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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2013

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 001-33277

SYNTA PHARMACEUTICALS CORP.

(Exact name of registrant as specified in its charter)

Delaware	**04-3508648**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
45 Hartwell Avenue Lexington, Massachusetts	**02421**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(781) 274-8200**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☒
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 26, 2013, the registrant had 69,133,471 shares of common stock outstanding.

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SYNTA PHARMACEUTICALS CORP.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

SYNTA PHARMACEUTICALS CORP.

Condensed Consolidated Balance Sheets

(in thousands, except share and per share amounts)

(unaudited)

	March 31, 2013	December 31, 2012
Assets		
Current assets:		
Cash and cash equivalents	$ 34,962	$ 81,512
Marketable securities	55,432	19,087
Prepaid expenses and other current assets	1,475	786
Total current assets	91,869	101,385
Property and equipment, net	1,350	1,174
Other assets	481	458
Total assets	$ 93,700	$ 103,017
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 5,719	$ 5,661
Accrued contract research costs	4,901	4,761
Other accrued liabilities	2,839	5,127
Current portion of capital lease obligations	11	13
Current portion of term loans	3,081	7,924
Total current liabilities	16,551	23,486
Long-term liabilities:		
Capital lease obligations, net of current portion	—	1
Term loans, net of current portion	20,545	4,464
Total long-term liabilities	20,545	4,465
Total liabilities	37,096	27,951
Stockholders' equity:		
Preferred stock, par value $0.0001 per share Authorized: 5,000,000 shares at March 31, 2013 and December 31, 2012; no shares issued and outstanding at March 31, 2013 and December 31, 2012	—	—
Common stock, par value $0.0001 per share Authorized: 100,000,000 shares at March 31, 2013 and December 31, 2012; 69,129,951 and 68,930,082 shares issued and outstanding at March 31, 2013 and December 31, 2012, respectively	7	7
Additional paid-in-capital	538,538	536,277
Accumulated other comprehensive income	7	2
Accumulated deficit	(481,948)	(461,220)
Total stockholders' equity	56,604	75,066
Total liabilities and stockholders' equity	$ 93,700	$ 103,017

See accompanying notes to consolidated financial statements.

SYNTA PHARMACEUTICALS CORP.

Condensed Consolidated Statements of Operations

(in thousands, except share and per share amounts)

(unaudited)

	Three Months Ended March 31,	
	2013	**2012**
Revenues:		
Grant revenues	$ —	$ 147
Total revenues	—	147
Operating expenses:		
Research and development	16,380	12,066
General and administrative	3,878	2,646
Total operating expenses	20,258	14,712
Loss from operations	(20,258)	(14,565)
Interest expense, net	(470)	(486)
Net loss	$ (20,728)	$ (15,051)
Net loss per common share:		
Basic and diluted net loss per common share	$ (0.30)	$ (0.27)
Basic and diluted weighted average number of common shares outstanding	68,991,371	56,366,992

See accompanying notes to condensed consolidated financial statements.

SYNTA PHARMACEUTICALS CORP.

Condensed Consolidated Statements of Comprehensive Loss

(in thousands)

(unaudited)

	Three Months Ended March 31,	
	2013	**2012**
Net loss	$ (20,728)	$ (15,051)
Other comprehensive income:		
Unrealized gain on available-for-sale securities	5	16
Comprehensive loss	$ (20,723)	$ (15,035)

See accompanying notes to condensed consolidated financial statements.

SYNTA PHARMACEUTICALS CORP.

Condensed Consolidated Statements of Cash Flows

(in thousands)

(unaudited)

	Three Months Ended March 31,	
	2013	**2012**
Cash flows from operating activities:		
Net loss	$ (20,728)	$ (15,051)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation expense	1,216	827
Depreciation and amortization	100	230
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(689)	(47)
Other assets	(23)	112
Accounts payable	58	(427)
Accrued contract research costs	140	1,166
Other accrued liabilities	(2,288)	(2,064)
Net cash used in operating activities	(22,214)	(15,254)
Cash flows from investing activities:		
Purchases of marketable securities	(55,290)	(22,824)
Maturities of marketable securities	18,950	9,650
Purchases of property and equipment	(276)	(147)
Net cash used in investing activities	(36,616)	(13,321)
Cash flows from financing activities:		
Proceeds from issuance of common stock, excluding to related parties, and exercise of common stock options, net of transaction costs	1,045	28,204
Proceeds from the sale of common stock to related parties	—	5,000
Proceeds from term loans	13,210	—
Payment of term loans	(1,972)	(151)
Payment of capital lease obligations	(3)	(3)
Net cash provided by financing activities	12,280	33,050
Net (decrease) increase in cash and cash equivalents	(46,550)	4,475
Cash and cash equivalents at beginning of period	81,512	30,075
Cash and cash equivalents at end of period	$ 34,962	$ 34,550
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 789	$ 485

See accompanying notes to condensed consolidated financial statements.

SYNTA PHARMACEUTICALS CORP.

Notes to Condensed Consolidated Financial Statements

(unaudited)

(1) Nature of Business

Synta Pharmaceuticals Corp. (the Company) was incorporated in March 2000 and commenced operations in July 2001. The Company is a biopharmaceutical company focusing 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.

The Company is subject to risks common to emerging companies in the drug development and pharmaceutical industry including, but not limited to, uncertainty of product development and commercialization, lack of marketing and sales history, dependence on key personnel, uncertainty of market acceptance of products, product liability, uncertain protection of proprietary technology, potential inability to raise additional financing and compliance with the U.S. Food and Drug Administration and other government regulations.

(2) Summary of Significant Accounting Policies

The accompanying condensed consolidated financial statements are unaudited, have been prepared on the same basis as the annual financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments necessary to present fairly the Company's financial position as of March 31, 2013 and the consolidated results of operations, comprehensive loss and cash flows for the three months ended March 31, 2013 and 2012. The preparation of financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates. The results of operations for the three months ended March 31, 2013 are not necessarily indicative of the results to be expected for the year ending December 31, 2013 or for any other interim period or any other future year. For more complete financial information, these condensed financial statements, and the notes hereto, should be read in conjunction with the audited financial statements for the year ended December 31, 2012 included in the Company's Annual Report on Form 10-K.

Principles of Consolidation

The consolidated financial statements include the financial statements of the Company and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include contract research accruals, recoverability of long-lived assets , measurement of stock-based compensation, and the periods of performance under its collaborative research and development agreements. The Company bases its estimates on historical experience and various other assumptions that management believes to be reasonable under the circumstances. Changes in estimates are recorded in the period in which they become known. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less at the date of purchase and an investment in a money market fund to be cash equivalents. Changes in cash and cash equivalents may be affected by shifts in investment portfolio maturities, as well as actual cash disbursements to fund operations.

The primary objective of the Company's investment activities is to preserve its capital for the purpose of funding operations and the Company does not enter into investments for trading or speculative purposes. The Company invests in money market funds and high-grade, short-term commercial paper, which are subject to minimal credit and market risk. The Company's cash is deposited in a highly rated financial institution in the United States. Declines in interest rates, however, would reduce future investment income.

Marketable Securities

Marketable securities consist of investments in high-grade corporate obligations, and government and government agency obligations that are classified as available-for-sale. Since these securities are available to fund current operations they are classified as current assets on the consolidated balance sheets.

The Company adjusts the cost of available-for-sale debt securities for amortization of premiums and accretion of discounts to maturity. The Company includes such amortization and accretion in interest and investment income. Realized gains and losses and declines in value, if any, that the Company judges to be other-than-temporary on available-for-sale securities are reported in interest and investment income. To determine whether an other-than-temporary impairment exists, the Company considers whether it intends to sell the debt security and, if the Company does not intend to sell the debt security, it considers available evidence to assess whether it is more likely than not that it will be required to sell the security before the recovery of its amortized cost basis. During the three months ended March 31, 2013 and 2012, the Company determined that it did not have any securities were other-than-temporarily impaired.

Marketable securities are stated at fair value, including accrued interest, with their unrealized gains and losses included as a component of accumulated other comprehensive income, which is a separate component of stockholders' equity. The fair value of these securities is based on quoted prices and observable inputs on a recurring basis. Realized gains and losses are determined on the specific identification method. During the three months ended March 31, 2013 and 2012, the Company did not have any realized gains or losses on marketable securities.

Fair Value of Financial Instruments

The carrying amounts of the Company's financial instruments, which include cash equivalents, marketable securities, accounts payable and capital lease and term loan obligations, approximate their fair values. The fair value of the Company's financial instruments reflects the amounts that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy has the following three levels:

Level 1—quoted prices in active markets for identical assets and liabilities.

Level 2—observable inputs other than Level 1 inputs. Examples of Level 2 inputs include quoted prices in active markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are not active.

Level 3—unobservable inputs that reflect the Company's own assumptions about the assumptions market participants would use in pricing the asset or liability.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company measures the fair value of its marketable securities by taking into consideration valuations obtained from third-party pricing sources. The pricing services utilize industry standard valuation models, including both income and market based approaches, for which all significant inputs are observable, either directly or indirectly, to estimate fair value. These inputs include reported trades of and broker-dealer quotes on the same or similar securities, issuer credit spreads, benchmark securities and other observable inputs. As of March 31, 2013, the Company's financial assets valued based on Level 1 inputs consisted of cash and cash equivalents in a money market fund and its financial assets valued based on Level 2 inputs consisted of high-grade corporate and government bonds and commercial paper. During the three months ended March 31, 2013, the Company did not have any transfers of financials assets between Levels 1 and 2. As of March 31, 2013, the Company did not have any financial liabilities that were recorded at fair value on the balance sheet. The fair value of the Company's term loan obligations is determined using current applicable rates for similar instruments as of the balance sheet date. The carrying value of the Company's term loan obligations approximates fair value as the Company's interest rate yield is near current market rate yields. The Company's term loan obligations are Level 3 liabilities within the fair value hierarchy.

Revenue Recognition

Collaboration and License Agreements

The Company's principal source of revenue to date has been generated primarily through its prior collaborative research and development agreements, which included upfront license payments, development milestones, reimbursement of research and development costs, potential profit sharing payments, commercial and sales-based milestones and royalties. The application of

accounting rules requires subjective analysis and requires management to make estimates and assumptions about whether deliverables within multiple-element arrangements are separable from the other aspects of the contractual arrangement into separate units of accounting and to determine the fair value to be allocated to each unit of accounting.

For multiple-element arrangements entered into or materially modified after January 1, 2011, the Company follows the provisions of ASU No. 2009-13 *Multiple-deliverable Revenue Arrangements (*ASU No. 2009-13). This standard addresses the determination of the unit(s) of accounting for multiple-element arrangements and how the arrangement's consideration should be allocated to each unit of accounting.

Pursuant to this standard, each required deliverable is evaluated to determine if it qualifies as a separate unit of accounting. For the Company this determination includes an assessment as to whether the deliverable has "stand-alone value" to the customer separate from the undelivered elements. The arrangement's consideration is then allocated to each separate unit of accounting based on the relative selling price of each deliverable. The estimated selling price of each deliverable is determined using the following hierarchy of values: (i) vendor-specific objective evidence of fair value, (ii) third-party evidence of selling price, and (iii) the Company's best estimate of the selling price (BESP). The BESP reflects the Company's best estimate of what the selling price would be if the deliverable was regularly sold by it on a stand-alone basis. The Company expects, in general, to use BESP for allocating consideration to each deliverable in future collaboration agreements. In general, the consideration allocated to each unit of accounting is then recognized as the related goods or services are delivered limited to the consideration not contingent upon future deliverables.

For multiple-element arrangements entered into prior to January 1, 2011 and not materially modified thereafter, the Company continued to apply its prior accounting policy with respect to such arrangements. Under this policy, in general, revenue from non-refundable, upfront fees related to intellectual property rights/licenses where the Company had continuing involvement was recognized ratably over the estimated period of ongoing involvement because there was not any objective and reliable evidence of fair value for certain of the undelivered item to allow the delivered item to be considered a separate unit of accounting. This requirement with respect to the fair value of undelivered items was eliminated in the newly issued accounting standard. In general, the consideration with respect to the other deliverables was recognized when the goods or services were delivered.

The cash flows associated with the single unit of accounting from the research and development portions of the Company's collaborations were recognized as revenue using a time-based model. Under this model, cash flow streams were recognized as revenue over the estimated performance period. Upon achievement of milestones, as defined in the collaboration agreements, revenue was recognized to the extent the accumulated service time, if any, had occurred. The remainder was deferred and recognized as revenue ratably over the remaining estimated performance period. A change in the period of time expected to complete the deliverable was accounted for as a change in estimate on a prospective basis. Revenue was limited to amounts that were non-refundable and that the Company's collaborators were contractually obligated to pay to the Company. In the three months ended March 31, 2013 and 2012, the Company did not recognize any collaboration revenues.

Effective January 1, 2011, the Company adopted ASU No. 2009-13 which codified a method of revenue recognition that has been common practice. Under this method, contingent consideration from research and development activities that is earned upon the achievement of a substantive milestone is recognized in its entirety in the period in which the milestone is achieved. At the inception of each arrangement that includes milestone payments, the Company evaluates whether each milestone is substantive. This evaluation includes an assessment of whether (a) the consideration is commensurate with either (1) the entity's performance to achieve the milestone, or (2) the enhancement of the value of the delivered item(s) as a result of a specific outcome resulting from the entity's performance to achieve the milestone, (b) the consideration relates solely to past performance and (c) the consideration is reasonable relative to all of the deliverables and payment terms within the arrangement. The Company evaluates factors such as the scientific, clinical, regulatory, commercial and other risks that must be overcome to achieve the respective milestone, the level of effort and investment required and whether the milestone consideration is reasonable relative to all deliverables and payment terms in the arrangement in making this assessment. The Company does not have any ongoing research and collaboration agreements under which milestones may be achieved.

Royalty revenues are based upon a percentage of net sales. Royalties from the sales of products will be recorded on the accrual basis when results are reliably measurable, collectibility is reasonably assured and all other revenue recognition criteria are met. Commercial and sales-based milestones, which are based upon the achievement of certain agreed-upon sales thresholds, will be recognized in the period in which the respective sales threshold is achieved and collectibility is reasonably assured.

Grant Revenue

In March 2011, the Company received a grant from the Department of Defense, in the approximate amount of $1 million, for the development of STA-9584 in advanced prostate cancer. The Company conducted work on this study during the grant period from April 2011 through March 2012. Reimbursements were based on actual costs agreed upon in the proposal (salary, fringe

benefits, overhead, and direct costs such as materials and subcontractors). The Company recognized $0 and $147,000 of grant revenue under this grant in the three months ended March 31, 2013 and 2012, respectively.

Stock-Based Compensation

The Company recognizes stock-based compensation expense based on the fair value of stock options granted to employees, officers and directors. The Company uses the Black-Scholes option pricing model as it is the most appropriate valuation method for its option grants. The Black-Scholes model requires inputs for risk-free interest rate, dividend yield, volatility and expected lives of the options. Expected volatility was principally based upon the weighted average historical volatility data of the Company's common stock. The Company estimates the forfeiture rate based on historical data. This analysis is re-evaluated at least annually and the forfeiture rate is adjusted as necessary. The risk-free rate for periods within the expected life of the option is based on the U.S. Treasury yield curve in effect at the time of the grant. The expected lives for options granted represent the period of time that options granted are expected to be outstanding. The Company uses the simplified method for determining the expected lives of options.

