starpharma

31 October 2003

UPDATE AND QUARTERLY CASH FLOW REPORT FOR PERIOD ENDED 30TH SEPTEMBER 2003

Starpharma Pooled Development Limited (ASX:SPL) is pleased to present its update and quarterly cash flow report for the period ended 30 September 2003.

Highlights include:

- The cash flow is within budget.
- The consolidated cash reserves of the Company at the 30th of September 2003 were $13.1 million. On the current budget, assuming no additional income (a highly unlikely situation) the cash reserves are sufficient for three years' operation.
- During the quarter, Starpharma PDL undertook an equity fund raising which increased the cash resources of the company by $6.6 million. The new investors are largely leading Australian financial institutions. They represent a well informed investor base and their presence on the share register is a strong vote of confidence for the Company.
- The accounts of Dendritic Nanotechnology, Inc. (DNT) are no longer consolidated into Starpharma PDL's accounts. Starpharma PDL has a 49.9% shareholding in DNT and is very pleased with the financial, scientific and commercial achievements of the company.

John W Raff

John W Raff
Chief Executive Officer

CONTACTS:

Dr John Raff
Chief Executive Officer
+61 3 8532 2701

Mr Ben Rogers
Company Secretary
+61 3 8532 2702

www.starpharma.com

Rule 4.7B

Appendix 4C

Quarterly report
for entities admitted
on the basis of commitments

Name of entity

Starpharma Pooled Development Limited

ABN	Quarter ended ("current quarter")
20 078 532 180	30 September 2003

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	-	-
1.2	Payments for (a) staff costs	(621)	(621)
	(b) advertising and marketing	(6)	(6)
	(c) research and development	(816)	(816)
	(d) leased assets	-	-
	(e) other working capital	-	-
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	88	88
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
	Net operating cash flows	(1,355)	(1,355)

Cash flows related to investing activities			
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	6,605	6,605
	(c) intellectual property	-	-
	(d) physical non-current assets	(20)	(20)
	(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	6,585	6,585
1.14	**Total operating and investing cash flows**	5,230	5,230

Cash flows related to financing activities

1.15	Proceeds from issues of shares (including oversubscriptions)	-	-
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	-	-
Net increase (decrease) in cash held		5,230	5,230
1.21	Cash at beginning of quarter/year to date	7,891	7,891
1.22	Exchange rate adjustments	-	-
1.23	**Cash at end of quarter**	13,121	13,121

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	(223)
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) Directors' fees paid to the Non-Executive Directors.

(b) Payments to Biomolecular Research Institute Ltd:
A Director, Prof. P M Colman, is a Director of the Biomolecular Research Institute Ltd which provided some administrative services to the entity. These dealings with the entity are in the ordinary course of business and on normal terms of business.
The aggregate amount of these transactions for this supplier included in item 1.24 is $18325.

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

Nil

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	-	-
3.2	Credit standby arrangements - Credit card facility (total facility $120,000)	120	13

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	648	1,444
4.2	Deposits at call	12,473	6,447
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.23)	13,121	7,891

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.

John W Raff

John W Raff
Chief Executive Officer

Date: 31 October 2003