Half Year Results
Period ended 31 December 2008

Melbourne, Australia; 19 February 2009: Starpharma Holdings Limited (ASX:SPL, OTCQX:SPHRY) today announced its financial results for the six months ending 31 December 2008.

The net loss after tax was A$1.9 million, with operating cash outflows of A$2.5 million for the half year, 12% less than the same period in the prior year. Cash at 31 December was A$6.1 million.

Total revenue and other income was A$5.1 million for the half year with revenue from continuing operations A$1.0 million for the six months, up 6% compared with the same period in the prior year.

Receipts from customers included royalty and license income from partners including SSL International and Dade Behring (part of the Siemens Healthcare group), and grant and contract payments from the U.S. National Institutes of Health for VivaGel® development costs.

The receipts from SSL International represent the first payment under the strategically important partnership with SSL International for the VivaGel® coated condom, which Starpharma has estimated will yield total receipts in excess of A$100m.

Apart from the VivaGel® coated condom and stand-alone products, the Company is continuing to focus on near-term commercial partnerships in areas such as drug delivery, cosmetics / personal care products and diagnostics.

Further details of the financial results are included in the attached Half Year Report to ASX.

About Starpharma

Starpharma Holdings Limited (ASX:SPL, OTCQX:SPHRY) is a world leader in the development of dendrimer nanotechnology 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. In September 2008 Starpharma signed a full licence agreement with SSL International plc (LSE:SSL) to develop a VivaGel® coated condom. SSL manufactures and sells Durex® condoms, the market-leading condom brand worldwide. Starpharma's receipts under the agreement are estimated to exceed A$100m comprising royalties on SSL sales, further milestone payments, and development support.

In the wider pharmaceutical field Starpharma has specific programs in the areas of Drug Delivery and Drug Optimisation technologies (using dendrimers to control where and when drugs go when introduced to the body) and Targeted Diagnostics (using dendrimers as a scaffold to which both location-signalling and targeting groups are added to allow location of specific cell type, such as cancer cells). More broadly the company is exploring dendrimer opportunities in materials science applications including water remediation.

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 depositary bank. Starpharma's ADRs are listed on International OTCQX (www.otcqx.com), a premium market tier in the U.S. for international exchange-listed companies, operated by Pink OTC Markets, Inc.

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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STARPHARMA HOLDINGS Limited
ABN 20 078 532 180

ASX Half-year information

31 December 2008

Lodged with the ASX under Listing Rule 4.2A
This information should be read in conjunction with the 30 June 2008 Annual Report.

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STARPHARMA HOLDINGS Ltd
Corporate Directory

Directors	P T Bartels *AO* *Chairman* J W Raff *Deputy Chairman* J K Fairley *Chief Executive Officer* R Dobinson R A Hazleton P J Jenkins
Company Secretary	B P Rogers
Registered office	Baker Building 75 Commercial Road, Melbourne, Victoria 3004 Australia
Auditor	PricewaterhouseCoopers
Solicitors	Deacons RACV Tower, 485 Bourke Street Melbourne, Victoria, 3000 Australia Greenberg Traurig LLP MetLife Building, 200 Park Avenue New York, NY 10166 USA
Bankers	Commonwealth Bank of Australia, National Australia Bank, Wachovia Bank, USA National City Bank, USA
Stock exchange listing	ASX Limited (ASX) ASX Code: SPL Starpharma's American Depositary Receipts (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 Stock Exchange. The Bank of New York Mellon is the depositary bank. Starpharma's ADRs are listed on International OTCQX (www.otcqx.com), a premium market tier in the U.S. for international exchange-listed companies, operated by Pink OTC Markets, Inc.
Website address	www.starpharma.com

STARPHARMA HOLDINGS Ltd
Half-year ended 31 December 2008
(Previous corresponding period:
Half-year ended 31 December 2007)