For awards with graded vesting, the Company allocates compensation costs on a straight-line basis over the requisite service period. The Company amortizes the fair value of each option over each option's service period, which is generally the vesting period.

Certain of the employee stock options granted by the Company are structured to qualify as incentive stock options (ISOs). Under current tax regulations, the Company does not receive a tax deduction for the issuance, exercise or disposition of ISOs if the employee meets certain holding requirements. If the employee does not meet the holding requirements, a disqualifying disposition occurs, at which time the Company may receive a tax deduction. The Company does not record tax benefits related to ISOs unless and until a disqualifying disposition is reported. In the event of a disqualifying disposition, the entire tax benefit is recorded as a reduction of income tax expense. The Company has not recognized any income tax benefit for its share-based compensation arrangements due to the fact that the Company does not believe it is more likely than not it will realize any deferred tax assets from such compensation cost recognized in the current period.

Comprehensive Loss

Comprehensive loss is defined as the change in equity of a business enterprise during a period from transactions, and other events and circumstances from non-owner sources. Changes in unrealized gains and losses on marketable securities represent the only difference between the Company's net loss and comprehensive loss.

In February 2013, the FASB issued ASU No. 2013-02, *Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income* (ASU No. 2013-02). ASU No. 2013-02 amended existing guidance by requiring additional disclosure either on the face of the income statement or in the notes to the financial statements of significant amounts reclassified out of accumulated other comprehensive income. In addition, ASU No. 2013-02 requires disclosure regarding changes in accumulated other comprehensive income balances. ASU No. 2013-02 is effective for the Company for interim and annual periods ending after December 15, 2012. The adoption of ASU No. 2013-02 did not have an affect on the Company's results of operations or financial position.

Segment Reporting

Operating segments are determined based on the way management organizes its business for making operating decisions and assessing performance. The Company has a single operating segment, the discovery, development and commercialization of drug products.

Basic and Diluted Loss Per Common Share

Basic net loss per share is computed using the weighted average number of common shares outstanding during the period, excluding restricted stock that has been issued but is not yet vested. Diluted net loss per common share is computed using the weighted average number of common shares outstanding and the weighted average dilutive potential common shares outstanding using the treasury stock method. However, for the three months ended March 31, 2013 and 2012, diluted net loss per share is the same as basic net loss per share as the inclusion of weighted average shares of unvested restricted common stock and common stock issuable upon the exercise of stock options would be anti-dilutive.

The following table summarizes outstanding securities not included in the computation of diluted net loss per common share as their inclusion would be anti-dilutive:

	March 31,	
	2013	2012
Common stock options	7,084,855	6,813,101
Unvested restricted common stock	98,814	29,421

(3) Cash, Cash Equivalents and Marketable Securities

A summary of cash, cash equivalents and available-for-sale marketable securities held by the Company as of March 31, 2013 and December 31, 2012 was as follows (see Note 2):

	March 31, 2013			
	Cost	Unrealized gains	Unrealized losses	Fair value
	(in thousands)			
Cash and cash equivalents:				
Cash and money market funds (Level 1)	$ 31,962	$ —	$ —	$ 31,962
Corporate debt securities due within 3 months of date of purchase (Level 2)	3,000	—	—	3,000
Total cash and cash equivalents	$ 34,962	$ —	$ —	$ 34,962
Marketable securities (due within 1 year of date of purchase):				
Corporate debt securities (Level 2)	53,136	18	(11)	53,143
Government-sponsored entities (Level 2)	2,289	—	—	2,289
Total marketable securities	55,425	18	(11)	55,432
Total cash, cash equivalents and marketable securities	$ 90,387	$ 18	$ (11)	$ 90,394

	December 31, 2012			
	Cost	Unrealized gains	Unrealized losses	Fair value
	(in thousands)			
Cash and cash equivalents:				
Cash and money market funds (Level 1)	$ 81,512	$ —	$ —	$ 81,512
Marketable securities:				
Corporate debt securities due within 1 year of date of purchase (Level 2)	19,085	3	(1)	19,087
Total cash, cash equivalents and marketable securities	$ 100,597	$ 3	$ (1)	$ 100,599

(4) Property and Equipment

Property and equipment consist of the following:

	March 31, 2013	December 31, 2012
	(in thousands)	
Laboratory equipment	$ 12,535	$ 12,531
Leasehold improvements	4,939	4,939
Computers and software	2,902	2,630
Furniture and fixtures	1,170	1,170
	21,546	21,270
Less accumulated depreciation and amortization	(20,196)	(20,096)
	$ 1,350	$ 1,174

Depreciation and amortization expenses of property and equipment, including equipment purchased under capital leases, were approximately $0.1 million and $0.2 million for the three months ended March 31, 2013 and 2012, respectively.

(5) Stockholders' Equity

At-The-Market Issuance Sales Agreement

On May 2, 2012, the Company entered into an at-the-market issuance sales agreement, as amended, (Sales Agreement) with MLV & Co. LLC (MLV), pursuant to which the Company may issue and sell shares of its common stock having an aggregate offering price of up to $28 million from time to time, at the Company's option, through MLV as its sales agent. Sales of common stock through MLV, if any, will be made by any method that is deemed an "at-the-market" offering as defined in Rule 415 promulgated under the Securities Act of 1933, as amended, including by means of ordinary brokers' transactions at market prices, in block transactions or as otherwise agreed by the Company and MLV. Subject to the terms and conditions of the Sales Agreement, MLV will use commercially reasonable efforts to sell the common stock based upon the Company's instructions (including any price, time or size limits or other customary parameters or conditions the Company may impose). The Company is not obligated to make any sales of its common stock under the Sales Agreement. Any shares sold will be sold pursuant to the Company's effective shelf registration statement on Form S-3. The Company will pay MLV a commission of up to 3% of the gross proceeds. The Sales Agreement will terminate upon the earlier of the sale of all common stock subject to the Sales Agreement or termination of the Sales Agreement by the Company or MLV. To date, the Company has not sold any of its common stock under the Sales Agreement.

(6) Stock-Based Compensation

The Company's 2006 Stock Plan provides for the grant of incentive stock options, nonstatutory stock options and non-vested stock to employees, officers, directors and consultants to the Company. In January 2013, the number of shares of common stock reserved for issuance under the 2006 Stock Plan was increased from 7,700,000 to 9,000,000 pursuant to an "evergreen" provision, which provides for an annual increase based on the lesser of 1,300,000 shares, 5% of the Company's then outstanding shares of common stock, or such other amount as the board of directors may determine. This increase was approved by the board of directors in December 2012. The administration of the 2006 Stock Plan is under the general supervision of the compensation committee of the board of directors. The exercise price of the stock options is determined by the compensation committee of the board of directors, provided that incentive stock options are granted at not less than fair market value of the common stock on the date of grant and expire no later than ten years from the date the option is granted. Options generally vest over four years. As of March 31, 2013, the Company had options outstanding to purchase 7,084,855 shares of its common stock, which includes options outstanding under its 2001 Stock Plan that was terminated in March 2006, and had 98,814 restricted shares of common stock outstanding. As of March 31, 2013, 1,439,201 shares were available for future issuance.

The following table summarizes stock option activity during the three months ended March 31, 2013:

	Shares	Weighted average exercise price
Outstanding at January 1	5,521,584	$ 6.40
Options granted	1,704,292	9.68
Options exercised	(124,869)	8.37
Options cancelled	(16,152)	6.49
Outstanding at March 31	7,084,855	$ 7.16
Exercisable at March 31	3,376,121	$ 7.04

The total cash received by the Company as a result of stock option exercises during the three months ended March 31, 2013 and 2012 was $1.0 million and $0.2 million, respectively. In January 2013, a director of the Company exercised a total of 114,250 stock options that resulted in approximately $990,000 in cash proceeds to the Company. The weighted-average grant date fair values of options granted during the three months ended March 31, 2013 and 2012 were $7.77 and $3.39, respectively.

Non-Vested ("Restricted") Stock Awards With Service Conditions

The Company's share-based compensation plan provides for awards of restricted shares of common stock to employees, officers, directors and consultants to the Company. Restricted stock awards are subject to forfeiture if employment or service terminates during the prescribed retention period. Restricted shares vest over the service period. The total fair value of restricted stock that vested during the three months ended March 31, 2013 and 2012 was $0.1 million and $0.2 million, respectively.

The following table summarizes unvested restricted shares during the three months ended March 31, 2013:

	Shares	Weighted average grant date fair value
Outstanding at January 1	35,122	$ 5.04
Vested	(11,308)	5.47
Granted	75,000	9.59
Outstanding at March 31	98,814	$ 8.44

Stock-Based Compensation Expense

For the three months ended March 31, 2013 and 2012, the fair value of each employee stock option award was estimated on the date of grant based on the fair value method using the Black-Scholes option pricing valuation model with the following weighted average assumptions:

	Three Months Ended March 31,	
	2013	2012
Risk-free interest rate	1.10%	1.17%
Expected life in years	6.25	6.25
Volatility	101%	100%
Expected dividend yield	—	—

Stock-based compensation expense during the three months ended March 31, 2013 and 2012 was as follows (in thousands):

	Three Months Ended March 31,	
	2013	2012
Stock-based compensation expense by type of award:		
Employee stock options	$ 1,131	$ 755
Restricted stock	85	72
Total stock-based compensation expense	$ 1,216	$ 827
Effect of stock-based compensation expense by line item:		
Research and development	$ 629	$ 623
General and administrative	587	204
Total stock-based compensation expense included in net loss	$ 1,216	$ 827

Unrecognized stock-based compensation expense as of March 31, 2013 was as follows (in thousands):

	Unrecognized stock compensation expense as of March 31, 2013	Weighted average remaining period (in years)
Employee stock options	$ 18,162	3.32
Restricted stock	806	2.64
Total	$ 18,968	3.29

(7) Other Accrued Liabilities

Other accrued liabilities consist of the following:

	March 31, 2013	December 31, 2012
	(in thousands)	
Compensation and benefits	$ 1,158	$ 3,272
Professional fees	1,072	999
Other	609	856
	$ 2,839	$ 5,127

(8) Co-Development Agreement

In July 2011, the Company entered into a co-development agreement with a clinical research organization (CRO) for the conduct of certain company-sponsored clinical trials. Under the co-development agreement, this CRO is performing clinical research services under a reduced fee structure in exchange for a share of licensing payments and commercial revenues, if any, resulting from the product under development up to a specified maximum payment, which is defined as a multiple of the fee reduction realized. Research and development expenses are being recognized based on the reduced fee structure and expected payments will be recorded in the future if and when payment is probable.

(9) Term Loans

General Electric Capital Corporation

In March 2013, the Company amended its loan and security agreement entered into in September 2010 with General Electric Capital Corporation (GECC) and another lender (the GECC Term Loan) obtaining $12.9 million in additional loan funding and, as a result, increasing the principal balance to $22.5 million at March 31, 2013. This amendment is accounted for as a loan modification. Interest on the borrowings under the GECC Term Loan remains at the annual rate of 9.75%. The Company will make interest-only payments for the period from April 2013 through December 2013. Beginning in January 2014, the Company will begin making 30 equal monthly payments of principal plus accrued interest on the outstanding balance. During the period from July 2012 through March 2013, the Company made equal monthly payments of principal plus accrued interest on the outstanding balance. Prior to July 2012, the Company made interest-only payments.

The Company has paid various transaction fees and expenses in connection with the GECC Term Loan, which are deferred and are being amortized as interest expense over the remaining term of the GECC Term Loan. In addition, the Company is obligated to pay an exit fee of $788,000 at the time of the final principal payment which is being accreted and expensed as interest over the remaining term of the GECC Term Loan. In the three months ended March 31, 2013 and 2012, the Company recognized GECC Term Loan interest expense of $446,000 and $445,000, respectively, of which $201,000 and $79,000, respectively, was in connection with these transaction and exit fees and expenses. The Company may prepay the full amount of the GECC Term Loan, subject to prepayment premiums under certain circumstances. The Company did not issue any warrants in connection with the GECC Term Loan.

The GECC Term Loan is secured by substantially all of the Company's assets, except its intellectual property. The Company has granted GECC a springing security interest in its intellectual property in the event the Company is not in compliance with certain

cash usage covenants, as defined therein. The GECC Term Loan contains restrictive covenants, including the requirement for the Company to receive the prior written consent of GECC to enter into loans, other than up to $4.0 million of equipment financing, restrictions on the declaration or payment of dividends, restrictions on acquisitions, and customary default provisions that include material adverse events, as defined therein. The Company has determined that the risk of subjective acceleration under the material adverse events clause is remote and therefore has classified the outstanding principal in current and long-term liabilities based on the timing of scheduled principal payments.

Oxford Finance Corporation

In March 2011, the Company entered into a $2 million loan and security agreement with Oxford Finance Corporation (Oxford), all of which was funded in March 2011 (the Oxford Term Loan). Interest on the borrowings under the Oxford Term Loan accrues at an annual rate of 13.35%. Beginning in May 2011, the Company began making 36 equal monthly payments of principal plus accrued interest on the outstanding balance. In December 2012, the Company entered into a loan modification agreement under which the Company may draw down up to an additional $0.6 million in equipment financing until May 31, 2013 that would be payable in 36 equal monthly payments of principal plus accrued interest on the outstanding balance. As of March 31, 2013, the Company had drawn down $310,000 in additional equipment financing pursuant to the December 2012 modification. The Company recognized approximately $29,000 and $51,000 of interest expense in the three months ended March 31, 2013 and 2012, respectively, related to the outstanding principal under the Oxford Term Loan. In addition to the interest payable under the Oxford Term Loan, the Company paid approximately $101,000 of administrative and legal fees and expenses in connection with the Oxford Term Loan. These expenses have been deferred, are included in other assets and are being expensed over the term of the Oxford Term Loan. The Company did not issue any warrants in connection with the Oxford Term Loan. The Company may prepay the full amount of the Oxford Term Loan, subject to prepayment premiums under certain circumstances. Oxford has the right to require the Company to prepay the full amount of the Oxford Term Loan if the Company prepays the full amount of the GECC Term Loan under certain circumstances.

The Oxford Term Loan is secured by certain laboratory and office equipment, furniture and fixtures. In connection with the Oxford Term Loan, Oxford and GECC entered into a Lien Subordination Agreement, whereby GECC granted Oxford a first priority perfected security interest in the loan collateral. The Oxford Term Loan contains restrictive covenants, including the requirement for the Company to receive the prior written consent of Oxford to enter into acquisitions in which the Company incurs more than $2.0 million of related indebtedness, and customary default provisions that include material adverse events, as defined therein. The Company has determined that the risk of subjective acceleration under the material adverse events clause is remote and therefore has classified the outstanding principal in current and long-term liabilities based on the timing of scheduled principal payments.

Future principal payments under the GECC and Oxford Term Loans as of March 31, 2013 are approximately as follows (in thousands):

Year Ending December 31,		
2013	$	618
2014		9,363
2015		9,114
2016		4,531
	$	23,626

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read this discussion together with the consolidated financial statements, related notes and other financial information included elsewhere in this Quarterly Report on Form 10-Q. The following discussion may contain predictions, estimates and other forward-looking statements that involve a number of risks and uncertainties, including those discussed under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2012 filed with the Securities and Exchange Commission. These risks could cause our actual results to differ materially from any future performance suggested below.

