

**MERRIMAN
CURHAN
FORD**

GROW WITH USSM

MERRIMAN CURHAN
FORD & Co.
600 California Street
9th Floor
San Francisco, CA 94108
(415) 248-5600 Main
(415) 248-5690 Fax
(800) 909-7897 Trading
www.mcfco.com

AMEX: MEM

Member NASD/SIPC

Please see
**important
disclosures** on
the last page of
this press
release.

Merriman Curhan Ford & Co. Initiates Coverage Of Starpharma Holdings Ltd. (SPHY, \$3.40) with a Buy Rating

FOR IMMEDIATE RELEASE

San Francisco, CA, June 20, 2007 — MCF & Co. analyst Brian McCarthy initiated coverage of Starpharma Holdings Ltd. (SPHY) at Buy.

Investment Thesis

- **Starpharma's mission is the development of dendrimer-based products for pharmaceutical, life-science, and industrial applications.** The company's lead microbicide candidate is under development for the large unmet medical needs of Human Immunodeficiency Virus (HIV) and Herpes Simplex Virus (HSV) prevention. In our view, Starpharma should provide upside for investors because of data from two VivaGel Phase I clinical studies, a potential condom-coating partnership and the launch of PrioFect dendrimers. We believe SPHY shares could trade to a fair value range of \$4.50-6.00 within the next year.
- **Innovative and versatile core technology.** Starpharma utilizes a core nanotechnology focused on the development of dendrimers for use in the medical, electronic, chemical and materials industries. Starpharma is actively developing dendrimers for a variety of clinical applications, including human immunodeficiency virus (HIV) and genital herpes. In addition, Starpharma is pursuing the development of dendrimers for drug delivery, as transfection reagents, as contrast agents and for industrial applications.
- **Validating contracts.** Starpharma has been granted contracts by the National Institute of Health (NIH), including a \$20.3M contract for the development of VivaGel for HIV, a contract for the development of VivaGel for HSV-2, and a \$5.4M grant for the development of combination microbicides. VivaGel was also granted fast-track status by the FDA in April 2006.
- **Clinical programs address unmet medical needs.** HIV/AIDS infections continue to increase globally, while genital herpes (HSV-2) infections affect up to 1M new people each year in the US. Topical microbicides would serve as a valuable tool to fight the spread of both HIV and HSV-2. Starpharma is actively pursuing two Phase I clinical studies to evaluate the safety and tolerability of VivaGel in men and women and is expected to begin a Phase I safety and acceptability study in women this year.

Contact Information

Brian McCarthy, PhD
Senior Vice President
(646) 292-1457
bmccarthy@mcfco.com

Laurie Palmer
(415) 734-0398
Editor, Equity Research
lpalmer@mcfco.com

Brian Cooke
(646) 292-1316
Editor, Equity Research
bcooke@mcfco.com

IMPORTANT DISCLOSURES

This research has been prepared by Merriman Curhan Ford & Co, a wholly owned subsidiary of MCF Corporation. Some companies Merriman Curhan Ford & Co. follows are emerging growth companies whose securities typically involve a higher degree of risk and more volatility than the securities of more established companies.

The securities discussed in Merriman Curhan Ford & Co. research reports may be unsuitable for some investors depending on their specific investment objectives, financial status, risk profile, or particular needs. Investors should consider this report as only a single factor in making their investment decisions and should not rely solely on this report in evaluating whether or not to buy or sell the securities of the subject company.

Regulation Analyst Certification ("Reg. AC")

All of the views expressed in this research report accurately reflect the research analyst's personal views about any and all of the subject securities or issuers. No part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the research analyst in the subject company of this research report. Research analysts are not compensated for revenue generated by the firm's investment banking activities.

Specific Disclosures

- MCF & Co. has not received compensation for investment banking services within the last 12 months, and does not expect to receive or intend to seek compensation for investment banking services in the next three months, from Starpharma Holdings Limited.
- Within the last 12 months MCF & Co. has not managed or co-managed a public offering for Starpharma Holdings Limited.
- MCF & Co. makes a market in SPHRY and as such buys and sells from customers on a principal basis.
- Neither Brian McCarthy nor a member of his household owns shares of SPHRY.
- Neither MCF & Co. nor its officers, principals, employees, or owners own options, rights, or warrants to purchase SPHRY.
- No MCF & Co. employee serves on the board of directors of Starpharma Holdings Limited.
- Neither Brian McCarthy nor a member of his household serves on the board of directors of Starpharma Holdings Limited.
- Neither MCF & Co. nor its affiliates beneficially owns 1% or more of an equity security of Starpharma Holdings Limited.

Key to Investment Rankings (expected total share price return inclusive of dividend reinvestment, if applicable)

Rating	Percent of Universe	No. of Stocks	Description	Percent of companies under research coverage from which MCF & Co. received compensation for investment banking services provided in the previous 12 months or expects to receive or intends to seek in the next three months
Buy	72%	131	MCF & Co. expects the stock price to appreciate 10% or more over the next 12 months. Initiate or increase position.	11%
Neutral	25%	46	MCF & Co believes the stock price is fairly valued at current levels. Maintain position or take no action.	0%
Sell	3%	5	MCF & Co. expects the stock price to depreciate over the next 12 months. Sell or decrease position.	0%

MCF & Co. archives and reviews outgoing and incoming email. Such may be produced at the request of regulators. Sender accepts no liability for any errors or omissions arising as a result of transmission. Use by other than intended recipients is prohibited.

The information contained herein is based on information obtained from sources believed to be reliable but is neither all-inclusive nor guaranteed by Merriman Curhan Ford & Co. No independent verification has been made as to the accuracy or completeness of the information. Opinions, if any, reflect our judgment at the time the report is first published and are subject to change without notice. Merriman Curhan Ford & Co. does not undertake to advise you of changes in its opinion or information.

Member NASD / SIPC. Copyright © 2007. All rights reserved. Additional information supporting the statements in this report is available upon request.