Results for Announcement to the Market

				$
Revenue from ordinary activities *(Appendix 4D item 2.1)*	Up	6%	to	$992,000
Loss from ordinary activities after tax attributable to members *(Appendix 4D item 2.2)*	Down (reduced loss)	48%	to	$1,886,000
Net Loss for the period attributable to members *(Appendix 4D item 2.3)*	Down (reduced loss)	48%	to	$1,886,000

Dividends/distributions *(Appendix 4D items 2.4 and, 2.5)*	Amount per security	Franked amount per security
Final dividend	Nil	Nil
Interim dividend	Nil	Nil

Record date for determining entitlements to the dividend — Not Applicable

No dividends have been paid or declared by the entity since the beginning of the current reporting period. No dividends were paid for the previous corresponding period.

Explanation of Revenue & Other Income
(Appendix 4D item 2.6)

Revenue from ordinary activities includes customer and royalty revenue from wholly owned subsidiary company Dendritic Nanotechnologies, Inc (DNT) combined with the part recognition of licensing income associated with the Durex® condom coating deal signed in September 2008. See note 3 for additional information on revenue and other income.

Explanation of Net Loss
(Appendix 4D item 2.6)

The consolidated loss after tax of $1,886,000 is after fully expensing all research and development expenditure and patenting costs at the Australian and United States operations. See note 2 for additional information on the geographic segmentation of the result.

STARPHARMA HOLDINGS Ltd
Interim financial report – 31 December 2008

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Starpharma Holdings Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

STARPHARMA HOLDINGS Ltd
Directors' report

Your directors present their report on the consolidated entity consisting of Starpharma Holdings Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2008.

Directors

The following persons were directors of Starpharma Holdings Limited ("the Company") during the whole of the half-year and up to the date of this report:

P T Bartels *(Chairman)*
J W Raff *(Deputy Chairman)*
J K Fairley *(Chief Executive Officer)*
R Dobinson
R A Hazleton
P J Jenkins

Review of Operations

Principal Activities

The principal activities of the Company consist of development and commercialisation of dendrimer nanotechnology for pharmaceutical, life-science and other applications. Activities within the Company are directed towards the development of precisely defined nano-scale materials, with a particular focus on the development of its topical vaginal microbicide VivaGel® for the prevention of genital herpes and HIV, and the development of a VivaGel® coated condom. Products based on the Company's dendrimer technology are on the market in the form of diagnostic elements and laboratory reagents through licence arrangements with partners.

In the wider pharmaceutical field the Company has specific programs in the areas of Drug Delivery and Drug Optimisation technologies (using dendrimers to control where and when drugs go when introduced to the body) and Targeted Diagnostics (using dendrimers as a scaffold to which both location-signalling and targeting groups are added to allow location of specific cell type, such as cancer cells). More broadly the company is exploring dendrimer opportunities in materials science applications including water remediation.

These activities are managed by the Company's wholly owned subsidiaries Starpharma Pty Ltd. in Melbourne, Australia and Dendritic Nanotechnologies, Inc ("DNT") in Michigan, USA.

Consistent with the Company's strategy to focus on core projects providing near-term commercial benefit, activities at DNT including the administration and finance functions were scaled back in the half year. As a result of the transfer of functions and activities to Melbourne, the roles and responsibilities of the President of DNT became redundant.

In making these changes the Company has kept sight of the priority of advancing its current clinical and near term commercialisation programs. The changes at DNT will not impede the progress of those programs, nor impact on the ongoing revenues derived from partnerships with Dade Behring and Qiagen based on DNT technology.

Significant Events During the Half-year

9 September 2008 VivaGel® Condom: Full Licence Agreement with Durex®

The most significant event during the period was the announcement on 9 September 2008 of a full licence agreement with SSL International plc (LSE:SSL) in relation to the VivaGel® coated condom. Starpharma Board and Management consider the signing of this agreement to be the Company's most important commercial milestone to date.

