ADDITIONAL FAVORABLE SIX-MONTH SAFETY RESULTS FOR PSIVIDA'S MEDIDUR™ FOR POSTERIOR UVEITIS

Small Average Increase in IOP Relative to Control
Comparable Percentage Treated with Eye Drops for Elevated IOP

Watertown, MA (March 15, 2016) – pSivida Corp. (NASDAQ:PSDV; ASX: PVA), a leader in the development of sustained release drug delivery products for treating eye diseases, today reported favorable results from additional analysis of the six-month safety data from pSivida's first Phase 3 pivotal clinical trial for Medidur for posterior uveitis.

- There was a small average increase in intraocular pressure (IOP) in Medidur-treated eyes through six months relative to control. Medidur eyes increased on average only 1.1mmHg more than control eyes (1.8mmHg increase compared to 0.7mmHg).

- The percentage of eyes requiring treatment with eye drops for IOP was comparable between Medidur and control eyes. Only 1% more Medidur-treated eyes than control eyes received treatment with eye drops for elevated IOP (19% compared to 18%) through six months.

"We are very pleased with this new safety data through six months showing a small average increase in IOP for Medidur treatment relative to control and comparable incidence of treatment with eye drops for IOP in both groups. The average increase in IOP for Medidur-treated eyes was lower than that observed in the same period in the clinical trials for Ozurdex® and Retisert®, the two FDA-approved sustained release treatments for posterior uveitis," said Dr. Paul Ashton, president and CEO of pSivida. "Our first trial also showed Medidur to be highly effective. We earlier reported that this trial achieved its primary end point – prevention of recurrence of disease at six months -- with high statistical significance (p less than 0.0000001, intent to treat analysis)."

pSivida plans to meet with the FDA next quarter to discuss the first Phase 3 trial results and to confirm that data from two trials will continue to be required for a U.S. New Drug Application (NDA) currently planned for the first half of calendar 2017. As a result of the high statistical significance achieved in the first Phase 3 trial, pSivida plans to file for European Union (EU) marketing approval based on data from the single trial in late 2016.

About Posterior Uveitis. Posterior uveitis is a chronic, non-infectious inflammatory disease affecting the posterior segment of the eye, often involving the retina, which is a leading cause of blindness in the developed and developing countries. It afflicts people of all ages, producing swelling and destroying eye tissues, which can lead to severe vision loss and blindness. In the U.S., posterior uveitis affects approximately 175,000 people, resulting in approximately 30,000 cases of blindness and making it the third leading cause of blindness in the U.S.

Patients with posterior uveitis are typically treated with systemic steroids, but over time frequently develop serious side effects that can limit effective dosing. Patients then often progress to steroid-sparing therapy with systemic immune suppressants or biologics, which themselves can have severe side effects, including an increased risk of cancer. Medidur is designed to provide improved outcomes compared to standard of care, but with a significant reduction in side effects.

About Medidur Phase III Trials. pSivida is conducting two Phase 3 trials to assess the safety and efficacy of Medidur for the treatment of posterior uveitis. These are randomized, sham-controlled, double-masked trials. The primary endpoint of both trials is recurrence of posterior uveitis at six months, with patients in both trials followed for three years. The first Phase 3 Medidur trial, which is fully enrolled with 129 patients in 16 centers in the U.S. and 17 centers outside the U.S., met its primary efficacy endpoint with high statistical significance. The second trial, which will include up to 150 patients in approximately 15 centers in India, is currently being enrolled.

About pSivida Corp. pSivida Corp. (www.psivida.com), headquartered in Watertown, MA, is a leader in the development of sustained release, drug delivery products for treating eye diseases. pSivida has developed three of only four FDA-approved sustained-release treatments for back-of-the-eye diseases. The most recent, ILUVIEN®, a micro-insert for diabetic macular edema, licensed to Alimera Sciences, is currently sold in the U.S. and three EU countries. Retisert®, an implant for posterior uveitis, is licensed to and sold by Bausch & Lomb. pSivida's lead product candidate, Medidur™, a micro-insert for posterior uveitis being independently developed, is currently in pivotal Phase 3 clinical trials, with an NDA anticipated in the first half of 2017. pSivida's pre-clinical development program is focused on using its core platform technologies Durasert™ and Tethadur™ to deliver drugs and biologics to treat wet and dry age-related macular degeneration, glaucoma, osteoarthritis and other diseases. *To learn more about pSivida please visit www.psivida.com and connect on Twitter, LinkedIn, Facebook and Google+.*

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with respect to: our ability to achieve profitable operations and access to capital; fluctuations in our operating results; further impairment of our intangible assets; declines in Retisert royalties; successful commercialization of, and receipt of revenues from, ILUVIEN for DME; the effect of pricing and reimbursement decisions on sales of ILUVIEN for DME; consequences of fluocinolone acetonide side effects; safety and efficacy results of the second Medidur Phase 3 trial, number of trials and data required for, and timing of filing and acceptance of, the Medidur NDA and EU marketing approval applications, if at all; ability to use data in a U.S. NDA from trials outside the U.S.; any exercise by Pfizer of its option with respect to the latanoprost product; our ability to develop Tethadur to successfully deliver large biologic molecules and develop products using it; our ability to successfully develop product candidates, initiate and complete clinical trials and receive regulatory approvals; our ability to market and sell products; the success of current and future license agreements; termination or breach of current license agreements; effects of competition and other developments affecting sales of products; market acceptance of products; effects of guidelines, recommendations and studies; protection of intellectual property and avoiding intellectual property infringement; retention of key personnel; product liability; industry consolidation; compliance with environmental laws; manufacturing risks; risks and costs of international business operations; legislative or regulatory changes; volatility of stock price; possible dilution; absence of dividends; and other factors described in our filings with the SEC. You should read and interpret any forward-looking statements in light of these risks. 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. You should bear this in mind as you consider any 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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