Synta Pharmaceuticals Reports Second Quarter 2008 Financial Results

August 7, 2008

LEXINGTON, Mass.--(BUSINESS WIRE)--Aug. 7, 2008--Synta Pharmaceuticals Corp. (NASDAQ: SNTA), a biopharmaceutical company focused on discovering, developing, and commercializing small molecule drugs to treat severe medical conditions, today reported financial results for the quarter ended June 30, 2008.

In the second quarter of 2008, the Company recorded $(0.6) million of net collaboration revenues under its partnership agreement with GlaxoSmithKline (GSK), which principally reflects $1.3 million of license and milestone revenue for the $80 million upfront payment received in November 2007 recognized ratably over the 15-year estimated life of the agreement. These revenues were offset by $2.0 million of melanoma development costs incurred by GSK. These GSK costs do not contribute to current cash outflow; they are reimbursable only following final completion of our Phase 3 SYMMETRY trial and in accordance with the worldwide development cost sharing specified in our partnership agreement.

The Company reported a net loss attributable to common stockholders of $22.7 million, or $0.67 per basic and diluted share for the second quarter in 2008, compared to $16.7 million or $0.50 per basic and diluted share for the same period in 2007.

As of June 30, 2008, the Company had $79.4 million in cash, cash equivalents and marketable securities compared to $115.6 million as of December 31, 2007.

Operational Highlights

"We are encouraged by the progress we have made with elesclomol, including strong enrollment in our Phase 3 SYMMETRY trial, the growing understanding of and excitement for the potential of this novel mechanism category in melanoma and other tumors, and the strong progress we have made in manufacturing both our first-generation and second-generation formulations," said Safi Bahcall, Ph.D., President and Chief Executive Officer of Synta. "Over the past several months we have seen substantially increased enrollment rates in our SYMMETRY trial. If this trend continues, we would expect to complete enrollment by end of year or first quarter, and meet our goal of conducting the primary PFS endpoint analysis in early 2009. This past quarter we also made good progress on manufacturing - both in preparing commercial-grade drug product for our first formulation, working closely with our partner GSK, and in preparing our second, sodium salt, water-soluble formulation for the clinic. We are on track to introduce this new formulation in a clinical trial for a new indication in the fourth quarter of this year, and are planning for the initiation of a number of additional trials in other indications in 2009."

"In addition to elesclomol, we continue to advance our other clinical-stage programs," said Dr. Bahcall. "We have made good progress with our two Phase 1 dose escalation studies of STA-9090, our Hsp90 inhibitor, in solid tumors and we expect to begin a third clinical trial of STA-9090 in

hematologic cancers in the fourth quarter of 2008. Consistent with our previous announcements, we have begun to screen an additional cohort of patients in the Phase 2a study of our oral cytokine inhibitor, apilimod, in rheumatoid arthritis to explore a higher dose level."

Financial Results

In the second quarter of 2008, the Company recorded $(0.6) million of net collaboration revenues under its partnership agreement with GSK, which principally reflects $1.3 million of license and milestone revenue for the $80 million upfront payment received in November 2007 recognized ratably over the 15-year estimated life of the agreement, offset by $2.0 million of net cost sharing reimbursements due to GSK. In the six months ended June 30, 2008, the Company recorded $0.7 million of net collaboration revenues under its partnership agreement with GSK, which principally reflects $2.7 million of license and milestone revenue, offset by $2.0 million of net cost sharing reimbursements due to GSK. Reimbursements of development costs to the Company by GSK or to GSK by the Company are recorded as cost sharing revenue, or a reduction in revenue, respectively, in the period in which the related development costs are incurred. These GSK costs in support of the elesclomol program do not contribute to current cash outflow; they are reimbursable only following final completion of our Phase 3 SYMMETRY trial and in accordance with the worldwide development cost sharing specified in our partnership agreement.

Synta reported a net loss attributable to common stockholders of $22.7 million, or $0.67 per basic and diluted share for the quarter ended June 30, 2008, compared to $16.7 million or $0.50 per basic and diluted share for the same period in 2007.