SSL manufactures and sells Durex® condoms, the market-leading condom brand worldwide, and under the terms of the agreement SSL has secured marketing rights to the VivaGel® coated condom in most of the world, including Europe and the USA. The VivaGel® coated condom is a key element in Starpharma's corporate strategy, and this agreement provides significant global coverage and an opportunity to build VivaGel® product brand awareness. The Company has estimated that its receipts under the agreement will exceed A$100m comprising royalties on SSL sales, further milestone payments, and development support.

Other significant events announced during the period are listed below.

9 July 2008 New Indication for VivaGel®: Bacterial Vaginosis

The Company announced that it would add the treatment of bacterial vaginosis (BV) to the development program for VivaGel®. This would be the first application of VivaGel® as a treatment, the existing applications being for prevention of infection by the sexually transmitted viruses that cause AIDS (HIV), genital herpes (HSV) and genital warts (HPV), or for contraception. This product application is of interest to the Company because of its potential to open up a new and possibly earlier path to market for VivaGel®.

13 August 2008 VivaGel®: New Clinical Trial Commences

The Company announced the start of a clinical trial of VivaGel®, to measure the level of antiviral activity retained by VivaGel® after vaginal administration. The study in 12 women is intended to determine the timescale over which VivaGel® retains activity against HIV and HSV-2 (genital herpes). The last subject will have completed dosing and follow-up evaluations by the end of February 2009, after which results will be evaluated and reported.

30 October 2008 Key VivaGel® Patent Approved in Japan

The Company announced that one of its key patents relating to the use of dendrimers to protect against sexually transmitted infections has been approved in Japan, meaning that VivaGel® and the VivaGel® coated condom are now covered by granted patents in all major markets including Europe, the US and Japan.

4 December 2008 SPL7013 shows activity against all major clinically relevant human papillomavirus (HPV) strains

The Company announced new pre-clinical data showing that SPL7013, the active ingredient in VivaGel®, inhibits all four strains of the human papillomavirus (HPV) targeted by the two marketed cervical cancer vaccines.

These results together with those of a previous study showed that SPL7013 has *in vitro* activity against all major clinically relevant strains of HPV tested so far, in particular those strains not covered by the current cervical cancer vaccines, supporting earlier findings that VivaGel® may have potential for reducing the risk of genital HPV infection, the most common sexually transmitted infection in the United States.

17 December 2008 Starpharma Dendrimer Reduces Toxicity of Cancer Drug

The Company reported an important advance in its dendrimer-based drug-delivery program. A Starpharma dendrimer combined with a widely-used cancer drug (doxorubicin) achieved a significant extension of the drug's plasma half-life and a marked reduction in drug toxicity compared to administration of the drug alone. In this proof-of-concept animal study the efficacy of the dendrimer-drug construct was equivalent to that of the drug alone.

Operating Loss

For the half-year ended 31 December 2008 the consolidated entity incurred an operating loss after income tax of $1,886,000 (December 2007: $3,659,000).

Significant Changes in the State Of Affairs

In the opinion of the directors there were no significant changes in the state of affairs of the economic entity that occurred during the half-year under review not otherwise disclosed in this report or in the financial statements.

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 19.

This report is made in accordance with a resolution of the Directors.

Peter T Bartels, *AO* 19 February 2009
Director Melbourne

STARPHARMA HOLDINGS Ltd
Consolidated income statement
For the half-year ended 31 December 2008

		Half Year
	2008	2007
	$'000	$'000
Revenue from continuing operations	**992**	932
Other income	**4,095**	4,699
Administration expense	**(956)**	(2,941)
Research and development expense	**(6,106)**	(6,784)
Finance costs	**(15)**	(11)
Impairment of Financial Assets	**-**	(36)
Loss before income tax	**(1,990)**	(4,141)
Income tax credit	**104**	482
Loss attributable to members of Starpharma Holdings Limited	**(1,886)**	(3,659)

Loss per share for loss from continuing operations attributable to ordinary equity holders of the company	**$**	**$**
Basic loss per share	($0.01)	($0.02)
Diluted loss per share	($0.01)	($0.02)

The above consolidated income statement should be read in conjunction with the accompanying notes.

