Synta Pharmaceuticals Reports Fourth Quarter and Full Year 2009 Financial Results

March 11, 2010

LEXINGTON, Mass., Mar 11, 2010 (BUSINESS WIRE) -- Synta Pharmaceuticals Corp. (NASDAQ: SNTA), a biopharmaceutical company focused on discovering, developing, and commercializing small molecule drugs to treat severe medical conditions, today reported fourth-quarter and full-year 2009 financial results, provided an update on recent progress with its programs, and announced 2010 objectives.

"We have made significant recent progress with STA-9090, elesclomol, and our CRACM ion channel program," said Safi R. Bahcall, Ph.D., President and Chief Executive Officer of Synta. "We believe the emerging results for STA-9090, including the single-agent clinical activity, the well-tolerated safety profile, and the broad clinical program we have initiated, position STA-9090 as the leading compound in the Hsp90 field. Our primary goals for 2010 are focused on advancing the clinical development of STA-9090: reporting initial data from each of our six ongoing trials, initiating six to ten new trials, and enabling the initiation of one or more pivotal studies for STA-9090 next year."

Recent Highlights and 2010 Milestones

STA-9090

- Identified maximum tolerated dose and recommended Phase 2 dose from our once weekly administration, solid tumor Phase 1 study
- Observed a well-tolerated safety profile across our three Phase 1 studies, without the serious liver toxicities and certain other toxicities that have been observed with other Hsp90 inhibitors
- Initiated three Phase 2 studies in refractory patient populations: non-small cell lung cancer; gastrointestinal stromal tumors; and hematologic cancers
- Observed promising signs of clinical activity as a single-agent, including confirmed tumor responses or prolonged stabilization of disease with substantial tumor shrinkage, in heavily pretreated patients with a range of cancer types
- Presented results from our academic collaborations that differentiated STA-9090 from other Hsp90 inhibitors, as well as demonstrated potent activity in highly drug-resistant models including the BCR-ABL T315I mutation in leukemia, the EGFR T790M mutation in lung cancer, and the KIT V654A or D820A mutations in gastrointestinal stromal tumors
- Expect to report results from the three Phase 1 trials in the first half of 2010; and results from the first stage of the two-stage design defined in each of the Phase 2 protocols in the second half of 2010
- Expect six to ten new trials to initiate in 2010, which will be primarily investigator-sponsored

Elesclomol

- Completed analysis of follow-up data from our Phase 3 melanoma trial which showed that

baseline LDH level, a pre-specified stratification factor, is an important predictive factor for treatment outcome with elesclomol. Patients with normal baseline LDH levels (68% of the 651 enrolled patients), achieved the primary endpoint, improvement in progression-free survival, with an acceptable safety profile
- Together with our academic collaborators, advanced our understanding of the elesclomol mechanism of action. Identified that elesclomol exerts its anti-cancer activity by disrupting cancer cell mitochondrial metabolism, and that this activity requires normal oxygen conditions. In low oxygen environments, when energy generation shifts away from the mitochondria, elesclomol loses anti-cancer activity, consistent with results observed in our Phase 3 melanoma trial for normal vs. elevated LDH patient groups
- Received approval from the FDA to resume clinical development of elesclomol, in a specific protocol that excludes patients with elevated LDH
- Presented results from our collaborators at the Ontario Cancer Institute - Princess Margaret Hospital showing that elesclomol was highly active against AML cell lines and primary blast cells from AML patients
- Expect to initiate one or more trials for elesclomol in the second half of 2010

CRACM Ion Channel Program

- Identified compounds, in collaboration with our partner Roche, satisfying certain preclinical criteria, including potent inhibition of key inflammatory signaling pathways and a favorable safety profile, that enabled initiation of preclinical development
- Expect IND filing by Q1 2011

Collaborations

- Continued Roche collaboration, earning $11.9 million in 2009 to support research and development activities for our CRACM ion channel program
- Targeting at least one partnership for one or more of our unpartnered assets in 2010

Fourth Quarter and Full Year 2009 Financial Results

In the fourth quarter of 2009, Synta recognized total collaboration revenue of $4.7 million compared to net revenue of $0.6 million for the same period in 2008. Total collaboration revenue was $144.2 million for the year ended December 31, 2009, including a one-time acceleration of approximately $114.6 million of deferred revenue related to a former partnership agreement as described in the table below, compared to $2.6 million of total collaboration revenue for the same period in 2008.

