Synta Announces Clinical Program Updates and 2010 Financial Results

March 11, 2011

Patients with refractory gastric cancer, triple negative breast cancer show objective responses with single agent ganetespib treatment

Ganetespib well tolerated with favorable safety profile in over 350 patients treated to date

Additional results from ganetespib trials in NSCLC and other cancers expected mid-year

Registration-enabling trial in NSCLC to initiate in 2011, preliminary data expected by Q1 2012

LEXINGTON, Mass., Mar 11, 2011 (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 2010 financial results, provided an update on recent progress with its programs, and announced 2011 objectives.

"We and our collaborators are excited about the ganetespib single-agent clinical activity observed in patients with a range of tumor types," said Vojo Vukovic, M.D., Ph.D., Senior Vice President and Chief Medical Officer, Synta. "Objective responses and durable tumor shrinkage have been seen in patients with non small-cell lung cancer (NSCLC), gastric cancer, triple-negative breast cancer, colorectal cancer, melanoma, renal cancer, and gastro-intestinal stromal tumors (GIST) who have exhausted standard of care treatment options. These responses in patients with highly resistant cancers demonstrate ganetespib is clinically active."

"The combined observations of single-agent activity in several cancer types and a favorable safety profile are very encouraging for the future of this program and the breadth of potential therapeutic applications," said Safi Bahcall, Ph.D., President and Chief Executive Officer. "Our highest priority this year is to build on these exciting clinical results and advance ganetespib towards registration."

A Phase 2b/3 trial for ganetespib in combination with docetaxel in 2nd-line advanced NSCLC patients is expected to initiate in Q2 of 2011. Results from the first-stage, Phase 2b portion of the trial are expected by end of 2011 or early 2012. Additional results from ongoing trials with ganetespib in NSCLC and other cancers will be presented mid-year. Biomarker-defined subpopulations that are highly responsive to ganetespib single agent treatment, and possible paths to registration in these subpopulations, will be evaluated in parallel with the combination therapy approach.

Ganetespib (STA-9090) is a potent inhibitor of heat shock protein 90 (Hsp90) that is structurally unrelated to earlier Hsp90 inhibitors such as 17-AAG, and has shown superior activity to these agents in preclinical studies. Ganetespib is currently being studied in 11 Phase 2 trials.

The safety profile of ganetespib, based on over 350 patients treated to date, is encouraging, without the serious liver or common ocular toxicities of other Hsp90 inhibitors, or the hematologic toxicities and neuropathy often seen with chemotherapy. The most common adverse event seen with ganetespib treatment is diarrhea which is manageable with standard supportive care.

"We have been encouraged by the high level of interest from both the medical community and potential partners in this program, as well our two other most advanced programs - elesclomol, our mitochondria-targeting anti-cancer agent, and the CRACM ion channel program for inflammatory diseases," continued Dr. Bahcall. "We are in active discussions with multiple companies, several of which are reviewing more than one program. The level of interest and number of programs under discussion give us confidence we will conclude one or more partnerships by year-end."

"We have a strong financial foundation for advancing these programs," continued Dr. Bahcall. "The majority of our clinical trials are sponsored by investigators or cooperative groups, which are substantially less expensive than company-sponsored trials. Our primary company-sponsored commitment is our Phase 2b/3 trial for ganetespib. The Phase 2b portion of the two-stage design is expected to require $10 million or less in external costs this year. The combination of staged allocation of our financial commitments, strong third-party support, and potential partnerships provide us with a solid foundation from which to advance our programs over the coming year."

Clinical Programs

Ganetespib

- Presented preliminary Phase 2 single-agent results in NSCLC in February 2011 demonstrating clinical activity including durable, confirmed RECIST responses as well as tumor shrinkage.
- Announced that a Phase 2b/3 registration-enabling combination trial with docetaxel in NSCLC will initiate in Q2 2011. Expect initial results from first-stage, Phase 2b portion of trial in Q4 2011 or Q1 2012.
- Developed investigator-sponsored trials in breast, gastric, small cell lung, hepatic, prostate, ocular melanoma, colorectal, and pancreatic cancers.
- Identified recommended dose and schedule for the combination with docetaxel for the Phase 2b/3 study in non-small cell lung cancer.
- Announced collaboration with the Multiple Myeloma Research Foundation to support a clinical trial of ganetespib as single agent and in combination with bortezomib (VELCADE(R)) in multiple myeloma in 2H 2011.
- Presented preliminary results of Phase 1 trials in solid tumors at ASCO in June 2010 showing differentiated safety profile - absence of serious liver toxicities or common ocular toxicities seen with other Hsp90 inhibitors.
- Presented preliminary results of trials in hematologic cancers at ASH in December 2010.
- Expect to initiate up to six additional trials in combination with other anti-cancer agents as well as a single agent in 2011.
- Expect to present additional results in NSCLC mid-year and results from other indications in the second half of 2011.

