

Starpharma Holdings Limited SPL

Starpharma Holdings Limited (SPL) is a nanotechnology research and development company. The activities consist of development and commercialization of dendrimer products for pharmaceutical, life-science and other applications. Starpharma Holding Limited has two operating companies, Starpharma Pty Ltd in Melbourne, Australia and DNT, Inc in Michigan, USA.

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Strategy Analysis as at 25.09.2009

The Company's strategy is to commercialise its dendrimer nanotechnology for pharmaceutical, life-science and other applications. Products based on SPL's dendrimer technology are on the market in the form of diagnostics and laboratory reagents. The Company's lead pharmaceutical development product is VivaGel®, a topical gel for prevention of infection from HIV and genital herpes (HSV-2). Starpharma has additional development programs in the areas of Drug Delivery, siRNA transfection reagents and Targeted Diagnostics, and is exploring dendrimer opportunities in materials science with applications as diverse as adhesives, lubricants and water remediation.

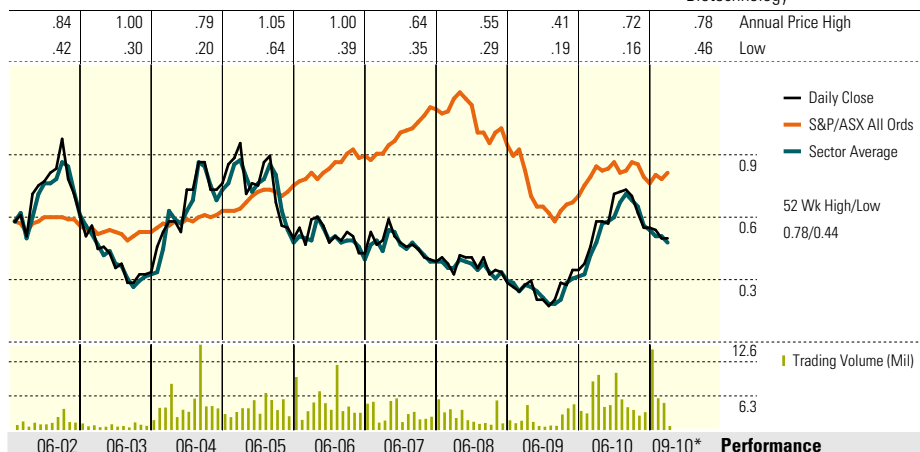
Financial Position

| | 06-09 \$Mil | 06-10 \$Mil |
|---------------------|-------------|-------------|
| Cash | 12 | 23 |
| Inventories | 0 | 0 |
| Receivables | 1 | 1 |
| Current Assets | 13 | 24 |
| Fixed Assets | 0 | 0 |
| Intangibles | 15 | 13 |
| Total Assets | 29 | 38 |
| Payables | 2 | 2 |
| Short-Term Debt | 0 | 0 |
| Current Liabilities | 3 | 3 |
| Long-Term Debt | 0 | 0 |
| Total Liabilities | 3 | 3 |
| Total Equity | 25 | 35 |

Consensus out of analysts

None

| Mkt Cap Mil | Investment Style | Last Price | Shares Issued | GICS Industry Group |
|-------------|------------------|------------|---------------|---------------------------------|
| \$117 | | 0.49 | 238.84 | Pharmaceuticals & Biotechnology |



