Synta Provides Clinical Update and Reports First Quarter 2012 Financial Results

May 3, 2012

-Company announces plans to proceed into Phase 3 stage of the GALAXY Trial by year-end-

LEXINGTON, Mass.--(BUSINESS WIRE)--May. 3, 2012-- Synta Pharmaceuticals Corp. (NASDAQ: SNTA) today provided a clinical program update and reported financial results for the quarter ended March 31, 2012.

“This year we made significant progress in the clinical development of ganetespib, our lead Hsp90 inhibitor, for cancer,” said Safi Bahcall, Ph.D., President and CEO. “We have seen encouraging activity with ganetespib in two distinct areas – as a single-agent, in patients whose tumors exhibit certain specific genetic profiles, and in combination with chemotherapy, in our randomized, second-line lung cancer trial. These results, together with the favorable safety profile established in over 500 patients treated to date, support the broad potential of ganetespib for treating cancer patients.”

“Existing cancer therapies are generally either non-specific or target one particular signaling protein involved in one or a small number of cancer signaling pathways,” said Dr. Vojo Vukovic, Chief Medical Officer. “Chemotherapies are an example of the former while kinase inhibitors, such as Gleevec® and monoclonal antibodies such as Herceptin®, are examples of the latter. Ganetespib, on the other hand, targets one chaperone protein, Hsp90, which is required for proper functioning of multiple oncoproteins. Consequently, ganetespib inhibits many different tumor growth and signaling pathways simultaneously. This characteristic is best demonstrated by the clinical results observed in a diverse range of tumor types. Ganetespib has demonstrated single-agent activity in patients with mutated ALK, KRAS, and BRAF non-small cell lung cancer (NSCLC) as well as HER2+ and triple-negative breast cancer (TNBC). Ganetespib is the first Hsp90 inhibitor to demonstrate this broad range of activity with a favorable safety profile.”

The GALAXY trial is a Phase 2b/3 trial designed to compare standard-of-care docetaxel with or without ganetespib in a second-line advanced NSCLC treatment setting. The Phase 2b portion of this trial, targeted to enroll 240 patients, is designed to identify one or more patient populations, defined by outcomes of biomarker analysis and other disease characteristics, which are best suited for enrollment in the Phase 3 portion of the trial. An interim analysis for the first-stage, Phase 2b portion is currently in progress, with an announcement planned for later this quarter. Based on encouraging results seen to date, Synta plans to meet with regulatory agencies and advance to the second-stage Phase 3 portion of this trial before the end of the year.

Two clinical trials confirming ganetespib activity in crizotinib-naive ALK+ advanced NSCLC patients are also initiating: a company-sponsored, 100-patient, Phase 2 monotherapy trial and a Phase 1/2 trial in combination with crizotinib being conducted by Memorial Sloan Kettering Cancer Center.

Preliminary results from the ganetespib monotherapy trial are expected by year-end.

In addition to NSCLC, ganetespib is also being evaluated as potential treatment for metastatic breast cancer. Clinical data presented from a Phase 2 investigator-sponsored trial at the San Antonio Breast Cancer Symposium in December 2011 provided strong evidence that Hsp90 inhibition may be a promising approach for treating both HER2+ and TNBC. Based on this encouraging data, investigators at Memorial Sloan Kettering Cancer Center intend to initiate a Phase 1/2 trial evaluating ganetespib in combination with paclitaxel and Herceptin® in HER2+ breast cancer, and ganetespib in combination with paclitaxel in TNBC. In addition, Synta is designing a global clinical trial also evaluating ganetespib in these two breast cancer patient populations. Additional details will be provided as these trials initiate.

Synta expects that a number of third-party sponsored trials evaluating ganetespib will commence or continue in 2012. These include trials in combination with radiotherapy, a randomized trial in elderly patients with acute myelogenous leukemia (AML) in combination with cytarabine, and a Phase 1/2 trial both as a single agent and in combination with VELCADE® for the treatment of multiple myeloma. The multiple myeloma trial is being conducted in collaboration with the Multiple Myeloma Research Foundation (MMRF). Enrollment in this study began in March 2012. These third-party trials further diversify the ganetespib clinical trial portfolio and could inform new potential applications for ganetespib.

