Synta Provides Clinical Update and Reports Third-Quarter 2011 Financial Results

November 3, 2011

LEXINGTON, Mass., Nov 03, 2011 (BUSINESS WIRE) -- Synta Pharmaceuticals Corp. (NASDAQ: SNTA) today provided an update on recent progress with its clinical programs and reported financial results for the quarter ended September 30, 2011.

"Based on encouraging results seen with ganetespib in lung cancer and other tumor types, we have established an exciting and diverse clinical development plan that could generate six to eight significant data readouts in 2012 in distinct patient populations, each of which offers a potential path to registration," said Safi Bahcall, Ph.D., President and CEO. "The clinical activity and favorable safety seen in trials to date, together with the strong clinical and scientific rationale for Hsp90 inhibition, have established the broad support among leading investigators we have seen for these trials."

Ganetespib is a potent inhibitor of heat shock protein 90 (Hsp90) that is structurally unrelated to first-generation, ansamycin-family Hsp90 inhibitors such as 17-AAG, 17-DMAG and IPI-504.

Ganetespib Clinical Update

"Several elements of the ganetespib program have come together over the past several months that have allowed us to establish a robust, diversified clinical development plan in a cost-efficient manner," said Dr. Vojo Vukovic, Chief Medical Officer. "Ganetespib has shown the ability to induce durable tumor responses and disease control in patients with advanced cancers who have exhausted standard treatment options. This includes patients with ALK+ non-small cell lung cancer; patients with both triple-negative and Her2+ breast cancer; and patients with certain other cancers with distinct genetic profiles. Another important element is the favorable safety profile observed to date, both as single agent and in combination with docetaxel. The absence of severe liver or common ocular toxicities, seen with other Hsp90 inhibitors, has been a key advantage for the program."

This combination of factors has established broad support for the ganetespib clinical development plan in U.S., European, and Asian cancer centers:

- The GALAXY trial compares treatment with docetaxel with or without ganetespib in approximately 240 patients with second-line advanced non-small lung cancer (NSCLC). Activity will be assessed both in the full patient population as well as in prospectively-defined subpopulations, including certain gene mutations as well as tumor histology. The trial has been designed, and has sufficient number of patients, to identify compelling results in any one of these biomarker-defined subpopulations.
- Based on the encouraging results seen in ALK+ NSCLC patients, we plan to initiate a company-sponsored trial in this patient population. Synta is also in active discussions for

investigator-sponsored or cooperative-group-sponsored trials in this population; we expect one or more such trials will be initiated in 2012.
- Both ganetespib and 17-AAG have shown promising clinical activity in breast cancer. Synta plans to initiate trials in one or more breast cancer indications in the first half of next year, working closely with a number of leading investigators in the breast cancer community.
- Results for ganetespib in hematologic cancers have generated strong interest and support from an international cooperative group for a randomized study in elderly patients with acute myeloid leukemia (AML). We expect this study will initiate in the first half of 2012.

"This comprehensive development program for ganetespib will generate multiple important data readouts in 2012, each of which has potential for a separate registration path in an area of high unmet medical need," concluded Dr. Vukovic.

Additional Updates

Results from preclinical studies of ganetespib in rectal cancer will be presented at the Chemotherapy Foundation Symposium in New York on November 9.

Synta will be presenting pre-clinical data on ganetespib and elesclomol at the annual AACR-NCI-EORTC International Conference: Molecular Targets and Cancer Therapeutics meeting in San Francisco, November 12-16.

In addition, results from a Phase 2 investigator-sponsored trial of ganetespib as a single agent in breast cancer as well as further pre-clinical results will be presented at the 2011 CTRC-AACR San Antonio Breast Cancer Symposium, December 6-10.

Please go to http://www.syntapharma.com/PrdMedConf.aspx?a=1 for additional details.

Financial Results

Total revenue was $1.7 million for the third quarter in 2011 compared to total revenue of $3.4 million for the same period in 2010. The Company reported a net loss of $12.7 million or $0.30 per basic and diluted share for the third quarter in 2011, compared to a net loss of $10.3 million, or $0.25 per basic and diluted share for the same period in 2010.

Research and development expenses were $10.8 million for the third quarter in 2011 compared to $11.0 million for the same period in 2010. General and administrative expenses were $3.1 million for the third quarter in 2011 compared to $2.6 million for the same period in 2010.

As of September 30, 2011, the Company had $50.7 million in cash, cash equivalents and marketable securities compared to $51.0 million in cash, cash equivalents and marketable securities as of December 31, 2010.

