Synta Pharmaceuticals Reports Third-Quarter 2007 Financial Results

November 13, 2007

LEXINGTON, Mass.--(BUSINESS WIRE)--Nov. 13, 2007--Synta Pharmaceuticals Corp. (NASDAQ: SNTA), a biopharmaceutical company focused on discovering, developing, and commercializing small molecule drugs to treat severe medical conditions, today reported financial results for the quarter ended September 30, 2007.

Synta reported a net loss of $14.9 million or $0.45 per share for the quarter ending September 30, 2007, compared to a net loss of $14.7 million or $0.66 per share for the same period in 2006.

As of September 30, 2007, the Company had a total of approximately $48 million in cash and marketable securities versus $47 million as of December 31, 2006. Subsequent to the end of the quarter, on October 8, 2007, Synta and GlaxoSmithKline (GSK) entered into a partnership agreement for elesclomol (formerly STA-4783), a novel, small molecule anti-cancer agent. The agreement calls for Synta to receive an upfront non-refundable cash payment of $80 million. Synta is also eligible to receive potential pre-commercial milestone payments from GSK of $585 million. The upfront cash, potential milestone payments, and equity investments Synta may receive from GSK under this agreement total $1.01 billion. In addition, Synta is entitled to receive a share of profits from sales of elesclomol in the U.S. and double-digit royalties on sales outside the U.S.

Operational Highlights

"At the start of this year, we set an ambitious agenda for Synta in 2007: complete an initial public offering; initiate a global, pivotal trial for elesclomol; sign a major partnership agreement; initiate a Phase 1 trial for our Hsp90 inhibitor, STA-9090; and continue to build support for our oncology programs in the scientific community, including presenting survival data from our Phase 2b trial for elesclomol as well as mechanism of action and combination activity results," said Safi Bahcall, Ph.D., President and Chief Executive Officer of Synta.

"I am pleased to say that we have successfully achieved each of these goals," said Dr. Bahcall. "This quarter we completed a Special Protocol Assessment review by the FDA and initiated the SYMMETRY(SM) trial - our global, pivotal Phase 3 clinical trial for elesclomol in metastatic melanoma. We filed an Investigational New Drug application (IND) for STA-9090 and initiated a Phase 1 trial. And we completed an intensive diligence and negotiation process with a number of companies that resulted in the partnership agreement with GSK."

"We also continued to build awareness and support in the medical and scientific communities for elesclomol. The novel mechanism of action and positive Phase 2b results in melanoma - in which treatment with elesclomol doubled progression-free survival compared to the control group - were highlighted at the European Conference on Clinical Oncology in September. Encouraging new results on the oxidative stress mechanism and on both single-agent and combination activity were presented at the AACR-NCI-EORTC meeting in October," said Dr. Bahcall.

"There is an urgent need for new treatment options in metastatic melanoma," said Dr. Bahcall. "Because elesclomol's mechanism may be particularly well suited for a high oxidative stress cancer such as melanoma, and because of the positive results we have seen in our blinded, randomized, multicenter Phase 2b trial, we and our investigators are very excited by the potential of the SYMMETRY trial to confirm the prior results and create a new treatment option for patients."

"We are also pleased by the partnership with GSK, which we believe will benefit the program, patients, and shareholders," said Dr. Bahcall. "The resources and expertise that GSK brings will allow us to more rapidly explore and realize the potential of elesclomol to benefit patients with different types of cancer. In addition, the partnership covers our development costs, provides a meaningful share of profits, and reduces risks by allowing us to launch the product working closely with a top-tier marketing organization. We believe this combination of increased market potential, attractive economics, and reduced risks is a strong long-term positive for Synta shareholders."

"Also important for Synta is that the growth of our oncology capabilities, expertise, and relationships through this partnership will benefit not only our lead cancer drug, elesclomol, but our other cancer drug candidates, for which we retain full ownership," said Dr. Bahcall.

Elesclomol

Synta initiated the SYMMETRY clinical trial, our global, pivotal Phase 3 trial of elesclomol in metastatic melanoma, in the third quarter of this year. The FDA has agreed to the design, conduct, and planned analyses of this trial under the Special Protocol Assessment (SPA) process.

The SYMMETRY trial will enroll approximately 630 patients who have not received prior chemotherapy, and will be conducted at approximately 150 sites in 15 countries across Europe, North America, South America and Australia. As with our Phase 2b trial, the SYMMETRY trial compares treatment with paclitaxel plus elesclomol vs. treatment with paclitaxel alone. The dose levels and administration schedule are the same as in our Phase 2b trial. The primary endpoint of the trial, as with the Phase 2b trial, will be progression free survival (PFS). Overall survival (OS) will be a secondary endpoint. Based on our current enrollment and event rate projections, Synta expects to complete the primary endpoint analysis by the end of 2008 and, if the trial is successful, file a New Drug Application (NDA) with the Food and Drug Administration (FDA) by the first half of 2009.

