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AUSTRALIAN STOCK EXCHANGE



SPL000049

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31 October 2002

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STARPHARMA POOLED DEVELOPMENT LIMITED (SPL)

Attached are the following:

- Appendix 4C – Quarterly report for entities admitted on the basis of commitments – for the period ended 30 September 2002.
- Update – Quarter ended 30 September 2002.



B P Rogers
Company Secretary

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Starpharma Pooled Development Limited ABN 20 078 532 180
www.starpharma.com

Rule 4.7B

Appendix 4C**Quarterly report
for entities admitted
on the basis of commitments**

Name of entity

Starpharma Pooled Development Limited

ACN or ARBN

20 078 532 180

Quarter ended ("current quarter")

30 September 2002**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	-	-
1.2	Payments for		
	(a) staff costs	(980)	(980)
	(b) advertising and marketing	(23)	(23)
	(c) research and development	(1,879)	(1,879)
	(d) leased assets	(2)	(2)
	(e) other working capital	-	-
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	261	261
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other - GST recovered	(20)	(20)
	Net operating cash flows	(2,643)	(2,643)
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	(1,125)	(1,125)
	(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	(1,125)	(1,125)
1.14	Total operating and investing cash flows	(3,768)	(3,768)

Cash flows related to financing activities

1.15	Proceeds from issues of shares (including oversubscriptions)	193	193
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	193	193
	Net increase (decrease) in cash held	(3,575)	(3,575)
1.21	Cash at beginning of quarter/year to date	17,434	17,434
1.22	Exchange rate adjustments	8	8
1.23	Cash at end of quarter	13,867	13,867

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	(221)
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) Directors' Fees.

(c) Payments to TSL Group Ltd:

A Director, Mr R Dobinson is a director of the company TSL Group Ltd (formerly Technology Structuring Ltd) which provided consulting services to the entity. All such dealings with the entity are in the ordinary course of business and on normal terms of business.

The aggregate amount of these transactions for this supplier included in item 1.24 is \$41,643.

(d) Payments to Biomolecular Research Institute Ltd:

A Director, Prof. P M Colman, was a Director of the Biomolecular Research Institute Ltd which provided some administrative services to the entity. These dealings with the entity are in the ordinary course of business and on normal terms of business.

The aggregate amount of these transactions for this supplier included in item 1.24 is \$39,265.

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

Nil

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).

- 3.1 Loan facilities
3.2 Credit standby arrangements - Credit card facility (total facility \$120,000)

Amount available \$A'000	Amount used \$A'000
-	-
120	8

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	1,785	3,965
4.2 Deposits at call	12,082	13,469
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	13,867	17,434

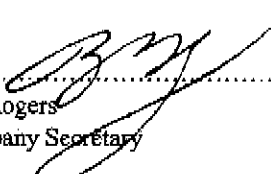
Acquisitions and disposals of business entities

- 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

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


B P Rogers
Company Secretary

Date: 31.10.02

Starpharma Pooled Development Limited (SPL)



UPDATE- QUARTER ENDED 30 SEPTEMBER 2002

This update provides new information in addition to the following recent announcements:

- Starpharma gains PDF approval for roll-over of DNT into US entity (25 October 2002)
- Starpharma subsidiary major beneficiary of US\$3.5 Million US Defense allocation (28 October 2002)

Commentary on financial results

The cash position of the Starpharma group at 30 June 2002 was \$17.4 million, and the budgeted cash requirement for the 02/03 financial year is approximately \$8 million. Our cash balance at the end of the first quarter is \$13.9 million, which may suggest an increase in the forecast cash burn rate. However, expenditure in this quarter included some abnormals, including:

- Capital outlays for fit-out of the new chemistry laboratory and corporate headquarters at the Baker Institute;
- Scale-up GMP synthesis and pre-clinical toxicology studies for the Investigational New Drug application (IND) to the US FDA for SPL7013 (prevention of sexually transmitted disease);
- Establishment costs and equity investment in the subsidiary company Dendritic Nanotechnologies Limited (DNT).

Expenditure remains within budget forecasts and we still expect to have in excess of one year's operating funds at 30 June 2003. These forecasts do not include estimates of licensing income, which will be a management focus over the next 12 months.

