UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) January 31, 2008

PSIVIDA LIMITED
(Exact name of registrant as specified in its charter)

Western Australia, Commonwealth of Australia	**000-51122**	**Not applicable**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

Level 12 BGC Centre
28 The Esplanade
Perth WA 6000
Australia

400 Pleasant Street
Watertown, MA 02472
U.S.A.
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (617) 926-5000

Not applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneous satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to rule 13e04(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On January 31, 2008, pSivida Limited issued a press release announcing that it had filed its Quarterly Cash Flow Statement for the quarter ended December 31, 2007 with the Australian Stock Exchange. A copy of the press release is furnished as Exhibit 99.1 hereto. A copy of the Quarterly Cash Flow Statement is furnished as Exhibit 99.2 hereto.

Item 9.01 Financial Statements and Exhibits.

(d) **Exhibits**.

No.	Description
99.1	Press release of pSivida Limited, dated January 31, 2008
99.2	Quarterly Cash Flow Statement of pSivida Limited for the quarter ended December 31, 2007

The information contained in this report (including Items 2.02 and 9.01) and the exhibits hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PSIVIDA LIMITED

Date: January 31, 2008

By: /s/ Michael J. Soja
Name: Michael J. Soja
Title: Vice President, Finance and Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Exhibit Description
99.1	Press Release of pSivida Limited dated January 31, 2008.
99.2	Quarterly Cash Flow Statement of pSivida Limited for the quarter ended December 31, 2007

Exhibit 99.1

ASX/Media RELEASE **31 January 2008**

pSivida Quarterly Cash Flow – December 31, 2007
Commentary and Highlights

- First R&D funding payments from Pfizer to commence
- BrachySil Pancreatic Cancer Study Results
- pSiNutria Business sold to Intrinsiq

Boston, MA. and Perth, Australia – pSivida Limited (ASX: PSD, NASDAQ:PSDV, Xetra: PSI) announced the filing of its Quarterly Cash Flow Statement for the quarter ended December 31, 2007 with the ASX.

Cash Flow

The cash balance at December 31, 2007 was $11.2m (US$9.8m), a decrease of A$7.3m (US$6.7m) from the balance at September 30, 2007. During the quarter, net cash used in operating activities was $A7.2m (US$6.4m). Medidur development costs were A$910k higher in quarter ended December 31 2007 than the previous quarter. Medidur development costs in the quarter ending March 2008 are expected to be significantly lower than the most recent quarter. Cash royalties from Retisert were A$307k lower than the previous quarter due to the royalty advance agreement with Bausch and Lomb (further details below).

In January 2008 pSivida received A$562k (US$500k) as a first payment from the sale of its pSiNutria business and pSivida expects to shortly receive the first R&D support payment of A$562k (US$500k) from Pfizer as part of our ongoing R&D collaboration (further details below). These and future scheduled payments will positively impact the Company's cash position going forward and the Company continues to pursue sources of non-dilutive capital.

Retisert

Subsequent to December 31, 2007, Bausch and Lomb will retain 100% of the next US$3.6m (A$4.1m) of Retisert® royalties otherwise payable to pSivida in accordance with a royalty advance agreement the Company entered into in June 2005. Royalties otherwise payable to pSivida for the quarter ended December 31, 2007 were US$541k (A$608k), which represents a 6% increase from US$510k (A$601k) for the quarter ended September 30, 2007 and a 33% increase from US$406 (A$527k) for the quarter ended December 31, 2006. Retisert® is the only FDA-approved treatment for posterior uveitis, a chronic eye disease.

pSivida to receive first R&D payments from Pfizer

The Company expects to shortly receive US$500k as the first quarterly research and development payment from Pfizer under the terms of the exclusive worldwide Collaborative Research and License Agreement signed in April 2007 for pSivida's controlled drug delivery technologies in ophthalmic applications. Under the terms of that agreement, pSivida will receive up to US$153.5m in development and sales related

milestones. Pfizer has already invested US$11.5m in pSivida making Pfizer the largest shareholder in Company holding approximately 10% of all outstanding shares.