STARPHARMA HOLDINGS Ltd
Consolidated balance sheet
As at 31 December 2008

	31-Dec-08	30-Jun-08
	$'000	$'000
Current Assets		
Cash and cash equivalents	**6,057**	7,482
Trade and other receivables	**2,434**	1,773
Total current assets	**8,491**	9,255
Non-current assets		
Property, plant and equipment	**633**	758
Intangible assets	**18,244**	14,640
Total non-current assets	**18,877**	15,398
Total assets	**27,368**	**24,653**
Current Liabilities		
Trade and other payables	**1,773**	1,623
Borrowings	**233**	124
Provisions	**310**	417
Deferred income	**1,843**	1,551
Total current liabilities	**4,159**	3,715
Non-current liabilities		
Borrowings	**122**	293
Provisions	**43**	37
Deferred income	**64**	97
Deferred tax liabilities	**-**	128
Total non-current liabilities	**229**	555
Total liabilities	**4,388**	**4,270**
Net assets	**22,980**	**20,383**
Equity		
Contributed equity	**78,667**	78,667
Reserves	**5,491**	1,009
Accumulated losses	**(61,178)**	(59,293)
Total equity	**22,980**	**20,383**

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

STARPHARMA HOLDINGS Ltd
Consolidated statement of changes in equity
For the half-year ended 31 December 2008

		Half Year
	2008	2007
	$'000	$'000
Total equity at the beginning of the year	**20,383**	25,724
Exchange differences on translation of foreign operations	**4,383**	(512)
Net income recognised directly in equity	**4,383**	(512)
Loss for the year	**(1,886)**	(3,659)
Total recognised income and expense for the half year	**2,497**	**(4,171)**
Transactions with equity holders in their capacity as equity holders:		
Employee share options	**100**	75
Fair value of options granted in private placement	**-**	1,033
Contributions of equity, net of transaction costs	**-**	2,440
Total equity at the end of the period	**22,980**	**25,101**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

STARPHARMA HOLDINGS Ltd
Consolidated cash flow statement
For the half-year ended 31 December 2008

	Half Year	
	2008	2007
	$'000	$'000
Cash flow from operating activities		
Receipts from trade and other debtors	**1,011**	437
Grant income (inclusive of GST)	**3,501**	4,914
Payments to suppliers and employees (inclusive of GST)	**(7,066)**	(8,431)
Interest received	**47**	211
Interest paid	**(15)**	(11)
Net cash outflows from operating activities	**(2,522)**	(2,880)
Cash flow from investing activities		
Receipts from property, plant and equipment	**2**	-
Payments for property, plant and equipment	**(40)**	(28)
Net cash outflows from investing activities	**(38)**	(28)
Cash flow from financing activities		
Proceeds from issue of shares	**-**	3,817
Share issue transaction costs	**-**	(344)
Lease repayments	**(76)**	(50)
Net cash inflows / (outflows) from financing activities	**(76)**	3,423
Net decrease in cash and cash equivalents held	**(2,636)**	515
Cash and cash equivalents at the beginning of the period	**7,482**	10,073
Effects of exchange rate changes on cash and cash equivalents	**1,211**	(397)
Cash and cash equivalents at the end of the period	**6,057**	10,191

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

STARPHARMA HOLDINGS Ltd
Notes to the consolidated financial statements
For the period ended 31 December 2008

1. Basis of preparation of half-year financial report

This general purpose financial report for the interim half-year reporting period ended 31 December 2008 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting*, and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Starpharma Holdings Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Critical accounting estimates: Going concern basis

For the half year ended 31 December 2008, the consolidated entity has incurred losses of $1,886,000 (2007: $3,659,000) and experienced net cash outflows from operations of $2,522,000 (2007: $2,880,000). At the period end, the consolidated entity's net assets stood at $22,980,000 (June 2008: $20,383,000) with cash and cash equivalents of $6,057,000 (June 2008: $7,482,000).