Highlights

Starpharma's Research and Development program continues to produce positive results against a broad range of major disease areas. Recent results include:

1. West Nile Virus

'West Nile Virus' is a Flavivirus and is commonly found in Africa, West Asia, and the Middle East. The virus is spread by mosquitoes and can infect humans, birds, mosquitoes, horses and some other mammals. Since the discovery of the virus in the Eastern USA in the early summer of 1999, it continued expansion westward and by current estimates the disease that it causes – meningoencephalitis – could reach epidemic proportions in the United States (188 deaths in 2002). The disease can result

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in death or brain injury of infected persons and there is currently no drug treatment or cure.

Starpharma compound SPL7513 has shown significant activity against West Nile Virus at tests conducted at Logan Utah Virology Laboratory. Animal tests are being planned and an expansion of the work is proceeding to related viruses such as Dengue virus, where Starpharma has previously achieved positive results. These studies are being funded by the US National Institutes of Health (NIH).

2. Prion Diseases

Starpharma has an active drug discovery program in pursuit of a therapy for Prion diseases, including 'mad cow disease'. Preliminary *in vitro* testing has been conducted by SPI-Bio, a French Pharmaceutical Research Organisation with particular expertise in Prion disease. One drug candidate has shown good efficacy in protecting cells from the toxic effects of the infectious protein.

Prions are resistant to high temperature sterilisation, and there are significant market opportunities for products which both treat the disease and disinfect contaminated materials.

3. Colon Cancer

Starpharma's drug candidate SPL7435 has demonstrated anti tumour activity in *in vivo* studies conducted at the Peter MacCallum Cancer Institute. In the animal model for colon cancer, treatment with SPL7435 resulted in a significant reduction in tumour growth. Starpharma has filed International patents to protect SPL7435 and related compounds. These studies are being supported by an Australian Government START Grant.

4. Respiratory Virus

Over several years Starpharma has developed a range of polyvalent compounds active against respiratory viruses including flu, RSV, Adenovirus and exotic viruses. Compounds have also been produced with multiple surface groups whereby one compound can give protection against a range of viruses. Recent animal tests using inhalation chambers have shown that compound SPL7146 completely protected the animals from high doses of Influenza A virus. These tests were carried out by Dr R Sidwell, a pre-eminent scientist in respiratory virus research at the Logan Utah (USA) Virology Laboratory, under an NIH-NIAID sponsored contract.

Starpharma's market focus for this project is a product to be used for broad spectrum respiratory virus protection in both domestic and germ warfare applications.

5. Sexually Transmitted Disease Prevention

The submission of an Investigational New Drug application to the US Food and Drug Administration (FDA) for the use of SPL7013 as a gel to protect women from HIV and other sexually transmitted infections (topical microbicide) is scheduled to take place by the end of the calendar year. Starpharma continues to receive extensive in-kind support

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from the US NIH for *in vitro* and *in vivo* studies. Studies currently underway at the National Institute of Allergy and Infectious Disease (NIAID) and their contractors include monkey trials for the prevention of sHIV, monkey trials assessing the vaginal safety of SPL7013, and laboratory studies to confirm that SPL7013 gel does not affect the integrity of condoms.

In the last quarter, the company has continued to fund the scale-up synthesis, GLP/cGMP manufacture, bio-analytical chemistry, analytical chemistry and toxicology programs that will underpin this submission. However, as dendrimers are a true platform technology, this investment has benefits in all areas of Starpharma's activities, beyond the development of SPL7013. For example, as the supply of high quality dendrimers is fundamental to the success of Dendritic Nanotechnologies Limited (DNT), our quality systems, analytical chemistry capability and the lessons learned through our scale-up chemistry program have fed directly into this important new initiative.

6. Licensing Opportunities

Starpharma Pooled Development Limited and the entities it has invested in are focused on dendrimer based nanotechnology.

The successful pharmaceutical projects outlined above all represent early licensing and income generation opportunities. It is unrealistic for Starpharma to develop all applications, therefore the company is seeking collaboration and investment partners.

Starpharma's investment in the US based Dendritic Nanotechnologies Limited (currently being converted to a US entity) opens up a whole new range of dendrimer nanotechnology applications, eg. new materials, diagnostics, electrons and photons.

The worldwide interest in both Starpharma's and DNT's dendrimer nanotechnology expertise and intellectual property portfolio is increasing exponentially.

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