Overview

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. We have two drug candidates in clinical trials for treating multiple types of cancer and several drug candidates in the preclinical stage of development. All of our drug candidates have been discovered and developed internally using our proprietary, unique chemical compound library and integrated discovery engine. We retain full ownership of all of our drug candidates.

We were incorporated in March 2000 and commenced operations in July 2001. Since that time, we have been principally engaged in the discovery and development of novel drug candidates. As of March 31, 2013, we have raised an aggregate of approximately $667.0 million in cash proceeds to fund operations, including $465.2 million in net proceeds from private and public offerings of our equity, $30.2 million in gross proceeds from term loans and $167.2 million in non-refundable payments from partnering activities under prior collaborations, as well as $4.4 million from the exercise of common stock warrants and options. We have also generated funds from government grants, equipment lease financings and investment income. We are engaged in preliminary partnership discussions for a number of our programs, which may provide us with additional financial resources if consummated.

We have devoted substantially all of our capital resources to the research and development of our drug candidates. Since our inception, we have had no revenues from product sales. As of March 31, 2013, we had an accumulated deficit of $481.9 million. We expect to incur significant operating losses for the foreseeable future as we advance our drug candidates from discovery through preclinical development and clinical trials, and seek regulatory approval and eventual commercialization. We will need to generate significant revenues from product sales to achieve future profitability and may never do so.

Oncology Programs

We have two clinical-stage programs and one preclinical-stage program in oncology:

Ganetespib (Hsp90 Inhibitor)

Summary

Ganetespib is a novel, small molecule inhibitor of Hsp90, a molecular chaperone which is required for the proper folding and activation of many cancer-promoting proteins. In preclinical cancer models, inhibition of Hsp90 by ganetespib leads to the simultaneous degradation of many of these proteins and the subsequent death or cell cycle arrest of cancer cells dependent on these proteins for growth. A number of Hsp90 client proteins are also involved in the resistance of cancer cells to other anti-cancer treatments, such as chemotherapy. The ability to reduce cancer-cell drug resistance suggests potential for combining ganetespib with chemotherapies or other anti-cancer agents. In preclinical studies, ganetespib has shown anti-cancer activity against a broad range of solid and hematologic cancers, both as a monotherapy and in combination with certain widely used anti-cancer agents.

Ganetespib has been studied or is currently being evaluated in over twenty clinical trials including our GALAXY-1 and GALAXY-2 trials evaluating ganetespib in combination with docetaxel chemotherapy for patients with second-line, advanced, non-small cell lung cancer (NSCLC). Over 700 patients have been treated with ganetespib to date across ongoing or completed clinical trials.

In these trials, ganetespib has shown activity both in combination with chemotherapy, and administered as monotherapy:

- *Combination:* At the European Society for Medical Oncology (ESMO) 2012 Congress, investigators presented results from an interim efficacy analysis of GALAXY-1, including the following:

    - In the 172 NSCLC patients with adenocarcinoma histology evaluated as of the September 10, 2012 data cutoff date, an increase in overall survival was observed in patients treated with ganetespib plus docetaxel versus patients receiving docetaxel alone. A median overall survival of 7.4 months was observed in the docetaxel control arm, while median overall survival had not yet been reached in the ganetespib arm. Overall survival results for the docetaxel arm were consistent with historical results from prior second line NSCLC therapy trials.

    - Objective response rate and progression-free survival, or PFS, in adenocarcinoma patients were also improved from 8% to 16%, and from 2.8 months to 4.2 months, in the control arm vs. ganetespib arm, respectively. Overall response and PFS rates in the control arm were consistent with results from prior trials with docetaxel in this setting.

    - Results in several GALAXY patient subpopulations, defined by pre-specified clinical and biomarker characteristics, showed a greater survival difference between the control arm and ganetespib arm, as compared with the difference in the all-comer (intent-to-treat or ITT) adenocarcinoma patient population. These findings have been incorporated into the design of the confirmatory Phase 3 GALAXY-2 trial to enrich for patients most likely to derive the greatest benefit from ganetespib treatment.

    - Clinical and preclinical results were presented that suggest ganetespib treatment has anti-angiogenic and anti-metastatic effects. Analyses of tumor samples from rectal cancer patients treated with ganetespib showed a reduction of levels of HIF-1alpha and VEGF. In addition, preclinical experiments demonstrated strong inhibition of tumor vasculature by ganetespib. These results suggest ganetespib offers a novel way to inhibit angiogenesis and tumor spread (metastasis): by reducing production of multiple angiogenesis and metastasis-promoting factors simultaneously, rather than targeting specific signaling factors directly with antibodies or kinase inhibitors.

- A favorable safety profile was observed with the ganetespib plus docetaxel combination in adenocarcinoma patients. Transient, mild-to-moderate diarrhea was the most common adverse event, consistent with observations from other clinical trials evaluating ganetespib. Other adverse events increased relative to control included mild to moderate anemia and fatigue, as well as a small increase in the number of cases of febrile neutropenia.

- *Monotherapy:*

  - Objective responses or anti-tumor activity have been seen in patients with ALK+ NSCLC, mutant BRAF lung cancer, mutant KRAS NSCLC cancer, mutant KRAS gastric cancer, HER2+ breast cancer, HER2+ gastric cancer, triple-negative breast cancer, renal cancer, colorectal cancer, and melanoma. One patient with ALK+ NSCLC cancer and one patient with mutant KRAS gastric cancer have durable responses and have remained on ganetespib therapy for over two years.

The results observed to date in our GALAXY program suggest a significant commercial opportunity for use of ganetespib in combination with docetaxel as second-line treatment of NSCLC adenocarcinoma. Across the United States, United Kingdom, Germany, France, Spain, Italy, and Japan an estimated 160,000 new patients each year progress following first-line treatment for advanced NSCLC adenocarcinoma and receive subsequent treatment, which represents the patient population being addressed in our GALAXY program. In addition, over 500,000 patients receive taxanes each year (docetaxel or paclitaxel) across all cancer indications. The potential to combine ganetespib with taxanes with minimal additional toxicity and possible enhanced efficacy represents a promising opportunity, not only in lung cancer, but in breast, prostate, ovarian, gastric, bladder, and head and neck cancers, where taxanes are commonly used. In preclinical models, ganetespib has shown ability to enhance the activity of a number of other widely used anti-cancer agents, in addition to the taxanes, including pemetrexed, gemcitabine, bevacizumab, cytarabine, irinotecan, etoposide, doxorubicin, carboplatin, cisplatin, vincristine, tamoxifen, fulvestrant, temsirolimus, lapatinib, crizotinib, vemurafenib, selumetinib, and bortezomib. Combination trials with a number of these agents have recently been initiated.

Ganetespib Mechanism of Action and Preclinical Results

Hsp90 is required for the structural and functional maturation of numerous client proteins, many of which play critical roles in cell growth, differentiation and survival. Preclinical and clinical results have shown that ganetespib is a selective inhibitor of Hsp90, supporting the promise for therapeutic intervention of Hsp90 function in a broad range of malignancies. Relative to their normal counterparts, cancer cells are more reliant on elevated levels of the active Hsp90 complex and as such, appear to be selectively sensitive to Hsp90 inhibitors, including ganetespib.

In contrast with therapies that target a single oncogene driver, such as ALK or HER2, inhibition of Hsp90 results in the simultaneous disruption of numerous oncogenic signaling pathways that are critical for tumor cell proliferation and survival. These can be broadly divided into three categories, with distinct anti-cancer applications:

- *"Oncogene-addiction".* Certain genetically defined cancers, such as ALK+ lung cancer or HER2+ breast cancer, show a strong dependence on a single mutated or overexpressed Hsp90 client protein. Hsp90 inhibition, by leading to the destabilization of these client proteins, offers an approach to treating these cancers that is distinct from kinase inhibitors or antibodies, which bind to the oncogene driver directly. Strong Hsp90 clients that drive certain oncogene-addicted cancers include ALK, HER2, mutant BRAF and EGFR, androgen receptor (AR), estrogen receptor (ER), and JAK2.

- *Resistance.* Cancer cells often develop resistance to commonly used anti-cancer treatments such as chemotherapy and radiation therapy. Many of these resistance mechanisms involve cell-cycle checkpoint, DNA repair, and anti-apoptosis pathways, which rely on Hsp90 client proteins including ATR, BCL2, BRCA1/2, CDK1/4, CHK1, survivin, and WEE1. Inhibition of these client proteins supports combining

ganetespib with chemotherapy or radiation therapy in order to reduce resistance and improve potential clinical activity. Together with our scientific collaborators, we have evaluated these types of combinations in both *in vitro* and *in vivo* models of a broad range of cancers including lung, breast, colorectal, pancreatic, and hematologic cancers. In these models, ganetespib has shown synergistic activity with chemotherapies including docetaxel, paclitaxel, pemetrexed, gemcitabine, cytarabine, irinotecan, etoposide, doxorubicin, carboplatin, cisplatin, and vincristine as well as with radiation therapy

- *Aggressive tumor biology properties, including angiogenesis and metastasis.* In advanced stage disease, tumors develop properties that allow them to spread throughout the body. These include the activation of pathways that regulate new blood vessel formation (angiogenesis) and those that enable cancer cell separation from primary tumors and establishment of new tumor lesions (metastasis). Many Hsp90 client proteins play key roles in these processes. These include HIF-1alpha, VEGFR, PDFGR, and VEGF in angiogenesis; and MET, RAF, AKT, MMPs, HIF-1alpha, and IGF-1R in metastasis. In preclinical models, ganetespib has shown ability to inhibit these proteins and suppress these aggressive properties. These models include laboratory tests of tumor vasculature disruption, and laboratory tests of tumor cell migration and invasiveness.

Based on preclinical results compiled to date, ganetespib has a distinct safety and activity profile compared to other Hsp90 inhibitors. Ganetespib is a novel small molecule that is structurally unrelated to first-generation, ansamycin-family compounds, such as 17-AAG or 17-DMAG. In preclinical studies, ganetespib has shown 10-100 times greater potency than 17-AAG across a broad range of cancer cell types as well as activity in animal models that are resistant to treatment with 17-AAG. Results published in *Molecular Cancer Therapeutics* in December 2011 highlighted certain physicochemical properties of ganetespib we believe contribute to its improved safety and activity relative to other Hsp90 inhibitors. These properties include smaller size, greater potency in inhibiting Hsp90, improved ability to passively enter cells, absence of a molecular component believed to cause liver toxicity, and the ability to penetrate deep into tumor tissues.

Ganetespib Clinical Trials

We are sponsoring four principal ongoing trials evaluating ganetespib activity:

- GALAXY-1: a 300-patient global, randomized Phase 2b/3 trial designed to evaluate ganetespib in combination with docetaxel versus docetaxel alone as second-line therapy in advanced NSCLC patients with adenocarcinoma histology,

- GALAXY-2: a 500-patient, global, randomized, confirmatory Phase 3 clinical trial evaluating ganetespib plus docetaxel vs. docetaxel alone for the treatment of second-line advanced non-small cell lung adenocarcinoma as with GALAXY-1. Results from an interim analysis of the GALAXY-1 trial conducted in September 2012 were used to inform the design of GALAXY-2, enriching for those patients who showed enhanced clinical benefit from treatment with ganetespib in GALAXY-1,

- CHIARA: a Phase 2 trial evaluating ganetespib monotherapy in NSCLC patients whose tumors have a genetic profile characterized by rearrangement of the ALK gene (ALK+), and

- ENCHANT: a Phase 2 trial evaluating ganetespib in patients with newly diagnosed HER2 negative metastatic breast cancer.

Ganetespib in NSCLC

Ganetespib in combination: The GALAXY program

GALAXY-1: In 2011 we initiated the GALAXY-1 trial in patients with advanced NSCLC who received one prior treatment for advanced disease, i.e., a second-line treatment setting. GALAXY-1 compares treatment with docetaxel alone, which is approved for second-line treatment, versus treatment with ganetespib plus docetaxel. The aims of this study are to 1) evaluate clinical benefit and establish the safety profile of ganetespib in combination with docetaxel relative to docetaxel alone, 2) identify the patient populations, by biomarker or other disease characteristics, which may be most responsive to combination treatment, and 3) to build the clinical and operational experience needed to optimize the design and execution of a pivotal Phase 3 registration trial.

Patients in both arms of GALAXY-1 receive a standard regimen of docetaxel 75 mg/m2 on day 1 of a 21-day treatment cycle. Patients in the combination arm also receive ganetespib 150 mg/m2 on days 1 and 15. Treatment continues until disease progression or until patients become intolerant. Treatment groups are stratified by ECOG performance status, lactate dehydrogenase (LDH) levels, smoking status, and time since diagnosis of metastatic disease to ensure balance of these prognostic factors between the two arms.

GALAXY-1 was originally designed to enroll 240 second-line advanced NSCLC patients in order to evaluate several pre-specified hypotheses on which patients might be most responsive to combination treatment. Co-primary endpoints were PFS in all patients (the ITT population) and overall survival in patients with elevated baseline level of serum LDH. Several months after trial initiation, but before any substantial patient enrollment, the trial was

amended to elevate improvement in PFS in patients with mutant KRAS (the mKRAS population) from a secondary endpoint to a co-primary endpoint, based on clinical results observed in a separate ganetespib trial around that time. Both LDH and mutant KRAS were pre-specified for evaluation from blood and tumor tissue, respectively, by an independent central laboratory.

GALAXY-1 was also originally designed to enroll patients with all histologies—including adenocarcinoma, squamous cell carcinoma, large cell carcinoma and other histologies. In early 2012, enrollment of patients with non-adenocarcinoma histologies (which consists primarily of squamous cell carcinomas) was terminated based on possible safety concerns, including risk of bleeding; a trend towards inferior survival; and the consistency of the emerging ganetespib profile with known anti-angiogenic agents, for which patients with squamous cell carcinoma histology are commonly excluded from clinical trials or labeled indications. The trial was amended at that time to enroll 240 patients with adenocarcinoma histology only.

The current co-primary endpoints of GALAXY-1 are PFS in adenocarcinoma patients with elevated LDH and PFS in patients with mutant KRAS. Both of these represent patient populations with high unmet medical needs and for which there are encouraging preclinical and early clinical results supporting the use of ganetespib. Key secondary endpoints, which have been evaluated with the statistical gatekeeping methodology, include OS and PFS in the all-adenocarcinoma population. GALAXY-1 is 90% powered to detect a PFS improvement from 6 to 12 weeks in patients with elevated LDH and from 5 weeks to 10 weeks in patients with mutant KRAS. For all adenocarcinoma patients, GALAXY-1 is 88% powered to detect an improvement in PFS from 3 to 4.5 months, and 73% powered to detect an improvement in overall survival from 6 to 8.5 months. All powering assumptions are based on a 1-sided alpha of 0.05.

On September 29, 2012, we reported results from an interim efficacy analysis of GALAXY-1 at the ESMO 2012 Congress. Overall survival results from 172 adenocarcinoma patients included in the clinical database at the time of this analysis are described in the table below. Median survival for the docetaxel control arm in both the intent to treat (ITT) and the 6-month follow up groups was consistent with comparable historical results. Median survival had not yet been reached for the combination arm.

