Synta Pharmaceuticals Reports First Quarter 2009 Financial Results

May 7, 2009

LEXINGTON, Mass.--(BUSINESS WIRE)--May 7, 2009-- 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 March 31, 2009.

In the first quarter of 2009, the Company recorded $4.5 million of net collaboration revenues under its existing partnership agreement with GlaxoSmithKline (GSK) and its new partnership agreement with Hoffman-La Roche (Roche), which was entered into in December 2008. The Company reported a net loss attributable to common stockholders of $23.5 million or $0.69 per basic and diluted share for the first quarter in 2009, compared to a net loss of $17.7 million, or $0.52 per basic and diluted share for the same period in 2008.

Research and development (R&D) expenses were $22.6 million for the first quarter in 2009 compared to $16.2 million for the same period in 2008. General and administrative (G&A) expenses were $4.1 million for the first quarter in 2009 compared to $3.6 million for the same period in 2008.

As of March 31, 2009, the Company had $84.8 million in cash, cash equivalents, and marketable securities. This compares to $73.6 million in cash, cash equivalents and marketable securities as of December 31, 2008.

In the first quarter of 2009, the Company achieved and was paid a $10 million non-refundable operational milestone payment under the GSK Agreement related to the development of elesclomol for the treatment of metastatic melanoma. The Company also received a $16 million non-refundable upfront payment in connection with its agreement with Roche for the CRACM inhibitor program.

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 on May 7, 2009.

Operational Highlights

“Synta is in a strong strategic position with approximately $85 million in cash, a diversified pipeline of novel small molecule drug candidates, two partnerships with major pharmaceutical companies that cover a substantial majority of program costs, and a fully integrated discovery engine with proprietary compound library that continues to create additional growth opportunities,” said Safi Bahcall, Ph.D., President and Chief Executive Officer of Synta. “We made important progress on a number of fronts in this first quarter. We initiated a Phase 1/2, twice-weekly dosing trial in hematologic cancers of STA-9090, our novel, synthetic Hsp90 inhibitor that has shown substantial advantages compared to the first generation, ansamycin (17-AAG) family, inhibitors. We are also preparing to launch a once-weekly Phase 1/2 trial in hematologic cancers in the second half of the year. In addition, we continued to see strong interest from investigators for initiating new trials with

STA-9090 and expect to launch a number of new Phase 2 trials in solid tumor indications by the end of the year. More details will be provided closer to trial initiation."

In April, Synta presented pre-clinical data on STA-9090 at the American Association of Cancer Research meeting, which demonstrated improved potency of STA-9090 compared to other compounds in the Hsp90 inhibitor class and potent activity in multiple lung cancer models, including those resistant to treatment with erlotinib (Tarceva®). In addition, STA-9090 showed potent activity in lung cancer models that are resistant to treatment with 17-AAG.

Synta is completing enrollment of the Phase 2a clinical trial of apilimod, a novel, oral inhibitor of IL-12/IL-23, in rheumatoid arthritis (RA) with preliminary data expected by the fourth quarter of 2009. Apilimod is currently being tested at a higher dose following promising signs of biological and clinical activity at a lower dose level in RA patients.

Synta also continued to develop its earlier stage compounds in the first quarter, including advancing the CRACM program, which is partnered with Roche, with a goal of initiating Phase 1 clinical development in 2010.

SYMMETRY Update

Synta, together with its partner for elesclomol, GlaxoSmithKline (GSK), continued collecting data and analyzing the results of the Phase 3 SYMMETRY℠ trial of elesclomol in combination with paclitaxel in metastatic melanoma, which was suspended in February 2009 after a meeting of an independent Data Monitoring Committee (DMC).

"As more data have been collected and analyzed, we have not identified any specific target organ toxicities or adverse events related to elesclomol which might explain the previously reported interim analysis observation of an imbalance of deaths between the two arms in the trial," said Eric Jacobson, M.D., Chief Medical Officer, Synta. "We will be presenting preliminary findings from the SYMMETRY trial at ASCO this year."

An oral presentation of results of the SYMMETRY data has been accepted as a late-breaker at the Annual Meeting of the American Society of Clinical Oncology (ASCO) taking place from May 29 to June 2, 2009. The time and location of the presentation will be announced shortly.

Conference Call

Management will conduct a conference call at 10:00 a.m. (ET) this morning to review the Company's first-quarter 2009 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 can also 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 May 14. To access the replay, dial (877) 660-6853 or (201) 612-7415 and refer to both account number 286 and conference ID 319569. 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 discovery capabilities. For more information, please visit www.syntapharma.com.

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, developments and progress of our clinical and preclinical programs, 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, 2008 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 March 31,	
	2009	2008
Collaboration revenues:		
License and milestone revenue	$4,073	$1,338
Cost sharing reimbursements, net	437	-
Total collaboration revenues	4,510	1,338
Operating expenses:		
Research and development	$22,639	$16,150

General and administrative	4,070	3,633
Restructuring	1,236	-
Total operating expenses	27,945	19,783
Loss from operations	(23,435)	(18,445)
Other income:		
Investment income, net	(64)	795
Net loss	$(23,499)	$(17,650)
Basic and diluted weighted average common shares outstanding	33,872,016	33,730,230
Basic and diluted net loss per share	$(0.69)	$(0.52)

Synta Pharmaceuticals Corp.

Condensed Consolidated Balance Sheets Data

(in thousands)

(unaudited)

	March 31, 2009	**December 31, 2008**
Assets		
Cash and cash equivalents	$84,753	$ 73,563
Collaboration receivable	-	16,000
Other current assets	1,223	1,658
Property, plant and equipment, net	5,676	5,929

Other non-current assets	103	103
Total assets	$91,755	$97,253
Liabilities and Equity		
Current liabilities	$ 42,951	$ 33,323
Long-term liabilities	129,933	122,721
Stockholders' deficit	(81,129)	(58,791)
Total liabilities and stockholders' deficit	$91,755	$97,253

Source: Synta Pharmaceuticals Corp.

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