This performance is consistent with the consolidated entity's strategic plans and budget estimates. The Directors are satisfied regarding the availability of working capital (including ongoing licensing and royalty revenue and the remaining income available under contracted NIH government grant funding) for the period to at least March 2010.

Accordingly, these financial statements have been prepared on a going concern basis and the directors believe that the consolidated entity will realise its assets and settle its liabilities and commitments in the normal course of business and for at least the amounts stated in these financial statements.

2. Segment information

Business Segment
The consolidated entity operates in one business segment, being the discovery, development and commercialisation of dendrimers for pharmaceutical, life science and other applications.

Geographic Segment
The consolidated entity operates in Australia, with the exception of Dendritic Nanotechnologies Inc. (DNT) which operates in the United States of America (USA).

Following the 100% acquisition of DNT, it has been determined that on the basis of monitoring of the USA operations, these operations represent a separate geographical segment.

Secondary reporting format -geographical segments

Half Year 2008	Australia	USA	Inter-segment	**Total**
	$'000	$'000	$'000	**$'000**
Revenue and other income	4,398	879	(190)	**5,087**
Expenses	(5,169)	(2,098)	190	**(7,077)**
	(771)	(1,219)	-	**(1,990)**
Share of results of associates				**-**
Loss before income tax				**(1,990)**
Segment net assets	12,007	10,888	86	**22,981**

Half Year 2007	Australia	USA	Inter-segment	**Total**
	$'000	$'000	$'000	**$'000**
Revenue and other income	4,918	845	(132)	**5,631**
Expenses	(7,746)	(2,122)	96	**(9,772)**
	(2,828)	(1,277)	(36)	**(4,141)**
Share of results of associates				**-**
Loss before income tax				**(4,141)**
Segment net assets	14,985	10,170	(54)	**25,101**

3. Revenue and Other Income

		Half Year
	2008	2007
Consolidated Revenue and Other Income	**$'000**	$'000
Royalty, Customer & License revenue	**941**	724
Interest Revenue	**51**	204
Other Revenue	**-**	4
Total Revenue	**992**	932
Australian Government Grants	**224**	54
US Government Grants	**3,871**	4,645
Total Other Income	**4,095**	4,699
Total Revenue/Other Income	**5,087**	5,631

4. Expenses

		Half Year
	2008	2007
	$'000	$'000
Loss from ordinary activities before income tax expense includes the following items:		
Depreciation	**192**	293
Amortisation	**800**	715
Rental expense on operating leases	**270**	262

5. Intangibles

	Patents and licenses $'000	Goodwill $'000	Total intangibles $'000
Period ended 31 December 2008			
Opening net book amount	13,093	1,547	14,640
Exchange differences	4,553	603	5,156
Amortisation	(1,552)	-	(1,552)
Closing net book amount	**16,094**	**2,150**	**18,244**
As at 31 December 2008			
Cost	20,618	2,150	22,768
Accumulated amortisation	(4,524)	-	(4,524)
Net book amount	**16,094**	**2,150**	**18,244**
As at 30 June 2008			
Cost	16,065	1,547	17,612
Accumulated amortisation	(2,972)	-	(2,972)
Net book amount	**13,093**	**1,547**	**14,640**

6. Equity securities issued

No equity securities were issued during the half year.

Date	Details	Number of shares	Issue price	$'000
1-Jul-07	Opening balance	167,833,986		**76,227**
22-Aug-07	Share placement	11,881,167	$0.32 [1]	**2,784**
	less transaction costs			**(344)**
30-Jun-08	Balance	179,715,153		**78,667**
31-Dec-08	Closing balance	179,715,153		**78,667**

[1] Shares with unlisted options attached were issued at a price of $0.32. The fair value of the options of $1,033,000 has been taken to reserves.

