Synta Announces Clinical Program Updates and First Quarter 2011 Financial Results

May 5, 2011

LEXINGTON, Mass., May 05, 2011 (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 first quarter 2011 financial results, and provided an update on recent progress with its programs.

"Synta has made significant progress in both advancing our lead clinical programs and strengthening our financial position," said Safi Bahcall, Ph.D., President and Chief Executive Officer. "The public offering of common stock which we recently completed will provide us with the financial resources to advance our leading drug candidates in the clinic and support operations into the second half of 2012. In addition, we are in active partnership discussions for a number of programs, including ganetespib, elesclomol and the CRACM ion channel program and expect to have one or more agreements concluded by the end of this year."

"Nearly 400 patients have been treated with ganetespib to date in over a dozen clinical trials," said Vojo Vukovic, M.D., Ph.D., Senior Vice President and Chief Medical Officer. "In these trials, ganetespib has shown single-agent clinical activity in multiple tumor types - most recently in refractory breast cancer and gastric cancer, in addition to lung cancer. Ganetespib has been well tolerated, with no evidence of the serious liver or common ocular toxicities seen with other Hsp90 inhibitors. We believe this combination of clinical activity in several different tumor types with a favorable safety profile is very promising, suggests multiple potential paths to registration, and positions ganetespib as the leading Hsp90 inhibitor in development."

"In addition to encouraging single-agent activity, results demonstrating that ganetespib can inhibit mechanisms of resistance to certain agents, including chemotherapies or kinase inhibitors, support a combination therapy approach to clinical development," continued Dr. Vukovic. "The combination with taxanes is particularly promising. There is a strong scientific rationale for this combination, and synergistic activity has been seen between ganetespib and docetaxel in preclinical models. In addition, the combination has been well tolerated in both our ongoing Phase 1 study of the combination and in our Phase 2 NSCLC trial, in those patients who received both agents. The strong scientific rationale, together with the preclinical and clinical results, support our plans for a Phase 2b/3 combination trial in NSCLC."

A Phase 2b/3 trial evaluating ganetespib in combination with docetaxel versus docetaxel alone in second-line non-small cell lung cancer patients is expected to initiate in the second quarter. In addition, a number of new investigator-sponsored or foundation-sponsored trials are expected to initiate in the second half of 2011, including trials in combination with radiotherapy; a trial in melanoma; a randomized, combination trial in acute myeloid leukemia; additional combination trials in breast and prostate cancers; and a trial in multiple myeloma, both as a single agent and in

combination with bortezomib (VELCADE®). The clinical trial in multiple myeloma is supported by a grant of up to $1 million by the Multiple Myeloma Research Foundation.

Results from Phase 2 trials of ganetespib as a single-agent in GIST and in NSCLC were accepted for presentation at the annual meeting of the American Society for Clinical Oncology (ASCO) in June. Results from the Phase 1 twice-weekly dosing ganetespib trial in solid tumors and the Phase 1 trial of ganetespib in combination with docetaxel in solid tumors trials will also be reported at ASCO. Additional ganetespib NSCLC results will be presented at the IASLC 14th World Conference on Lung Cancer in July.

"Elesclomol is also advancing in the clinic, with trials in acute myeloid leukemia and ovarian cancer underway, and a trial in NSCLC on track for initiating in the second half of the year," said Dr. Vukovic. "Recent scientific results confirm our understanding that elesclomol targets active mitochondria in cancer cells. These findings are consistent with results from our three randomized trials, showing that biomarkers related to the elesclomol mechanism of action can identify the patients most likely to derive benefit from treatment. These biomarkers are being used in all current and planned trials with elesclomol."

Financial Results

Total collaboration revenue was $1.1 million for the first quarter in 2011 compared to collaboration revenue of $4.0 million for the same period in 2010. The Company reported a net loss of $11.4 million or $0.27 per basic and diluted share for the first quarter in 2011, compared to a net loss of $9.3 million, or $0.24 per basic and diluted share for the same period in 2010.

Research and development expenses were $9.4 million for the first quarter in 2011 compared to $10.2 million for the same period in 2010. General and administrative expenses were $2.7 million for the first quarter in 2011 compared to $3.1 million for the same period in 2010.

As of March 31, 2011, the Company had $40.2 million in cash, cash equivalents and marketable securities compared to $51.0 million in cash, cash equivalents and marketable securities as of December 31, 2010.