In October, Synta presented preclinical data on elesclomol at the AACR-NCI-EORTC meeting in San Francisco. Poster presentations provided details of the mechanism of action, as well as highlighted preclinical results demonstrating both single-agent activity and activity in combination with a number of widely-used first-line anti-cancer agents, including paclitaxel, gemcitabine and rituximab. Importantly for clinical applications, the enhancement of activity was observed with minimal additional toxicity. The data from these studies provide encouraging support for the continued development of elesclomol in multiple cancer indications and in combination with a variety of leading anti-cancer agents.

STA-9090

In the third quarter, Synta filed an IND for STA-9090, which is a synthetic, small molecule Hsp90 inhibitor with a novel chemical structure unrelated to the Hsp90 inhibitor geldanamycin or its family of related compounds, such as 17-AAG.

Hsp90 is an emerging therapeutic target of interest for the treatment of cancer. It is responsible for modulating cellular response to stress by maintaining the function of numerous signaling proteins - known as 'client proteins' - that are associated with cancer cell survival and proliferation. Many cancers result from specific mutations in, or aberrant expression of, these client proteins. Examples of cancer-associated client proteins of Hsp90 include c-KIT in gastrointestinal stromal tumors, epidermal growth factor receptor (EGFR) in lung cancer, and BCR-ABL in chronic myelogenous leukemia. In preclinical studies, inhibiting Hsp90 causes the degradation of these proteins and cancer cell death. Inhibiting Hsp90 has also proven effective in killing cancer cells that have developed resistance to targeted therapies such as kinase inhibitors.

In November, Synta announced that the first patient had been treated in the Company's Phase 1 dose-escalation trial of STA-9090 in solid tumors.

Collaboration with GlaxoSmithKline

In October 2007, Synta and GSK entered into partnership agreement for elesclomol. Under the terms of the agreement, the companies will jointly develop and commercialize elesclomol in the U.S. and GSK will have exclusive responsibility for development and commercialization outside the U.S.

The agreement calls for Synta to receive a non-refundable upfront cash payment of $80 million. Synta is also eligible to receive potential pre-commercial milestone payments from GSK of up to $585 million, which include payments for both operational progress, such as trial initiation and enrollment, and positive clinical and regulatory outcomes, such as regulatory approval. Of the $585 million in potential payments, $135 million are related to development in metastatic melanoma, and $450 million are related to development in other cancer indications.

In 2008, based on our current operating plan, Synta expects operational progress milestone payments from GSK to range between $40 million and $50 million. In the U.S., the Synta share of operating profits and losses from the commercialization and sales of elesclomol will be 40-50%, with the percentage increasing as the level of annual sales increases. Outside of the U.S., Synta will receive double-digit tiered royalties. Synta is also eligible to receive up to $300 million in commercial milestone payments, which are based on achieving certain net sales thresholds. Under the agreement, GSK may, subject to the consent of Synta, purchase up to $45 million of Synta common stock based upon the achievement of specified development and regulatory milestones.

Synta will be responsible for and fund, up to a specified amount, all activities related to seeking FDA approval of elesclomol for the treatment of metastatic melanoma. Synta will also fund early clinical development of elesclomol in two other cancer indications. All other worldwide development costs will be shared, with Synta responsible for a modest proportion of those costs.

Financial Results

The Company reported a net loss attributable to common stockholders of $14.9 million, or $0.45 per share for the quarter ended September 30, 2007, compared to $14.7 million or $0.66 per share for the same period in 2006.

For the nine months ended September 30, 2007, Synta reported a net loss to common shareholders of $106.6 million or $3.35 per share, compared to a net loss to common shareholders of $45.8 million or $2.06 per share for the same period in 2006. Included in the net loss to common

shareholders for the nine months ended September 30, 2007 is a non-cash charge in the amount of $58.6 million for the beneficial conversion of preferred stock in connection with the Company's initial public offering in February 2007. In the same period of 2006, there was a non-cash charge for accrued preferred stock dividends in the amount of $1.1 million. The net loss before these charges was $48.0 million and $44.8 million in the nine months ended September 30, 2007 and 2006, respectively.

Research and development (R&D) expenses were $11.5 million for the quarter ended September 30, 2007 compared to $12.6 million for the same period in 2006. R&D expenses for the nine months ended September 30, 2007 were $38.7 million compared to $40.0 million for the same period in 2006. General and administrative expenses (G&A) were $3.9 million for the quarter ended September 30, 2007 compared to $2.0 million for the same period in 2006. G&A expenses for the nine months ended September 30, 2007 were $11.2 million compared to $6.1 million for the same period in 2006.

