



30 July 2004

## QUARTERLY CASH FLOW REPORT - PERIOD ENDED 30 JUNE 2004

Attached is the Appendix 4C – Quarterly Cashflow Report – for Starpharma Holdings Ltd (ASX:SPL) for the quarter ended 30 June 2004.

The cashflow results are in line with projections, with a net operating outflow of \$1.8 million for the quarter, and an operating cash burn of \$5.8 million for the year. The cash balance at the end of the financial year was \$15.66 million.

A handwritten signature in black ink, appearing to read "Ben Rogers".

Ben Rogers  
Company Secretary

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### About Starpharma

**Starpharma Holdings Limited** (ASX:SPL) is focused on the development and application of dendrimer nanotechnologies as drugs against major diseases. Starpharma's lead dendrimer product, VivaGel™, has received clearance from the US FDA for human clinical trials. VivaGel™ is a topical microbicide gel product for use by women to prevent the sexual transmission of HIV. In animal studies, VivaGel was shown to be active in preventing genital herpes and *Chlamydia*. SPL also has an equity interest in US based company Dendritic Nanotechnologies, Inc. (DNT), established with the US pioneer of dendrimer nanotechnology Dr Donald Tomalia.

### CONTACTS:

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Starpharma Holdings Limited (**Starpharma**) is admitted to the official list of the Australian Stock Exchange Limited (**ASX**). At this time, Starpharma has not agreed to be listed, or to have its securities quoted, on any other financial market. If investing in Starpharma through another financial market you should be aware that you may not acquire direct ownership of securities issued by Starpharma nor be recognised by Starpharma as a holder of its securities for the purposes of corporate actions, and that Starpharma does not usually make announcements to the operators of such markets.

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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")

**30 June 2004****Consolidated statement of cash flows**

Cash flows related to operating activities		Current Quarter SA'000	Year to Date SA'000
1.1	Receipts from customers	216	572
1.2	Payments for		
	(a) staff costs	(748)	(2,425)
	(b) advertising and marketing	1	(15)
	(c) research and development	(1,516)	(4,563)
	(d) leased assets	-	-
	(e) other working capital	-	-
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	223	636
1.5	Interest and other costs of finance paid	-	(12)
1.6	Income taxes paid	-	-
1.7	Other	-	-
	<b>Net operating cash flows</b>	<b>(1,824)</b>	<b>(5,807)</b>
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	(42)	(154)
	(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	-	-
	<b>Net investing cash flows</b>	<b>(42)</b>	<b>(154)</b>
1.14	<b>Total operating and investing cash flows</b>	<b>(1,866)</b>	<b>(5,961)</b>

**Cash flows related to financing activities**

1.15	Proceeds from issues of shares	0	14,494
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	(60)
1.19	Dividends paid	-	-
1.20	Other: - Share Issue Costs	-	(706)
	<b>Net financing cash flows</b>	<b>0</b>	<b>13,728</b>
	<b>Net increase (decrease) in cash held</b>	<b>(1,866)</b>	<b>7,767</b>
1.21	Cash at beginning of quarter/year to date	17,524	7,891
1.22	Exchange rate adjustments		
1.23	<b>Cash at end of quarter</b>	<b>15,658</b>	<b>15,658</b>

**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	(86)
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 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 \$6,237.

**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 \$140,000)

Amount available \$A'000	Amount used \$A'000
-	-
140	9

### 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	2,131	8,264
4.2 Deposits at call	13,527	9,260
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.23)</b>	<b>15,658</b>	<b>17,524</b>

### 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.



.....Date: 30 July 2004

B P Rogers  
Company Secretary