BrachySil for Pancreatic Cancer Study Results

The results of the Phase IIa clinical trial of BrachySil™ for the treatment of advanced, inoperable pancreatic cancer were presented at American Society of Clinical Oncology-GI (ASCO-GI). Seventeen patients were treated with BrachySil (32P—radioactive Phospherous combined with BioSilicon) directly into the tumor in combination with standard chemotherapy at two major oncology hospitals in the UK and one in Singapore. The trial, designed as a safety study, showed BrachySil was safe and easily administered. Data also showed disease control in 82% of patients treated with BrachySil and an overall median survival time of 309 days. A Phase IIb dose ranging study is planned to commence this quarter.

Pancreatic cancer is the 4th highest cause of death by cancer in the US. Median survival for people with inoperable primary pancreatic cancer (over 80% of pancreatic cancer patients) is typically less than 6 months using standard chemotherapy.

pSiNutria business sold to Intrinsiq

The assets of pSiNutria Limited, a wholly owned subsidiary of pSivida, were sold to Intrinsiq, a UK based company in January 2008. pSiNutria was established to develop applications of the Company's BioSilicon™ technology for the food industry and the sale of this asset continues to sharpen the Company's focus on our core business – therapeutic delivery.

Terms of the agreements include:

- pSivida has sold and licensed intellectual property and other assets related to nutraceuticals and food science applications of BioSilicon™ to Intrinsiq.
- Intrinsiq is obligated to make a series of payments totaling US$1.23m in the first year following this closing of this transaction, $500k of which was received in January.
- Provided the license is in place, Intrinsiq is obligated to pay royalties with minimum royalty payments of US$3.95m over approximately the next 6 years, $500k of which would be payable 18 months after the closing.
- pSivida retains all rights outside the food science arena.

Enrolment competed for pivotal Phase III study of Medidur™ for DME

Enrolment was completed in October for the FAME™ (Fluocinolone Acetonide in Diabetic Macular Edema) Study of Medidur FA™ for the treatment of Diabetic Macular Edema (DME). FAME is a double masked, randomized, multi-center study that is following more than 900 patients in the U.S, Canada, Europe, and India, for 36 months with safety and efficacy assessed at two years. Alimera Sciences and pSivida are jointly developing Medidur FA under a collaborative research and development agreement.

More than 500,000 people in the United States have DME and this number is expected to exceed 700,000 by the year 2010. Currently there are no FDA-approved drug treatments for DME.

DSMB supports continuation of pivotal Phase III study of Medidur for DME

After completing its review of safety and efficacy data currently available, an independent Data Safety Monitoring Board (DSMB) in October recommended that the pivotal Phase III clinical trial FAME™ Study continue under the current protocol, without change. The trial is studying the use of Medidur FA™ for the treatment of DME.

Annual General Meeting

The Company held its Annual General Meeting in Melbourne, Australia in November 2007 where all resolutions were passed.

-ENDS-

Released by:

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NOTES TO EDITORS:

pSivida is a global drug delivery company committed to the biomedical sector and the development of drug delivery products. Retisert® is FDA approved for the treatment of uveitis. Vitrasert® is FDA approved for the treatment of AIDS-related CMV Retinitis. Bausch & Lomb owns the trademarks Vitrasert® and Retisert®. pSivida has licensed the technologies underlying both of these products to Bausch & Lomb. The technology underlying Medidur™ for diabetic macular edema is licensed to Alimera Sciences and is in Phase III clinical trials. pSivida has a worldwide collaborative research and license agreement with Pfizer Inc. for other ophthalmic applications of the Medidur™ technology.

pSivida owns the rights to develop and commercialize a modified form of silicon (porosified or nano-structured silicon) known as BioSilicon™, which has applications in drug delivery, wound healing, orthopedics, and tissue engineering. The most advanced BioSilicon™ product, BrachySil™ delivers a therapeutic, P32 directly to solid tumors and is presently in Phase II clinical trials for the treatment of pancreatic cancer.

pSivida's intellectual property portfolio consists of 70 patent families, 103 granted patents, including patents accepted for issuance, and over 300 patent applications. pSivida conducts its operations from facilities near Boston in the United States, Malvern in the United Kingdom and Perth in Australia.

pSivida is listed on NASDAQ (**PSDV**), the Australian Stock Exchange (**PSD**) and on the Frankfurt Stock Exchange on the XETRA system (**PSI**). pSivida is a founding member of the NASDAQ Health Care Index and the Merrill Lynch Nanotechnology Index.

