ASX ANNOUNCEMENT

Quarterly Cashflow Report

Melbourne, Australia; 30 October 2015: Starpharma Holdings Ltd (ASX: SPL, OTCQX: SPHRY) today released its Appendix 4C – Quarterly Cashflow report for the period ended 30 September 2015.

The cash balance as at 30 September 2015 was $26.1 million, a net cash burn of $4.7 million from the 30 June cash balance of $30.8 million. Of note, Starpharma received in October the first payment of US$2 million from AstraZeneca following the signing of a licence. As this was received following the end of the quarter, the receipt is not reflected in the reported 30 September cash balance. The receipt of the $3.4 million R&D tax incentive is also anticipated in the December quarter.

A highlight of the September quarter was the signing of the multi-product DEP® licence with AstraZeneca for the development and commercialisation by AstraZeneca of DEP® based products directed at a defined family of targets. Under the agreement AstraZeneca will fund all development and commercialisation costs for the DEP® based products. Starpharma is eligible to receive US$126 million in milestones for the initial compound, as well as royalties on product net sales. The AstraZeneca agreement provides for additional milestones and royalties to be payable on subsequent DEP® based products to be developed and commercialised under the license.

An important milestone during the quarter was the receipt of EU marketing approval for VivaGel® BV for the treatment and rapid relief of bacterial vaginosis (BV) symptoms. The EU approval allows VivaGel® BV to be marketed in over 30 countries of European Economic Area - a population of more than 260 million women. The EU approval will facilitate negotiations already underway with commercial partners for the marketing rights for VivaGel® BV and also supports regulatory submissions for several other markets.

The net cash burn of $4.7 million reflects the operating and investing cash outflows of $6.1 million for the quarter, combined with a $1.4 million favourable exchange rate gain on US dollar denominated cash holdings. The expenditure relates to all Starpharma programs including the phase 3 clinical trial program for VivaGel® recurrent BV and the phase 1 clinical trial for DEP® docetaxel, both of which continue to progress smoothly.

“This quarter has seen Starpharma achieve a number of important milestones. The multi-product DEP® license with AstraZeneca validates and reinforces the value to industry of the DEP® platform and we expect to build further on this deal with others. It is pleasing to see our income receipts building from our commercial partners. The EU approval of VivaGel® BV is expected to further contribute to this trend in the year ahead and marks an important milestone for the Company.” said Starpharma CEO, Dr Jackie Fairley.”

For further details please refer to Starpharma's October Shareholder Update available at: http://www.starpharma.com/news/258

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, astodrimer sodium), a proprietary dendrimer which has antimicrobial properties. VivaGel® formulated as a water based gel and delivered vaginally now has EU regulatory approval for topical treatment and rapid relief of bacterial vaginosis (BV) and is under clinical development for the prevention of recurrent 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 field, Starpharma has both partnered and internal programs in Drug Delivery. 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 patients with solid tumours. 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). AstraZeneca has signed a licensing agreement with Starpharma for the use of its DEP® drug delivery platform in the development and commercialisation of an AstraZeneca oncology compound, with potential for follow on compounds directed at a defined family of targets.

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 more information please visit: www.starpharma.com

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	Quarter ended ("current quarter")
20 078 532 180	**30 September 2015**

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)		**628**	**628**
1.2	Payments for	(a) staff costs	**(1,380)**	**(1,380)**
		(b) advertising and marketing	-	-
		(c) research and development	**(5,503)**	**(5,503)**
		(d) other working capital	-	-
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		**106**	**106**
1.5	Interest and other costs of finance paid		**(1)**	**(1)**
1.6	Income taxes paid		-	-
1.7	Other		-	-
	Net operating cash flows		**(6,150)**	**(6,150)**
	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		**(4)**	**(4)**
	(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		**(4)**	**(4)**
1.14	**Total operating and investing cash flows**		**(6,154)**	**(6,154)**
	Cash flows related to financing activities			
1.15	Proceeds from issues of shares (net)		-	-
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)**
	Net financing cash flows		**(8)**	**(8)**
	Net increase (decrease) in cash held		**(6,162)**	**(6,162)**
1.21	Cash at beginning of quarter/year to date		**30,848**	**30,848**
1.22	Exchange rate adjustments		**1,407**	**1,407**
1.23	**Cash at end of quarter**		**26,093**	**26,093**

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	**(218)**
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 - Finance facility for laboratory equipment	**200**	**41**
3.2	Credit standby arrangements - Credit card facility	**150**	**48**

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

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	**2,462**	**2,795**
4.2	Deposits at call	**23,631**	**28,053**
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.23)	**26,093**	**30,848**

Acquisitions and disposals of business entities

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
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	-	-

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.

30 October 2015

N J Baade
Company Secretary