



Quarterly Cashflow Report

Melbourne; 7 April 2009: Attached is the Appendix 4C – Quarterly Cash Flow Report – for Starpharma Holdings Limited (ASX:SPL, OTCQX:SPHRY) for the quarter ended 31 March 2009.

The Operating & Investing cash outflow of A\$0.4m for the quarter was offset by exchange rate movements on cash reserves held in US Dollar denominated accounts. Receipts from customers in the quarter included royalty and license income from partners and grant and contract payments from the U.S. National Institutes of Health (NIH) for VivaGel[®] development costs.

The cash position at the end of the quarter was A\$5.9m.

Subsequent to the end of the quarter the company announced a share placement to existing and new institutional and sophisticated shareholders, which will take the company's cash reserves to in excess of A\$10 million.

About Starpharma

Starpharma Holdings Limited (ASX:SPL, OTCQX:SPHRY) is a world leader in the development of dendrimer nanotechnology for pharmaceutical, life-science and other applications. SPL has two operating companies, Starpharma Pty Ltd in Melbourne, Australia and DNT, Inc in the USA. Products based on SPL's dendrimer technology are already on the market in the form of diagnostic elements and laboratory reagents through licence arrangements with partners including Siemens and Merck KgA.

The Company's lead pharmaceutical development product is VivaGel[®] (SPL7013 Gel), a vaginal microbicide designed to prevent the transmission of STIs, including HIV and genital herpes. In September 2008 Starpharma signed a full licence agreement with SSL International plc (LSE:SSL) to develop a VivaGel[®] coated condom. SSL manufactures and sells Durex[®] condoms, the market-leading condom brand worldwide. Starpharma's receipts under the agreement are estimated to exceed A\$100m comprising royalties on SSL sales, further milestone payments, and development support.

In the wider pharmaceutical field Starpharma has specific programs in the areas of Drug Delivery and Drug Optimisation technologies (using dendrimers to control where and when drugs go when introduced to the body) and Targeted Diagnostics (using dendrimers as a scaffold to which both location-signalling and targeting groups are added to allow location of specific cell type, such as cancer cells). More broadly the company is exploring dendrimer opportunities in materials science applications including water remediation.

Dendrimer: A type of precisely-defined, branched nanoparticle. Dendrimers have applications in the medical, electronics, chemicals and materials industries.

American Depositary Receipts (ADRs): Starpharma's ADRs trade under the code **SPHRY** (CUSIP number 855563102). Each Starpharma ADR is equivalent to 10 ordinary shares of Starpharma as traded on the Australian Securities Exchange (ASX). The Bank of New York Mellon is the depository bank. Starpharma's ADRs are listed on International OTCQX (www.otcqx.com), a premium market tier in the U.S. for international exchange-listed companies, operated by Pink OTC Markets, Inc.

Forward Looking Statements

This document contains certain forward-looking statements, relating to Starpharma's business, which can be identified by the use of forward-looking terminology such as "promising", "plans", "anticipated", "will", "project", "believe", "forecast", "expected", "estimated", "targeting", "aiming", "set to", "potential", "seeking to", "goal", "could provide", "intends", "is being developed", "could be", "on track", or similar expressions, or by express or implied discussions regarding potential filings or marketing approvals, or potential future sales of product candidates. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. There can be no assurance that any existing or future regulatory filings will satisfy the FDA's and other health authorities' requirements regarding any one or more product candidates nor can there be any assurance that such product candidates will be approved by any health authorities for sale in any market or that they will reach any particular level of sales. In particular, management's expectations regarding the approval and commercialization of the product candidates could be affected by, among other things, unexpected clinical trial results, including additional analysis of existing clinical data, and new clinical data; unexpected regulatory actions or delays, or government regulation generally; our ability to obtain or maintain patent or other proprietary intellectual property protection; competition in general; government, industry, and general public pricing pressures; and additional factors that involve significant risks and uncertainties about our products, product candidates, financial results and business prospects. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. Starpharma is providing this information as of the date of this document and does not assume any obligation to update any forward-looking statements contained in this document as a result of new information, future events or developments or otherwise.

For further information:

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

| |
|------------------------------------|
| Starpharma Holdings Limited |
|------------------------------------|

ABN

| |
|-----------------------|
| 20 078 532 180 |
|-----------------------|

Quarter ended ("current quarter")

| |
|----------------------|
| 31 March 2009 |
|----------------------|

Consolidated statement of cash flows

Cash flows related to operating activities

| | Current Quarter \$A'000 | Year to Date \$A'000 |
|---|----------------------------|-------------------------|
| 1.1 Receipts from customers | 2,677 | 7,189 |
| 1.2 Payments for | | |
| (a) staff costs | (1,359) | (4,151) |
| (b) advertising and marketing | (3) | (8) |
| (c) research and development | (1,681) | (5,960) |
| (d) leased assets | (47) | (113) |
| (e) other working capital | - | - |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 15 | 62 |
| 1.5 Interest and other costs of finance paid | (6) | (21) |
| 1.6 Income taxes paid | - | - |
| 1.7 Other | - | - |
| Net operating cash flows | (404) | (3,002) |

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 | (2) | (42) |
| (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 | - | 2 |
| (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 | (2) | (40) |
| 1.14 Total operating and investing cash flows | (406) | (3,042) |

Cash flows related to financing activities

| | | |
|--|--------------|----------------|
| 1.15 Proceeds from issues of shares | - | - |
| 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 | - | - |
| Net financing cash flows | - | - |
| Net increase (decrease) in cash held | (406) | (3,042) |
| 1.21 Cash at beginning of quarter/year to date | 6,057 | 7,482 |
| 1.22 Exchange rate adjustments | 235 | 1,446 |
| 1.23 Cash at end of quarter | 5,886 | 5,886 |

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 | (118) |
| 1.25 Aggregate amount of loans to the parties included in item 1.11 | - |

1.26 Explanation necessary for an understanding of the transactions

Item 1.24 consists of the following:

(a) Remuneration paid to the Chief Executive Officer.

(b) Director's fees paid to non-executive directors.

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

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

Nil

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

Subsequent to the end of the quarter, the Company announced on 7 April 2009 the issue of new shares to raise equity from a private placement of existing and new institutional and sophisticated investors.

| | Amount available \$A'000 | Amount used \$A'000 |
|---|--------------------------------|------------------------|
| 3.1 Loan facilities - Lease facility for laboratory equipment | 682 | 658 |
| 3.2 Credit standby arrangements - Credit card facility | 140 | 7 |

Item 3.1 A \$481,878 lease facility guaranteed by term deposit and a \$200,000 master asset finance facility with National Australia Bank for laboratory equipment.

Reconciliation of cash

| | Current quarter \$A'000 | Previous quarter \$A'000 |
|---|----------------------------|--------------------------------|
| 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. | | |
| 4.1 Cash on hand and at bank | 3,826 | 3,335 |
| 4.2 Deposits at call | 2,060 | 2,722 |
| 4.3 Bank overdraft | - | - |
| 4.4 Other (provide details) | - | - |
| Total: cash at end of quarter (item 1.23) | 5,886 | 6,057 |

Acquisitions and disposals of business entities

- 5.1 Name of entity
- 5.2 Place of incorporation or registration
- 5.3 Consideration for acquisition or disposal
- 5.4 Total net assets
- 5.5 Nature of business

| Acquisitions (Item 1.9(a)) | Disposals (Item 1.10(a)) |
|-------------------------------|-----------------------------|
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law (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.



7th April 2009

B P Rogers
Company Secretary