



ASX ANNOUNCEMENT

Quarterly Cashflow Report

Melbourne, Australia; 28 January 2015: Starpharma Holdings Ltd (ASX: SPL, OTCQX: SPHRY) today released its Appendix 4C – Quarterly Cashflow report for the period ended 31 December 2014.

The cash balance at 31 December 2014 was \$39.3 million, with the operating and investing cash outflows being \$1.4 million for the quarter.

The cash balance includes the Company's R&D tax incentive refund of \$4.2 million received relating to FY14 expenditures and net proceeds from the Share Purchase Plan (SPP) from October of last year. The SPP proceeds were in addition to the proceeds of the equity placement included in the previous quarterly cashflow report.

The operating and investing cash flows for the quarter include expenditure relating to activities including the ongoing phase 3 clinical trials for VivaGel[®] to prevent recurrent bacterial vaginosis (R-BV) and the phase I clinical trial of DEP[™] docetaxel.

Both clinical programs are progressing well. Preliminary findings from the phase I trial comparing DEP[™] docetaxel to the commercial version of docetaxel, Taxotere[®], have shown the drug is well tolerated with no neutropenia nor hair loss observed, and improved pharmacokinetics.

In the phase 3 trials for R-BV, around 600 women are being recruited into each of the two studies across multiple sites in the US, EU, Asia and Mexico.

During the quarter, the VivaGel[®] condom was officially launched in Australia by Starpharma's marketing partner, Ansell, under its LifeStyles[®] Dual Protect[™] brand. Marketing clearance for the condom under the LifeStyles[®] Dual Protect[™] brand was also achieved in New Zealand.

The availability of the VivaGel[®] condom in Australia represents the first major marketed product for Starpharma's VivaGel[®] portfolio, and the first of three women's health and sexual wellness VivaGel[®] products that are in various advanced stages of development and commercialisation. Starpharma will receive royalties based on sales.

Also during the quarter, Starpharma's Priostar[®] glyphosate patent was allowed in China, further strengthening and expanding the Company's patent portfolio for the use of its proprietary dendrimers in agrochemical products.

"This quarter has been characterised by substantial progress for Starpharma and positions us positively into this New Year with two clinical programs progressing well, our VivaGel[®] condom now available in Australian retail outlets and exciting developments

across our drug delivery programs,” said Starpharma Chief Executive Officer, Dr Jackie Fairley.

“We have a strong cash balance which allows us to confidently and intently advance our entire portfolio. Starpharma already has one of the most robust and advanced portfolio of products at various stages of mid to late stage commercialisation.”

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, DEP™ 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 available for purchase in Australia under Ansell’s Lifestyles® Dual Protect™ brand. Ansell manufactures and sells leading condom brands worldwide, including LifeStyles®, ZERO® and SKYN®. Okamoto is the market leader for condoms sold in Japan, which is the world’s second largest condom market.

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")

31 December 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)	4,328	4,395
1.2 Payments for		
(a) staff costs	(1,612)	(2,945)
(b) advertising and marketing	-	-
(c) research and development	(3,955)	(7,081)
(d) other working capital	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	292	509
1.5 Interest and other costs of finance paid	(2)	(3)
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net operating cash flows	(949)	(5,125)

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	(417)	(433)
(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	-	-
Net investing cash flows	(417)	(433)
1.14 Total operating and investing cash flows	(1,366)	(5,558)

Cash flows related to financing activities

1.15 Proceeds from issues of shares (net)	3,288	20,503
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)	(16)
Net financing cash flows	3,280	20,487
Net increase (decrease) in cash held	1,914	14,929
1.21 Cash at beginning of quarter/year to date	37,233	24,028
1.22 Exchange rate adjustments	171	361
1.23 Cash at end of quarter	39,318	39,318

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	(410)
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

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	61
3.2	Credit standby arrangements - Credit card facility	150	31

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	1,991	1,636
4.2	Deposits at call	37,327	35,597
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		39,318	37,233

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.



28 January 2015

N J Baade
Company Secretary