Synta Pharmaceuticals Reports Third-Quarter 2010 Financial Results and Clinical Update

November 4, 2010

- Phase 2 trials for STA-9090 in prostate, breast, pancreatic, and ocular melanoma cancers initiating -

- Registration-enabling program targeted for 2011 -

LEXINGTON, Mass., Nov 04, 2010 (BUSINESS WIRE) -- 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 and operational highlights for the quarter ended September 30, 2010.

Financial Results

The Company reported a net loss of $10.3 million, or $0.25 per basic and diluted share, for the third quarter 2010, compared to net income of $118.1 million, or $3.49 per basic share and $3.48 per diluted share, for the same period in 2009. Total collaboration revenue was $3.4 million for the third quarter in 2010 compared to total collaboration revenue of $130.4 million for the same period in 2009, which included $114.6 million related to the acceleration of unrecognized deferred license and milestone revenue in connection with the termination of the agreement with GlaxoSmithKline for the development of elesclomol. Research and development expenses were $11.0 million for the third quarter in 2010 compared to $9.1 million for the same period in 2009. General and administrative expenses were $2.6 million for the third quarter in 2010 compared to $3.1 million for the same period in 2009. As of September 30, 2010, the Company had $54.1 million in cash, cash equivalents and marketable securities compared to $44.2 million as of December 31, 2009.

Synta has also recently announced two financial transactions. On September 30, 2010, the Company entered into an agreement with General Electric Capital Corporation under which GECC provided Synta with a $15 million loan. On October 4, 2010, Synta established an equity line of credit of up to $35 million with Azimuth Opportunity Ltd.

In addition, on November 1, 2010, Synta was informed that all four Therapeutic Discovery Tax Credit applications submitted under the Patient Protection and Affordable Care Act of 2010 were approved and the company has been awarded approximately $1 million in grants.

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 November 4, 2010.

Operational Highlights

STA-9090

"We continue to make excellent progress in demonstrating safety and clinical activity with STA-9090, as well as advancing our clinical trial program," said Safi R. Bahcall, Ph.D., President and Chief Executive Officer, Synta. "The safety database of over 270 patients treated to date shows that STA-9090 does not have the serious liver toxicities of first-generation Hsp90 inhibitors or the commonly occurring ocular toxicities of other second-generation Hsp90 inhibitors. The multiple instances of durable tumor shrinkage seen in highly refractory patients following single-agent treatment with STA-9090 are encouraging evidence of clinical activity. These results have established STA-9090 as the leading compound in the Hsp90 field. They have also enabled our strategy of working closely with leading investigators to initiate a broad range of Phase 2 trials: nine Phase 2 trials are ongoing and several more are planned for later this year and early 2011. Initial results from the Phase 2 trials have been promising and our goal is to begin a registration-enabling trial by mid 2011."

"We have been encouraged especially by the results seen to date in our Phase 2 trial in non-small cell lung cancer," said Vojo Vukovic, M.D., Ph.D., Senior Vice President and Chief Medical Officer, Synta. "We recently expanded this trial to focus on the patient population that has shown the most promising results with STA-9090; results from this expansion will inform the design of larger studies being planned for next year. Also important for our plans is the ongoing combination therapy program, which includes a Phase 1 solid tumor study of STA-9090 and docetaxel; the evaluation of the docetaxel combination in our NSCLC trial; and several additional combination therapy trials we expect to initiate in the first half of 2011. The strong scientific and clinical rationale supporting a combination approach, together with the favorable safety profile for STA-9090 - in particular, the non-overlapping toxicities with certain widely used anti-cancer agents - suggest that combination therapy is a promising strategy."

In addition to the ongoing studies, two investigator-sponsored Phase 2 trials were recently initiated for STA-9090, in pancreatic cancer and ocular melanoma, and two additional investigator-sponsored trials, in prostate and breast cancer, are expected to initiate by year-end.