Overall survival, all adenocarcinoma patients

	All patients in database (N=172)	**All patients enrolled more than 6 months prior to data cutoff (N=77)**
HR	0.688	0.568
C.I. (90%)	(0.417, 1.135)	(0.312, 1.032)
p-Value	0.183	0.056
Median (D vs G+D)	7.4 mo vs. NR	7.4 mo vs NR

HR: Hazard ratio, C.I.: confidence interval, NR: not reached

PFS was 2.8 months vs. 4.2 months (p=0.076) and overall response rate was 8% vs. 16% (p=0.078) for docetaxel vs. ganetespib plus docetaxel, respectively. All p-values are calculated using the 1-sided stratified log-rank test for survival endpoints and using Fisher's Exact test for response rate.

The GALAXY-1 trial design includes four pre-specified stratification factors as well as a biomarker defined primary endpoint subpopulation (mKRAS patients) that was not a stratification factor.

Overall survival, pre-specified subpopulations and stratification groups

LDH	**Elevated**	**Normal**
N	49	123
HR	0.67	0.69
C.I. (90%)	(0.33,1.37)	(0.33,1.40)
p-Value	0.18	0.19

KRAS	**Mutant**	**Wild-type/ND**
N	38	94
HR	0.41	0.72
C.I. (90%)	(0.15,1.16)	(0.36,1.45)
p-Value	0.07	0.22

Time since diagnosis of advanced Disease	**>6 mo**	**<=6 mo**
N	108	51
HR	0.37	1.83
C.I. (90%)	(0.18,0.77)	(0.80,4.19)
p-Value	0.01	0.89

Smoking status	**Never/past**	**Current**
N	130	42
HR	0.48	1.61
C.I. (90%)	(0.26,0.90)	(0.67,3.89)
p-Value	0.02	0.81

ECOG Performance Status	**0**	**1**
N	80	92
HR	0.75	0.72
C.I. (90%)	(0.33,1.73)	(0.38,1.35)
p-Value	0.29	0.19

ND: not determined

Results in several of these patient subpopulations showed an improved survival difference between the control arm and ganetespib arm, as reflected in a lower hazard ratio as compared with the all-comers, or intent-to-treat (ITT), patient population. In the population of patients whose diagnosis of advanced disease was greater than six months prior to study entry (N=108), a hazard ratio of 0.37 (90% C.I. 0.18-0.77, p=0.01) was observed, supporting the potential for enhanced activity of ganetespib in this subpopulation. At the time of the September 10, 2012 analysis, only 159 of the 172 total patients had their date of study entry entered into the clinical database. Completing the data collection yielded an additional nine patients meeting the criterion of diagnosis of advanced disease greater than six months prior to study entry. The results for the hazard ratio, or benefit from treatment with ganetespib, in this larger 117-patient group were comparable to the 108-person group presented at ESMO: the hazard ratio was 0.33 (90% C.I. 0.17-0.75, p=0.01).

The adverse event profile of GALAXY-1 was comparable between both arms. The proportion of adenocarcinoma patients with at least one adverse event (AE) was 69% vs. 90%; with grade 3 or 4 AEs was 37% vs. 56%; with AEs leading to treatment discontinuation was 8% vs. 15%; and with AEs with outcome of death were 8% vs. 7%, for D (N=86) vs. G+D (N=81), respectively. The most common AEs, all grades were neutropenia (50% vs. 49%), diarrhea (12% vs. 42%) and fatigue (20% vs. 31%), for D vs. G+D, respectively. Diarrhea and fatigue were predominantly grade 1 and grade 2; the incidence of grade 3 or 4 diarrhea was 0% vs. 4% and grade 3 or 4 fatigue was 2% vs. 5% in D vs. G+D, respectively. The most common grade 3 or 4 AEs were neutropenia (34% vs. 35%), febrile neutropenia (2% vs. 10%), and fatigue (2% vs. 5%). Compared to other Hsp90 inhibitors, there were relatively few reported incidences of ocular toxicity, 4 (5%) in the G+D arm and 1 (1%) in the D arm, all of which were transient and grade 1 or 2. None of the ocular toxicity cases were described as visual impairment.

In October 2012, GALAXY-1 achieved its targeted enrollment of 240 adenocarcinoma patients. Additional patients were in screening at the time target enrollment was met, yielding a total of 254 adenocarcinoma patients randomized. Overall survival analyses planned for 6 months and 12 months after the last patient enrolled in this population are expected to be conducted in the second quarter and fourth quarter of 2013, respectively. Results from the analysis planned for 6 months

from last patient enrolled are expected to be presented at the 2013 Annual Meeting of the American Society of Clinical Oncology (ASCO) in Chicago.

The GALAXY-1 protocol specifies that following completion of enrollment of the target number of adenocarcinoma patients, enrollment of patients in two pre-specified subpopulations may continue in order to ensure a sufficient number of patients in each of those subpopulations. We expect that approximately 70 additional patients will be enrolled in this extension stage in order to achieve the targeted, cumulative total of approximately 120 patients with elevated LDH and 80 patients with mutant KRAS. We expect that that the final PFS analyses for these GALAXY-1 subpopulations will be conducted in the second half of 2013.

GALAXY-2: In November 2012, we participated in an End-of-Phase 2 (EOP2) meeting with the U. S. Food and Drug Administration (FDA) to review plans for the global, randomized Phase 3 GALAXY-2 clinical trial. We have incorporated comments from this meeting into the protocol.

GALAXY-2 will enroll approximately 500 patients with Stage IIIB/IV non-small cell lung adenocarcinoma who were diagnosed with advanced disease at least six months prior to study entry and received one prior chemotherapy-based regimen for metastatic disease. All patients must have documented disease progression and ECOG performance status of 0 or 1. Enrollment will be stratified to ensure the balance of key prognostic factors including ECOG performance status (0 versus 1), baseline level of LDH (greater versus less than upper limit of normal), and best response to first-line therapy (complete response or partial response versus stable disease or progressive disease).

Patients will be randomized 1:1 to receive ganetespib plus docetaxel, or docetaxel alone, at the same dose and schedule as in the GALAXY-1 trial. Docetaxel will be administered at 75 mg/m2 on day 1 of a 21-day treatment cycle in both arms until disease progression or treatment intolerance. Patients in the combination arm will also receive ganetespib 150 mg/m2 on days 1 and 15 of the 21-day treatment cycle. In the combination arm, following the completion of docetaxel therapy, treatment with ganetespib alone may be continued until disease progression or treatment intolerance.

The primary endpoint of the GALAXY-2 trial is overall survival. Two event-driven interim analyses are planned, which will be reviewed by an independent data monitoring committee. Key secondary endpoints include progression-free survival and overall response rate, as well as overall survival in certain prespecified biomarker-defined subpopulations.

Enrollment of GALAXY-2 began in April 2013. Based on current projections, we expect the interim and final analyses of the GALAXY-2 trial to be conducted in 2014.

Ganetespib as monotherapy: ALK+ NSCLC

In 2011, we presented results from a Phase 2 trial of ganetespib administered as a monotherapy in patients with advanced NSCLC at the ASCO Annual Meeting and the International Association for the Study of Lung Cancer (IASLC) 14th World Conference on Lung Cancer, respectively. Results presented at these meetings showed a connection between single-agent ganetespib clinical activity and certain tumor genetic profiles. Four of eight patients who were ALK+, i.e., for whom tumor genetic testing revealed rearrangements in the ALK gene, experienced confirmed partial responses following treatment with ganetespib. To further characterize ganetespib activity in the ALK+ NSCLC treatment setting, we initiated the CHIARA trial in 2012 to evaluate ganetespib monotherapy in ALK+ NSCLC patients who have not been previously treated with a direct ALK inhibitor. We expect to use results from an initial phase of enrollment, which was completed in the first quarter of 2013, to inform our decision on whether to continue additional enrollment in this trial. Results from this trial are expected to be presented in the second half of 2013.

Preclinical results from experiments conducted in our laboratories have demonstrated synergy between ganetespib and crizotinib or other ALK inhibitors. These data support our view of future combination approaches with ganetespib and ALK inhibitors for treatment of ALK+ NSCLC. A number of cancer centers and cooperative groups have approached us with proposals to support trials evaluating ganetespib in combination with other agents in ALK+ disease. An investigator-sponsored Phase 1/2 trial evaluating ganetespib and crizotinib combinations in patients with ALK+ NSCLC that have not been previously treated with an ALK inhibitor began enrolling patients at Memorial Sloan-Kettering Cancer Center (MSKCC) in New York City in 2012.

Ganetespib in breast cancer

In 2012, we initiated the ENCHANT trial designed to evaluate ganetespib monotherapy as first-line treatment for both metastatic HER2+ breast cancer and triple-negative breast cancer (TNBC). Recently, the protocol was amended to

include evaluation of ganetespib in combination with standard-of-care paclitaxel for treatment of HER2 negative metastatic breast cancer (which includes TNBC patients) and to discontinue enrollment of patients with HER2+ disease. The primary endpoint of this study is overall response rate. We plan to present preliminary results from the ENCHANT trial in the second half of 2013.

In addition, our collaborators at MSKCC and New York University have announced that they will initiate a Phase 1/2 trial evaluating ganetespib in combination with paclitaxel and Herceptin in HER2+ breast cancer.

Additional ganetespib clinical trials

In addition to the clinical trials we plan to initiate and continue in 2013, a number of ganetespib trials sponsored by third parties, including cooperative groups, foundations, and individual investigators, have recently been initiated or are expected to initiate in 2013. These include the following:

- the trials evaluating ganetespib in breast cancer and in ALK+ lung cancer described above;
- a randomized trial evaluating the combination of fulvestrant and ganetespib in patients with hormone receptor-positive, metastatic breast cancer, being conducted at the Dana-Farber Cancer Institute, which began enrolling patients in 2012;
- a trial evaluating the combination of ganetespib with capecitabine and radiation in patients with locally advanced rectal cancer being conducted at Emory University, which began enrolling patients in 2012;
- a trial evaluating both ganetespib monotherapy and the combination of ganetespib and bortezomib in multiple myeloma, which began enrolling patients in 2012 and is supported by a grant of up to $1 million by the Multiple Myeloma Research Foundation;
- a randomized trial evaluating the combination of ganetespib and low dose ara-C chemotherapy in elderly patients with acute myeloid leukemia (AML) being conducted at Cardiff University, which began enrolling patients in 2012; and
- a trial evaluating ganetespib in combination with pemetrexed and cisplatin in patients with malignant pleural mesothelioma, being sponsored by Cancer Research UK, which we expect to begin enrolling patients in the second quarter of 2013.

In addition, a European cooperative group plans to initiate a randomized trial comparing paclitaxel with and without ganetespib in patients with advanced ovarian cancer in 2013.

Elesclomol (Mitochondria-Targeting Agent)

Elesclomol is a first-in-class, investigational drug candidate that triggers programmed cell death (apoptosis), in cancer cells through a novel mechanism: disrupting cancer cell mitochondrial metabolism. In preclinical 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 present) and inactive mitochondria (insufficient oxygen present). Consistent with these findings in three randomized clinical trials, LDH was an important predictor of elesclomol treatment outcome.

Our current clinical program for elesclomol includes a clinical trial of elesclomol as a monotherapy in AML. In December 2009, we presented results at the American Society for Hematology (ASH) meeting showing that elesclomol was active against AML cell lines and primary blast cells from AML patients. In February 2011, we announced that the first patient had been treated in a Phase 1 dose escalation study of elesclomol as a single agent in patients with AML. This trial will enroll up to 36 patients with relapsed or refractory AML and total baseline serum LDH level less than 0.8 times ULN. Patients will be treated with elesclomol sodium on a once-weekly schedule at a starting dose of 200 mg/m2, with dose escalation planned based on safety, tolerability and pharmacokinetic considerations. The trial is being conducted at Princess Margaret Hospital in Toronto, Canada and at Memorial Sloan-Kettering Cancer Center in New York.

We are also evaluating the use of elesclomol in combination with paclitaxel in ovarian cancer. In March 2011, the Gynecological Oncology Group (GOG), initiated 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 for patients with total baseline serum LDH level less than 0.8 times ULN. The GOG is a non-profit organization with the purpose of promoting excellence in the quality and integrity of clinical and basic scientific research in the field of gynecologic malignancies. The National Cancer Institute is providing financial support of up to approximately $300,000 for the trial through its Cancer Therapy Evaluation Program. The ovarian cancer trial has met the prespecified efficacy requirement to advance to stage 2 and full enrollment of the Phase 2 study, indicating potential activity in this difficult-to-treat patient population with limited treatment options.

STA-9584 (Vascular Disrupting Agent)

STA-9584 is a novel, injectable, small molecule compound that appears to disrupt the blood vessels that supply tumors with oxygen and essential nutrients, and is in preclinical development. In March 2011, we received a $1 million grant from the United States Department of Defense (DoD) for the development of STA-9584 in advanced prostate cancer and initiated work on this study in the second quarter of 2011. We completed work covered by this grant in 2012.

Our Inflammatory Disease Programs

We have two preclinical-stage programs focusing on treatments for inflammatory diseases. Both of our inflammatory disease programs focus on oral, disease- modifying drug candidates that act through novel mechanisms and could potentially target multiple indications.

CRACM Ion Channel Inhibitors

We have developed novel, small molecule inhibitors of CRACM ion channels expressed on immune cells. Our CRACM ion channel inhibitors have shown anti-inflammatory activity in preclinical studies both *in vitro* and *in vivo*, inhibiting T cell and mast cell activity, including cytokine release, degranulation, and immune cell proliferation. Potential applications include a wide range of inflammatory diseases and disorders for which modulating T cell and mast cell function has been shown to be critical, including rheumatoid arthritis (RA), asthma, chronic obstructive pulmonary disease (COPD), allergy, transplant rejection, and other autoimmune diseases and inflammatory conditions. We have several CRACM inhibitors in preclinical development. Because there are a number of CRACM ion channel targets on immune cells, we believe that CRACM inhibitor compounds can be developed that target different diseases.

Roche CRACM Inhibitor Alliance

In December 2008, as amended in February 2010, February 2011 and July 2011, we formed a strategic alliance with Roche to discover, develop, and commercialize small-molecule drugs targeting CRACM channels, which we refer to as the Roche Agreement. The goal of this alliance was to develop a novel category of oral, disease-modifying agents for the treatment of RA and other autoimmune diseases and inflammatory conditions.

On November 16, 2011, we received notice from Roche of its election to terminate the Roche Agreement, which termination became effective on February 16, 2012. Roche's termination of the agreement falls under the "Termination for Convenience" clause of the agreement. As a result of termination of the Roche Agreement, the research, development and commercialization licenses granted to Roche by us have terminated. Ownership of all rights to all Licensed Compounds (as defined in the agreement) (including the scientific data relating to those compounds) has reverted to us. We have also received an exclusive license to use Roche's patent rights and know-how to research, develop, manufacture, commercialize and import any collaboration compound, including the Licensed Compounds. We are obligated to pay a low single digit royalty on a country-by-country and Licensed Product-by-Licensed Product (as defined in the agreement) basis upon commercialization of any Licensed Product.

