



Dendritic NanoTechnologies, Dow and Starpharma Sign Major Three-Way Deal to Commercialize Nanotechnology

Dow stake positions DNT and Starpharma as leading developers of nanotechnologies for the pharmaceutical, biotechnology industries

MELBOURNE, Australia, 26 January 2005 — Dendritic NanoTechnologies Inc. (DNT), The Dow Chemical Company (NYSE:DOW), and Starpharma Holdings Limited (ASX:SPL, USOTC:SPHRY) of Melbourne, Australia, have reached an agreement that provides DNT and Starpharma with ownership or access to the world's broadest patent portfolio in the field of dendrimers, and establishes the companies as leading providers of market-validated nanotechnology with near-term, tangible commercial applications.

Under terms of the deal, Dow will assign its entire intellectual property portfolio and associated royalties in the field of dendrimers (196 patents comprising 41 patent families) to DNT in exchange for a significant equity stake in DNT. Starpharma, which already held a 42% interest in DNT, will make an additional cash equity investment of US\$1million in DNT in exchange for exclusive rights to DNT and former Dow intellectual property for polyvalent, dendrimer-based pharmaceutical applications. Following the transaction Starpharma will remain the largest shareholder in DNT with a holding of 33%.

"As part of this agreement, Dow has assigned all of our extensive intellectual property in this field to DNT," explained Mike Pirc, manager of intellectual property, The Dow Chemical Company. "This move consolidates a great amount of the important intellectual property in the dendrimer field into one company. It will be very positive for developing the applications and further demonstrating the value of this technology."

"Having an investment by Dow not only highlights DNT's position as a global leader in nanotechnology and advanced dendritic polymers, but also means opportunities for the pharmaceutical and biotechnology markets," said Robert Berry, chief executive officer, Dendritic NanoTechnologies. "The fact that Dow is transferring their intellectual property portfolio in dendrimers to DNT reinforces that DNT, and our strategic partner Starpharma, are well-positioned to develop, market and successfully commercialize these technologies."

Dendrimers are a new class of nanostructures with physical properties that make them ideal vehicles for targeting diseases and delivering drugs to fight them. Dendrimer technology was first developed at Dow when DNT founder Donald Tomalia was a Dow employee. Today, DNT has more than 30 patents in dendrimer science, and sells and licenses more than 200 variations of dendrimers to pharmaceutical, biotechnology, and diagnostics companies.

DNT's current product development areas include protein, antibody, and anti-inflammatory drug delivery technologies for the pharmaceutical industry; small-interfering RNA (si-RNA) drug targeting and delivery solutions for the biotech industry; and new diagnostic solutions for enhancing the findings of MRIs. With the assignment of the Dow patent portfolio, DNT will now own the world's broadest intellectual property position in dendrimer science.

In January 2004, Starpharma became the first company in the world to initiate human clinical testing of a dendrimer-based pharmaceutical (VivaGel™ for prevention of HIV) under a U.S. Food and Drug Administration Investigational New Drug application. VivaGel was recognized as one of the top five nanotech breakthroughs of 2004 by the Forbes/Wolfe Nanotech Report.

The deal also positions DNT and Starpharma as the leading sources of license rights for dendrimers and as developers of the technology in their own rights.

"Starpharma is very pleased to complete this major deal with Dow and DNT. In doing so, we are helping to establish our strategic partner DNT as the premier out-licensing source for one of the most important fields in nanotechnology," commented John Raff, chief executive officer of Starpharma. "The agreement also significantly strengthens our own intellectual property position in the area of polyvalent, dendrimer-based pharmaceuticals."

"Big pharma has been in big trouble," said Josh Wolfe, managing partner, Lux Capital. "They've spent investor money developing drugs with increasingly little returns and imprecise delivery vehicles. One clear way to deliver better performance is better delivery of drugs. DNT's dendrimers fuse biology and chemistry — marrying a drug with a 'container' to deliver it precisely to patients. The Dow patents and expertise will push this technology closer to market."

About The Dow Chemical Company

Dow is a leader in science and technology, providing innovative chemical, plastic and agricultural products and services to many essential consumer markets. With annual sales of \$33 billion, Dow serves customers in more than 180 countries and a wide range of markets that are vital to human progress, including food, transportation, health and medicine, personal and home care, and building and construction, among others. Committed to the principles of sustainable development, Dow and its approximately 46,000 employees seek to balance economic, environmental and social responsibilities. References to "Dow" or the "Company" mean The Dow Chemical Company and its consolidated subsidiaries unless otherwise expressly noted. For further information, visit www.dow.com.

About Starpharma

Starpharma Holdings Ltd (ASX:SPL, USOTC:SPHRY) 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 that has been developed for women as a preventative against the sexual transmission of HIV. It is also active in animal studies for the prevention of other sexually transmitted diseases including genital herpes and chlamydia. SPL also has an equity interest in a US based company — Dendritic Nanotechnologies Inc. (DNT) — established with the US pioneer of dendrimer nanotechnology Dr. Donald A. Tomalia. <http://www.starpharma.com>

About DNT

Dendritic NanoTechnologies Inc. (DNT) is the world's leading developer and provider of advanced dendritic polymers. DNT has breakthrough technology that provides the vehicle - the targeting and delivery mechanisms - for a vast array of diagnostic and therapeutics currently in development in the biotechnology and pharmaceutical industries. DNT was founded in 2003 on a technology platform discovered in 1979 when Donald Tomalia, PhD, then a senior research scientist with The Dow Chemical Company, discovered "dendrimers," or dendritic polymers. This new type of nanostructure (particles so small they allow us to build materials literally atom-by-atom) hold great promise for real-world applications such as biotechnology and pharmaceuticals. Based on Dr. Tomalia's work, Dow was awarded the world's first dendrimer patents. <http://www.dnanotech.com>

For further information, please contact:

USA (for DNT)

Tim Cox

Zing Public Relations
+1-650-369-7784 office
+1-650-888-6116 cell
tim@zingpr.com

Australia (for Starpharma)

Rebecca Christie

Buchan Communications
+61 2 9237 2836
rchristie@bcg.com.au

Ben Rogers

Starpharma Company Secretary
+61 3 8532 2702
ben.rogers@starpharma.com