Research and development expenses were $9.2 million for the fourth quarter in 2009 compared to $23.0 million for the same period in 2008. Research and development expenses were $51.1 million for the year ended December 31, 2009 compared to $81.6 million for the same period in 2008.

General and administrative expenses were $2.4 million for the fourth quarter in 2009 compared to $3.5 million for the same period in 2008. General and administrative expenses were $12.7 million for year ended December 31, 2009 compared to $14.7 million for the same period in 2008.

The Company recorded a restructuring charge of $1.2 million in the year ended December 31, 2009 related to a realignment of its operations in the first quarter of 2009.

The Company reported a net loss of $7.0 million or $0.21 per basic and diluted share in the fourth

quarter of 2009, compared to a net loss of $26.0 million or $0.77 per basic and diluted share for the same period in 2008. For the year ended December 31, 2009, the Company reported a net profit, principally as a result of the one-time acceleration of deferred revenue, of $79.1 million or $2.33 per basic share and $2.32 per diluted share, compared to a net loss of $92.6 million or $2.75 per basic and diluted share for the same period in 2008.

As of December 31, 2009, the Company had $44.2 million in cash and cash equivalents. In addition, the Company raised $26.7 million of net proceeds from the sale of its common stock in an underwritten public offering in January 2010. 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 Annual Report on Form 10-K, which was filed with the Securities and Exchange Commission on March 11, 2010.

Financial Guidance

Based on our current operating plans, we estimate our cash resources inclusive of proceeds from our January 2010 public offering, together with expected research and development reimbursements and milestone payments in connection with certain preclinical and clinical achievements under the Roche agreement, will be sufficient to fund the Company's operations into 2012.

Conference Call

Management will conduct a conference call at 10:00 a.m. (ET) this morning to review the Company's fourth-quarter and year-end 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 March 17. To access the replay, dial (877) 660-6853 or (201) 612-7415 and refer to both account number 286 and conference ID 343642. 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.

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 expected timing, developments and progress of our clinical and preclinical programs (including the expected initiation of clinical trials), possible partnering of unpartnered assets in 2010, and the sufficiency of our cash resources into 2012, 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, 2009 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 December 31,		Twelve Months Ended December 31,	
	2009	**2008**	**2009**	**2008**
Collaboration revenues:				
License and milestone revenue (1)	$1,143	$3,018	$125,701	$8,513
Cost sharing reimbursements, net (1)	3,537	(2,382)	18,544	(5,898)
Total collaboration revenues	4,680	636	144,245	2,615
Operating expenses:				
Research and development	$9,234	$23,031	$51,054	$81,581
General and administrative	2,426	3,470	12,651	14,742
Restructuring	-	-	1,236	-
Total operating expenses	11,660	26,501	64,941	96,323
Income (loss) from operations	(6,980)	(25,865)	79,304	(93,708)
Other income, net	(57)	(88)	(216)	1,090
Net income (loss)	$(7,037)	$(25,953)	$79,088	$(92,618)
Net income (loss) per common share:				
Basic	$(0.21)	$(0.77)	$2.33	$(2.75)
Diluted	$(0.21)	$(0.77)	$2.32	$(2.75)
Weighted-average common shares outstanding:				
Basic	33,918,887	33,741,960	33,887,766	33,735,579
Diluted	33,918,887	33,741,960	34,118,846	33,735,579

(1) In September 2009, upon the effectiveness of the termination of the GSK Agreement, the Company recognized approximately $114.6 million of remaining deferred revenue from upfront payments and milestones 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 accumulated 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 collaboration revenue.

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

	December 31, 2009	December 31, 2008
Assets		
Cash and cash equivalents (1)	$ 44,155	$ 73,563
Collaboration receivable	-	16,000
Other current assets	419	1,658
Property, plant and equipment, net	3,978	5,929
Other non-current assets	358	103
Total assets	$ 48,910	$ 97,253
Liabilities and Stockholders' Equity		
Current liabilities	$ 16,469	$ 33,323
Long-term liabilities	7,530	122,721
Stockholders' equity	24,911	(58,791)
Total liabilities and Stockholders' equity (deficit)	$ 48,910	$ 97,253

(1) In January 2010 the Company raised $26.7 million in net proceeds from its sale common stock in a public offering.

SOURCE: Synta Pharmaceuticals Corp.

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