



## ASX ANNOUNCEMENT

### **Starpharma terminates Reckitt Agreement and signs with Ansell**

**Melbourne, Australia; 17 August 2011** – Starpharma Holdings Limited (ASX:SPL, OTCQX:SPHRY) today announced two important developments in relation to the commercialisation of its VivaGel<sup>®</sup>-coated condom.

#### **Starpharma terminates condom coating agreement with Reckitt Benckiser**

The first of these is that, due to the failure to achieve satisfactory progress in relation to certain commercialisation milestones for the VivaGel<sup>®</sup>-coated condom, Starpharma's Board has taken the decision to terminate the Licence granted to Reckitt Benckiser (RB; formerly SSL International plc) to commercialise the VivaGel<sup>®</sup>-coated condom and all of RB's rights to the product, effective immediately. Starpharma is extremely disappointed to have to take this action but after full consideration of the situation, Directors and Management believe it to be the best course of action to ensure timely commercialisation and maximise returns for the VivaGel<sup>®</sup>-coated condom.

#### **Starpharma executes condom coating agreement with Ansell**

The second development is that Starpharma has today executed a Licence Agreement with Ansell Limited (ASX:ANN) giving Ansell marketing rights to the VivaGel<sup>®</sup>-coated condom. The Agreement covers marketing rights to the coated condom in countries which exclude Japan and a number of Asian markets.

Under the agreement Ansell will pay Starpharma royalties on sales of VivaGel<sup>®</sup>-coated condoms and will support registration and other commercialisation costs. Ansell is also responsible for manufacturing the VivaGel<sup>®</sup>-coated condom and marketing of the product, which will include the VivaGel<sup>®</sup> brand together with the respective Ansell brand.

In commenting on the deal with Ansell, Starpharma's CEO, Jackie Fairley said:

"We are very pleased to be working with Ansell as a commercial partner for the VivaGel<sup>®</sup>-coated condom. Ansell is ranked number two globally in terms of condom sales, marketing leading brands including Lifestyles<sup>®</sup>, ZERO<sup>®</sup> and the highly successful SKYN<sup>®</sup> brand. It has a leading market position in the rapidly expanding Asia Pacific and South American markets and in Australia with around 70% market share."

Whilst these developments mean that the first approval of VivaGel<sup>®</sup>-coated condoms will not occur in 2011 as originally forecast, Starpharma's Board is confident that the two commercial partnerships now in place - with Okamoto Industries and Ansell Limited will deliver timely commercialisation and maximise returns for the VivaGel<sup>®</sup>-coated condom. Starpharma now expects first marketing approvals to occur in CY 2012.

Ansell's total sales for the FY 2011 were US\$1.2billion, up 11% over last year. The Sexual Wellness global business unit achieved sales growth of 18% globally. Recent innovations

such as the polyisoprene condom, SKYN® have underpinned strong sales growth, particularly in the US, China, India, Brazil, ANZ, and Poland.<sup>[1]</sup>

In commenting on the deal Ansell's President & General Manager - Sexual Wellness Global Business Unit, Peter Carroll said:

"Ansell is very excited about partnering with Starpharma on the application of their VivaGel® product with our leading "lifestyles" products. The VivaGel®-coated condom offers Ansell an innovative and differentiated product and it fits well with Ansell's focus on new products as part of our growth strategy. Building on our success with the SKYN® range we see VivaGel® as fitting well within Ansell's innovative product framework".

Starpharma's CEO Jackie Fairley added:

"Starpharma remains fully committed to the commercialisation of the VivaGel®-coated condom and believe this is the right course of action for the product. We look forward to working with both of our partners Ansell and Okamoto to launch this innovative product into the branded condom market."

The global branded condom market has been estimated to be worth US \$1.1billion-\$1.6billion and growing at around 4-5% annually.<sup>[2]</sup>

[1] Ansell Annual Report 2010 and Full Year Results 2011

[2] Condoms - A global strategic business report 2006, 2010; Annual Reports and industry data.

## ABOUT STARPHARMA

Starpharma Holdings Limited (ASX:SPL, OTCQX:SPHRY) is a world leader in the development of dendrimer technology for pharmaceutical, life-science and other applications. SPL has two operating companies, Starpharma Pty Ltd in Melbourne, Australia and DNT, Inc in the USA. Products based on SPL's dendrimer technology are already on the market in the form of diagnostic elements and laboratory reagents through licence arrangements with partners including Siemens and Merck KGaA.

The Company's lead pharmaceutical development product is VivaGel® (SPL7013 Gel), a vaginal microbicide designed to prevent the transmission of STIs, including HIV, genital herpes and bacterial vaginosis. Starpharma has a licence agreement with Ansell Limited to develop a VivaGel®-coated condom, and a licence agreement with Okamoto Industries Inc in relation to the VivaGel®-coated condom for the Japanese market. Okamoto is the market leader for condoms sold in Japan, the world's second largest condom market.

Starpharma also has agreements in place with Lilly, Elanco, Stiefel Laboratories (a GSK Company), and Siemens Healthcare as well as many research collaborations with some of the world's leading organisations in the fields of pharmaceuticals, drug delivery, cosmetics and agrochemicals.

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

Ansell is a world leader in providing superior health and safety protection solutions that enhance human well being. With operations in the North America, Latin America, EMEA and Asia, Ansell employs more than 10,000 people worldwide and holds leading positions in the industrial and medical gloves market, as well as in the sexual health and well being category worldwide. Ansell operates in four main business segments: Medical Solutions, Industrial Solutions, New Verticals, and Sexual Wellness. Information on Ansell and its products can be found at [www.ansell.com](http://www.ansell.com).

**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 Securities Exchange (ASX). Starpharma's ADRs are listed on International OTCQX, a premium market tier in the U.S. for international exchange-listed companies.

#### **Forward Looking Statements**

This document contains certain forward-looking statements, relating to Starpharma's business, which can be identified by the use of forward-looking terminology such as "promising", "plans", "anticipated", "will", "project", "believe", "forecast", "expected", "estimated", "targeting", "aiming", "set to", "potential", "seeking to", "goal", "could provide", "intends", "is being developed", "could be", "on track", or similar expressions, or by express or implied discussions regarding potential filings or marketing approvals, or potential future sales of product candidates. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. There can be no assurance that any existing or future regulatory filings will satisfy the FDA's and other health authorities' requirements regarding any one or more product candidates nor can there be any assurance that such product candidates will be approved by any health authorities for sale in any market or that they will reach any particular level of sales. In particular, management's expectations regarding the approval and commercialization of the product candidates could be affected by, among other things, unexpected clinical trial results, including additional analysis of existing clinical data, and new clinical data; unexpected regulatory actions or delays, or government regulation generally; our ability to obtain or maintain patent or other proprietary intellectual property protection; competition in general; government, industry, and general public pricing pressures; and additional factors that involve significant risks and uncertainties about our products, product candidates, financial results and business prospects. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. Starpharma is providing this information as of the date of this document and does not assume any obligation to update any forward-looking statements contained in this document as a result of new information, future events or developments or otherwise.

#### **FOR FURTHER INFORMATION**

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