| | 06-02 | 06-03 | 06-04 | 06-05 | 06-06 | 06-07 | 06-08 | 06-09 | 06-10 | 09-10* | Performance |
|---------|---------|---------|---------|--------|---------|---------|---------|---------|--------|---------|---------------------------|
| 1.70 | -45.01 | 127.36 | -34.68 | -14.31 | -10.69 | -26.64 | 23.68 | 58.85 | -14.02 | — | Total Return % |
| 6.21 | -43.93 | 104.99 | -59.43 | -38.52 | -40.99 | -14.52 | 45.82 | 45.08 | — | — | +/- Market |
| | 06-02 | 06-03 | 06-04 | 06-05 | 06-06 | 06-07 | 06-08 | 06-09 | 06-10 | Current | Valuation |
| -6.98 | -3.80 | -13.94 | -7.18 | -7.38 | -8.37 | -6.53 | -15.18 | -19.08 | — | — | Price/Earnings |
| 15.46 | 14.62 | 16.46 | 15.43 | 15.62 | 18.17 | 12.32 | 12.00 | 13.41 | 14.19 | — | Market P/E |
| 142.86 | 32.04 | 1500.00 | 2450.00 | — | 70.75 | 34.81 | 30.91 | 87.10 | 79.03 | — | Price/Sales |
| 3.09 | 3.17 | 4.74 | 5.47 | 2.91 | 2.45 | 2.42 | 2.76 | 3.70 | 3.36 | — | Price/Book |
| -8.80 | -5.80 | -22.64 | -10.81 | -13.25 | -15.92 | -12.85 | -66.64 | -39.73 | -34.03 | — | Price/Cash Flow |
| 53 | 29 | 83 | 55 | 62 | 63 | 49 | 70 | 129 | 117 | — | Market Cap \$Mil |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | — | Dividend Yield% |
| | 06-02 | 06-03 | 06-04 | 06-05 | 06-06 | 06-07 | 06-08 | 06-09 | 06-10 | - | Financials |
| 0 | 1 | 0 | 0 | 0 | 1 | 1 | 2 | 1 | — | — | Operating Revenue \$Mil |
| — | -821.13 | — | — | — | -754.02 | -452.76 | -117.83 | -382.12 | — | — | EBITDA Margin % |
| -9 | -8 | -6 | -8 | -8 | -9 | -8 | -4 | -7 | — | — | EBIT \$Mil |
| — | -887.47 | — | — | — | -987.79 | -601.42 | -218.23 | -502.99 | — | — | EBIT Margin % |
| -8 | -8 | -5 | -8 | -8 | -7 | -7 | -4 | -6 | — | — | NPAT Before Abs \$Mil |
| -8 | -8 | -5 | -8 | -8 | -7 | -7 | -4 | -6 | — | — | Reported Net Profit \$Mil |
| -8.60 | -8.68 | -5.38 | -6.82 | -5.69 | -4.48 | -4.21 | -2.24 | -2.83 | — | — | Earnings Per Share ¢ |
| 89 | 89 | 102 | 111 | 132 | 162 | 178 | 184 | 226 | — | — | Shares Mil |
| 0.19 | 0.10 | 0.16 | 0.09 | 0.14 | 0.15 | 0.11 | 0.12 | 0.15 | — | — | Book Value Per Share \$ |
| -7 | -7 | -6 | -6 | -7 | -3 | -5 | -4 | -4 | — | — | Oper Cash Flow \$Mil |
| -1 | -2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | — | — | Cap Spending \$Mil |
| -6 | -7 | -4 | -3 | -7 | -2 | -4 | -1 | -4 | — | — | Free Cash Flow \$Mil |
| | 06-02 | 06-03 | 06-04 | 06-05 | 06-06 | 06-07 | 06-08 | 06-09 | 06-10 | - | Profitability |
| -42.50 | -71.94 | -29.69 | -60.64 | -30.01 | -23.74 | -30.31 | -14.24 | -16.94 | — | — | Return on Assets % |
| -46.48 | -83.52 | -31.25 | -76.12 | -35.29 | -28.16 | -36.75 | -16.18 | -18.30 | — | — | Return on Equity % |
| — | -847.09 | — | — | — | -838.68 | -530.52 | -204.41 | -454.27 | — | — | Net Margin % |
| 2.04 | 8.50 | 0.26 | 0.17 | 0.00 | 2.84 | 5.73 | 7.00 | 3.74 | — | — | Asset Turnover % |
| 109.23 | 115.93 | 105.11 | 125.42 | 117.34 | 118.27 | 120.95 | 113.13 | 107.81 | — | — | Financial Leverage % |
| | 06-02 | 06-03 | 06-04 | 06-05 | 06-06 | 06-07 | 06-08 | 06-09 | 06-10 | - | Financial Health |
| -1 | -1 | 0 | -2 | 0 | -2 | -2 | -1 | -1 | — | — | Working Capital \$Mil |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | — | — | Long-Term Debt \$Mil |
| 17 | 9 | 18 | 10 | 21 | 26 | 20 | 25 | 35 | — | — | Total Equity \$Mil |
| -100.97 | -82.53 | -87.85 | -80.54 | -64.86 | -37.88 | -34.66 | -44.32 | -65.12 | — | — | Debt/Equity % |

Key Dates

| | | | |
|-----------------|-------------|--------------|-------------|
| Fiscal Year End | 30 Jun 2010 | Listing Date | 28 Sep 2000 |
| AGM | 11 Nov 2010 | DRIP | None |

Dividend History

| | | |
|-------------------|---|---|
| Dividend Ex Date | — | — |
| Dividend Pay Date | — | — |
| DPS ¢ | — | — |
| Franking % | — | — |

Industry peers by Market Cap

| | Mkt Cap \$Mil | Rev \$Mil | P/E | ROE % |
|-------------------------|---------------|-----------|-------|--------|
| Mesoblast Limited | 325.25 | — | — | -38.98 |
| Sirtex Medical Limit... | 273.26 | 64 | 17 | 31.2 |
| Cellectis Limited | 230.76 | 40 | 28.24 | 30.22 |

Major Shareholders No. of shares [Mil]

| | |
|---|----|
| Acorn Capital Limited | 30 |
| Orbis Investment Management Pty Ltd and ... | 27 |
| Dow Chemical Company | 14 |

*Represents financial year to date - the day after last financial year to a day before publication date.

Investment Detail Disclosure

Currency

All figures for stocks listed on Australian Stock Exchange are in Australian dollars and all figures for stocks listed on New Zealand Stock Exchange are in New Zealand dollars.

Business Description

A brief description of the company's operations and activities. This information is updated every six months or on the release of important information about the company.

Market Capitalization \$ mil

The market value of the company's equity capital. This is calculated by multiplying the number of common shares by the current price. Other classes of equity such as preference shares are normally not included, except in certain cases where the shares are "quasi-ordinary". The most prominent example of this is News Corporation (NWS), where we do include their preferred limited voting ordinary shares in our calculation of market value.

