Synta Pharmaceuticals Provides Clinical Update and Reports Second-Quarter 2011 Financial Results

August 4, 2011

LEXINGTON, Mass., Aug 04, 2011 (BUSINESS WIRE) -- Synta Pharmaceuticals Corp. (NASDAQ: SNTA) today reported financial results for the quarter ended June 30, 2011 and provided an update on recent progress with its clinical programs.

Ganetespib Clinical Update

"The results presented at ASCO in June and at the IASLC World Conference on Lung Cancer in July showed that ganetespib, administered as a monotherapy, is clinically active with a favorable safety profile," said Safi Bahcall, Ph.D., President and Chief Executive Officer. "Activity has been seen now in multiple tumor types at dose levels that have been well tolerated, without the serious liver toxicities or common ocular toxicities seen with other Hsp90 inhibitors, consistent with the safety profile established in the over 400 patients treated to date. These findings of clear single-agent activity, with favorable safety, represent an important milestone for the Hsp90 field and create exciting potential for ganetespib to be the first Hsp90 inhibitor to market."

"Based on the encouraging results and discussions with our medical advisers, in early 2012 we intend to initiate new trials in lung cancer and breast cancer to focus on specific patient populations that appear to derive the greatest benefit," continued Dr. Bahcall. "These trials will complement our ongoing Phase 2b/3 GALAXY trial in 2nd line NSCLC in terms of providing promising, additional paths to registration."

"The GALAXY trial is proceeding as planned, with over 50 sites across 15 countries expected to be initiated by the end of September, and interim data expected to be available in early 2012," continued Dr. Bahcall. "In addition, we are actively engaged in a number of partnership discussions, for several of our clinical-stage and preclinical-stage programs, and continue to expect to announce one or more partnerships by the end of the year."

Results of the Phase 2 single agent trial of patients with NSCLC presented at ASCO showed an overall disease control rate of 54% in a broad, heavily pretreated patient population with advanced progressive disease. Particularly promising activity was seen in certain patient populations with specific tumor genetic profiles: seven out of eight patients with ALK gene rearrangement achieved durable disease control or target lesion tumor shrinkage, and eight out of thirteen patients with KRAS mutation showed shrinkage of target tumor lesions. The most common adverse event seen to date has been diarrhea, which has been manageable with standard supportive care.

An investigator-sponsored Phase 2 trial in combination with dutasteride in castration-resistant prostate cancer was initiated in the second quarter. Previously announced clinical trials in multiple myeloma in combination with bortezomib (VELCADE®) and in combination with radiotherapy will

begin in the second half of 2011. Details regarding additional trials, planned for 2012, will be announced later this year or early 2012.

Synta will present results from a Phase 1 trial of ganetespib in combination with docetaxel in solid tumors at the European Multidisciplinary Cancer Congress in Stockholm, Sweden on September 23-27, 2011.

Additional Pipeline Program Updates

The Phase 1 trial of elesclomol in acute myeloid leukemia and the Phase 2 gynecological oncology group trial in ovarian cancer continue to advance; a Phase 2 non-small cell lung cancer trial is expected to initiate in 2012.

The CRACM ion channel program for the treatment of inflammatory and auto-immune diseases has achieved certain important preclinical milestones, and is progressing on two fronts - the preclinical candidates partnered with Roche, which continue to advance, and certain new internal, fully owned, drug candidates which are showing promising therapeutic profiles.

Financial Results

Total revenue was $1.3 million for the second quarter in 2011 compared to total revenue of $3.4 million for the same period in 2010. The Company reported a net loss of $12.5 million or $0.30 per basic and diluted share for the second quarter in 2011, compared to a net loss of $9.1 million, or $0.22 per basic and diluted share for the same period in 2010.

Research and development expenses were $10.4 million for the second quarter in 2011 compared to $9.7 million for the same period in 2010. General and administrative expenses were $2.9 million for the second quarter in 2011 compared to $2.7 million for the same period in 2010.

In April 2011, Synta raised approximately $35.2 million from the sale of approximately 7.2 million shares of its common stock in an issuer-directed registered direct offering. The shares were sold directly to investors without a placement agent, underwriter, broker or dealer, and no warrants were issued or discounts offered as part of this transaction. Approximately 1.6 million shares were sold to certain of the Company's directors and the remainder of the shares were sold to institutional investors. The proceeds to the Company were approximately $34.8 million after deducting estimated offering expenses payable by the Company.

