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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2008

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 001-33277

SYNTA PHARMACEUTICALS CORP.

(Exact name of registrant as specified in its charter)

Delaware	**04-3508648**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
45 Hartwell Avenue **Lexington, Massachusetts**	**02421**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(781) 274-8200**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 1, 2008, the registrant had 33,893,959 shares of common stock outstanding.

SYNTA PHARMACEUTICALS CORP.
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PART I FINANCIAL INFORMATION

Item 1. Financial Statements.

SYNTA PHARMACEUTICALS CORP.

Condensed Consolidated Balance Sheets

(in thousands, except share and per share amounts)

(unaudited)

	June 30, 2008	December 31, 2007
Assets		
Current assets:		
Cash and cash equivalents	$ 79,376	$ 115,577
Restricted cash	83	83
Prepaid expenses and other current assets	1,522	1,337
Total current assets	80,981	116,997
Property and equipment, net	6,005	5,576
Other assets	76	76
Total assets	$ 87,062	$ 122,649
Liabilities and Stockholders' (Deficit) Equity		
Current liabilities:		
Accounts payable	$ 1,471	$ 2,488
Accrued expenses	11,328	9,184
Capital lease obligations—current	2,573	2,406
Deferred collaboration revenue—current	5,351	5,351
Other current liabilities	—	1,343
Total current liabilities	20,723	20,772
Deferred collaboration revenue—long-term	71,490	74,166
Collaboration payable—long-term	2,217	—
Capital lease obligations—long-term	2,843	2,815
Total long-term liabilities	76,550	76,981
Total liabilities	97,273	97,753
Stockholders' (deficit) equity:		
Preferred stock, par value $0.0001 per share.		
Authorized: 5,000,000 shares at June 30, 2008 and December 31, 2007; no shares issued and outstanding at June 30, 2008 and December 31, 2007	—	—
Common stock, par value $0.0001 per share.		
Authorized: 100,000,000 shares at June 30, 2008 and December 31, 2007; 33,893,959 and 33,875,942 shares issued and outstanding at June 30, 2008 and December 31, 2007, respectively	3	3
Additional paid-in-capital	330,183	324,946
Accumulated deficit	(340,397)	(300,053)
Total stockholders' (deficit) equity	(10,211)	24,896
Total liabilities and stockholders' (deficit) equity	$ 87,062	$ 122,649

See accompanying notes to consolidated financial statements.

SYNTA PHARMACEUTICALS CORP.

Condensed Consolidated Statements of Operations

(in thousands, except share and per share amounts)

(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Collaboration revenues:				
License and milestone revenue	$ 1,338	$ —	$ 2,676	$ —
Cost sharing reimbursements, net	(1,969)	—	(1,969)	—
Total collaboration revenues	(631)	—	707	—
Operating expenses:				
Research and development	18,342	13,613	34,492	27,158
General and administrative	3,974	3,853	7,607	7,321
Total operating expenses	22,316	17,466	42,099	34,479
Loss from operations	(22,947)	(17,466)	(41,392)	(34,479)
Other income:				
Investment income, net	253	725	1,048	1,384
Net loss	(22,694)	(16,741)	(40,344)	(33,095)
Convertible preferred stock beneficial conversion charge	—	—	—	58,585
Net loss attributable to common stockholders	$ (22,694)	$ (16,741)	$ (40,344)	$ (91,680)
Basic and diluted weighted average common shares outstanding	33,733,536	33,658,536	33,731,883	33,658,520
Basic and diluted net loss attributable to common stockholders per share	$ (0.67)	$ (0.50)	$ (1.20)	$ (2.72)

See accompanying notes to consolidated financial statements.

SYNTA PHARMACEUTICALS CORP.

Condensed Consolidated Statements of Cash Flows

(in thousands)

(unaudited)

	Six Months Ended June 30,	
	2008	2007
Cash flows from operating activities:		
Net loss	$ (40,344)	$ (33,095)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation expense	3,894	2,907
Depreciation and amortization	1,306	1,646
Changes in operating assets and liabilities:		
Restricted cash	—	457
Collaboration receivable	(257)	—
Prepaid expenses and other current assets	72	(1,052)
Other assets	—	45
Accounts payable	(1,017)	(651)
Collaboration payable	2,217	—
Accrued expenses	2,144	4,455
Deferred collaboration revenue	(2,676)	—
Other deferred revenue	—	(457)
Net cash used in operating activities	(34,661)	(25,745)
Cash flows from investing activities:		
Purchases of marketable securities	—	(15,014)
Sales and maturities of marketable securities	—	28,149
Purchases of property and equipment	(991)	(824)
Net cash (used in) provided by investing activities	(991)	12,311
Cash flows from financing activities:		
Proceeds from issuances of common stock and exercise of common stock warrants, net of transaction costs	—	44,660
Proceeds from exercise of stock options	—	39
Repurchase of restricted common stock	—	(290)
Proceeds from sale—leaseback of property and equipment	880	1,154
Payment of capital lease obligations	(1,429)	(1,290)
Net cash (used in) provided by financing activities	(549)	44,273
Net (decrease) increase in cash and cash equivalents	(36,201)	30,839
Cash and cash equivalents at beginning of period	115,577	33,687
Cash and cash equivalents at end of period	$ 79,376	$ 64,526
Supplemental disclosure of noncash investing and financing activities:		
Acquisition of equipment under capital leases	$ 1,624	$ 1,154
Convertible preferred stock beneficial conversion charge	—	$ 58,585
Conversion of preferred stock	—	$ 41,820
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 248	$ 265