In April 2011, the Company raised approximately $34.8 million in net proceeds from the sale of an aggregate of 7,191,731 shares of its common stock at a purchase price of $4.89 per share-the closing price of the Company's common stock on the date of sale- in an issuer-directed registered direct offering. The financing was completed directly without a placement agent, underwriter, broker or dealer, and no warrants were issued as part of this transaction.

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 5, 2011.

Guidance

Based on our current operating levels, we expect our $75 million in cash resources, including the $34.8 million raised in the issuer-directed registered direct offering in April 2011, will be sufficient to fund operations into the second half of 2012. This estimate assumes no additional funds from new partnership agreements, cost- or risk-sharing agreements, and additional equity financing events.

Conference Call

Management will conduct a conference call at 10:00 a.m. (ET) today to review the Company's first-quarter 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) on May 5 through midnight (ET) on May 12. To access the replay, dial 877) 660-6853 or (201) 612-7415 and refer to both account number 286 and conference ID 371460. The webcast also will be archived on the Company's website.

About Ganetespib

Ganetespib (formerly STA-9090) is a potent, synthetic, small-molecule inhibitor of heat shock protein 90 (Hsp90). Hsp90 is a molecular chaperone required for the proper folding and activation of many cancer-promoting proteins, and is recognized as a key facilitator of cancer cell growth and survival. In preclinical experiments, ganetespib has shown activity in multiple tumor models both as a single agent and in combination with certain widely used cancer agents. Ganetespib is currently being evaluated in a broad range of cancer clinical trials. In these trials, ganetespib has shown clinical activity in heavily pretreated patients and has been well tolerated to date with no evidence of severe liver or common ocular toxicities seen with other Hsp90 inhibitors. The most common adverse event seen to date has been diarrhea, which has been manageable with standard supportive care. Information on clinical trials with ganetespib can be found at www.clinicaltrials.gov.

About Elesclomol

Elesclomol is a first-in-class, investigational drug candidate that triggers programmed cell death (apoptosis) in cancer cells through a novel mechanism: disrupting mitochondrial 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.

Elesclomol targets active cancer cell mitochondria, which use oxygen for energy production. In laboratory experiments, anti-cancer activity of elesclomol has been shown to correlate with certain biomarkers, including lactate dehydrogenase (LDH), which can distinguish between active mitochondria (sufficient oxygen) and inactive mitochondria (insufficient oxygen). Consistent with these findings, results from three randomized clinical trials with elesclomol have established that patient baseline serum level of LDH is an important predictor of elesclomol treatment outcome. All

current and planned trials with elesclomol incorporate use of these biomarkers to select for patients most likely to benefit from treatment.

Information on clinical trials with elesclomol can be found at www.clinicaltrials.gov.

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 ganetespib and the timing of initiation of trials for elesclomol), the potential for a partnership in 2011 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, 2010 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,	
	2011	**2010**
Collaboration revenues:		
License and milestone revenue	$1,143	$1,143
Cost sharing reimbursements, net	--	2,880
Total collaboration revenues	1,143	4,023

Operating expenses:		
Research and development	9,436	10,195
General and administrative	2,673	3,086
Total operating expenses	12,109	13,281
Loss from operations	(10,966)	(9,258)
Interest expense, net	435	50
Net loss	$(11,401)	$(9,308)
Basic and diluted net loss per common share	$(0.27)	$(0.24)
Basic and diluted weighted average number of common shares outstanding	42,008,818	39,451,592

Synta Pharmaceuticals Corp.

Condensed Consolidated Balance Sheets Data

(in thousands)

(unaudited)

	March 31, 2011	December 31, 2010
Assets		
Cash, cash equivalents and marketable securities	$ 40,233	$ 50,973
Other current assets	524	547
Property, plant and equipment, net	1,752	2,181
Other non-current assets	417	366
Total assets	$ 42,926	$ 54,067
Liabilities and Equity		
Current liabilities	$ 17,314	$ 16,736
Long-term liabilities	12,511	13,852
Stockholders' equity	13,101	23,479
Total liabilities and stockholders' equity	$ 42,926	$ 54,067

SOURCE: Synta Pharmaceuticals Corp.

Synta Pharmaceuticals Corp.
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