercialize and achieve market acceptance of, and generate revenues to pSivida from, ILUVIEN for DME in the U.S.; pSivida's ability to finance, complete and achieve a successful clinical outcome for its clinical trials of, and file and achieve marketing approvals for, Medidur for posterior uveitis, including achieving acceptable risk-to-benefit and safety profiles in light of the CRL for ILUVIEN; initiation, financing and success of Latanoprost Product Phase II trials and any exercise by Pfizer of its option; ability of Tethadur to successfully deliver proteins, peptides and other large biologic molecules; ability to develop product candidates and products and potential related collaborations; initiation and completion of clinical trials and obtaining regulatory approval of product candidates; continued sales of Retisert; adverse side effects; ability to attain profitability; ability to obtain additional capital; further impairment of intangible assets; fluctuations in operating results; decline in royalty income; ability to, and to find partners to, develop and market products; termination of license agreements; competition and other developments affecting sales of products; market acceptance; protection of intellectual property and avoiding intellectual property infringement; 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; absence of dividends; and other factors described in our filings with the SEC. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Should known or unknown risks materialize, or should underlying assumptions prove inaccurate, actual results could differ materially from past results and those anticipated, estimated or projected in the 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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The President's Blog: http://www.thechairmansblog.com/paul-ashton

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