See accompanying notes to consolidated financial statements.

(1) Nature of Business

Synta Pharmaceuticals Corp. (the Company) was incorporated in March 2000 and commenced operations in July 2001. The Company is a biopharmaceutical company focusing on discovering, developing and commercializing small molecule drugs that address severe medical conditions, including cancer and chronic inflammatory diseases.

The Company is subject to risks common to emerging companies in the drug development and pharmaceutical industry including, but not limited to, uncertainty of product development and commercialization, lack of marketing and sales history, dependence on key personnel, uncertainty of market acceptance of products, product liability, uncertain protection of proprietary technology, potential inability to raise additional financing and compliance with the Food and Drug Administration (FDA) and other government regulations.

(2) Summary of Significant Accounting Policies

Basis of Presentation

The accompanying condensed consolidated financial statements as of June 30, 2008 and for the three months and six months ended June 30, 2008 and 2007 are unaudited. These unaudited interim condensed consolidated financial statements have been prepared on the same basis as the annual financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to present fairly the Company's financial position as of June 30, 2008 and the consolidated results of operations and cash flows for the three months and six months ended June 30, 2008 and 2007. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates. The results of operations for the three months and six months ended June 30, 2008 are not necessarily indicative of the results to be expected for the year ending December 31, 2008 or for any other interim period or any other future year. For more complete financial information, these condensed financial statements, and the notes hereto, should be read in conjunction with the audited financial statements for the year ended December 31, 2007 included in the Company's Annual Report on Form 10-K.

Principles of Consolidation

The consolidated financial statements include the financial statements of the Company and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include long-term contract accruals, recoverability of long-lived and deferred tax assets, measurement of stock-based compensation, and the period of performance under the GSK Agreement. The Company bases its estimates on historical experience and various other assumptions that management believes to be reasonable under the

(2) Summary of Significant Accounting Policies (Continued)

circumstances. Changes in estimates are recorded in the period in which they become known. Actual results could differ from those estimates.

Cash, Cash Equivalents and Marketable Securities

The Company's cash and cash equivalents consist of cash deposited in a highly rated financial institution in the United States and in a short-term U.S. Treasury money market fund. The primary objective of the Company's investment activities is to preserve its capital for the purpose of funding operations and the Company does not enter into investments for trading or speculative purposes. The Company did not have material exposure to high-risk investments, such as mortgage-backed securities, auction rate securities or other special investment vehicles, or SIV's, within its money-market fund investments. The Company also believes that it does not have any material exposure to changes in fair value as a result of changes in interest rates. Declines in interest rates, however, would reduce future investment income.

Revenue Recognition

Collaboration and License Agreements

The Company's principal sources of revenue may include up front license payments, development milestones, reimbursement of development costs, profit sharing payments, sales milestones and royalties from its collaborations. The Company recognizes revenue from these sources in accordance with Staff Accounting Bulletin (SAB) 104, "*Revenue Recognition*", or SAB 104, Emerging Issues Task Force (EITF) No. 99-19, "*Reporting Revenue Gross as a Principal Versus Net as an Agent*", or EITF No. 99-19, EITF No. 00-21, "*Revenue Arrangements with Multiple Deliverables*", or EITF No. 00-21, and EITF No. 01-09, *"Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)*", or EITF No. 01-09. The application of EITF No. 00-21 requires subjective analysis and requires management to make estimates and assumptions about whether deliverables within multiple-element arrangements are separable from the other aspects of the contractual arrangement into separate units of accounting and to determine the fair value to be allocated to each unit of accounting.