Style

The Morningstar Style consists of nine categories that provide an overview of the investment strategy. The style is comprised of a combination of market capitalization of the security and the investment style (value, blend, or growth).

Last Price

Stock price shown represents the market price of the stock as of the most recent close of trading as at the release date noted at the top of the investment detail page.

Shares Issued

Current number of ordinary shares listed on the Australian/New Zealand Stock Exchange.

Sector

Based on Standard & Poor's Global Industry Classification. All companies listed on the Australian/New Zealand Stock Exchange are grouped into one of 24 industry sectors. This classification is used to compute sector averages and industry peers.

Performance

Total Return represents shareholders' gains from a stock over a given period of time (YTD, one month, three month, one-, three-, and five year). Total return includes both capital gains and losses and dividend payments. It is calculated by taking the change in the stock's price as of the close of trading of the respective period, assuming the reinvestment of all dividends, then dividing by the initial stock price, and expressing the result as a percentage. Returns for periods longer than one year are annualized. Returns do not include brokerage commission or the effects of taxation.

Strategy Analysis

Morningstar Analysts' view of the company's strategy based on the latest financial report.

Financials

Revenue and Margin line items will depend on the type of company selected – i.e. Industrial, Bank, Insurance, Property or Listed Investment Company. Net Profit \$Mil represents net operating profit after tax, minorities, preference dividends, significant, and non-recurring items (NPAT). Earnings Per Share \$ is NPAT divided by the weighted average number of ordinary shares on issue

during the year. Book Value Per Share \$ is a company's common stock equity as it appears on a balance sheet divided by the number of shares outstanding. Oper Cash Flow \$Mil is net cash flow after paying suppliers, employees, interest expense and tax paid from receipts from customers, dividends and interest received. Cap Spending \$ Mil is money spent to acquire or upgrade physical assets such as buildings and machinery. Free Cash Flow \$Mil is the amount of cash that a company has left over after it has paid all of its expenses, including investments (Oper Cash Flow minus Cap Spending and dividends).

Avg no. of Shares

The weighted average number of ordinary shares during the financial year. This figure is used to calculate basic earnings per shares (EPS).

Profitability

Return on Assets % (ROA) is the percentage a company earns on its assets in a given year. It is measured by dividing NPAT before abnormals by total assets. Return on Equity % (ROE) is the percentage a company earns on its total equity in a given year. The calculation is NPAT before abnormals divided by shareholder equity. Net Margin % is A measure of profitability and is equal to NPAT divided by revenues from the same period. Asset Turnover represents how many dollars in revenue a company has generated per each dollar of assets. It is calculated by dividing total revenues for the period by total assets for the same period. Financial leverage is calculated by dividing total assets by total shareholders' equity.

Financial Position

Contains a summary of the latest balance sheet.

Financial Health

Working Capital \$Mil is current assets minus current liabilities. Working capital measures how much in liquid assets a company has available to build its business. Long-Term Debt \$Mil includes loans and obligations with a maturity of longer than one year, usually accompanied by interest payments. Total Equity \$Mil is ownership interest in a corporation in the form of common stock or preferred stock. It also refers to total assets minus total liabilities, in which case it is also referred to as shareholder's equity or net worth or book value. Debt/equity ratio is equal to short-term and long-term debt minus cash divided by common shareholders' equity.

Valuation

Price/Earnings (PE) is the current price divided by the company's trailing 12-month earnings per share. Price/Book (PB) is the most recent stock price divided by the most recent book value per share. Price/Sales (PS) is the current price divided by the company's sales per share over the trailing 12 months. Price/Cash Flow (PC) is the most recent price divided by the cash flow per share of the latest fiscal year.

Key Dates

Fiscal Year End is the date in which the company closes its books for the previous 12-month period over which a company budgets its spending. AGM is the annual company gathering, usually held at the end of each fiscal year, at which the previous year and the outlook for the future are discussed and directors are elected by common

shareholders. Listing Date defines the date the companies share price was first quoted on the stock exchange. DRP is the dividend reinvestment plan offered by some corporations enabling shareholders to automatically reinvest cash dividends and capital gains distributions, thereby accumulating more stock without paying brokerage commissions.

Industry Peers by Market Cap

This includes key stats on three of the company's peers that operate in the same industry and have similar market capitalization.

Consensus

Forecasts are made available by Thompson First Call (© Thompson Financial). Current (latest actual) Price/Earnings, Dividend Yield, EPS and DPS are provided for reference. Forecasts are indicated by 'E' and are available for forward years only. Both actual and forecast EPS are presented on a pre-goodwill amortization basis.

Dividend History

Dividend Ex-Date is the first day of the ex-dividend period. If an investor does not own the stock before the ex-date, he or she will be ineligible for the dividend payout. Dividend Pay Date is the date on which the dividend will actually be paid to shareholders. DPS ¢ is Total dividend for the year, divided by the number of shares ranked for dividend. Franking % shows the percentage of the dividend which contains a dividend imputation credit.

Major Shareholders

The 3 largest shareholders (individuals or companies) and the number of voting shares they are entitled to.