"At the start of the year, as we began our Phase 2 program, we announced two key year-end goals: have interim results from the Stage 1 portion of our three company-sponsored trials, and have initiated a total of 15 trials for STA-9090," said Dr. Bahcall. "We achieved the first goal, and are on track to meet the second goal. Our two solid-tumor trials met the pre-specified Stage 1 efficacy criteria, and interim results from the hematologic trial will be presented at ASH in December. A total of 13 trials have been initiated to date, with two more expected by year-end, meeting our year-end goal. We are encouraged by the progress and potential for this program and look forward to continuing to advance the development of STA-9090 next year."

Elesclomol

In the quarter, the FDA and Health Canada provided clearance to initiate a Phase 2 trial of elesclomol in acute myeloid leukemia (AML) patients. Patient enrollment is expected to begin by early 2011.

On November 1, 2010, Synta announced that the Gynecologic Oncology Group (GOG) will initiate a Phase 2 clinical trial of elesclomol in combination with paclitaxel for the treatment of persistent or recurrent ovarian, fallopian tube, or primary peritoneal cancer. The National Cancer Institute will provide funding of up to $300,000 for the trial.

"We are pleased by the progress in initiating the AML and ovarian trials, for which there is encouraging preclinical and clinical support," said Dr. Bahcall. "We are in discussions with investigators for studying elesclomol in additional indications next year, including non-small cell lung cancer and prostate cancer, which would most likely be in the context of other cost- or risk-sharing agreements."

"Elesclomol in combination with paclitaxel-based chemotherapy has shown potential for clinical benefit in patients with low to normal LDH levels in three randomized clinical trials: Phase 2b and Phase 3 trials in metastatic melanoma and a Phase 2b trial in non-small cell lung cancer," said Dr. Vukovic. "By directly targeting cancer cell energy metabolism - which represents a novel mechanism, distinct from chemotherapy or kinase inhibition - and with the benefit of a predictive biomarker to help select the patients most likely to respond, elesclomol has the potential to be an exciting, new approach to treating a broad range of solid tumor and hematologic malignancies."

CRACM

Synta has been developing novel small-molecule, orally bioavailable, inhibitors of the CRAC ion channel, which plays a key role in immune cell production of pro-inflammation factors including TNFa and IL-2. Synta CRACM inhibitors offer the potential of potent, targeted immune modulators, comparable to TNFa inhibitors but orally administered. In December 2008, Synta entered into a license and collaboration agreement with Roche, under which Roche would fund two years of CRAC ion channel discovery research at Synta, and has an exclusive license to certain resulting compounds. The research collaboration will conclude as scheduled on December 31, 2010. Roche retains an exclusive license to certain compounds produced during this collaboration; Synta is entitled to future milestone payments and royalties based on development and commercial progress with these compounds. All future development and commercialization costs for licensed compounds will be paid by Roche. Synta retains all rights to all compounds not licensed by Roche.

"This has been a productive research collaboration and we are optimistic about the potential for CRAC ion channel inhibitors to provide a new treatment option for patients suffering from inflammatory and auto-immune disorders," said Dr. Bahcall.

Guidance

The Company expects to end 2010 with $43-45 million in cash, cash equivalents and marketable securities. Based on the current operating plan, it expects cash resources, together with remaining research and development reimbursements under its collaboration with Roche, will be sufficient to fund operations into 2012. This estimate assumes no additional funds from new partnership agreements, cost- or risk-sharing agreements, equity financing events, or use of the $35 million equity line of credit available to Synta. Certain new clinical programs contemplated for 2011 would be conducted subject to the availability of additional financial resources.

Conference Call

Management will conduct a conference call at 10:00 a.m. (ET) today to review the Company's third-quarter 2010 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 1:00 p.m. (ET) on November 4 through midnight (ET) on November 11. To access the replay, dial (877) 660-6853 or (201) 612-7415 and refer to both account number 286 and conference ID 358161. The webcast also will be archived on the Company's website.

