



ASX ANNOUNCEMENT

## Quarterly Cashflow Report

**Melbourne, Australia; 31 October 2014:** Starpharma Holdings Ltd (ASX: SPL, OTCQX: SPHRY) today released its Appendix 4C – Quarterly Cashflow report for the period ended 30 September 2014.

The cash balance at 30 September 2014 was \$37.2 million. This includes the net proceeds of Starpharma's \$18 million equity placement but does not include the recently announced \$3.5 million proceeds from the share purchase plan, or the \$4.2 million R&D tax incentive refund received in October. The operating and investing cash out flow for the quarter was \$4.2 million which includes expenditure related to the phase 3 VivaGel<sup>®</sup> clinical program, as well as the DEP<sup>™</sup> docetaxel clinical trial and standard operating expenses.

Starpharma's strong cash position will allow the Company to fund advancement across all areas of the business including the completion of phase 3 trials of VivaGel<sup>®</sup> for the prevention of recurrent bacterial vaginosis (BV) and accelerating DEP<sup>™</sup> docetaxel through completion of phase 1 and into phase 2 trials.

Recently Starpharma achieved a major milestone for its VivaGel<sup>®</sup> condom, now available for purchase from Woolworths stores in Australia under Ansell's brand, LifeStyles<sup>®</sup> Dual Protect<sup>™</sup>. Starpharma receives royalties on the sale of the Dual Protect<sup>™</sup> condom with VivaGel<sup>®</sup>.

The VivaGel<sup>®</sup> condom is a world-first product based on Australian innovation. It is the only condom which incorporates the additional benefit of an antiviral lubricant, VivaGel<sup>®</sup>, shown in laboratory studies to achieve viral inactivation rates of up to 99.9%.

The availability of the VivaGel<sup>®</sup> condom in Australia represents the first marketed product for Starpharma's VivaGel<sup>®</sup> portfolio, and the first of three women's health and sexual wellness VivaGel<sup>®</sup> products that are in various advanced stages of development and commercialisation.

Chief Executive Officer Dr Jackie Fairley said: "Starpharma has entered an exciting period with the VivaGel<sup>®</sup> condom now available for sale and the next wave of products continues to advance through clinical testing and market registration, positioning the Company well for 2015 and beyond."

## ABOUT STARPHARMA

Starpharma Holdings Limited (ASX:SPL, OTCQX:SPHRY), located in Melbourne Australia, is an ASX 300 company and is a world leader in the development of dendrimer products for pharmaceutical, life science and other applications.

Starpharma's underlying technology is built around dendrimers – a type of synthetic nanoscale polymer that is highly regular in size and structure and well suited to pharmaceutical and medical uses. Starpharma has three core development programs: VivaGel® portfolio, drug delivery, and agrochemicals with the Company developing a number of products internally and others via commercial partnerships.

Starpharma's lead products are based on VivaGel® (SPL7013, astodimer sodium), a proprietary dendrimer which is a potent microbicidal agent. VivaGel® formulated as a water based gel and delivered vaginally is under clinical development for the management and prevention of bacterial vaginosis (BV). Starpharma has also signed separate licence agreements with Ansell Limited (ASX:ANN) and Okamoto Industries, Inc., (TSE: JP3192800005) to market a value-added, VivaGel®-condom. The VivaGel® condom is listed on the Australian Register of Therapeutic Goods and is sold in Australian retail outlets. The VivaGel® condom has received marketing approval in Japan. Okamoto is the market leader for condoms sold in Japan, which is the world's second largest condom market. Ansell manufactures and sells leading condom brands worldwide, including Lifestyles®, ZERO® and SKYN®. Ansell intends to market the VivaGel® condom under the LifeStyles Dual Protect™ brand name.

In the wider pharmaceutical and life science fields, Starpharma has both partnered and internal programs in Drug Delivery. Drug Delivery partners include GSK, Lilly and AstraZeneca. A number of dendrimer-enhanced, or DEP™ versions of existing drugs are under development. The most advanced of these is DEP™ docetaxel, a dendrimer-enhanced version of docetaxel (Taxotere®) which is in clinical development. In preclinical studies DEP™ docetaxel has shown significant tumour-targeting and superior anti-cancer effects across a range of important cancer types including breast, prostate, lung and ovarian tumour, when compared to Taxotere® (docetaxel).

In agrochemicals Starpharma has a series of partnerships with leading industry players including global leader Adama (formerly Makhteshim Agan) as well as internal programs including an enhanced version of glyphosate (the active ingredient in Roundup®).

## FOR FURTHER INFORMATION

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### 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 authorities' requirements regarding any one or more product candidates nor can there be any assurance that such product candidates will be approved by any 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 trial results, including additional analysis of existing data, and new 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.

Name of entity

**Starpharma Holdings Limited**

ABN

**20 078 532 180**

Quarter ended ("current quarter")

**30 September 2014****Consolidated statement of cash flows****Cash flows related to operating activities**

	Current Quarter \$A'000	Year to Date \$A'000
1.1 Receipts from customers and grants (including R&D Tax Incentive)	67	67
1.2 Payments for		
(a) staff costs	(1,333)	(1,333)
(b) advertising and marketing	-	-
(c) research and development	(3,126)	(3,126)
(d) other working capital	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	217	217
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Other	-	-
<b>Net operating cash flows</b>	<b>(4,176)</b>	<b>(4,176)</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	(16)	(16)
(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>(16)</b>	<b>(16)</b>
1.14 <b>Total operating and investing cash flows</b>	<b>(4,192)</b>	<b>(4,192)</b>

**Cash flows related to financing activities**

1.15 Proceeds from issues of shares (net)	17,215	17,215
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other - lease repayments	(8)	(8)
<b>Net financing cash flows</b>	<b>17,207</b>	<b>17,207</b>
<b>Net increase (decrease) in cash held</b>	<b>13,015</b>	<b>13,015</b>
1.21 Cash at beginning of quarter/year to date	24,028	24,028
1.22 Exchange rate adjustments	190	190
1.23 <b>Cash at end of quarter</b>	<b>37,233</b>	<b>37,233</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	(213)
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) Director's fees paid to non-executive directors.

**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

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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
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**Financing facilities available**

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

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		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities - Finance facility for laboratory equipment	200	67
3.2	Credit standby arrangements - Credit card facility	160	42

Item 3.1	A \$200,000 master asset finance facility with National Australia Bank for laboratory equipment, guaranteed by term deposit.
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**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	1,636	1,469
4.2	Deposits at call	35,597	22,559
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.23)</b>		<b>37,233</b>	<b>24,028</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.



31 October 2014

N J Baade  
Company Secretary