Elesclomol

- Announced Phase 2 trial of elesclomol in combination with paclitaxel in ovarian cancer initiated by the Gynecologic Oncology Group, supported by the National Cancer Institute.

- Initiated single agent Phase 1 trial of elesclomol in acute myeloid leukemia.
- Presented additional data from Phase 3 trial in metastatic melanoma at ASCO in June 2010.
- Announced Phase 2b trial of elesclomol in NSCLC expected to begin in Q2 2011.

Pipeline

CRACM Ion Channel Program

- Licensed several drug candidates to Roche for development and commercialization. Synta is eligible for milestones and royalties under the terms of the license agreement.
- Identified and advanced new CRACM inhibitors, and initiated partnership discussions for these compounds.

Vascular Disrupting Agent

- Approved for funding of up to $1 million from U.S. Department of Defense for pre-clinical development of VDA in prostate cancer.

Fourth Quarter and Full Year 2010 Financial Results

In the fourth quarter of 2010, Synta recognized total collaboration revenue of $3.0 million compared to $4.7 million for the same period in 2009. Total collaboration revenue was $13.8 million for the year ended December 31, 2010 compared to $144.2 million for the same period in 2009, which included a one-time acceleration of approximately $114.6 million of deferred revenue related to a former partnership agreement with GSK. In addition, the Company recognized $1.0 million in grant revenue in the fourth quarter and year ended December 31, 2010.

Research and development expenses were $9.3 million for the fourth quarter in 2010 compared to $9.2 million for the same period in 2009. Research and development expenses were $40.3 million for the year ended December 31, 2010 compared to $51.1 million for the same period in 2009.

General and administrative expenses were $3.1 million for the fourth quarter in 2010 compared to $2.4 million for the same period in 2009. General and administrative expenses were $11.4 million for year ended December 31, 2010 compared to $12.7 million for the same period in 2009.

The Company reported a net loss of $8.8 million or $0.21 per basic and diluted share in the fourth quarter of 2010, compared to a net loss of $7.0 million or $0.21 per basic and diluted share for the same period in 2009. For the year ended December 31, 2010, the Company reported a net loss of $37.5 million or $0.93 per basic share and diluted share, compared to a net profit of $79.1 million or $2.33 per basic share and $2.32 per diluted share for the same period in 2009, which was principally as a result of the one-time acceleration of deferred revenue.

As of December 31, 2010, the Company had $51.0 million in cash, cash equivalents and marketable securities compared to $44.2 million as of December 31, 2009.

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, 2011.

Financial Guidance

Based on our current operating levels, we expect our cash resources will be sufficient to fund operations into 2012. This estimate assumes that certain activities contemplated for 2011 will be conducted subject to the availability of sufficient financial resources.

Conference Call

Management will conduct a conference call at 10:00 a.m. (ET) today 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) on March 11 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 366916. The webcast also will be archived on the Company's website.

About Ganetespib

Ganetespib (formerly STA-9090) is a potent, synthetic, small-molecule inhibitor of heat shock protein 90 (Hsp90). Hsp90 is a molecular chaperone required for the proper folding and activation of many cancer-promoting proteins, and is recognized as a key facilitator of cancer cell growth and survival. In preclinical experiments, ganetespib has shown activity in multiple tumor models both as a single agent and in combination with certain widely used cancer agents. Ganetespib is currently being evaluated in a broad range of cancer clinical trials including trials in non-small cell lung, breast, prostrate, pancreatic, colorectal, gastric, small cell lung, ocular melanoma, liver, GIST and hematologic cancers. Ganetespib has shown evidence of clinical and biological activity and has been well tolerated to date with no evidence of severe liver or common ocular toxicities seen with other Hsp90 inhibitors. The most common adverse event seen to date has been diarrhea, which has been manageable with standard supportive care. Information on clinical trials with ganetespib can be found at www.clinicaltrials.gov.

