



## **Synta Pharmaceuticals Reports Third Quarter 2009 Financial Results**

November 4, 2009

LEXINGTON, Mass.--(BUSINESS WIRE)--Nov. 4, 2009-- 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, 2009.

In the third quarter, Synta recognized total revenue of \$130.4 million, of which \$114.6 million was related to the acceleration of unrecognized deferred license and milestone revenue in connection with the termination of the agreement with GlaxoSmithKline for the development of elesclomol. Upfront license and milestone payments from GSK were previously being recognized over the estimated 15 year term of the agreement.

Total collaboration revenue, including revenue from the on-going development agreement with Roche, was \$130.4 million in the third quarter of 2009 compared to net revenue of \$1.3 million for the same period in 2008. Research and development expenses were \$9.1 million for the third quarter in 2009 compared to \$24.1 million for the same period in 2008. General and administrative expenses were \$3.1 million for the third quarter in 2009 compared to \$3.7 million for the same period in 2008.

The Company reported net income of \$118.1 million, or \$3.49 per basic share and \$3.48 per diluted share, for the third quarter in 2009, compared to a net loss of \$26.3 million, or \$0.78 per basic and diluted share for the same period in 2008.

As of September 30, 2009, the Company had \$51.7 million in cash, cash equivalents, and marketable securities. This compares to \$73.6 million in cash, cash equivalents and marketable securities as of December 31, 2008.

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 4, 2009.

### **Operational Highlights**

"Our top two priorities over the coming months are advancing our Hsp90 program to clinical proof of concept and securing new partnership agreements for one or more of our unpartnered assets - the Hsp90, elesclomol, vascular disrupting agent, and IL-12/23 inhibitor programs," said Safi Bahcall, Ph.D., CEO of Synta. "We are making good progress on both of these goals."

"We have expanded our Hsp90 program with a fourth clinical trial of STA-9090, a Phase 1/2 trial in hematologic malignancies at the once per week dosing schedule," continued Dr. Bahcall. "We have a growing portfolio of collaborations with leading investigators around the country to explore activity

with STA-9090 in different tumor types, and have been pleased by the results from these collaborations and the interest they have generated in initiating multiple investigator-sponsored trials. These results and the encouraging signs we have seen to date in our ongoing trials – including single agent responses in patients who have failed multiple prior therapies; instances of prolonged stable disease; and a favorable safety profile – have helped us put together what we believe will be the leading Hsp90 program in the industry, with the goal of a dozen trials completed or ongoing by mid-2010.”

Synta also announced that pre-clinical results with STA-9090 will be presented at the AACR-NCI-EORTC Conference on Molecular Targets and Cancer Therapeutics on November 15-19, 2009.

“In addition to progress with STA-9090, we have been pleased by the pace of discussions with multiple potential partners for the different programs at Synta,” continued Dr. Bahcall. “We are optimistic we will secure one or more partnerships in the first half of 2010.”

This quarter Synta also continued to advance its CRACM and elesclomol programs. “We are encouraged by recent results from our CRACM research team and the close collaboration we have with Roche on this program,” continued Dr. Bahcall. The CRACM ion channel is a critical regulator of immune cell activation. Drug candidates that modulate this pathway have the potential to form a promising new category of orally administered treatments for autoimmune diseases and other inflammatory conditions.

In October, Synta presented updated analyses of results from the Phase 3 trial of elesclomol in metastatic melanoma (SYMMETRY<sup>(SM)</sup>) at the Perspectives in Melanoma XIII Conference, including survival data with 6 months minimum follow-up. The data showed that baseline LDH status may be a predictive factor for treatment with elesclomol. The Company expects to present SYMMETRY survival data with 12 months minimum follow-up, and announce further decisions related to the future of the elesclomol program, in the first half of 2010. New results related to the mechanism of action of elesclomol will be presented at the AACR-NCI-EORTC Conference on Molecular Targets and Cancer Therapeutics in November this year and the 51<sup>st</sup> American Society of Hematology (ASH) Annual Meeting and Exposition in December.