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: failure to prove efficacy for BrachySil; inability to raise capital; continued losses and lack of profitability; 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; termination of license agreements; competition; inability to pay any registration penalties; costs of international business operations; manufacturing problems; insufficient third-party reimbursement for products; failure to retain key personnel; product liability; inability to manage change; failure to comply with laws; failure to achieve and maintain effective internal control over financial reporting; amortization or impairment of intangibles; issues relating to Australian incorporation; potential delisting from ASX or NASDAQ; possible dilution through exercise of outstanding warrants and stock options or future stock issuances; potential restrictions from capital raises; 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.

Rule 4.7B

Appendix 4C

Quarterly report
for entities admitted
on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005

Name of entity
pSivida Limited

ABN	Quarter ended ("current quarter")
78 009 232 026	31 December 2007

Consolidated statement of cash flows

	Cash flows related to operating activities		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.1	Receipts from customers		48	367
1.2	Payments for	(a) staff costs	(1,076)	(2,061)
		(b) advertising and marketing	—	—
		(c) research and development	(3,540)	(6,482)
		(d) leased assets	—	—
		(e) other working capital	(2,779)	(4,624)
1.3	Dividends received		—	—
1.4	Interest and other items of a similar nature received		188	350
1.5	Interest and other costs of finance paid		—	—
1.6	Income taxes paid		—	—
1.7	Other		—	—
	Net operating cash flows		(7,159)	(12,450)

+ See chapter 19 for defined terms.

		Current quarter $A'000	Year to date (6 months) $A'000
1.8	Net operating cash flows (carried forward)	—	—
	Cash flows related to investing activities		
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	—	—
	(b) equity investments	—	—
	(c) intellectual property	—	—
	(d) physical non-current assets	(7)	(102)
	(e) other non-current assets	—	—
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	—	—
	(b) equity investments	—	—
	(c) intellectual property	—	—
	(d) physical non-current assets	—	—
	(e) other non-current assets	—	—
1.11	Loans to other entities	—	—
1.12	Loans repaid by other entities	—	—
1.13	Other	—	—
	Net investing cash flows	(7)	(102)
1.14	**Total operating and investing cash flows**	(7,166)	(12,552)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	—	23,952
1.16	Proceeds from sale of forfeited shares	—	—
1.17	Proceeds from borrowings	—	—
1.18	Repayment of borrowings	—	—
1.19	Dividends paid	—	—
1.20	Other – other financing costs	—	—
	– share issue costs	(284)	(2,895)
	Net financing cash flows	(284)	21,057
	Net increase (decrease) in cash held	(7,450)	8,505
1.21	Cash at beginning of quarter/year to date	18,521	3,146
1.22	Exchange rate adjustments to item 1.20	100	(480)
1.23	**Cash at end of quarter**	11,171	11,171

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	130
1.25	Aggregate amount of loans to the parties included in item 1.11	—
1.26	Explanation necessary for an understanding of the transactions	

1.1 1.2(a) Staff costs include consultants and directors' fees paid by pSivida.

1.2(c) Research and development costs include all expenditure incurred by pSiMedica and pSiOncology along with research and development costs incurred by pSivida Inc.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 107 paragraph 50(a)).

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	—	—
3.2	Credit standby arrangements	—	—

+ See chapter 19 for defined terms.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current quarter $A'000	Previous quarter $A'000
4.1	Cash on hand and at bank	1,050	1,741
4.2	Deposits at call	10,121	16,780
4.3	Bank overdraft	—	—
4.4	Other (provide details)	—	—
	Total: cash at end of quarter (item 1.23)	11,171	18,521

Acquisitions and disposals of business entities

		Acquisitions *(Item 1.9(a))* $A'000	Disposals *(Item 1.10(a))* $A'000
5.1	Name of entity	N/A	N/A
5.2	Place of incorporation or registration		
5.3	Consideration for acquisition or disposal		
5.4	Total net assets		
5.5	Nature of business		

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.

2 This statement does give a true and fair view of the matters disclosed.

Sign here: _____ Date: 31 January 2008

(Company secretary)

Print name: Aaron Finlay

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2. The definitions in, and provisions of, *AASB 107: Cash Flow Statements* apply to this report except for the paragraphs of the Standard set out below.

   - 20.1 - reconciliation of cash flows arising from operating activities to operating profit or loss
   - 40(b),(d) - itemised disclosures relating to acquisitions and disposals
   - 46 - policy for classification of cash items
   - 48 - disclosure of restrictions on use of cash

3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.