Financial Results

Total revenue was $0.1 million for the first quarter in 2012 compared to total revenue of $1.1 million for the same period in 2011. The Company reported a net loss of $15.1 million or $0.27 per basic and diluted share for the first quarter in 2012, compared to a net loss of $11.4 million, or $0.27 per basic and diluted share for the same period in 2011.

Research and development expenses were $12.1 million for the first quarter in 2012 compared to $9.4 million for the same period in 2011. General and administrative expenses were $2.7 million for the first quarter in 2012 compared to $2.7 million for the same period in 2011.

As of March 31, 2012, the Company had $57.4 million in cash, cash equivalents and marketable securities, including the $33.0 million in net proceeds raised in the underwritten public offering in January and February 2012, compared to $39.7 million in cash, cash equivalents and marketable securities as of December 31, 2011.

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 May 3, 2012.

Guidance

Based on our current operating levels, the Company expects its cash resources will be sufficient to fund operations into the first half of 2013. This estimate assumes no additional funding from new partnership agreements or equity financing events. 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 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 3 through midnight (ET) on May 10. To access the replay, dial (877) 660-6853 or (201) 612-7415 and refer to both account number 286 and conference ID 392603. The webcast also will be archived on the Company's website.

About Ganetespib

Ganetespib is a potent, 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 transient, mild or moderate diarrhea, which has been manageable with standard supportive care. Information on clinical trials with ganetespib can be found at www.clinicaltrials.gov.

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 biomarker or other disease characteristic for the second stage, Phase 3 portion. The second stage may enroll up to 600 patients. More information on the trial can be found at www.clinicaltrials.gov.

About Non-small Cell Lung Cancer

Lung cancer is the leading cause of cancer-related mortality in the United States, with over 226,000 new cases and 160,000 deaths estimated in 2012 according to the American Cancer Society. The five year survival rate for advanced-staged lung cancer is approximately 4%. Approximately 85% of all lung cancers are classified as non-small cell. Estimates for the global incidence of ALK+ NSCLC range from 40,000 to 70,000 new cases per year.

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, development and progress of our preclinical and clinical programs, including plans to proceed into Phase 3 stage of the GALAXY Trial by the end of 2012, the expectation that we will receive preliminary results from the ganetespib monotherapy trial by year-end, and the expectation that a number of third-party sponsored trials evaluating ganetespib will commence or continue in 2012; and the sufficiency of our cash resources to fund operations into the first half of 2013, 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, 2011 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,	
	2012	**2011**
Revenues:		
Collaboration revenues:		
License and milestone revenues	$ —	$ 1,143
Total collaboration revenues	—	1,143
Grant revenues	147	—
Total revenues	147	1,143
Operating expenses:		
Research and development	12,066	9,436
General and administrative	2,646	2,673

Total operating expenses	14,712	12,109
Loss from operations	(14,565)	(10,966)
Interest expense, net	(486)	(435)
Net loss	$ (15,051)	$ (11,401)
Basic and diluted net loss per common share	$ (0.27)	$ (0.27)
Basic and diluted weighted average number of common shares outstanding	56,366,992	42,008,818

Synta Pharmaceuticals Corp.

Condensed Consolidated Balance Sheets Data

(in thousands)

(unaudited)

	March 31, 2012	December 31, 2011
Assets		
Cash, cash equivalents and marketable securities	$ 57,390	$ 39,725
Other current assets	608	561
Property, plant and equipment, net	1,324	1,407
Other non-current assets	519	631
Total assets	$ 59,841	$ 42,324
Liabilities and Equity		
Current liabilities	$ 15,644	$ 15,148
Long-term liabilities	10,427	12,402
Stockholders' equity	33,770	14,774
Total liabilities and Stockholders' equity	$ 59,841	$ 42,324

Source: Synta Pharmaceuticals Corp.

Synta Pharmaceuticals Corp.
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