Synta Pharmaceuticals Reports First Quarter 2008 Financial Results

May 14, 2008

LEXINGTON, Mass.--(BUSINESS WIRE)--May 14, 2008--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 March 31, 2008.

In the first quarter of 2008, the Company recorded $1.3 million of collaboration revenue under its partnership agreement with GlaxoSmithKline (GSK), which principally reflects the $80 million upfront payment received in November 2007 recognized ratably over the 15-year estimated life of the agreement. The Company reported a net loss attributable to common stockholders of $17.7 million, or $0.52 per basic and diluted share for the first quarter in 2008, compared to $74.9 million or $2.61 per basic and diluted share for the same period in 2007. Included in the net loss to shareholders for the quarter ended March 31, 2007 was a one-time, non-cash charge of $58.6 million for the fair value of the beneficial conversion of our preferred stock which we recognized upon the conversion of the preferred stock in connection with our IPO in February 2007.

As of March 31, 2008, the Company had $99.2 million in cash and cash equivalents compared to $115.6 million as of December 31, 2007.

Operational Highlights

"We are pleased with the progress being made in advancing our product pipeline," said Safi Bahcall, Ph.D., President and Chief Executive Officer of Synta. "We are excited by the growing recognition in the scientific and medical communities of the potential of the oxidative stress mechanism of action of elesclomol for treating melanoma and other cancer types. Enrollment in our Phase 3 SYMMETRY trial of elesclomol in metastatic melanoma is proceeding well. We remain committed to our goal of completing enrollment by the end of this year, with the progression-free survival primary endpoint data available shortly thereafter. In addition, as we have previously announced, we expect to introduce a sodium salt formulation of elesclomol in the second half of 2008. This will allow us to more conveniently explore the potential of elesclomol in treating other cancer indications; we expect to initiate clinical trials in one or more additional indications by the end of the year."

"We also continue to advance our other clinical-stage programs - our Hsp90 inhibitor, STA-9090, and our oral cytokine inhibitor, apilimod," said Dr. Bahcall. "We are enrolling patients in two Phase 1 dose escalation studies of STA-9090 in solid tumors and we expect to begin a third clinical trial of STA-9090 in hematological cancers in the second half of the year. As previously announced, we plan to enroll an additional cohort of patients in our Phase 2a study of apilimod in rheumatoid arthritis to explore a higher dose level."

Financial Results

Synta reported a net loss attributable to common stockholders of $17.7 million, or $0.52 per basic or diluted share for the quarter ended March 31, 2008, compared to $74.9 million or $2.61 per basic or diluted share for the same period in 2007. Included in the net loss to shareholders for the quarter ended March 31, 2007 was a one-time, non-cash charge of $58.6 million for the fair value of the beneficial conversion feature of our preferred stock which we recognized upon the conversion of the preferred stock in connection with our IPO in February 2007.

Research and development expenses were $16.2 million for the first quarter in 2008 compared to $13.5 million for the same period in 2007. General and administrative expenses were $3.6 million for the first quarter in 2008 compared to $3.5 million for the same period in 2007.

More detailed financial information and analysis may be found in the Company's Quarterly Report on Form 10-Q, which was filed with the Securities and Exchange Commission on May 14, 2008.

Financial Guidance

Based upon our current operating plans, our financial guidance for 2008 remains unchanged. We expect to end 2008 with between approximately $60 million and $75 million of cash, cash equivalents and marketable securities. This includes $40 million to $50 million in anticipated operational progress milestone payments from GSK, and assumes no additional funds from new partnership agreements or financing events.

Conference Call

Management will conduct a conference call at 10:00 a.m. (ET) this morning to review the Company's first-quarter 2008 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 May 21. To access the replay, dial (877) 660-6853 or (201) 612-7415 and refer to both account number 286 and conference ID 284872. 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.

About Elesclomol (Formerly STA-4783)

Elesclomol is a novel, injectable, investigational drug candidate that triggers apoptosis (programmed cell death) in cancer cells. Cancer cells operate at high levels of reactive oxygen species, or oxidative stress. Elesclomol is believed to act by increasing the level of oxidative stress in cancer cells even further, beyond sustainable levels, inducing apoptosis. This mechanism of action, called oxidative stress induction, represents a novel way of selectively targeting and killing cancer cells.

In a double-blind, randomized, controlled Phase 2b clinical trial in 81 patients with stage IV metastatic melanoma, elesclomol in combination with paclitaxel met the primary endpoint, doubling the median time patients survived without their disease progressing, compared to paclitaxel alone (p = 0.035). The most common adverse events in the elesclomol plus paclitaxel group included fatigue, alopecia, constipation, nausea, hypoaesthesia, arthralgia, insomnia, diarrhea, and anemia.

A pivotal Phase 3 clinical trial of elesclomol in combination with paclitaxel in patients with stage IV metastatic melanoma (the SYMMETRY(SM) trial) is ongoing; Phase 2 trials in other indications, and in combination with other agents, are planned. Elesclomol has received Fast Track and Orphan Drug designation from the FDA for metastatic melanoma, and the Phase 3 SYMMETRY trial has completed a Special Protocol Assessment process with the FDA. Information about the SYMMETRY trial can be found at www.clinicaltrials.gov.

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 and financial guidance for 2008, reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, including those described in "Risk Factors" of our Form 10-K for the year ended December 31, 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.
Condensed Consolidated Statements of Operations
(in thousands, except share and per share amounts)
(unaudited)

	Three months ended March 31	
	2008	2007
Collaboration revenue	$ 1,338	$ -
Operating expenses:		
Research and development	$ 16,150	$ 13,544
General and administrative	3,633	3,468

Total operating expenses	19,783	17,012
Loss from operations	(18,445)	(17,012)
Other income:		
Investment income, net	795	657
Net loss	(17,650)	(16,355)
Convertible preferred stock beneficial conversion charge	-	58,585
Net loss attributable to common stockholders	$ (17,650)	$ (74,940)
Basic and diluted weighted average common shares outstanding	33,730,230	28,767,605
Basic and diluted net loss attributable to common stockholders per share	$ (0.52)	$ (2.61)

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

	March 31, 2008	December 31, 2007
Assets		
Cash, cash equivalents and marketable securities	$ 99,206	$ 115,577
Other current assets	2,067	1,420
Property, plant and equipment, net	5,293	5,576
Other non-current assets	76	76
Total assets	$ 106,642	$ 122,649
Liabilities and Equity		
Current liabilities (1)	$ 20,525	$ 20,772
Long-term liabilities (1)	75,392	76,981
Stockholders' equity	10,725	24,896
Total liabilities and stockholders' equity	$ 106,642	$ 122,649

(1) The $80 million non-refundable upfront payment we received from GSK in November 2007, together with the $260,000 estimated value of an option to require GSK to purchase $25 million of

our common stock, is being recognized as collaboration revenue over the estimated 15-year performance period of the agreement. At March 31, 2008, total deferred revenue was approximately $78.2 million, of which $5.4 million was current and will be recognized as revenue during the next twelve months, and $72.8 million was long-term.

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SOURCE: Synta Pharmaceuticals Corp.