



Quarterly Cashflow Report

Melbourne, Australia; 31 January 2011: Attached is the Appendix 4C – Quarterly Cash Flow Report – for Starpharma Holdings Limited (ASX:SPL, OTCQX:SPHRY) for the quarter ended 31 December 2010.

The cash balance at 31 December 2010 was \$19.7m compared to \$22.8m at 30 June 2010.

The Operating & Investing cash outflow of \$1.5m for the quarter includes costs of the phase 2 bacterial vaginosis (BV) program. Progress with the Phase 2 BV acute-treatment study for VivaGel[®], which commenced in July 2010 has been pleasing, with 90% of patients (119 from a total of 132) now enrolled.

The December quarter result also includes financing cash flow proceeds of \$1.2m from the exercise of share options.

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 KGa.

The Company's lead pharmaceutical development product is VivaGel[®] (SPL7013 Gel), a vaginal microbicide designed to prevent the transmission of STIs, including HIV and genital herpes. Starpharma has a licence agreement with Reckitt Benckiser (LSE:RB) to develop a VivaGel[®] coated condom. Reckitt Benckiser manufactures and sells Durex[®] condoms, the market-leading condom brand worldwide.

Starpharma also has agreements in place with Lilly, Elanco, Stiefel Laboratories (a GSK Company), and Unilever as well as many research collaborations with some of the world's leading organisations.

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

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). The Bank of New York Mellon is the depository bank. Starpharma's ADRs are listed on International OTCQX, a premium market tier in the U.S. for international exchange-listed companies, operated by OTC Markets Group Inc. (www.otcm Markets.com).

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.

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Name of entity

Starpharma Holdings Limited

ABN

20 078 532 180

Quarter ended ("current quarter")

31 December 2010**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	864	1,224
1.2	Payments for		
	(a) staff costs	(972)	(2,071)
	(b) advertising and marketing	-	-
	(c) research and development	(1,347)	(3,421)
	(d) leased assets	(31)	(69)
	(e) other working capital	-	-
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	45	530
1.5	Interest and other costs of finance paid	(9)	(12)
1.6	Income taxes paid	-	-
1.7	Other	-	-
	Net operating cash flows	(1,450)	(3,819)
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	(87)	(94)
	(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	(87)	(94)
1.14	Total operating and investing cash flows	(1,537)	(3,913)
Cash flows related to financing activities			
1.15	Proceeds from issues of shares	1,213	1,425
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	-	-
	Net financing cash flows	1,213	1,425
	Net increase (decrease) in cash held	(324)	(2,488)
1.21	Cash at beginning of quarter/year to date	20,235	22,851
1.22	Exchange rate adjustments	(193)	(645)
1.23	Cash at end of quarter	19,718	19,718

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	(183)
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

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).

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities - Lease facility for laboratory equipment	297	297
3.2 Credit standby arrangements - Credit card facility	120	13

Item 3.1 A \$97,000 lease facility guaranteed by term deposit and a \$200,000 master asset finance facility with National Australia Bank for laboratory equipment.

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	2,232	2,288
4.2	Deposits at call	17,486	17,947
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		19,718	20,235

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 January 2011

B P Rogers
Company Secretary