Starpharma Launches New Start-Up Biotechnology Company

Melbourne, Australia, 16 March 2005 – Starpharma Holdings Limited (ASX: SPL, USOTC:SPHRY) today announced the establishment of a start-up biotechnology company (as a foundation shareholder).

The company – Dimerix Bioscience Pty Ltd ("Dimerix") – is a specialist drug development company established to commercialise unique technology developed at the Western Australian Institute for Medical Research in the exciting new field of receptor coupling, specifically G-Protein coupled receptors ("GPCRs").

Receptor coupling is one of the basic signalling mechanisms of biological systems, and because of their size Starpharma's nano-structures have natural advantages in designing drugs to control receptor coupling and cell signalling.

Starpharma assisted with the establishment of Dimerix and is providing in-kind contributions including commercial management expertise, and AUD$200,000 cash. In exchange Starpharma has received a 30% equity holding, making it the largest shareholder of Dimerix. Listed technology commercialisation company QPSX Limited (ASX:QPX) is also a minor foundation shareholder in Dimerix.

In addition to its equity position Starpharma has entered into a drug development project with Dimerix based on the combination of Starpharma's dendrimer nano-structures with the Dimerix *Collision* technology. Receptor coupling is a basic mechanism of action for polyvalent drugs, and therefore the combination of polyvalent dendrimers with knowledge of receptor coupling opens up a whole new area of drug development.

Starpharma CEO Dr John Raff said: "this collaboration is another example of Starpharma's strategy of partnering with developers of world-leading technologies to complement our own development programs and at the same time, leveraging Starpharma's unique nano-drugs and strong IP position."

Dr Raff also said that Starpharma had successfully applied this model to establish Dendritic NanoTechnologies Inc ("DNT"), its Michigan based investee company. The Starpharma/DNT partnership was now recognised as one of the most significant players in the field of nanotechnology, and this had been achieved within three years and with a total investment by Starpharma of less than AUD$4 million. The international credibility of DNT has been validated by a recent deal in which The Dow Chemical Company transferred ownership of its portfolio of 196 dendrimer patents with associated royalty streams to DNT in exchange for a 30% equity position. Starpharma currently holds 33% of DNT and commercialisation rights to DNT technology in pharmaceutical applications.

"Starpharma's VivaGel™ is the most advanced defined nano-drug under the US regulatory system and dendrimers are becoming recognised as the gold standard for the precise manufacture of nano-structures to meet pharmaceutical purity standards" Dr Raff said.

Dimerix CEO Matt Callahan stated: "the relationship with Starpharma provides a solid foundation to the Company, and an opportunity to accelerate the Company's wider drug development program which aims to significantly abridge the standard development timeline."

Dimerix's core business is the design of a novel class of drugs based on existing and validated drug candidates for well understood drug targets. This strategy reduces the development time and increases the likelihood of success. The Dimerix team has world recognised experience with GPCRs which are the single most successful class of drug targets, with more than one quarter of the top 200 best selling drugs targeting GPCRs. Dimerix's *Collision* technology allows Dimerix to look inside complexes of these GPCRs and to characterise them, in ways not possible with other existing technologies. A patent application has been lodged for the technology.

About Starpharma

Starpharma Holdings Limited (ASX:SPL, USOTC:SPHRY) is leading the world in nanomedicine. Its lead product in development is VivaGel™, a vaginal microbicide gel that has been developed for women as a preventative against the sexual transmission of HIV. It has also shown activity in animal studies for the prevention of other sexually transmitted diseases including genital herpes. The Company has a broad range of opportunities arising from its innovations involving the discovery and development of pharmaceutical nanotechnology products using dendrimers and the multi-binding phenomenon of polyvalence. Development programs include multi-acting respiratory and anti-cancer applications.

Starpharma also has an equity interest in a Michigan based company – Dendritic NanoTechnologies, Inc. (DNT) – established with the US pioneer of dendrimer nanotechnology Dr Donald A. Tomalia.

Microbicides: A microbicide inactivates, kills or destroys microbes. Microbicides may be formulated as gels, creams, sponges, suppositories or films with the purpose of reducing significantly the incidence of STDs. There are currently no vaginal microbicides on the market. They are intended for vaginal or rectal use to afford protection for varying periods, from several hours up to days. Microbicides may also be designed to have a contraceptive function by inhibiting sperm.

Dendrimers: Dendrimers are a type of nanoparticle. They are man-made chemicals that form tiny balls made up of a dense network of branches. 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 Stock Exchange. The Bank of New York is the depositary bank.

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