## **Financial Guidance**

Based upon our current operating plans, we continue to expect to end 2009 with approximately \$40 million of cash, cash equivalents and marketable securities. This estimate assumes no additional funds from new partnership agreements or equity financing events.

## **Conference Call**

Management will conduct a conference call at 10:00 a.m. (ET) this morning to review the Company's third-quarter 2009 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](http://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 11. To access the replay, dial (877) 660-6853 or (201)

612-7415 and refer to both account number 286 and conference ID 335119. 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. For more information, please visit [www.syntapharma.com](http://www.syntapharma.com).

## Safe Harbor Statement

This media release may contain forward-looking statements about Synta Pharmaceuticals Corp. Such forward-looking statements can be identified by the use of forward-looking terminology such as "will", "would", "should", "expects", "anticipates", "intends", "plans", "believes", "may", "estimates", "predicts", "projects", or similar expressions intended to identify forward-looking statements. Such statements, including statements relating to the timing, developments and progress of our clinical and preclinical programs, our expectation with respect to entering into one or more partnerships, as well as the timing of any such partnerships and the expected amount of our cash, cash equivalents and marketable securities at the end of 2009 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, 2008 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 September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Collaboration revenues:				
License and milestone revenue (1)	\$ 117,171	\$ 2,819	\$ 124,558	\$ 5,495
Cost sharing reimbursements, net (1)	13,234	(1,547)	15,007	(3,516)
Total collaboration revenues	130,405	1,272	139,565	1,979

Operating expenses:				
Research and development	\$9,084	\$24,058	\$41,821	\$58,550
General and administrative	3,149	3,665	10,224	11,272
Restructuring	-	-	1,236	-
Total operating expenses	12,233	27,723	53,281	69,822
Income (loss) from operations	118,172	(26,451 )	86,284	(67,843 )
Other income:				
Other income, net	(53 )	130	(159 )	1,178
Net income (loss)	\$118,119	\$(26,321 )	\$86,125	\$(66,665 )
Net income (loss) per common share:				
Basic	\$3.49	\$(0.78 )	\$2.54	\$(1.98 )
Diluted	\$3.48	\$(0.78 )	\$2.53	\$(1.98 )
Weighted-average common shares outstanding:				
Basic	33,882,760	33,736,510	33,877,340	33,733,436
Diluted	33,904,842	33,736,510	34,077,512	33,733,436

In September 2009, upon the effectiveness of the termination of the GSK Agreement, the (1) Company recognized approximately \$114.6 million of remaining deferred license and milestone revenue from payments received under the GSK Agreement, all of which were recorded as license and milestone revenue as the Company has no further obligation for deliverables under the GSK Agreement. Also, the requirement to pay the cumulative GSK cost sharing reimbursements did not survive termination of the GSK Agreement and in September 2009, upon the effectiveness of the termination of the GSK Agreement, the Company reversed approximately \$10 million of cost sharing reimbursement liabilities as cost sharing reimbursements revenue.

## Synta Pharmaceuticals Corp.

### Condensed Consolidated Balance Sheets Data

(in thousands)

(unaudited)

#### September 30, 2009 December 31, 2008

#### Assets

Cash and cash equivalents	\$ 51,745	\$ 73,563
Collaboration receivable	-	16,000
Other current assets	1,195	1,658
Property, plant and equipment, net	4,554	5,929
Other non-current assets	68	103
Total assets	\$ 57,562	\$ 97,253

#### Liabilities and Equity

Current liabilities	\$ 17,759	\$ 33,323
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Long-term liabilities	8,967	122,721	
Stockholders' equity (deficit)	30,836	(58,791	)
Total liabilities and Stockholders' equity (deficit)	\$ 57,562	\$ 97,253	

Source: Synta Pharmaceuticals Corp.

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