About Elesclomol

Elesclomol is a first-in-class, investigational drug candidate that triggers programmed cell death (apoptosis) in cancer cells through a novel mechanism: selectively targeting the electron transport chain in cancer cell mitochondria, disrupting cancer cell energy metabolism.

Elesclomol binds copper in plasma, which causes a change in conformation that enables its uptake through membranes and into cells. Elesclomol binds copper in an oxidative, positively charged, state called Cu(II). Once inside mitochondria, an interaction with the electron transport chain reduces the copper from Cu(II) to Cu(I), resulting in a cascade of redox reactions, a rapid increase of oxidative stress, disruption of mitochondrial energy production, and the initiation of the mitochondrial apoptosis pathway.

Mitochondria generate energy for cells, but also can induce apoptosis under certain conditions, such as a high level of oxidative stress. By sensitizing mitochondria and reducing barriers to apoptosis, elesclomol may provide a means to overcome resistance to traditional chemotherapy or targeted therapy.

Cancer cell mitochondria can be selectively targeted by elesclomol because cancer cell mitochondria are structurally and functionally different from their normal counterparts, making them more susceptible to changes to mitochondrial metabolism.

About Elesclomol and LDH

Lactate dehydrogenase (LDH) is an enzyme that plays a key role in cancer cell energy metabolism. Under normal oxygen (normoxic) conditions, energy in tumors is primarily generated by conversion of nutrients to ATP in the mitochondria, with oxygen as a key component of this process. Levels of LDH generally remain in the normal range in this state. Under low oxygen (hypoxic) conditions, energy in tumors is primarily generated by glycolysis in the cytoplasm, and levels of LDH increase.

Elesclomol has been shown to have potent anti-cancer activity in a broad range of cancer types under normoxic conditions. Under hypoxic conditions, elesclomol's ability to disrupt oxygen-mediated energy production has limited effect, and elesclomol loses anti-cancer activity.

Clinical observations have been consistent with the preclinical findings that elesclomol activity depends on metabolic state. In three randomized trials, in a total of over 800 patients, elesclomol showed clinical activity that correlated with baseline level of LDH. Benefit was seen only in patients with the low to normal levels of LDH that are associated with normoxic conditions. The most common adverse events in patients treated with elesclomol plus paclitaxel included fatigue, alopecia, constipation, nausea, hypoaesthesia, arthralgia, insomnia, diarrhea, and anemia.

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 timing, developments and progress of our clinical and preclinical programs, our expectations regarding conclusion of potential partnerships in 2011 and financial guidance regarding the sufficiency of our cash resources, 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, 2010 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,	
	2010	**2009**	**2010**	**2009**
Collaboration revenues:				
License and milestone revenue	$1,143	$1,143	$4,572	$125,701
Cost sharing reimbursements, net	1,916	3,537	9,253	18,544
Total collaboration revenues	3,059	4,680	13,825	144,245
Grant revenue	978	--	978	--
Total revenues	4,037	4,680	14,803	144,245
Operating expenses:				
Research and development	9,347	9,234	40,252	51,054
General and administrative	3,055	2,426	11,449	12,651
Restructuring	--	--	--	1,236
Total operating expenses	12,402	11,660	51,701	64,941
Income (loss) from operations	(8,365)	(6,980)	(36,898)	79,304
Other expense, net	(458)	(57)	(569)	(216)
Net income (loss)	$(8,823)	$(7,037)	$(37,467)	$79,088
Net income (loss) per common share:				
Basic	$(0.21)	$(0.21)	$(0.93)	$2.33
Diluted	$(0.21)	$(0.21)	$(0.93)	$2.32
Weighted-average common shares outstanding:				
Basic	41,263,628	33,918,887	40,365,215	33,887,766
Diluted	41,263,628	33,918,887	40,365,215	34,118,846

Synta Pharmaceuticals Corp.

Condensed Consolidated Balance Sheets Data

(in thousands)

(unaudited)

	December 31, 2010	December 31, 2009
Assets		
Cash, cash equivalents and marketable securities	$ 50,973	$ 44,155
Other current assets	547	419
Property and equipment, net	2,181	3,978
Other non-current assets	366	358
Total assets	$ 54,067	$ 48,910
Liabilities and Equity		
Current liabilities	$ 16,736	$ 16,469
Long-term liabilities	13,852	7,530
Stockholders' equity	23,479	24,911
Total liabilities and Stockholders' equity	$ 54,067	$ 48,910

SOURCE: Synta Pharmaceuticals Corp.

Synta Pharmaceuticals Corp.
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