7. Reserves

	31-Dec-08 $'000	30-Jun-08 $'000
Share based payment reserve	2,039	1,939
Foreign currency translation reserve	1,237	(3,145)
Asset revaluation reserve	2,215	2,215
	5,491	**1,009**

8. Earnings per Share

	Half Year	
	2008	2007
	$	$
Basic loss per share	(0.010)	(0.021)
Diluted loss per share	(0.010)	(0.021)
Net loss attributable to members of Starpharma Holdings Ltd used as the numerator in calculating diluted and basic earnings per share	(1,886,000)	(3,659,000)
Weighted average number of ordinary shares outstanding during the year used as the denominator in calculating diluted and basic earnings per share	179,715,153	176,399,084

The options granted are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Given the entity is currently loss making, the potential shares are anti-dilutive and have therefore not been included in the diluted earnings per share calculation.

9. Contingent liabilities

The company has no contingent liabilities.

10. Events occurring after reporting date

There are no matters or circumstances which have arisen since 31 December 2008 that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group.

STARPHARMA HOLDINGS Ltd
Directors' declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 8 to 15 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and

(b) there are reasonable grounds to believe that Starpharma Holdings Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Peter T Bartels, *AO*
Director

Melbourne, 19 February 2009

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INDEPENDENT AUDITORS REVIEW REPORT

to the members of Starpharma Holdings Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Starpharma Holdings Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the Starpharma Holdings Group (the consolidated entity). The consolidated entity comprises both Starpharma Holdings Limited (the company) and the entities it controlled during that half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Starpharma Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

For further explanation of a review, visit our website http:/www.pwc.com/au/financialstatementaudit.

PRICEWATERHOUSECOOPERS

INDEPENDENT AUDITORS REVIEW REPORT

to the members of Starpharma Holdings Limited (continued)

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Starpharma Holdings Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

PricewaterhouseCoopers

Nadia Carlin
Partner

Melbourne
19 February 2009

PRICEWATERHOUSECOOPERS

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Auditor's Independence Declaration

As lead auditor for the review of Starpharma Holdings Limited for the half year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Starpharma Holdings Limited and the entities it controlled during the period.

Nadia Carlin

Nadia Carlin
Partner
PricewaterhouseCoopers

Melbourne
19 February 2009

STARPHARMA HOLDINGS Ltd
Supplementary Appendix 4D information

NTA Backing

(Appendix 4D item 3)

	31 December 2008	31 December 2007
Net tangible asset backing per ordinary share	$0.03	$0.05

Associates and Joint Venture entities

(Appendix 4D item 4 and 7)

As a result of the Company ceasing to have significant influence on Dimerix Bioscience Pty Ltd the investee is no longer accounted for using the equity accounting principles from 1 July 2007. At 31 December 2008, Dimerix Bioscience Pty Ltd is held as a financial asset at the carrying value of Nil.

Potential ordinary shares not considered dilutive:

As at 31 December 2008 the Company had on issue:

Expiry Date	Exercise Price $	Number of Options
08-February-2009	0.9375	358,000
31-December-2009	0.9375	86,000
04-July-2010	0.9375	300,000
18-July-2010	0.9375	100,000
30-June-2009	0.4346	10,000
30-June-2009	0.4508	500,000
06-October-2010	0.5013	1,038,000
02-January-2011	0.5200	20,000
04-April-2011	0.5035	740,000
08-August-2011	0.5035	200,000
21-August-2012	0.4346	7,567,119
31-May-2009	0.4346	10,000
31-July-2009	0.4346	10,000
31-August-2009	0.4346	10,000
07-August-2011	0.5035	550,000
		11,499,119

Other Supplementary Information

Appendix 4D items 5, 6, 8 and 9 are not applicable.

Audit

This report is based on accounts which are subject to review.

Compliance Statement

This half year report was approved by a resolution of the Board of Directors of the Company on 19 February 2009.

Ben Rogers
Company Secretary
19 February 2009