IL-12/23 Inhibitors

The IL-12 cytokine is an important "master switch" that triggers the immune response of the T cell known as T helper type 1 (Th1). T cells play a critical role in the coordination of the body's immune response, and while Th1 cells are normally involved in the body's defense against intracellular attack by bacteria and other microorganisms, an overactive Th1 response can lead to various autoimmune or inflammatory diseases including Crohn's disease, psoriasis, RA, multiple sclerosis, and common variable immunodeficiency. The IL-23 cytokine is critical to the generation of a class of T cells known as Th17, which produce other pro-inflammatory proteins such as IL-17, which are critical in driving chronic inflammation. We believe that the clinical trial results observed with anti-IL-12/23 antibody therapies validate the inhibition of IL-12/23 activity as a promising approach for the treatment of inflammatory and autoimmune diseases. We have identified several small molecule IL-12/23 inhibitors that represent an opportunity to develop drug candidates that could be administered orally and potentially address a wide range of serious inflammatory diseases with high unmet medical needs

Financial Operations Overview

Revenue

We have not yet generated any product revenue and do not expect to generate any product revenue in the foreseeable future, if at all. Our revenues to date have been generated primarily through our prior collaboration agreements. The terms of these agreements included payment to us of upfront license fees, milestone payments, research and development cost sharing and royalties. We will seek to generate revenue from product sales and from future collaborative or strategic relationships. In the future, we expect any revenue we generate will fluctuate from quarter-to-quarter as a result of the timing and amount of payments received and expenses incurred under future collaborations or strategic relationships, and the amount and timing of payments we receive upon the sale of our drug candidates, to the extent any are successfully commercialized.

Research and Development

Research and development expense consists of costs incurred in connection with developing and advancing our drug discovery technology and identifying and developing our drug candidates. We charge all research and development expenses to operations as incurred.

Our research and development expense consists of:

- internal costs associated with research, preclinical and clinical activities;
- payments to third party contract research organizations, investigative sites and consultants in connection with our preclinical and clinical development programs;
- costs associated with drug formulation and supply of drugs for clinical trials;
- personnel related expenses, including salaries, stock-based compensation, benefits and travel; and
- overhead expenses, including rent and maintenance of our facilities, and laboratory and other supplies.

We do not know if we will be successful in developing our drug candidates. We believe that accurately projecting total program-specific expenses through commercialization is not possible at this time. The timing and amount of these expenses will depend upon the costs associated with potential future clinical trials of our drug candidates, and any expansion of our research and development organization, regulatory requirements, advancement of our preclinical programs and product manufacturing costs, many of which cannot be determined with accuracy at this time based on the stage of development of our drug candidates. This is due to the numerous risks and uncertainties associated with the duration and cost of clinical trials, which vary significantly over the life of a project as a result of unanticipated events arising during clinical development, including with respect to:

- the number of clinical sites included in the trial;
- the length of time required to enroll suitable subjects;
- the number of subjects that ultimately participate in the trials; and
- the efficacy and safety results of our clinical trials and the number of additional required clinical trials.

Our expenditures are subject to additional uncertainties, including the terms and timing of regulatory approvals. In addition, we may obtain unexpected or unfavorable results from our clinical trials. We may elect to discontinue, delay or modify clinical trials of some drug candidates or focus on others. A change in the outcome of any of the foregoing variables in the development of a drug candidate could mean a significant change in the costs and timing associated with the development of that drug candidate. For example, if the FDA or other regulatory authority were to require us to conduct clinical trials beyond those that we currently anticipate, or if we experience significant delays in any of our clinical trials, we would be required to expend significant additional financial resources and time on the completion of clinical development. Additionally, future commercial and regulatory factors beyond our control will evolve and therefore impact our clinical development programs and plans over time.

In 2013, we anticipate that the overall costs under our ganetespib program will increase as we further advance clinical development of ganetespib, including the GALAXY-1, GALAXY-2, ENCHANT and CHIARA trials, and conduct non-clinical supporting activities.

Beyond our current lead drug candidates, we anticipate that we will select drug candidates and research projects for further development on an ongoing basis in response to their preclinical and clinical success, as well as commercial potential.

General and Administrative

General and administrative expense consists primarily of salaries and related expenses for personnel in executive, finance, business and commercial development, investor and medical community relations, human resources and administrative functions. Other costs include stock-based compensation costs, directors' and officers' liability insurance premiums, legal costs of pursuing patent protection of our intellectual property, fees for general legal, accounting, public-company requirements and compliance, and other professional services, as well as overhead-related costs not otherwise included in research and development. In 2013, we

anticipate that general and administrative expenses will increase as we expand our pre-commercialization activities and medical community relations.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of operations are based on our financial statements which have been prepared in accordance with U.S. generally accepted accounting principles, or GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported periods. We are required to make estimates and judgments with respect to research contract accruals, the recoverability of long-lived assets, measurement of stock-based compensation and the periods of performance under collaborative research and development agreements. We base our estimates on historical experience, known trends and events, and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources and the reported amounts of revenues and expenses. Actual results may differ from these estimates under different assumptions or conditions.

You should read the following discussion of our reported financial results in conjunction with the critical accounting policies disclosed in our Annual Report on Form 10-K for the year ended December 31, 2012, as filed with the Securities and Exchange Commission on March 14, 2013. There have been no significant changes to our critical accounting policies in 2013.

Consolidated Results of Operations

Three Months Ended March 31, 2013 Compared with Three Months Ended March 31, 2012

Revenues

	Three Months Ended March 31,		2013 to 2012 Change	
	2013	2012	$	%
	(dollars in millions)			
Revenues				
Grant revenues	$ —	$ 0.1	$ (0.1)	(100)%
Total revenues	$ —	$ 0.1	$ (0.1)	(100)%

In 2013 as compared to 2012, grant revenue decreased by $0.1 million. In March 2011, we received a grant from the DoD in the approximate amount of $1 million, for the development of STA-9584 in advanced prostate cancer. We conducted work on this study during the one year grant period from April 2011 through March 2012. Reimbursements were based on actual costs agreed upon in the proposal (salary, fringe benefits, overhead, and direct costs such as materials and subcontractors). We recognized $0 and $0.1 million of grant revenue under this grant in the three months ended March 31, 2013 and 2012, respectively.

Research and Development Expense

	Three Months Ended March 31,		2013 to 2012 Change	
	2013	2012	$	%
	(dollars in millions)			
Clinical-stage drug candidates				
Ganetespib	$ 15.8	$ 10.2	$ 5.6	55%
Elesclomol	0.1	0.6	(0.5)	(83)%
Total clinical-stage drug candidates	15.9	10.8	5.1	47%
CRACM	0.4	1.1	(0.7)	(64)%
STA-9584	—	0.2	(0.2)	(100)%
Early stage programs and other	0.1	—	0.1	—%
Total research and development	$ 16.4	$ 12.1	$ 4.3	36%

Ganetespib

In 2013 as compared to 2012, costs incurred under our ganetespib program increased by $5.6 million, including increases of $1.1 million for personnel-related costs, related research supplies, operational overhead and stock compensation, and $4.5 million for external costs. These increases were principally due to expenses incurred in the first quarter of 2013 related to start-up activities in connection with the GALAXY-2 trial that we recently initiated and the conduct of clinical pharmacology studies, as well as net increases related to supporting drug supply and other non-clinical activities. In 2013, we anticipate that the overall costs under our ganetespib program will continue to increase as we further advance clinical development, including the GALAXY-1, GALAXY-2, ENCHANT and CHIARA trials, and conduct non-clinical supporting activities.

Elesclomol

In 2013 as compared to 2012, costs incurred under our elesclomol program decreased by $0.5 million, including decreases of $0.4 million for personnel-related costs, related research supplies, operational overhead and stock compensation, and $0.1 million for external costs. In 2013, we anticipate that the overall costs under our elesclomol program will remain at levels similar to 2012.

CRACM

In 2013 as compared to 2012, costs incurred under our CRACM program decreased by $0.7 million, principally due to a decrease of $0.7 million for personnel-related costs, related research supplies, operational overhead and stock compensation. This net decrease was the result of a continued lower investment in the CRACM program. In 2013, we anticipate that costs under the CRACM program will remain at constrained levels as we seek a partner for the program.

General and Administrative Expense

	Three Months Ended March 31,		2013 to 2012 Change	
	2013	2012	$	%
	(dollars in millions)			
General and administrative	$ 3.9	$ 2.7	$ 1.2	44%

In 2013 as compared to 2012, general and administrative expenses increased by $1.2 million, including increases of $0.6 million for personnel-related costs, related overhead and stock compensation, and $0.6 million for net increases in external professional fees. In 2013, we anticipate that general and administrative expenses will increase as we expand our pre-commercialization activities and medical community relations.

Interest Expense, net

	Three Months Ended March 31,		2013 to 2012 Change	
	2013	2012	$	%
	(dollars in millions)			
Interest expense, net	$ 0.5	$ 0.5	$ —	—%

In 2013, we anticipate that interest expense will increase compared to 2012 as a result of the approximate $13.2 million in additional funding that was obtained in March 2013 in connection with the GECC Term Loan and Oxford Term Loan.

Liquidity and Capital Resources

Cash Flows

The following table provides information regarding our cash position, cash flows and capital expenditures for the three months ended March 31, 2013 and 2012.

	Three Months Ended March 31,	
	2013	2012
	(dollars in millions)	
Cash, cash equivalents and marketable securities	$ 90.4	$ 57.4
Working capital	75.3	42.4
Cash flows (used in) provided by:		
Operating activities	(22.2)	(15.3)
Investing activities	(36.6)	(13.3)
Financing activities	12.3	33.0

Our operating activities used cash of $22.2 million and $15.3 million in 2013 and 2012, respectively. The use of cash in these periods principally resulted from our losses from operations, as adjusted for non-cash charges for depreciation and stock-based compensation, and changes in our working capital accounts.

In 2013, our investing activities used cash of $36.6 million, including the purchases of marketable securities in the amount of $55.3 million and purchases of property and equipment in the amount of $0.3 million, offset by maturities of marketable securities in our investment portfolio in the amount of $19.0 million. In 2012, our investing activities used cash of $13.3 million, including the purchases of marketable securities in the amount of $22.8 million and purchases of property and equipment in the amount of $0.1 million, offset by maturities of marketable securities in our investment portfolio in the amount of $9.6 million.

Our financing activities provided cash of $12.3 million and $33.0 million in 2013 and 2012. In 2013, we raised approximately $14.3 million in net cash proceeds, including $13.2 million in gross proceeds from additional funding under the GECC Term Loan and Oxford Term Loan and $1.1 million from the exercise of common stock options. In 2012, we raised approximately $33.2 million in net cash proceeds, including $33.0 million in net proceeds from the sale of 8,050,000 shares of our common stock in a public offering in January 2012 and February 2012 and $0.2 million from the exercise of common stock options. We repaid $2.0 million and $0.2 million in principal payments in 2013 and 2012, respectively, in connection with the GECC Term Loan and the Oxford Term Loan.

Contractual Obligations and Commitments

Except as follows, of March 31, 2013, there have been no material changes to the contractual obligations and commitments included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012.

- In March 2013, we entered into an amendment to the GECC Term Loan as described below.

At-The-Market Issuance Sales Agreement with MLV

On May 2, 2012, as amended, we entered into an at-the-market issuance sales agreement, or Sales Agreement, with MLV pursuant to which we may issue and sell shares of our common stock having an aggregate offering price of up to $28 million from time to time, at our option, through MLV as our sales agent, subject to certain terms and conditions. Any shares sold will be sold pursuant to our effective shelf registration statement on Form S-3. We will pay MLV a commission of up to 3% of the gross proceeds of the sale of any shares sold through MLV. To date, no shares have been sold under the Sales Agreement.

Term Loans

General Electric Capital Corporation (GECC)

In March 2013, we amended our loan and security agreement entered into in September 2010 with GECC and one other lender, or the GECC Term Loan, obtaining $12.9 million in additional loan funding and, as a result, increasing the principal balance to $22.5 million at March 31, 2013. Interest on the borrowings under the GECC Term Loan remains at the annual rate of 9.75%. We will make interest-only payments for the period from April 2013 through December 2013. Beginning in January 2014, we will begin making 30 equal monthly payments of principal plus accrued interest on the outstanding balance. We are obligated to pay an exit fee of $788,000 at the time of the final principal payment. (See Note 9 of the accompanying consolidated financial statements.)

Oxford Finance Corporation (Oxford)

In March 2011, we entered into a $2 million loan and security agreement with Oxford, all of which was funded at the closing, which we refer to herein as the Oxford Term Loan. Interest on the borrowings under the Oxford Term Loan accrues at an annual rate of 13.35%. Beginning in May 2011, we began making 36 equal monthly payments of principal plus accrued interest on the outstanding balance. In December 2012, we entered into a loan modification agreement with Oxford under which we may draw down up to an additional $0.6 million in equipment financing until May 31, 2013. As of March 31, 2013, the Company had drawn down $310,000 in additional equipment financing. (See Note 9 of the accompanying consolidated financial statements.)

Liquidity

Funding Requirements

We expect to continue to incur significant operating expenses and capital expenditures and anticipate that our expenses and losses may increase substantially in the foreseeable future as we:

- complete the ongoing clinical trials of ganetespib in solid tumors, including the GALAXY-1, GALAXY-2, ENCHANT and CHIARA trials, and initiate additional clinical trials of ganetespib if supported by trial results;
- complete preclinical development of an additional Hsp90 inhibitor and initiate clinical trials of this compound, if supported by the preclinical data;
- complete the ongoing clinical trials of elesclomol in AML and ovarian cancers, and initiate additional clinical trials of elesclomol, if supported by trial results;
- complete preclinical development of STA-9584 and initiate clinical trials, if supported by preclinical data;
- advance our CRACM inhibitor into preclinical development and initiate clinical trials, if supported by preclinical data;
- discover, develop, and seek regulatory approval for backups of our current drug candidates and other new drug candidates;
- identify additional compounds or drug candidates and acquire rights from third parties to those compounds or drug candidates through licenses, acquisitions or other means; and
- commercialize any approved drug candidates.

Our funding requirements will depend on a number of factors, including:

- the progress and results of our ongoing clinical trials of ganetespib and elesclomol, and any additional clinical trials we may initiate in the future based on the results of these clinical trials;
- the results of our preclinical studies of any additional Hsp90 inhibitors we may develop, our CRACM inhibitor and STA-9584, and our decision to initiate clinical trials, if supported by the preclinical and other test results;
- uncertainty associated with costs, timing, and outcome of regulatory review of our drug candidates;
- the scope, progress, results, and cost of preclinical development, clinical trials, and regulatory review of any new drug candidates we may discover or acquire;
- the costs of preparing, filing, and prosecuting patent applications and maintaining, enforcing, and defending intellectual property-related claims;
- our ability to establish additional strategic collaborations and licensing or other arrangements on terms favorable to us;
- the costs to satisfy our obligations under potential future collaborations; and

- the timing, receipt, and amount of sales or royalties, if any, from ganetespib, elesclomol, STA-9584, our CRACM inhibitors, our IL-12/23 inhibitors and our other potential products.