As of June 30, 2011, the Company had $62.9 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.

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 4, 2011.

The Company's existing S-3 universal shelf registration statement expires August 28, 2011. Today, Synta filed a new shelf registration statement with the SEC. This shelf registration, once declared effective, will allow the Company to sell up to $150 million of various types of securities including up to $35 million of shares of common stock pursuant to the Company's equity line of credit facility. Upon its effectiveness, the Company's existing shelf registration statement will be terminated. The

Company has no immediate plans to offer or sell any of its securities. The terms of any future sale or issuance of securities under the new registration statement would be set forth in a prospectus supplement and filed with the SEC in connection with any such sale or issuance.

Guidance

Based on the current operating plan, Synta expects cash resources will be sufficient to fund operations into the second half of 2012. This estimate assumes no additional funds from new partnership agreements, equity financing events, or use of the $35 million equity line of credit available to Synta. Certain activities contemplated for 2012 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 second-quarter financial 2011 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, http://phx.corporate-ir.net/phoenix.zhtml?p=irol-eventDetails&c=147988&eventID=4159659, 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 August 4 through midnight (ET) on August 11. To access the replay, dial (877) 660-6853 or (201) 612-7415 and refer to both account number 286 and conference ID 375527. 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 http://clinicaltrials.gov/ct2/results?term=ganetespib.

About the Phase 2b/3 GALAXY Trial™ in NSCLC

The Phase 2b/3 trial will evaluate treatment with ganetespib and docetaxel vs. docetaxel alone, with 1:1 randomization, in patients with Stage IIIB or IV NSCLC who have completed one prior systemic therapy for advanced disease. The first stage, Phase 2b portion, will assess efficacy as measured by progression-free survival in approximately 240 patients. Results from this stage will also be used to inform the choice of patient subpopulation, by histology or biomarker, for the second stage, Phase 3 portion. The second stage will assess efficacy as measured by overall survival, and will enroll between 400 and 600 patients. Interim results from the first-stage portion of the trial are expected in

early 2012. More information on the trial can be found at http://clinicaltrials.gov/ct2/show/NCT01348126?intr=%22STA-9090%22&rank=15.

About Non-small Cell Lung Cancer

Lung cancer is the leading cause of cancer-related mortality in the United States, with over 225,000 new cases and 157,000 deaths estimated in 2010. The five year survival rate for advanced-staged lung cancer is less than 5%. Approximately 85% of all lung cancers are classified as non-small cell.

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 http://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 ganetespib clinical and preclinical programs, 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 June 30,		Six Months Ended June 30,	
	2011	**2010**	**2011**	**2010**
Revenues:				
Collaboration revenues:				

License and milestone revenue	$1,143	$1,143	$2,286	$2,286
Cost sharing reimbursements, net	--	2,217	--	5,097
Total collaboration revenues	1,143	3,360	2,286	7,383
Grant revenues	211	--	211	--
Total revenues	1,354	3,360	2,497	7,383
Operating expenses:				
Research and development	10,417	9,688	19,854	19,883
General and administrative	2,946	2,716	5,618	5,802
Total operating expenses	13,363	12,404	25,472	25,685
Loss from operations	(12,009)	(9,044)	(22,975)	(18,302)
Interest expense, net	(493)	(30)	(928)	(80)
Net loss	$(12,502)	$(9,074)	$(23,903)	$(18,382)
Basic and diluted net loss per common share	$(0.30)	$(0.22)	$(0.57)	$(0.46)
Basic and diluted weighted average number of common shares outstanding	42,166,739	40,342,671	42,088,215	39,899,593

Synta Pharmaceuticals Corp.

Condensed Consolidated Balance Sheets Data

(in thousands)

(unaudited)

	June 30, 2011	**December 31, 2010**
Assets		
Cash, cash equivalents and marketable securities	$ 62,889	$ 50,973
Other current assets	832	547
Property, plant and equipment, net	1,403	2,181
Other non-current assets	497	366
Total assets	$ 65,621	$ 54,067
Liabilities and Equity		
Current liabilities	$ 15,349	$ 16,736
Long-term liabilities	13,835	13,852

Stockholders' equity	36,437	23,479
Total liabilities and Stockholders' equity	$ 65,621	$ 54,067

SOURCE: Synta Pharmaceuticals Corp.

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