About STA-9090

STA-9090 is a potent, second-generation, small-molecule Hsp90 inhibitor, with a chemical structure unrelated to the first-generation, ansamycin family of Hsp90 inhibitors (e.g., 17-AAG or IPI-504). In preclinical studies, STA-9090 has shown potency up to 100 times greater than the first-generation Hsp90 inhibitors as well as activity against a wider range of kinases. In *in vitro* and *in vivo* models, STA-9090 has shown potent activity against a wide range of cancer types, including lung, prostate, colon, breast, gastric, pancreatic, gastrointestinal stromal tumors (GIST), melanoma, AML, chronic myeloid leukemia, Burkitt's lymphoma, diffuse large B-cell lymphoma, and multiple myeloma - as well as potent activity against cancers resistant to imatinib (Gleevec$^{(R)}$), sunitinib (Sutent$^{(R)}$), erlotinib (Tarceva$^{(R)}$), and dasatinib (Sprycel$^{(R)}$).

STA-9090 is currently being evaluated in clinical trials in non-small cell lung cancer, gastrointestinal stromal tumors, colon cancer, gastric cancer, hepatic cancer, small cell lung cancer, ocular melanoma, pancreatic cancer, and certain types of leukemias. Information on clinical trials with STA-9090 can be found at www.clinicaltrials.gov.

About Hsp90

Hsp90 is a chaperone protein required for the proper folding and activation of other cellular proteins, particularly kinases. Many of these "client proteins" of Hsp90 - such as AKT, BCR-ABL, BRAF, KIT, MET, EGFR, FLT3, HER2, PDGFRA, VEGFR - have been shown to be critical to cancer cell growth, proliferation, and survival and are the targets of clinically validated cancer drugs. In preclinical studies, inhibiting Hsp90 causes the degradation of multiple client proteins and leads to cancer cell death. Because mutated kinases which no longer respond to treatment with kinase inhibitors remain dependent on Hsp90 for their activity, inhibiting Hsp90 offers the potential for treating cancers that have become resistant to targeted therapies such as kinase inhibitors.

About Elesclomol

Elesclomol is a first-in-class, investigational drug candidate that triggers programmed cell death (apoptosis) in cancer cells through a novel mechanism: selectively targeting the electron transport chain (ETC) in cancer cell mitochondria, disrupting cancer cell energy metabolism.

Elesclomol binds copper in plasma, which causes a change in conformation that enables its uptake through membranes and into cells. Elesclomol binds copper in an oxidative (positively charged) state called Cu(II). Once inside mitochondria, an interaction with the electron transport chain reduces the copper from Cu(II) to Cu(I), resulting in a cascade of redox reactions, a rapid increase of oxidative stress, disruption of mitochondrial energy production, and the initiation of the mitochondrial apoptosis pathway.

Mitochondria generate energy for cells, but also can induce apoptosis under certain conditions, such as a high level of oxidative stress. By sensitizing mitochondria and reducing barriers to apoptosis,

elesclomol may provide a means to overcome resistance to traditional chemotherapy or targeted therapy.

Cancer cell mitochondria can be selectively targeted by elesclomol because cancer cell mitochondria are structurally and functionally different from their normal counterparts, making them more susceptible to changes to mitochondrial metabolism.

About Elesclomol and LDH

Lactate dehydrogenase (LDH) is an enzyme that plays a key role in cancer cell energy metabolism. Under normal oxygen (normoxic) conditions, energy in tumors is primarily generated by conversion of nutrients to ATP in the mitochondria, with oxygen as a key component of this process. Levels of LDH generally remain in the normal range in this state. Under low oxygen (hypoxic) conditions, energy in tumors is primarily generated by glycolysis in the cytoplasm, and levels of LDH increase.

Elesclomol has been shown to have potent anti-cancer activity in a broad range of cancer types under normoxic conditions. Under hypoxic conditions, elesclomol's ability to disrupt oxygen-mediated energy production has limited effect, and elesclomol loses anti-cancer activity.