As of March 31, 2013, we had $90.4 million in cash, cash equivalents and marketable securities, a decrease of $10.2 million from $100.6 million as of December 31, 2012. This decrease principally reflects cash used in operations as discussed under "Cash Flows" above, offset by a total of $14.3 million in additional funding obtained under the GECC Term Loan and Oxford Term Loan and exercises of common stock options in 2013.

We do not anticipate that we will generate product revenue in the foreseeable future, if at all. We expect our continuing operations to use cash over the next several years and such cash use may increase significantly from year to year. While we are engaged in multiple preliminary partnership discussions for each of our currently unpartnered programs, including ganetespib, elesclomol, STA-9584, CRACM, and our IL-12/23 inhibitors, which could result in one or more new partnership agreements that may include upfront payments and cost-sharing provisions, there is no guarantee we will be successful in entering into any such partnership agreements on commercially reasonable terms, if at all, or that we will receive any other revenue through these partnership efforts in the future. Based on our current operating levels, we expect our cash resources will be sufficient to fund operations into the second quarter of 2014. This estimate assumes that the timing and nature of activities contemplated for 2013 and 2014 will be conducted subject to the availability of sufficient financial resources. We continue to evaluate additional potential sources of funding, including partnership agreements, cost or risk-sharing arrangements, equity financings, use of our $28 million at-the-market issuance sales agreement with MLV or other sources.

We may require significant additional funds earlier than we currently expect in order to conduct additional clinical trials and conduct additional preclinical and discovery activities. Because of the numerous risks and uncertainties associated with the development and commercialization of our drug candidates, we are unable to estimate the amounts of increased capital outlays and operating expenditures associated with our current and anticipated clinical trials.

To the extent our capital resources are insufficient to meet our future capital requirements, we will need to finance our future cash needs through public or private equity offerings, collaboration agreements, debt financings or licensing arrangements. However, additional funding may not be available to us on acceptable terms or at all. In addition, the terms of any financing may adversely affect the holdings or the rights of our stockholders. For example, if we raise additional funds by issuing equity securities or by selling convertible debt securities, further dilution to our existing stockholders may result. If we raise funds through collaboration agreements or licensing arrangements, we may be required to relinquish rights to our technologies or drug candidates, or grant licenses on terms that are not favorable to us.

If adequate funds are not available, we may be required to terminate, significantly modify or delay our research and development programs, reduce our planned commercialization efforts, or obtain funds through collaborators that may require us to relinquish rights to our technologies or drug candidates that we might otherwise seek to develop or commercialize independently. Conversely, we may elect to raise additional funds even before we need them if the conditions for raising capital are favorable. We currently have an effective shelf registration statement on Form S-3, under which we currently have up to $28.6 million in securities available for issuance, including up to $28 million in shares of common stock that we have reserved and that may be offered and sold under the Sales Agreement with MLV. On March 14, 2013, we filed a shelf registration statement on Form S-3 to register up to an additional $300 million of our securities for future issuance.

Certain Factors That May Affect Future Results of Operations

The Securities and Exchange Commission, or SEC, encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. This Quarterly Report on Form 10-Q contains such "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995.

Words such as "may," "anticipate," "estimate," "expects," "projects," "intends," "plans," "believes" and words and terms of similar substance used in connection with any discussion of future operating or financial performance, identify forward-looking statements. All forward-looking statements are management's present expectations of future events and are subject to a number of risks and uncertainties that could cause actual results to differ materially and adversely from those described in the forward-looking statements. These risks include, but are not limited to those set forth under the heading "Risk Factors" contained in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2012 that we have filed with the SEC.

In light of these assumptions, risks and uncertainties, the results and events discussed in the forward-looking statements contained in this Quarterly Report on Form 10-Q might not occur. Stockholders are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this Quarterly Report on Form 10-Q. We are not under any obligation,

and we expressly disclaim any obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise. All subsequent forward-looking statements attributable to Synta or to any person acting on its behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Interest Rate Sensitivity. As of March 31, 2013, we had cash, cash equivalents and marketable securities of $90.4 million consisting of cash deposited in a highly rated financial institution in the United States and in a short-term U.S. Treasury money market fund, as well as high-grade corporate and government bonds and commercial paper. The primary objective of our investment activities is to preserve our capital for the purpose of funding operations and we do not enter into investments for trading or speculative purposes. We believe that we did not have material exposure to high-risk investments such as mortgage-backed securities, auction rate securities or other special investment vehicles within our money-market fund investments. We believe that we do not have any material exposure to changes in fair value as a result of changes in interest rates. Declines in interest rates, however, would reduce future investment income.

Capital Market Risk. We currently have no product revenues and depend on funds raised through other sources. One possible source of funding is through further equity offerings. Our ability to raise funds in this manner depends upon capital market forces affecting our stock price.

Item 4. Controls and Procedures.

(a) *Evaluation of Disclosure Controls and Procedures*. Our principal executive officer and principal financial officer evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

(b) *Changes in Internal Controls*. There were no changes in our internal control over financial reporting, identified in connection with the evaluation of such internal control that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

We are currently not a party to any material legal proceedings.

Item 1A. Risk Factors.

There have been no material changes to the risk factors included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

(a) *Exhibits*

10.1.1	Eighth Amendment to Loan and Security Agreement dated as of March 28, 2013 by and among the Company, Synta Securities Corp., General Electric Capital Corporation, and MidCap Funding III, LLC (incorporated by reference to Exhibit 10.1.1 to the Registrant's Current Report on Form 8-K filed April 1, 2013 (File No. 001-33277)).
10.1.2	Amended and Restated Promissory Note issued by the Registrant to General Electric Capital Corporation (incorporated by reference to Exhibit 10.1.2 to the Registrant's Current Report on Form 8-K filed April 1, 2013 (File No. 001-33277)).
10.1.3	Amended and Restated Promissory Note issued by the Registrant to MidCap Funding III, LLC (incorporated by reference to Exhibit 10.1.3 to the Registrant's Current Report on Form 8-K filed April 1, 2013 (File No. 001-33277))
10.2*	Letter Agreement, dated February 25, 2013, by and between the Registrant and Sumant Ramachandra, M.D., Ph.D.
10.3*	Severance and Change of Control Agreement, dated February 25, 2013, by and between the Registrant and Sumant Ramachandra, M.D., Ph.D.
31.1	Certification of principal executive officer under Section 302(a) of the Sarbanes-Oxley Act of 2002.
31.2	Certification of principal financial officer under Section 302(a) of the Sarbanes-Oxley Act of 2002.
32.1	Certifications of the principal executive officer and the principal financial officer under Section 906 of the Sarbanes-Oxley Act of 2002.
101**	The following materials from Synta Pharmaceuticals Corp.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2013, formatted in XBRL (eXtensible Business Reporting Language): (i) the Unaudited Condensed Consolidated Balance Sheets, (ii) the Unaudited Condensed Consolidated Statements of Operations, (iii) the Unaudited Condensed Consolidated Statements of Comprehensive Loss, (iv) the Unaudited Condensed Consolidated Statements of Cash Flows, and (v) Notes to Unaudited Condensed Consolidated Financial Statements.

* Management contract, compensatory plan or arrangement.

** Users of the XBRL data are advised pursuant to Rule 406T of Regulation S-T that this interactive data file is deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SYNTA PHARMACEUTICALS CORP.

Date: April 30, 2013

By: /s/ Safi R. Bahcall
Safi R. Bahcall, Ph.D.
President and Chief Executive Officer
(principal executive officer)

Date: April 30, 2013

By: /s/ Keith S. Ehrlich
Keith S. Ehrlich, C.P.A.
Vice President Finance and Administration,
Chief Financial Officer
(principal accounting and financial officer)

Exhibit 10.2

[SYNTA LETTERHEAD]

February 25, 2013

Sumant Ramachandra, MD, PhD
[ADDRESS]

Dear Sumant:

On behalf of Synta Pharmaceuticals, I am pleased to offer you the position of President, Research and Development reporting to Safi Bahcall, President and Chief Executive Officer for Synta Pharmaceuticals Corp. (hereinafter "Synta Pharmaceuticals" or the "Company").

1. Effective Date: The effective date of your employment is March 11, 2013.

2. Compensation: Your initial base salary will be $480,000.00.annually, payable at a semi-monthly rate of $20,000.00, from which all applicable taxes and other customary employment-related deductions will be taken.

You will be eligible to receive up to $4,000.00 per month for up to 36 months following your start date with the Company as reimbursement for temporary housing rental, furniture rental, vehicle rental/lease expenses in Massachusetts, as well as travel between Massachusetts and Illinois. You will be required to provide appropriate receipts for all such expenses, and to provide such receipts to the Company within 90 days of incurring any such expense, in order to be reimbursed for such expenses. If, within 24 months of your start date at the Company, you voluntarily resign from your employment with the Company or if your employment with the Company is terminated by the Company for "Cause" (as that term is defined in the attached ***Severance and Change of Control Agreement***), you agree to repay to the Company any payments, reimbursements or expenses paid to you or on your behalf as described in this paragraph, within 10 days following your last day of employment with the Company.

In addition to the above temporary living reimbursement, the Company will provide a full service pack and move of your household items from Illinois to Massachusetts so long as your relocation takes place on or before the end of June, 2018.

All reimbursements provided under this Agreement or other agreement between you and the Company shall, to the extent applicable, be made or provided in accordance with the requirements of Section 409A of the Internal Revenue Code and the rules and regulations thereunder including, where applicable, the requirement that (a) any reimbursement is for expenses incurred during the term of this Agreement; (b) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year; (c) the reimbursement of an eligible expense shall be made no later than the last day of the calendar year following the year in which the expense is incurred; and (d) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit.

3. Bonus: You will be eligible to receive an annual, discretionary performance based bonus. This cash bonus, for fully meeting and exceeding expectations under the Company's bonus program, is expected to be at a target level of 50% of your base salary. Such bonus, if any, will be granted at the discretion of the Company's Board of Directors and will be paid to you by no later than March 15th of the calendar year immediately following the calendar year in which it was earned.

4. Stock Option: You will be granted an incentive stock option to purchase 225,000 shares of the Company's common stock pursuant to the terms of the Synta Pharmaceuticals Corp. 2006 Stock Plan (the "Plan") and formal stock option agreement. All stock option grants shall be priced at the fair market value (as defined in the 2006 plan) on the grant date and are subject to a vesting schedule over four years (25% vest on the first year anniversary of your hire date and the remainder in equal portions quarterly over the next three years). If there is a conflict between the terms of the Plan, a copy of which will be provided to you with the grant, and any stock option agreement, the terms of the Plan will control.

You will also be granted 75,000 restricted shares of the Company's common stock pursuant to the terms of the Plan and a formal restricted share agreement to be executed by you pursuant thereto. These restricted shares shall be subject to the following vesting schedule: 50% vest on the second anniversary of your hire date and the remainder on the third anniversary of your hire date. If there is conflict between the terms of the Plan, a copy of which will be provided to you with the grant, and any restricted share agreement

5. Severance and Change of Control: Please refer to the document included with this offer of employment entitled ***Severance and Change of Control Agreement***, a copy of which is attached hereto as Exhibit A.

6. Benefits: As a full-time employee, you will be eligible to participate in certain Company-sponsored benefit plans to the same extent as, and subject to the same terms, conditions and limitations applicable to other employees of the Company of similar rank and tenure. All benefits may be changed or modified from time to time at the Company's sole discretion.

7. Employment Period: Your employment with the Company will be at-will, meaning that you will not be obligated to remain employed by the Company for any specified period of time; likewise, the Company will not be obligated to continue your employment for any specific period and may terminate your employment at any time, with or without cause.

8. Contingencies: Our employment offer to you is contingent upon (1) your execution of the standard form of ***Non-Competition, Confidentiality and Inventions Agreement*** (a copy of which is attached hereto as Exhibit B); (2) your ability, as required under federal law, to establish your employment eligibility as a U.S. citizen, a lawful permanent resident of the U.S. or an individual specifically authorized for employment by the Immigration and Naturalization Service; and (3) completion of a satisfactory background check. If any of the foregoing conditions are not met, this employment offer shall be null and void.

9. Jurisdiction and Waiver: In the case of any dispute, this offer of employment shall be interpreted under the laws of the Commonwealth of Massachusetts. By accepting this offer of employment, you agree that any action, demand, claim or counterclaim in connection with any aspect of your employment with the Company or any separation of employment (whether voluntary or involuntary) from the Company, shall be resolved in a court of competent jurisdiction in Massachusetts by a judge alone, and you knowingly waive and forever renounce your right to a trial before a civil jury; provided, however, that any claims related to the terms of the ***Severance and Change of Control Agreement*** shall be resolved in the arbitration forum specified in that agreement.

10. Orientation: On your first day of employment, please arrive at 45 Hartwell Avenue at 8:30am for benefits enrollment with Human Resources.

Sumant, we are very enthusiastic and looking forward to your joining us as a Synta Pharmaceuticals employee. Please indicate your acceptance of the foregoing by signing one enclosed copy of this letter and returning it to Art McMahon by no later than February 26, 2013. After that date, this offer will lapse. If you need additional time to respond to this offer, please let us know immediately.

Sincerely,

SYNTA PHARMACEUTICALS CORP.

/s/ Safi Bahcall
Safi Bahcall, Ph.D.
Director, President and Chief Executive Officer

Agreed to and accepted:

Name: /s/ Sumant Ramachandra Date: February 26, 2013
Sumant Ramachandra, MD, PhD

EXHIBIT B

Synta Pharmaceuticals Corp.
45 Hartwell Avenue
Lexington, MA 02421

February 25, 2013

Sumant Ramachandra, MD, PhD
[ADDRESS]

Dear Sumant:

This letter is to confirm our understanding with respect to (i) your agreement not to compete with Synta Pharmaceuticals Corp. or its subsidiaries or affiliates (collectively, the "Company") and (ii) your agreement to protect and preserve information and property which is confidential and proprietary to the Company (the terms and conditions agreed to in this letter shall hereinafter be referred to as the "Agreement"). You hereby acknowledge and agree that you are an "at-will" employee and that no provision of this Agreement shall be construed to create an express or implied employment contract, or a promise of employment for a specific period of time, and the Company expressly reserves the right to end your employment at any time, with or without notice or cause.

In consideration of your employment by the Company, the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, we have agreed as follows:

1. Prohibited Competition and Solicitation.

(a) Certain Acknowledgments and Agreements.

(i) We have discussed, and you recognize and acknowledge the competitive and proprietary aspects of the business of the Company.

(ii) You acknowledge and agree that (A) you will devote your full time and efforts to the business of the Company during your employment with the Company, and (B) during the period of your employment with the Company (the "Term") and, for a period of six (6) months following the termination of your employment (whether such termination is voluntary or involuntary), you shall not participate, directly or indirectly, in any capacity, in any business which is competitive with the Company without the prior written consent of the Company. You acknowledge and agree that a business will be deemed competitive with the Company if, within the Field of Interest (as defined below), it conducts research, performs any of the services or manufactures or sells any of the products provided or offered by the Company or if it performs any other services and/or engages in the production, manufacture, distribution or sale of any product that may be purchased in lieu of purchasing services performed or products produced, manufactured, distributed or sold by the Company at any time during the period of your employment with the Company.