The Company ended the third quarter of 2007 with $48.3 million in cash, cash equivalents and marketable securities compared to $46.8 million at the end of 2006.

More detailed financial information and analysis may be found in the Company's Quarterly Report on Form 10-Q, which was filed with the Securities and Exchange Commission on November 13, 2007.

Financial Guidance

Synta expects to end 2007 with approximately $110 million of cash and marketable securities, including the $80 million non-refundable upfront payment in relation to our partnership with GSK.

In 2008, Synta expects operational progress milestone payments from GSK to range between $40 million and $50 million.

Conference Call

Management will conduct a conference call at 10:00 a.m. (ET) this morning to review the Company's third-quarter financial results. The conference call will be webcast live over the Internet and can be accessed by logging on to the "Investors" section of the Synta Pharmaceuticals website, www.syntapharma.com, prior to the event.

The call also can be accessed by dialing (877) 407-8035 or (201) 689-8035 prior to the start of the call. For those unable to join the live conference call, a replay will be available from 2:00 p.m. (ET) today through midnight (ET) on November 20. To access the replay, dial (877) 660-6853 or (201) 612-7415 and refer to both account number 286 and conference ID 259672. The webcast also will be archived on the Company's website.

About Synta Pharmaceuticals

Synta Pharmaceuticals Corp. is a biopharmaceutical company focused on discovering, developing, and commercializing small molecule drugs to extend and enhance the lives of patients with severe medical conditions, including cancer and chronic inflammatory diseases. Synta has a unique chemical compound library, an integrated discovery engine, and a diverse pipeline of clinical- and preclinical-stage drug candidates with distinct mechanisms of action and novel chemical structures.

All Synta drug candidates were invented by Synta scientists using our compound library and discovery capabilities. Synta has a partnership with GlaxoSmithKline for the joint development and commercialization of its lead investigational drug candidate, elesclomol, which is in a global, pivotal Phase 3 clinical trial for the treatment of metastatic melanoma. For more information, please visit www.syntapharma.com.

Safe Harbor Statement

This media release may contain forward-looking statements about Synta Pharmaceuticals Corp. Such forward-looking statements can be identified by the use of forward-looking terminology such as "will", "would", "should", "expects", "anticipates", "intends", "plans", "believes", "may", "estimates", "predicts", "projects", or similar expressions intended to identify forward-looking statements. Such statements, including statements relating to the timing and progress of our clinical and preclinical programs, reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, including those described in "Risk Factors" of our Form 10-Q for the quarter ended September 30, 2007 as filed with the Securities and Exchange Commission. Synta undertakes no obligation to publicly update forward-looking statements, whether because of new information, future events or otherwise, except as required by law.

Synta Pharmaceuticals Corp.
Unaudited Consolidated Statements of Operations
(in thousands, except per share amounts)

	Three months ended September 30		Nine months ended September 30	
	2007	2006	2007	2006
Total revenues	$ -	$ -	$ -	$ -
Operating expenses:				
Research and development	$ 11,542	$ 12,561	$ 38,691	$ 40,016
General and administrative	3,852	2,016	11,182	6,130
Total operating expenses	15,394	14,577	49,873	46,146
Loss from operations	(15,394)	(14,577)	(49,873)	(46,146)
Other income:				

Investment income, net	519	650	1,902	1,363
Net loss	(14,875)	(13,927)	(47,971)	(44,783)
Convertible preferred stock beneficial conversion charge	-	-	58,585	-
Convertible preferred stock dividends	-	807	-	1,052
Net loss attributable to common stockholders	$(14,875)	$(14,734)	$(106,556)	$(45,835)
Basic and diluted weighted average common shares outstanding	33,393	22,227	31,779	22,224
Basic and diluted net loss attributable to common stockholders per share	$ (0.45)	$ (0.66)	$ (3.35)	$ (2.06)

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

	September 30, 2007	December 31, 2006
Assets		
Cash, cash equivalents and marketable securities	$48,339	$46,824
Other current assets	2,171	803
Property, plant and equipment, net	5,421	6,067
Other non-current assets	82	1,095

Total assets	$56,013	$54,789
Liabilities and Equity		
Current liabilities	$13,824	$11,546
Non-current liabilities	3,119	3,170
Convertible preferred stock, at redemption value	-	41,820
Stockholders' equity (deficit)	39,070	(1,747)
Total liabilities and stockholders' equity (deficit)	$56,013	$54,789

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