Synta reported a net loss attributable to common stockholders of $40.3 million, or $1.20 per basic and diluted share for the six months ended June 30, 2008, compared to $91.7 million or $2.72 per basic and diluted share for the same period in 2007. Included in the net loss to stockholders for the six months ended June 30, 2007 was a one-time, non-cash charge of $58.6 million for the fair value of the beneficial conversion feature of our preferred stock which we recognized upon the conversion of the preferred stock in connection with our IPO in February 2007.

Research and development expenses were $18.3 million for the second quarter in 2008 compared to $13.6 million for the same period in 2007. Research and development expenses were $34.5 million for the six months ended June 30, 2008 compared to $27.2 million for the same period in 2007. General and administrative expenses were $4.0 million for the second quarter in 2008 compared to $3.9 million for the same period in 2007. General and administrative expenses were $7.6 million for the six months ended June 30, 2008 compared to $7.3 million for the same period in 2007.

The Company ended the second quarter of 2008 with $79.4 million in cash, cash equivalents and marketable securities compared to $115.6 million at the end of 2007.

More detailed financial information and analysis may be found in the Company's Quarterly Report on Form 10-Q, which was filed with the Securities and Exchange Commission (SEC) on August 7, 2008.

Synta also filed an S-3 universal shelf registration with the SEC today, August 7, 2008. The shelf registration allows the Company to sell up to $150 million of various types of securities. The Company has no immediate plans to offer or sell any of its securities. The terms of any sale would

be announced in a filing with the SEC at the time of any such sale.

Financial Guidance

Based upon our current operating plans, we expect to end 2008 with between approximately $60 million and $75 million of cash, cash equivalents and marketable securities. This includes $40 million to $50 million in anticipated operational progress milestone payments from GSK, and assumes no additional funds from new partnership agreements or financing events.

Synta will be eligible for a milestone payment of $25 million upon achieving the primary endpoint of the SYMMETRY trial or upon the determination by Synta and GSK to file for regulatory approval. Based upon our current estimates, we expect to conduct the primary PFS endpoint analysis in early 2009.

Conference Call

Management will conduct a conference call at 10:00 a.m. (ET) this morning to review the Company's second-quarter 2008 financial results. The conference call will be webcast live over the Internet and can be accessed by logging on to the "Investors" section of the Synta Pharmaceuticals website, www.syntapharma.com, prior to the event.

The call also can be accessed by dialing (877) 407-8035 or (201) 689-8035 prior to the start of the call. For those unable to join the live conference call, a replay will be available from 2:00 p.m. (ET) today through midnight (ET) on August 17. To access the replay, dial (877) 660-6853 or (201) 612-7415 and refer to both account number 286 and conference ID 291487. The webcast also will be archived on the Company's website.

About Synta Pharmaceuticals

Synta Pharmaceuticals Corp. is a biopharmaceutical company focused on discovering, developing, and commercializing small molecule drugs to extend and enhance the lives of patients with severe medical conditions, including cancer and chronic inflammatory diseases. Synta has a unique chemical compound library, an integrated discovery engine, and a diverse pipeline of clinical- and preclinical-stage drug candidates with distinct mechanisms of action and novel chemical structures. All Synta drug candidates were invented by Synta scientists using our compound library and drug discovery capabilities. Synta has a partnership with GlaxoSmithKline for the joint development and commercialization of its lead investigational drug candidate, elesclomol, which is in a global, pivotal Phase 3 clinical trial for the treatment of metastatic melanoma. For more information, please visit www.syntapharma.com.

About Elesclomol

Elesclomol is a novel, injectable, investigational drug candidate that triggers apoptosis (programmed cell death) in cancer cells. Cancer cells operate at high levels of reactive oxygen species, or oxidative stress. Elesclomol is believed to act by increasing the level of oxidative stress in cancer cells even further, beyond sustainable levels, inducing apoptosis. This mechanism of action, called oxidative stress induction, represents a novel way of selectively targeting and killing cancer cells.

