



29 January 2004

QUARTERLY CASHFLOW REPORT FOR PERIOD ENDED 31 DECEMBER 2003

Attached is the Appendix 4C – Quarterly Cashflow Report – for Starpharma Pooled Development Limited for the period ended 31 December 2003.

The cashflow results are in line with projections and Starpharma remains in a strong financial position.

Activities during the quarter included final preparations for the phase I clinical trials of the HIV preventative VivaGel™. These trials are now underway in Adelaide, and there is strong international interest in the product.

Whilst the VivaGel™ project is currently the main development project, we are continuing to obtain interesting results in other areas. Positive results were obtained in the biodefense area particularly in the use of dendrimer based drugs against exotic viruses. All of the biology testing for this work has been carried out in the US at no cost to the Company, and the project will be significantly expanded if we are successful with current funding applications.

During this period Starpharma has had a number of inquiries from international and local companies regarding the potential for dendrimer technology in a diverse range of applications such as vaccines, radiolabelled materials, and enhancing the bioavailability of existing drugs. The VivaGel™ product has demonstrated Starpharma's unique ability to produce nano-sized molecules to precise quality standards suitable for submission to the US FDA and this is of strong interest to companies developing products in a wide range of applications. Our strategy is to work with these companies to establish collaborative development programs.

A handwritten signature in black ink, appearing to read 'John W Raff'.

John W Raff
Chief Executive Officer

Starpharma Pooled Development Limited (SPL) is a registered pooled development fund with investments in wholly owned subsidiary biopharmaceutical companies focused on the development and application of dendrimer nanotechnologies as drugs against major diseases. SPL also has a 49.9% equity in a US based company – Dendritic Nanotechnologies Inc. (DNT) – established with the US pioneer of dendrimer nanotechnology Dr Donald Tomalia.

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Rule 4.7B

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

Starpharma Pooled Development Limited
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ABN

20 078 532 180

Quarter ended ("current quarter")

31 December 2003

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	312	312
1.2	Payments for		
	(a) staff costs	(560)	(1,181)
	(b) advertising and marketing	(7)	(13)
	(c) research and development	(1,031)	(1,847)
	(d) leased assets	-	-
	(e) other working capital	-	-
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	165	253
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
	Net operating cash flows	(1,121)	(2,476)
Cash flows related to investing activities			
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	(156)	6,449
	(c) intellectual property	-	-
	(d) physical non-current assets	(19)	(39)
	(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	(175)	6,410
1.14	Total operating and investing cash flows	(1,296)	3,934

Cash flows related to financing activities

1.15	Proceeds from issues of shares (including oversubscriptions)	-	-
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	(1,296)	3,934
1.21	Cash at beginning of quarter/year to date	13,121	7,891
1.22	Exchange rate adjustments	-	-
1.23	Cash at end of quarter	11,825	11,825

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	(109)
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) Payments to Biomolecular Research Institute Ltd:

For part of the quarter, 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 \$12201.

(c) Payments to Herbert Geer & Rundle:

A Director, Mr. L Gorr, is a Senior Partner of Herbert Geer & Rundle which provided some legal advice 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 \$25161.

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	14

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	1,006	648
4.2 Deposits at call	10,819	12,473
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	11,825	13,121

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: 29 January 2004