In October 2007, the Company and GlaxoSmithKline (GSK) entered into a collaborative development, commercialization and license agreement, as amended in June 2008 (the GSK Agreement), for elesclomol, a novel injectable, small molecule compound that triggers apoptosis, or programmed cell death, in cancer cells, which the Company believes has potential for the treatment of a broad range of cancer types. The Company evaluated the multiple deliverables within the GSK Agreement in accordance with the provisions of EITF No. 00-21 to determine whether the delivered elements that are the obligation of the Company have value to GSK on a stand-alone basis and whether objective reliable evidence of fair value of the undelivered items exists. Deliverables that meet these criteria are considered a separate unit of accounting. Deliverables that do not meet these criteria are combined and accounted for as a single unit of accounting. The appropriate recognition of revenue is then applied to each separate unit of accounting.

The Company's deliverables under the GSK Agreement, including the related rights and obligations, contractual cash flows and performance periods, are more fully described in Note 8. Certain of the deliverables have been combined as a single unit of accounting.

(2) Summary of Significant Accounting Policies (Continued)

The GSK Agreement consists of the following key funding streams: an upfront license payment, product development milestones, reimbursements of certain development costs, sales milestones, profit sharing payments and product royalty payments. The cash flows associated with the single unit of accounting from the development portion of the GSK Agreement are recognized as revenue using a time-based model. Under this model, cash flow streams are recognized as revenue over the estimated performance period. Upon receipt of cash payments for milestones, revenue is recognized to the extent the accumulated service time, if any, has occurred. The remainder is deferred and recognized as revenue ratably over the remaining estimated performance period. A change in the period of time expected to complete the deliverable is accounted for as a change in estimate on a prospective basis. There have been no changes to this estimate to date. Revenue is limited to amounts that are nonrefundable and that GSK is contractually obligated to pay to the Company.

The $80 million non-refundable upfront license payment the Company received from GSK in November 2007, together with the $260,000 fair value of an option to require GSK to purchase $25 million of the Company's common stock, is being recognized ratably using the time-based model over the estimated performance period which has been defined as the 15-year period through the earliest expiration date of the related patents, which the Company estimates to be the effective life of the GSK Agreement. The Company is also recognizing product development milestones as collaboration revenue using the time-based model over the same performance period through November 2022. As of June 30, 2008, no milestones have been achieved. In the three months and six months ended June 30, 2008, the Company recognized $1.3 million and $2.6 million, respectively, of license and milestone revenue under the GSK Agreement.

Reimbursements of development costs to the Company by GSK are recorded as cost sharing revenue in the period in which the related development costs are incurred. Reimbursements by the Company to GSK for costs GSK incurs under the development program are recorded as a reduction of cost sharing revenue in the period in which the costs are incurred by GSK in accordance with EITF 01-09. Reimbursement of GSK's costs in an amount in excess of collaboration revenues otherwise recognized by the Company in a reporting period may result in negative revenue. Based on the guidance of EITF No. 99-19, the Company has determined that it is acting as a principal under the GSK Agreement and, as such, records these amounts as collaboration revenue. In the three months and six months ended June 30, 2008, the Company recognized, as a reduction to revenue, $2.0 million of net cost sharing reimbursements to GSK under the GSK Agreement as the Company is solely responsible for funding 100% of the development costs of elesclomol for the treatment of metastatic melanoma until a specified limit of expenses has been incurred, after which continuing development costs are shared by GSK with the Company responsible for a modest share of the costs.

Profit sharing payments are based upon a formula that provides for a range of 40-50% of net profits earned on U.S. sales of products included in the GSK Agreement. Royalty revenues are based upon a percentage of sales in non-U.S. territories. Profit sharing payments and royalties from the sales of products included in the GSK Agreement will be recorded on the accrual basis when results are reliably measurable, collectibility is reasonably assured and all other revenue recognition criteria are met. Sales milestones, which are based upon the achievement of certain agreed-upon sales thresholds, will be recognized in the period in which the respective sales threshold is achieved and collectibility is reasonably assured.

(2) Summary of Significant Accounting Policies (Continued)

Deferred Collaboration Revenue

Consistent with the Company's policy on revenue recognition, deferred collaboration revenue represents cash received in advance for licensing fees and option fees. Such payments are reflected as deferred collaboration revenue until revenue can be recognized under the Company's revenue recognition policy. Deferred collaboration revenue is classified as current if management believes the Company will complete the earnings process and be able to recognize the deferred amount as revenue within 12 months of the balance sheet date. At June 30, 2008, total deferred collaboration revenue was approximately $76.8 million, of which $5.4 million is current and will be recognized as revenue during the next 12 months.

Stock-Based Compensation

For the three months and six months ended June 30, 2008 and 2007, the fair value of each employee stock option award was estimated on the date of grant based on the fair value method using the Black-Scholes option pricing valuation model with the following weighted average assumptions:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Risk-free interest rate	3.38%	4.67%	3.27%	4.65%
Expected life in years	6.25 years	6.25 years	6.25 years	6.25 years
Volatility	70%	75%	70%	75%
Expected dividend yield	—	—	—	—

The options granted during the three months and six months ended June 30, 2008 and 2007 had a weighted-average grant date fair value, measured on the date of grant, of $4.67, $5.93, $5.18 and $6.22, respectively.