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 (SEC) on November 3, 2011.

Guidance

Synta is in advanced discussions with a number of potentialpartners with regard to both a global

CRACM ion channel agreement and a regional ganetespib partnership. We believe that these discussions could lead to at least one partnership agreement in principle this year, with the completion and announcement of an agreement takingplace by early 2012.

The Company expects to end 2011 with $37-$39 million in cash, cash equivalents and marketable securities. Based on the current operating levels, Synta expects cash resources will be sufficient to fund operations into the second half of 2012. These estimates assume no additional funds from new partnership agreements, equity financing events, or use of the $35 million equity line of credit available to Synta. Certain activities contemplated for 2012 would be conducted subject to the availability of additional financial resources.

Conference Call

Management will conduct a conference call at 10:00 a.m. (ET) today to review the Company's third-quarter financial 2011 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, http://ir.syntapharma.com/phoenix.zhtml?p=irol-eventDetails&c=147988&eventID=4221828, 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 November 3 through midnight (ET) on November 10. To access the replay, dial (877) 660-6853 or (201) 612-7415 and refer to both account number 286 and conference ID 380798. 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. In these trials, ganetespib has shown clinical activity in heavily pretreated patients 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 http://clinicaltrials.gov/ct2/results?term=ganetespib.

About the Phase 2b/3 GALAXY Trial™ in NSCLC

The Phase 2b/3 trial will evaluate treatment with ganetespib and docetaxel vs. docetaxel alone, with 1:1 randomization, in patients with Stage IIIB or IV NSCLC who have completed one prior systemic therapy for advanced disease. The first stage, Phase 2b portion, will assess efficacy as measured by progression-free survival in approximately 240 patients. Results from this stage will also be used to inform the choice of patient subpopulation, by histology or biomarker, for the second stage, Phase 3 portion. The second stage will assess efficacy as measured by overall survival, and will enroll between 400 and 600 patients. Interim results from the first-stage portion of the trial are expected in early 2012. More information on the trial can be found at http://clinicaltrials.gov/ct2/show

/NCT01348126?term=ganetespib&rank=1.

About Non-small Cell Lung Cancer

Lung cancer is the leading cause of cancer-related mortality in the United States, with over 225,000 new cases and 157,000 deaths estimated in 2010. The five year survival rate for advanced-staged lung cancer is less than 5%. Approximately 85% of all lung cancers are classified as non-small cell.

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 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, development and progress of our clinical and preclinical programs, including the generation of six to eight significant data readouts in 2012 for ganetespib; the timing of potential partnerships; the amount of cash, cash equivalents and marketable securities expected at the end of 2011; and the sufficiency of our cash resources to fund operations into the second half of 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, 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 September 30,		Nine Months Ended September 30,	
	2011	**2010**	**2011**	**2010**
Revenues:				
Collaboration revenues:				
License and milestone revenue	$1,143	$1,143	$3,429	$3,429

Cost sharing reimbursements, net	--	2,240	--	7,337
Total collaboration revenues	1,143	3,383	3,429	10,766
Grant revenues	521	--	732	--
Total revenues	1,664	3,383	4,161	10,766
Operating expenses:				
Research and development	10,751	11,023	30,605	30,906
General and administrative	3,131	2,591	8,749	8,393
Total operating expenses	13,882	13,614	39,354	39,299
Loss from operations	(12,218)	(10,231)	(35,193)	(28,533)
Interest expense, net	(516)	(31)	(1,444)	(111)
Net loss	$(12,734)	$(10,262)	$(36,637)	$(28,644)
Basic and diluted net loss per common share	$(0.30)	$(0.25)	$(0.87)	$(0.71)
Basic and diluted weighted average number of common shares outstanding	42,211,858	40,382,862	42,129,882	40,062,453

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

	September 30, 2011	December 31, 2010
Assets		
Cash, cash equivalents and marketable securities	$ 50,660	$ 50,973
Other current assets	1,362	547
Property, plant and equipment, net	1,316	2,181
Other non-current assets	530	366
Total assets	$ 53,868	$ 54,067
Liabilities and Equity		
Current liabilities	$ 17,116	$ 16,736
Long-term liabilities	12,171	13,852
Stockholders' equity	24,581	23,479
Total liabilities and Stockholders' equity	$ 53,868	$ 54,067

SOURCE: Synta Pharmaceuticals Corp.

Synta Pharmaceuticals Corp.

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