In a double-blind, randomized, controlled Phase 2b clinical trial in 81 patients with stage IV

metastatic melanoma, elesclomol in combination with paclitaxel met the primary endpoint, doubling the median time patients survived without their disease progressing, compared to paclitaxel alone (p = 0.035). The most common adverse events in the elesclomol plus paclitaxel group included fatigue, alopecia, constipation, nausea, hypoaesthesia, arthralgia, insomnia, diarrhea, and anemia.

A pivotal Phase 3 clinical trial of elesclomol in combination with paclitaxel in patients with stage IV metastatic melanoma (the SYMMETRY(SM) trial) is ongoing; Phase 2 trials in other indications, and in combination with other agents, are planned. Elesclomol has received Fast Track and Orphan Drug designation from the FDA for metastatic melanoma, and the Phase 3 SYMMETRY trial has completed a Special Protocol Assessment process with the FDA. Information about the SYMMETRY trial can be found at www.symmetrymelanomastudy.com, or www.clinicaltrials.gov.

Safe Harbor Statement

This media release may contain forward-looking statements about Synta Pharmaceuticals Corp. Such forward-looking statements can be identified by the use of forward-looking terminology such as "will", "would", "should", "expects", "anticipates", "intends", "plans", "believes", "may", "estimates", "predicts", "projects", or similar expressions intended to identify forward-looking statements. Such statements, including statements relating to the timing and progress of our clinical and preclinical programs and financial guidance for 2008, reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, including those described in "Risk Factors" of our Form 10-K for the year ended December 31, 2007 as filed with the Securities and Exchange Commission. Synta undertakes no obligation to publicly update forward-looking statements, whether because of new information, future events or otherwise, except as required by law.

Synta Pharmaceuticals Corp.
Condensed Consolidated Statements of Operations
(in thousands, except share and per share amounts)
(unaudited)

	Three months ended June 30		Six months ended June 30	
	2008	2007	2008	2007
Collaboration revenues:				
License and milestone revenue	$ 1,338	$ -	$ 2,676	$ -
Cost sharing reimbursements (1)	(1,969)	-	(1,969)	-
Total collaboration revenues	(631)	-	707	-
Operating expenses:				
Research and development	$ 18,342	$ 13,613	$ 34,492	$ 27,158
General and administrative	3,974	3,853	7,607	7,321
Total operating expenses	22,316	17,466	42,099	34,479

Loss from operations	(22,947)	(17,466)	(41,392)	(34,479)
Other income:				
Investment income, net	253	725	1,048	1,384
Net loss	(22,694)	(16,741)	(40,344)	(33,095)
Convertible preferred stock beneficial conversion charge	-	-	-	58,585
Net loss attributable to common stockholders	$(22,694)	$(16,741)	$(40,344)	$(91,680)
Basic and diluted weighted average common shares outstanding	33,734	33,659	33,732	33,659
Basic and diluted net loss attributable to common stockholders per share	$ (0.67)	$ (0.50)	$ (1.20)	$ (2.72)

(1) Reimbursements of development costs to the Company by GSK or to GSK by the Company are recorded as cost sharing revenue, or a reduction in revenue, respectively, in the period in which the related development costs are incurred.

Synta Pharmaceuticals Corp.
Condensed Consolidated Balance Sheets Data
(in thousands)
(unaudited)

	June 30, 2008	December 31, 2007
Assets		
Cash, cash equivalents and marketable securities	$ 79,376	$115,577
Other current assets	1,605	1,420
Property, plant and equipment, net	6,005	5,576
Other non-current assets	76	76
Total assets	$ 87,062	$122,649
Liabilities and Equity		
Current liabilities	$ 20,723	$ 20,772
Long-term liabilities	76,550	76,981
Stockholders' equity (deficit)	(10,211)	24,896
Total liabilities and stockholders' equity (deficit)	$ 87,062	$122,649

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