Clinical observations have been consistent with the preclinical findings that elesclomol activity depends on metabolic state. In three randomized trials, in a total of over 800 patients, elesclomol showed clinical activity that correlated with baseline level of LDH. Benefit was seen only in patients with the low to normal levels of LDH that are associated with normoxic conditions. The most common adverse events in the elesclomol plus paclitaxel group included fatigue, alopecia, constipation, nausea, hypoaesthesia, arthralgia, insomnia, diarrhea, and anemia.

About Ion Channel Therapeutics

Ion channels, the gateways in cell membranes that regulate the flow of ions into and out of cells, play important roles in cell signaling. Certain ion channels allow electrically excitable cells, such as neurons or muscle cells, to discharge. Drugs that modulate these ion channels have proven to be a successful therapeutic category, with dozens of such drugs on the market and commonly prescribed for the treatment of various neurological and cardiovascular disorders.

The collaborative agreement between Roche and Synta targets an ion channel known as the CRACM channel, which is believed to play a key role specifically in immune cells rather than in neurons or muscle cells. CRACM channels regulate the calcium signaling pathway driving immune cell activation and secretion of TNF-alpha, IL-2, and other inflammatory factors. The therapeutic importance of inhibiting this calcium signaling pathway has been demonstrated through clinical experience with calcineurin inhibitors, such as cyclosporine, which are potent immunomodulators but have significant toxicities due to the broad role calcineurin plays in non-immune cells. In contrast to calcineurin, CRACM channels are believed to be critical exclusively to immune cell function. CRACM inhibitors therefore have the potential to achieve potent anti-inflammatory activity with an improved safety profile, creating a new category of disease-modifying agents comparable to biologic agents, such as TNF-alpha inhibitors, but orally available.

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 (including the timing of results of our ongoing trials and initiation of additional trials for STA-9090 and elesclomol), our goal to begin a registration-enabling trial for STA-9090 by mid-2011, our expected cash, cash equivalents and marketable securities at year-end, and the sufficiency of our cash reserves, 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, 2009 as filed with the Securities and Exchange Commission, as well as any updates to those risk factors from time to time in our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. 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 September 30,		Nine Months Ended September 30,	
	2010	**2009**	**2010**	**2009**
Collaboration revenues:				
License and milestone revenue	$1,143	$117,171	$3,429	$124,558
Cost sharing reimbursements, net	2,240	13,234	7,337	15,007
Total collaboration revenues	3,383	130,405	10,766	139,565
Operating expenses:				
Research and development	11,023	9,084	30,906	41,821
General and administrative	2,591	3,149	8,393	10,224
Restructuring	--	--	--	1,236
Total operating expenses	13,614	12,233	39,299	53,281
Income (loss) from operations	(10,231)	118,172	(28,533)	86,284
Other (expense) income:				

Other (expense) income, net	(31)	(53)	(111)	(159)
Net income (loss)	$(10,262)	$118,119	$(28,644)	$86,125
Net income (loss) per common share:				
Basic	$(0.25)	$3.49	$(0.71)	$2.54
Diluted	$(0.25)	$3.48	$(0.71)	$2.53
Weighted-average common shares outstanding:				
Basic	40,382,862	33,882,760	40,062,453	33,877,340
Diluted	40,382,862	33,904,842	40,062,453	34,077,512

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

	September 30, 2010	December 31, 2009
Assets		
Cash, cash equivalents and marketable securities	$ 54,121	$ 44,155
Other current assets	682	419
Property and equipment, net	2,617	3,978
Other non-current assets	461	358
Total assets	$ 57,881	$ 48,910
Liabilities and Equity		
Current liabilities	$ 14,948	$ 16,469
Long-term liabilities	16,672	7,530
Stockholders' equity	26,261	24,911
Total liabilities and stockholders' equity	$ 57,881	$ 48,910

SOURCE: Synta Pharmaceuticals Corp.

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