(iii) You further acknowledge and agree that, during the course of your employment with the Company, the Company will furnish, disclose or make available to you confidential and proprietary information related to the Company's business and that the Company may provide you with unique and specialized training. You also acknowledge that such confidential information and such training have been developed and will be developed by the Company through the expenditure by the Company of substantial time, effort and money and that all such confidential information and training could be used by you to compete with the Company.

(b) Non-Solicitation. During the Term and for a period of twelve (12) months following termination of your employment, whether such termination is voluntary or involuntary, you shall not, without the prior written consent of the Company:

(i) either individually or on behalf of or through any third party, solicit, divert or appropriate or attempt to solicit, divert or appropriate, any customer of the Company with which you had any contact at any time during the Term, for purposes of competing with the Company as described in Section 1(a)(ii) above; or

(ii) either individually or on behalf of or through any third party, directly or indirectly, solicit, entice or persuade or attempt to solicit, entice or persuade any employees of or consultants to the Company (other than your spouse), who have been employees or consultants of the Company at any time during the Term, or who are employees at the time of the solicitation, to leave the services of the Company.

(c) Field of Interest. As used herein, the term "Field of Interest" means the research of, and/or the development, manufacture and sale of, any therapeutic or diagnostic product that is developed, manufactured or sold by the Company at any time during the Term, as documented in the bi-weekly scientific project reports or other scientific planning documents of the company (the "Scientific Reports") prepared by the Company during the Term. You hereby acknowledge and agree that the Field of Interest shall be assessed for purposes of this Agreement as of the date on which your employment with the Company terminates, which assessment shall include, without limitation, a review of the applicable Scientific Reports.

(d) Reasonableness of Restrictions. You further acknowledge and agree that (i) the activities which are prohibited by this Section 1 are narrow and reasonable in relation to the skills which represent your principal salable asset both to the Company and to your other prospective employers, and (ii) given the global nature of the Company's business, including its need to market its services and sell its products in a large geographic area in order to have a sufficient customer base to make the Company's business profitable, the geographic, length of time and substantive scope of the provisions of this Section 1 are reasonable, legitimate and fair to you.

(e) Survival of Acknowledgments and Agreements. Except as expressly set forth hereunder, your acknowledgments and agreements set forth in this Section 1 shall survive the termination of your employment with the Company for the periods set forth above.

2. Protected Information.

(a) Confidentiality Obligations. You shall at all times, both during the Term and thereafter, maintain in confidence and shall not, without the prior written consent of the Company, use, except in the course of performance of your duties for the Company, disclose or give to others any Confidential Information of the Company. As used herein, the term "Confidential Information" shall mean any information which is disclosed to or developed by you during the course of performing services for, or receiving training from, the Company, and is not generally available to the public, including but not limited to confidential information concerning business plans, customers, future customers, suppliers, licensors, licensees, partners, investors, affiliates or others, training methods and materials, financial information, sales prospects, client lists, Company Inventions (as defined in Section 3), or any other scientific, technical, trade or business secret or confidential or proprietary information of the Company or of any third party provided to you during the Term. In the event anyone not employed or otherwise engaged by the Company seeks information from you in regard to any such Confidential Information or any other secret or confidential work of the Company, or concerning any fact or circumstance relating thereto, you will promptly notify the chief executive officer of the Company.

(b) Limited Exceptions. The restrictions in Section 2(a) hereof shall not apply to information that, as can be established by competent written records: (i) was publicly known at the time of the Company's communication thereof to you; (ii) becomes publicly known through no fault of yours subsequent to the time of the Company's communication thereof to you; (iii) was in your possession free of any obligation of confidence at the time of the Company's communication thereof to you; or (iv) is developed by you independently of and without reference to or use of any of the Company's Confidential Information. In the event that you are required by law, regulation or court order to disclose any of the Company's Confidential Information, you shall (i) first notify the Company of such disclosure requirement and (ii) furnish only that portion of the Confidential Information that is legally required and will exercise all reasonable efforts to obtain reliable assurances that confidential treatment will be accorded the Confidential Information.

(c) Survival of Acknowledgements and Agreements. Except as expressly set forth hereunder, your acknowledgements and agreements set forth in this Section 2 shall survive the termination of your employment with the Company.

3. Ownership of Intellectual Property Ideas.

(a) Property of the Company. As used in this Agreement, the term "Inventions" shall mean all ideas, discoveries, creations, manuscripts and properties, innovations, improvements, know-how, inventions, designs, developments, apparatus, techniques, methods, biological processes, cell lines, laboratory notebooks and formulae, whether patentable, copyrightable or not, including all rights to obtain, register, perfect and enforce any of the foregoing. You hereby agree that any Inventions which you may conceive, reduce to practice or develop during the Term in connection with the business activities of the Company or otherwise

within the Field of Interest, alone or in conjunction with any other party, whether during or out of regular business hours, and whether at the request or upon the suggestion of the Company, or otherwise (collectively, the "Company Inventions"), shall be the sole and exclusive property of the Company. You hereby assign to the Company all of your right, title and interest in and to all such Company Inventions and hereby agree that you shall not publish any of the Company Inventions without the prior written consent of the Company.

(b) Cooperation. During the Term, you agree that, without further compensation, you will disclose promptly to the Company in writing, all Company Inventions you conceive, reduce to practice or develop during the Term (or, if based on or related to any Confidential Information of the Company obtained by you during the Term, within one (1) year after the termination of your employment). You further agree that you will fully cooperate with the Company, its attorneys and agents in the preparation and filing of all papers and other documents as may be reasonably required to perfect the Company's rights in and to any of such Company Inventions, including, but not limited to, joining in any proceeding to obtain patents, copyrights, trademarks or other legal rights of the United States and of any and all other countries on such Company Inventions; provided, that, the Company will bear the expense of such proceedings (including all of your reasonable expenses). You further agree that any patent or other legal right covering any Company Invention so issued to you, personally, shall be assigned by you to the Company without charge by you. You further acknowledge that all original works of authorship made by you, whether alone or jointly with others within the scope of your employment and which are protectable by copyright are "works made for hire" within the meaning of the United States Copyright Act, 17 U.S.C. § 101, as amended, the copyright of which shall be owned solely, completely and exclusively by the Company. If any Company Invention is considered to be work not included in the categories of work covered by the United States Copyright Act, 17 U.S.C. § 101, as amended, such work shall be owned solely by, or hereby assigned or transferred completely and exclusively to, the Company. If the Company is unable because of your mental or physical incapacity or for any other reason, after reasonable effort, to secure your signature on any document or documents needed to obtain or enforce any patent, copyright, trademarks or any other rights covering Inventions or original works of authorship assigned by you to the Company as required above, you hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as your agent and attorney-in-fact, to act for and in your behalf and stead to execute and file any application or assignment and to do all other lawfully permitted acts to further the prosecution and issuance to the Company of patents, copyright registrations, trademark registrations or similar protections covering the Inventions with the same legal force and effect as if executed by you.

4. Provisions Necessary and Reasonable/Breach/Attorneys' Fees . You agree that (i) the provisions of Sections 1, 2 and 3 of this Agreement are necessary and reasonable to protect the Company's Confidential Information, Company Inventions, and goodwill and (ii) in the event of any breach of any of the covenants set forth herein, the Company would suffer substantial irreparable harm and would not have an adequate remedy at law for such breach. In recognition of the foregoing, you agree that in the event of a breach or threatened breach of any of these

covenants, in addition to such other remedies as the Company may have at law, without posting any bond or security, the Company shall be entitled to seek and obtain equitable relief, in the form of specific performance, and/or temporary, preliminary or permanent injunctive relief, or any other equitable remedy which then may be available. The seeking of such injunction or order shall not affect the Company's right to seek and obtain damages or other equitable relief on account of any such actual or threatened breach.

5. Disclosure to Future Employers. You agree that you will provide, and that the Company may similarly provide in its discretion, a copy of the covenants contained in Sections 1, 2 and 3 of this Agreement to any business or enterprise which you may directly, or indirectly, own, manage, operate, finance, join, control or in which you participate in the ownership, management, operation, financing, or control, or with which you may be connected as an officer, director, employee, partner, principal, agent, representative, consultant or otherwise.

6. Representations Regarding Prior Work and Legal Obligations.

(a) You represent that you have no agreement or other legal obligation with any prior employer or any other person or entity that restricts your ability to engage in employment discussions with, employment with, or to perform any function for, the Company.

(b) You represent that you have been advised by the Company that at no time should you divulge to or use for the benefit of the Company, any trade secret or confidential or proprietary information of any previous employer. You acknowledge that you have not divulged or used any such information for the benefit of the Company.

(c) You acknowledge that the Company is basing important business decisions on these representations, and affirm that all of the statements included herein are true.

7. Records. Upon termination of your employment relationship with the Company, you shall deliver to the Company any property of the Company which may be in your possession including products, materials, memoranda, notes, records, reports, or other documents or photocopies of the same.

8. No Conflicting Agreements. You hereby represent and warrant that, with the exception of the non-competition, non-solicitation agreement between you and Hospira, Inc. (a copy of which will be provided to the Company prior to your effective date of employment) you have no commitments or obligations inconsistent with this Agreement and you hereby agree to indemnify and hold the Company harmless against loss, damage, liability or expense arising from any claim based upon circumstances alleged to be inconsistent with such representation and warranty.

9. General.

(a) Notices. All notices, requests, consents and other communications hereunder shall be in writing, shall be addressed to the receiving party's address set forth below or to such other address as a party may designate by notice hereunder, and shall be either (i) delivered by

hand, (ii) made by telex, telecopy or facsimile transmission with confirmed receipt thereof (and with a copy of such telex, telecopy or facsimile, together with a copy of the confirmation sent to the recipient by regular U.S. mail on the next business day), (iii) sent by overnight courier, or (iv) sent by registered mail, return receipt requested, postage prepaid.

If to the Company:	Synta Pharmaceuticals Corp. 45 Hartwell Avenue Lexington, MA 02421 Attn: Chief Executive Officer
If to you:	To the address set forth on the signature page of this Agreement.

All notices, requests, consents and other communications hereunder shall be deemed to have been given either (i) if by hand, at the time of the delivery thereof to the receiving party at the address of such party set forth above, (ii) if made by telex, telecopy or facsimile transmission, at the time that receipt thereof has been acknowledged by electronic confirmation or otherwise, (iii) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, or (iv) if sent by registered mail, on the fifth business day following the day such mailing is made.

(b) Entire Agreement. This Agreement embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in this Agreement shall affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement.

(c) Modifications and Amendments. The terms and provisions of this Agreement may be modified or amended only by written agreement executed by the parties hereto.

(d) Waivers and Consents. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

(e) Assignment. The Company may assign its rights and obligations hereunder to any person or entity that succeeds to all or substantially all of the Company's business or that aspect of the Company's business in which you are principally involved. Your rights and obligations under this Agreement may not be assigned by you without the prior written consent of the Company.

(f) Benefit. All statements, representations, warranties, covenants and agreements in this Agreement shall be binding on the parties hereto and shall inure to the benefit of the respective successors and permitted assigns of each party hereto. Nothing in this Agreement shall be construed to create any rights or obligations except among the parties hereto, and no person or entity shall be regarded as a third-party beneficiary of this Agreement.

(g) Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the laws of the Commonwealth of Massachusetts, without giving effect to the conflict of laws principles thereof.

(h) Jurisdiction. Any legal action or proceeding with respect to this Agreement may be brought in the courts of the Commonwealth of Massachusetts or of the United States of America. By execution and delivery of this Agreement, each of the parties hereto accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts.

(i) Severability. The parties intend this Agreement to be enforced as written. However, (i) if any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a duly authorized court having jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law and (ii) if any provision, or part thereof, is held to be unenforceable because of the duration of such provision or the geographic area covered thereby, the Company and you agree that the court making such determination shall have the power to reduce the duration and/or geographic area of such provision, and/or to delete specific words and phrases ("blue-penciling"), and in its reduced or blue-penciled form such provision shall then be enforceable and shall be enforced.

(j) Headings and Captions. The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and shall in no way modify, or affect the meaning or construction of any of the terms or provisions hereof.

(k) No Waiver of Rights, Powers and Remedies. No failure or delay by a party hereto in exercising any right, power or remedy under this Agreement, and no course of dealing between the parties hereto, shall operate as a waiver of any such right, power or remedy of the party. No single or partial exercise of any right, power or remedy under this Agreement by a party hereto, nor any abandonment or discontinuance of steps to enforce any such right, power or remedy, shall preclude such party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of any remedy by a party hereto shall not constitute a waiver of the right of such party to pursue other available remedies. No notice to or demand on a party not expressly required under this Agreement shall entitle the party receiving such notice or demand to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the party giving such notice or demand to any other or further action in any circumstances without such notice or demand.

(l) Counterparts. This Agreement may be executed in one or more counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

If the foregoing accurately sets forth our agreement, please so indicate by signing and returning to us the enclosed copy of this letter.

Very truly yours,

SYNTA PHARMACEUTICALS CORP.

By: /s/ Safi Bahcall
Safi Bahcall, Ph.D.
Director, President and Chief Executive Officer

Agreed to and accepted:

/s/ Sumant Ramachandra
Name: Sumant Ramachandra, MD, PhD

[ADDRESS]

Address:

Date: February 26, 2013

Exhibit 10.3

SEVERANCE AND CHANGE OF CONTROL AGREEMENT

This Agreement (the "Agreement") is entered into as of the 25th day of February, 2013 by and between Synta Pharmaceuticals Corp., a Delaware corporation (the "Company"), and Sumant Ramachandra (the "Executive").

WHEREAS Executive is employed by the Company, and because of such employment, possesses detailed knowledge of the Company and its business and operations;

WHEREAS Executive's continued service to the Company is very important to the future success of the Company;

WHEREAS the Company desires to enter into this Agreement to provide Executive with certain financial protection in the event that Executive's employment terminates under certain circumstances, and thereby to provide Executive with incentives to remain with the Company; and

WHEREAS the Board of Directors of the Company (the "Board") acting through the Compensation Committee has determined that it is in the best interests of the Company to enter into this Agreement.

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Executive agree as follows:

1. Definitions.

(a) Cause. As used herein, "Cause" shall include (and is not limited to): (i) material misrepresentation with respect to the Company or any affiliate, parent or subsidiary of the Company; (ii) insubordination; (iii) substantial malfeasance or nonfeasance of duty; (iv) unauthorized disclosure of confidential information; (v) Executive's breach of any material provision of any employment, consulting, advisory, non-disclosure, invention assignment, non-competition, or similar agreement between Executive and the Company; or (vi) conduct substantially prejudicial to the business of the Company or any affiliate, parent or subsidiary of the Company. The Board shall have sole discretion to determine the existence of "Cause," and its determination will be conclusive on Executive and the Company; provided that the Board may delegate its power to act under this paragraph (a) to a committee of the Board in which case the determination of such committee shall be conclusive. "Cause" is not limited to events which have occurred prior to the termination of Executive's service, nor is it necessary that the Board's finding of "Cause" occur prior to such termination. If the Board determines, subsequent to Executive's termination of service, that either prior or subsequent to Executive's termination Executive engaged in conduct which would constitute "Cause," then Executive shall have no right to any benefit or compensation under this Agreement.

