



Starpharma initiates NIH-funded human trial for VivaGel™

Melbourne, Australia: 24 August 2006: Starpharma Holdings Limited (ASX:SPL, USOTC:SPHRY) today announced the commencement of a Phase I safety trial in men for its lead product VivaGel™ (SPL7013 Gel) following successful review by the US Food and Drug Administration (FDA), local ethics committees, and the U.S. National Institutes of Health (NIH).

VivaGel™ is currently in development as a microbicide for the prevention of the sexually transmitted infections, genital herpes and HIV/AIDS. It has already been successfully tested in a Phase I safety study in women. The trial announced today is being conducted to provide safety data for VivaGel™ in men who may be exposed to product used by their female partners.

The preparation and execution of this clinical trial is fully funded as part of the previously announced US\$20.3M contract for the development of VivaGel™ from the National Institute of Allergy and Infectious Diseases (NIAID), part of the NIH.

The randomised, double-blinded, placebo controlled clinical trial is being conducted at the Melbourne Sexual Health Centre in collaboration with the Burnet Institute and The National Centre in HIV Epidemiology and Clinical Research¹. It will assess the safety and pharmacokinetics of VivaGel™ in 36 healthy male volunteers when applied topically on the man once a day for seven days. The results of the trial will benefit both the genital herpes and HIV applications of VivaGel and would also apply to a "male protection" application, should Starpharma decide to pursue it. Recruitment will begin immediately with the results expected within 2-3 months of the last volunteer joining the study.

"Starpharma is very pleased to reach this important milestone in the clinical development of VivaGel™," said Jackie Fairley, Chief Executive Officer of Starpharma. "It represents significant progress in our ambition to make VivaGel™ available as soon as possible to women throughout the developed and the developing world who wish to protect themselves against genital herpes and HIV infections."

"We absolutely agree with Bill Gates when he highlighted at the International AIDS Conference in Toronto last week the critical role topical microbicides are likely to play in the fight against AIDS."

HIV infection is a major health burden in both the Western world and developing countries. Approximately 40 million people worldwide are infected with HIV. In the US, AIDS is the number one cause of death among African-American women aged 25 to 34. The United Nations has estimated that as many as 90 million people in Africa alone may be infected with HIV over the next 20 years if the spread of the disease cannot be stopped. AIDS is difficult and expensive to treat and there is no cure.

Genital herpes is recognised as a key health concern, especially in the US where it is one of the most prevalent sexually transmitted diseases. It is estimated that genital herpes currently infects between 15% and 25% of adults in industrialised countries, with the incidence projected to rise in the next decade. In the US alone, approximately 45 million American adolescents and adults are already infected with genital herpes.

¹ Future clinical trials under this NIH contract will also be conducted in collaboration with the Thai Red Cross AIDS Research Centre, Bangkok.

About Starpharma:

Starpharma Holdings Limited (**ASX:SPL, USOTC:SPHRY**) leads the world in the application of nanotechnology to pharmaceuticals. The Company's lead development product is VivaGel™ (SPL7013 Gel), a vaginal microbicide designed to prevent the transmission of STIs, including HIV and genital herpes.

VivaGel™ is the first example of a product to come from Starpharma's dendrimer-based discovery pipeline, which also includes specific programs in the fields of ADME Engineering™ (using dendrimers to control where and when drugs go when introduced to the body), Polyvalency (using the fact that dendrimers can activate multiple receptors simultaneously) 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).

Starpharma also has a 33% equity interest in the US company, **Dendritic NanoTechnologies, Inc. (DNT)**, which it founded with the pioneer of dendrimer nanotechnology Dr Donald A. Tomalia. . In 2005 the Dow Chemical Company assigned its entire dendrimer intellectual property portfolio into DNT and also holds a 30% equity stake in the company. DNT, a nano-materials company, has existing revenue streams from deals with leading organisations including Pfizer Inc, Sigma Aldrich; General Dynamics Corp., Qiagen, Dade Behring and the US Dept. Defense. Starpharma also holds equity in Dimerix Bioscience Pty Ltd – a drug development company specialising in G-Protein coupled receptors ("GPCRs").

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 Stock Exchange. The Bank of New York is the depositary bank. As at July 2006, 8.7% of Starpharma's issued capital was held via ADRs.

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

Genital herpes: A recurrent, lifelong viral infection caused by the sexually transmitted herpes simplex virus type-2 (HSV-2). It is one of the most prevalent STIs, estimated to infect between 15% and 25% of male and female adults in developed countries. This figure is expected to rise to about 39% for males and 49% for females by 2025, unless effective preventive measures are found to reverse the trend. Herpes is estimated to affect one in six adults in America and new cases cost more than US\$1.5 billion each year. The figures for Australia are similar with an estimated one in six adults suffering from genital herpes (3.4 million people).

HSV-2 infection has a marked effect on a sufferer's quality of life. The virus is highly contagious and women appear to be at greater risk of infection than men. HSV-2 infection can make people more susceptible to infection by HIV and increase the transmission rate of HIV. If transmitted from mother to baby, the disease has very serious consequences.

Microbicides: A microbicide inactivates, kills or destroys microbes such as viruses and bacteria. Microbicides may be formulated as gels, creams, sponges, suppositories or films with the purpose of reducing significantly the incidence of STIs. They are intended for vaginal or rectal use to afford protection for varying periods, from several hours up to days. Microbicides may also be designed to have a contraceptive function.

For further information:

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