(b) Change of Control. As used herein, a "Change of Control" shall mean the occurrence of any of the following events:

(i) Ownership. Any "Person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) becomes the "Beneficial Owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities (excluding for this purpose any such voting securities held by the Company, or any affiliate, parent or subsidiary of the Company, or by any employee benefit plan of the Company) pursuant to a transaction or a series of related transactions which the Board does not approve; or

(ii) Merger/Sale of Assets. (A) A merger or consolidation of the Company whether or not approved by the Board, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or the parent of such corporation) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or parent of such corporation, as the case may be, outstanding immediately after such merger or consolidation; (B) or the stockholders of the Company approve an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; or

(iii) Change in Board Composition. A change in the composition of the Board, as a result of which fewer than a majority of the directors are Incumbent Directors. "Incumbent Directors" shall mean directors who either (A) are directors of the Company as of the date of this Agreement, or (B) are elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the Incumbent Directors, or by a committee of the Board made up of at least a majority of the Incumbent Directors, at the time of such election or nomination (but shall not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of directors to the Company).

(c) Good Reason. As used herein, a "Good Reason" shall mean: (i) Executive, as a condition of remaining an employee of the Company, is required to change the principal location where Executive renders services to the Company to a location more than fifty (50) miles from Executive's then-current location of employment; (ii) there occurs a material adverse change in

Executive's duties, authority, reporting structure (reporting to CEO) or responsibilities which causes Executive's position with the Company to become of significantly less responsibility or authority than Executive's position is on the date hereof; or (iii) there occurs a material reduction in Executive's base salary from Executive's base salary received on the date hereof, *provided that* any notice of termination by Executive for Good Reason shall be given by Executive within fifteen (15) business days of Executive's becoming aware of the occurrence of the facts giving rise to such Good Reason. For purposes of this Agreement, "Good Reason" shall be interpreted in a manner, and limited to the extent necessary, so that it will not cause adverse tax consequences for either party with respect to Section 409A of the Internal Revenue Code of 1986, as amended (" Code Section 409A"), and any successor statute, regulation and guidance thereto.

(d) Base Salary. As used herein, "Base Salary" shall mean Executive's annual base salary, excluding reimbursements, bonuses, benefits, and amounts attributable to stock options and other non-cash compensation.

2. Severance for Termination by the Company Other than For Cause or by Executive for Good Reason. In the event that (i) Executive's employment is terminated by action of the Company other than for Cause, or (ii) Executive terminates Executive's employment for Good Reason, then Executive shall receive the following (subject to Executive's execution of a release of claims as described in Section 7):

(a) Severance Payments. Continuation of payments in an amount equal to Executive's then-current Base Salary for a six (6) month period less all customary and required taxes and employment-related deductions, in accordance with the Company's normal payroll practices (provided such payments will be made at least monthly.)

(b) Equity Acceleration. Acceleration of vesting of any and all outstanding stock option awards that would have vested during the period commencing on Executive's date of termination through and including the date that is six (6) months following Executive's date of termination.

(c) COBRA Payments. Upon completion of the appropriate COBRA(1) forms, and subject to all the requirements of COBRA, the Company shall continue Executive's participation in the Company's health and dental insurance plans at the Company's cost (except for Executive's co-pay, if any, which shall be deducted from Executive's severance compensation) for the six (6) months following Executive's date of termination, to the same extent that such insurance is provided to similarly situated Company executives, *provided that* this benefit will cease and the Company will be under no obligation to provide it if Executive has become eligible for coverage under another employer's group coverage, and Executive hereby agrees to notify the Company promptly and in writing should that occur. Notwithstanding the foregoing, any Company subsidy for Executive's COBRA premiums will cease upon the earlier of (i) a determination the same is illegal under applicable laws, or (ii) the date the same is determined, in good faith by the Company, to be discriminatory under applicable Sections of the Code, the Patient Protection and Affordable Care Act, and/or the Health Care and Education Reconciliation Act.

(1) "COBRA" is the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

(d) No Duplication. In the event that Executive is eligible for the severance payments and benefits under Section 3 below, Executive shall not be eligible for and shall not receive any of the severance payments and benefits as provided in this Section 2.

3. Change of Control Severance. In the event that a Change of Control occurs and within a period of one (1) year following the Change of Control, either: (i) Executive's employment is terminated other than for Cause, or (ii) Executive terminates Executive's employment for Good Reason, then Executive shall receive the following (subject to Executive's execution of a release of claims, as described in Section 7):

(a) Lump Sum Severance Payment. On the sixtieth (60^{th}) day following Executive's termination, payment of an amount equal to twelve (12) months of Executive's then-current Base Salary less all customary and required taxes and employment-related deductions.

(b) Separation Bonus. On the sixtieth (60^{th}) day following Executive's termination, payment of a separation bonus in an amount equal to the target annual bonus to which Executive may have been entitled for the year in which Executive is terminated, prorated for the portion of the year in which Executive was employed.

(c) Equity Acceleration. Full acceleration as of the date of termination of vesting of any and all equity awards outstanding immediately prior to termination.

(d) COBRA Payments. Upon completion of the appropriate COBRA forms, and subject to all the requirements of COBRA, the Company shall continue Executive's participation in the Company's health and dental insurance plans at the Company's cost (except for Executive's co-pay, if any, which shall be deducted from Executive's severance compensation) for the twelve (12) months following Executive's date of termination, to the same extent that such insurance is provided to similarly situated Company executives, *provided that* this benefit will cease and the Company will be under no obligation to provide it if Executive has become eligible for coverage under another employer's group coverage, and Executive hereby agrees to notify the Company promptly and in writing should that occur. Notwithstanding the foregoing, any Company subsidy for Executive's COBRA premiums will cease upon the earlier of (i) a determination the same is illegal under applicable laws, or (ii) the date the same is determined, in good faith by the Company, to be discriminatory under applicable Sections of the Code, the Patient Protection and Affordable Care Act, and/or the Health Care and Education Reconciliation Act.

(e) No Duplication. In the event that Executive is eligible for the severance payments and benefits under Section 2 above, Executive shall not be eligible for and shall not receive any of the severance payments and benefits as provided in this Section 3.

4. No Severance. In the event that Executive's employment is terminated for any reason other than those outlined in Sections 2 or 3, then Executive shall have no right to any of the severance payments and benefits provided under this Agreement.

5. Distribution Limitation. If any payment or benefit Executive would receive under this Agreement, when combined with any other payment or benefit Executive receives pursuant to a

Change of Control (for purposes of this section, a "Payment") would: (i) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"); and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the " Excise Tax"), then such Payment shall be either: (x) the full amount of such Payment; or (y) such lesser amount (with cash payments being reduced before stock option compensation) as would result in no portion of the Payment being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local employments taxes, income taxes, and the Excise Tax, results in Executive's receipt, on an after-tax basis, of the greater amount of the Payment notwithstanding that all or some portion of the Payment may be subject to the Excise Tax.

6. **Section 409A**. Notwithstanding any other provision with respect to the timing of payments under Sections 2 or 3:

(a) Notwithstanding any other provision with respect to the timing of payments under Sections 2 or 3, if, at the time of Executive's termination, Executive is deemed to be a "specified employee" of the Company (within the meaning of Code Section 409A(a)(2)(B)(i) and any successor statute, regulation and guidance thereto ("Code Section 409A")), then limited only to the extent necessary to comply with the requirements of Code Section 409A, any payments to which Executive may become entitled under Sections 2 or 3 which are subject to Code Section 409A (and not otherwise exempt from its application) will be withheld until the first (1st) business day of the seventh (7th) month following the termination of Executive's employment, at which time Executive shall be paid an aggregate amount equal to the accumulated, but unpaid, payments otherwise due to Executive under the terms of Sections 2 or 3

(b) If any payments to which Executive may become entitled under Sections 2 or 3 constitute "non-qualified deferred compensation" subject to Code Section 409A(a)(2)(B)(i) and any successor statute, regulation and guidance thereto, then any termination of Executive's employment triggering payment of benefits under Section 4 must constitute a "separation from service" under Code Section 409A(a)(2)(A)(i) and Treas. Reg. §1.409A-1(h) before distribution of such benefits can commence. To the extent that the termination of Executive's employment does not constitute a separation of service under Code Section 409A(a)(2)(A)(i) and Treas. Reg. §1.409A-1(h) (as the result of further services that are reasonably anticipated to be provided by Executive to Company at the time Executive's employment terminates), any such payments that constitute non-qualified deferred compensation under Code Section 409A shall be delayed until after the date of a subsequent event constituting a separation of service under Code Section 409A(a)(2)(A)(i) and Treas. Reg. §1.409A-1(h). For purposes of clarification, this Section shall not cause any forfeiture of benefits on Executive's part, but shall only act as a delay until such time as a "separation from service" occurs.

7. **Release of Claims.** The Company shall not be obligated to pay Executive any of the compensation set forth in Sections 2 and 3 unless and until Executive has executed a timely full and general release of all claims against the Company and any affiliate, parent or subsidiary, and its and their officers, directors, employees, and agents, in a form satisfactory to the Company. The Company shall provide such release of claims to Executive within five (5) days following any qualifying separation from service, and such release must be effective and irrevocable before

the sixtieth (60th) day following the effective date of Executive's termination of employment (the "Review Period"). If Executive executes and does not revoke such agreement within the Review Period, then the compensation set forth in Section 2 or 3, as applicable, shall be paid or shall commence, as applicable, on the sixtieth (60) day following your termination of employment.

8. No Impact on Employment Status. This Agreement is not intended to confer, and shall not be interpreted as conferring, any additional employment rights on Executive, and has no impact on either party's right to terminate Executive's employment under contract or applicable law.

9. Enforceability; Reduction. If any provision of this Agreement shall be deemed invalid or unenforceable as written, this Agreement shall be construed, to the greatest extent possible, or modified, to the extent allowable by law, in a manner which shall render it valid and enforceable and any limitation on the scope or duration of any provision necessary to make it valid and enforceable shall be deemed to be a part thereof. No invalidity or unenforceability of any provision contained herein shall affect any other portion of this Agreement.

10. Notices.

(a) All notices, requests, consents and other communications hereunder shall be in writing, shall be addressed to the receiving party's address set forth below or to such other address as a party may designate by notice hereunder, and shall be either (i) delivered by hand, (ii) made by telex, telecopy or facsimile transmission, (iii) sent by overnight courier, or (iv) sent by registered or certified mail, return receipt requested, postage prepaid.

If to the Company:

President and Chief Executive Officer
Synta Pharmaceuticals Corp.
45 Hartwell Avenue
Lexington, MA 02421

With a copy to:

General Counsel
Synta Pharmaceuticals Corp.
45 Hartwell Avenue
Lexington, MA 02421

If to Executive:

Sumant Ramachandra, MD, PhD
[ADDRESS]

(b) All notices, requests, consents and other communications hereunder shall be deemed to have been given either (i) if by hand, at the time of the delivery thereof to the receiving party at

the address of such party set forth above, (ii) if made by telex, telecopy or facsimile transmission, at the time that receipt thereof has been acknowledged by electronic confirmation or otherwise, (iii) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, or (iv) if sent by registered or certified mail, on the fifth (5th) business day following the day such mailing is made.

11. Entire Agreement / No Duplication of Compensation or Benefits. This Agreement embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof including, but not limited to, any offer letter or employment agreement previously entered into between the Executive and the Company. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in this Agreement shall affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement. The terms of Sections 2 and 3 above shall replace any agreement, policy or practice which otherwise would obligate the Company to provide any severance compensation and/or benefits to Executive, *provided* that this provision shall not be construed to otherwise limit Executive's rights to payments or benefits provided under any pension plan (as defined in Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended), deferred compensation, stock, stock option or similar plan sponsored by the Company.

12. Modifications and Amendments. The terms and provisions of this Agreement may be modified or amended only by written agreement executed by all parties hereto. Any such amendment shall comply with the requirements of Code Section 409A, if applicable.

13. Waivers and Consents. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

14. Assignment. The rights and obligations under this Agreement may be assigned by the Company.

15. Benefit. All statements, representations, warranties, covenants and agreements in this Agreement shall be binding on the parties hereto and shall inure to the benefit of the respective successors and permitted assigns of each party hereto. Nothing in this Agreement shall be construed to create any rights or obligations except among the parties hereto, and no person or entity shall be regarded as a third-party beneficiary of this Agreement.

16. Arbitration. Any controversy, dispute or claim arising out of or in connection with this Agreement will be settled by final and binding arbitration to be conducted in Boston, Massachusetts pursuant to the national rules for the resolution of employment disputes of the American Arbitration Association then in effect. The decision or award in any such arbitration will be final and binding upon the parties, and judgment upon such decision or award may be entered in

any court of competent jurisdiction, or application may be made to any such court for judicial acceptance of such decision or award and an order of enforcement. In the event that any procedural matter is not covered by the aforesaid rules, the procedural law of Massachusetts will govern. Any disagreement as to whether a particular dispute is arbitrable under this Agreement shall itself be subject to arbitration in accordance with the procedures set forth herein. Notwithstanding the foregoing, any right or obligation arising out of or concerning any separate contract or agreement between the parties (including but not limited to any employee, non-competition, non-solicitation, non-disclosure and invention agreement) shall be decided in accordance with the dispute resolution mechanism provided for by such contract or agreement.

17. Governing Law / Jurisdiction / Service of Process. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the law of the Commonwealth of Massachusetts, without giving effect to the conflict of law principles thereof. Any legal action or proceeding with respect to this Agreement that is not subject to arbitration pursuant to Section 16 will be brought in the courts of the Commonwealth of Massachusetts in Middlesex County or of the United States of America for the District of Massachusetts, sitting in Boston. By execution and delivery of this Agreement, each of the parties hereto accepts for itself and in respect of its property, generally and unconditionally, the exclusive jurisdiction of the aforesaid courts. Each of the parties hereto irrevocably consents to the service of process of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by certified mail, postage prepaid, to the party at its address set forth in Section 10.

18. Counterparts. This Agreement may be executed in one or more counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

SYNTA PHARMACEUTICALS CORP.

By: /s/ Safi R. Bahcall
Safi R. Bahcall, Ph.D.
President and Chief Executive Officer

EXECUTIVE:

/s/ Sumant Ramachandra
Sumant Ramachandra, MD, PhD
President, Research and Development

Exhibit 31.1

CERTIFICATIONS UNDER SECTION 302

I, Safi R. Bahcall, Ph.D., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Synta Pharmaceuticals Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2013

/s/ Safi R. Bahcall

Safi R. Bahcall, Ph.D.
President and Chief Executive Officer
(principal executive officer)

Exhibit 31.2

CERTIFICATIONS UNDER SECTION 302

I, Keith S. Ehrlich, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Synta Pharmaceuticals Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2013

/s/ Keith S. Ehrlich

Keith S. Ehrlich, C.P.A.
Vice President, Finance and Administration,
Chief Financial Officer
(principal accounting and financial officer)

Exhibit 32.1

CERTIFICATIONS UNDER SECTION 906

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Synta Pharmaceuticals Corp., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the period ended March 31, 2013 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 30, 2013

/s/ Safi R. Bahcall

Safi R. Bahcall, Ph.D.
President and Chief Executive Officer
(principal executive officer)

Dated: April 30, 2013

/s/ Keith S. Ehrlich

Keith S. Ehrlich, C.P.A.
Vice President, Finance and Administration,
Chief Financial Officer
(principal accounting and financial officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.