The Company uses the Black-Scholes option pricing model as the most appropriate valuation method for its option grants. The Black-Scholes model requires inputs for risk-free interest rate, dividend yield, volatility and expected lives of the options. Since the Company has a limited history of stock activity, expected volatility is based on historical data from several public companies similar in size and value to the Company. The Company will continue to use a weighted average approach using historical volatility and other similar public entity volatility information until historical volatility of the Company is relevant to measure expected volatility for future option grants. The Company estimates the forfeiture rate based on historical data. Based on an analysis of historical forfeitures, the Company has applied a forfeiture rate of 10% to all options that vest upon completion of the first year of service following the date of grant. The analysis will be re-evaluated at least annually and the forfeiture rate will be adjusted as necessary. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of the grant. The expected lives for options granted represents the period of time that options granted are expected to be outstanding. Since January 1, 2006 the Company has used the simplified method for determining the expected lives of options.

For awards with graded vesting, the Company allocates compensation costs under SFAS No. 123(R), "*Share-Based Payment*", or SFAS No. 123(R) on a straight-line basis over the requisite

(2) Summary of Significant Accounting Policies (Continued)

service period. The Company amortized the fair value of each option over each option's service period, which is generally the vesting period.

The Company's net loss for the three months and six months ended June 30, 2008 and 2007 includes $1,757,000, $1,495,000, $3,894,000 and $2,907,000, respectively, of compensation costs and no income tax benefit related to the Company's stock-based compensation arrangements for employee and nonemployee awards. As of June 30, 2008, the total amount of unrecognized stock-based compensation expense was $14,665,000, which will be recognized over a weighted average period of 2.8 years.

The Company accounts for stock options issued to non-employees in accordance with the provisions of SFAS No. 123, "*Accounting for Stock-Based Compensation*", or SFAS No. 123 and EITF No. 96-18, *Accounting for Equity Instruments that are Issued to Other than Employees, or in Conjunction with Selling Goods or Services*, which requires valuing and remeasuring such stock options to the current fair value until the performance date has been reached.

As part of its preparation of its quarterly financial statements for the three months ended March 31, 2008, the Company discovered that it had erroneously accounted for certain of its non-employee stock options during the last three quarters of 2007 under EITF Issue No. 00-19, *Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock,* which may require stock options held by certain non-employee consultants to be accounted for as liabilities. Under this accounting it had reclassified approximately $1.8 million from additional-paid-in capital to liabilities in the second quarter of 2007 and subsequently during the year adjusted the fair value of the liability for changes in the market price of its common stock, resulting in a $553,000 credit to stock-based compensation expense for the year. In accordance with SEC Staff Accounting Bulletin (SAB) No. 99, *Materiality*, and SAB No. 108, the Company assessed the materiality of this error on its financial statements for the year ended December 31, 2007, using both the roll-over method and iron-curtain method as defined in SAB No. 108. The Company concluded the effect of this error was not material to its financial statements for the year ended December 31, 2007 and, as such, these financial statements are not materially misstated. The Company also concluded that providing for the correction of the error in 2008 would not have a material effect on its financial statements for the year ended December 31, 2008. Accordingly, the Company recorded a charge to stock-based compensation of $553,000 and a reclassification of approximately $1.8 million from liabilities to additional-paid-in-capital in the three months ended March 31, 2008 to correct this error.

(2) Summary of Significant Accounting Policies (Continued)

The following table outlines the details of recognized and unrecognized expense for these stock-based compensation arrangements (in thousands):

	Stock compensation expense for the three months ended June 30,		Stock compensation expense for the six months ended June 30,		Unrecognized stock compensation expense as of June 30, 2008
	2008	2007	2008	2007	
Employee stock options	$ 1,316	$ 1,024	$ 2,483	$ 1,946	$ 13,658
Repriced employee stock options	32	34	91	69	80
Employee options issued below fair value	2	2	4	4	13
Non-employee stock options	11	13	579	44	6
Restricted stock	396	422	737	844	908
	$ 1,757	$ 1,495	$ 3,894	$ 2,907	$ 14,665

Stock-based compensation expense is allocated as follows (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2008	2007	2008	2007
Research and development	$1,313	$1,117	$3,045	$2,168
General and administrative	444	378	849	739
Total	$1,757	$1,495	$3,894	$2,907

Basic and Diluted Net Loss Per Common Share

Net loss per share is computed based on the guidance of SFAS No. 128, *Earnings Per Share*, requiring companies to report both basic net loss per common share, which is computed using the weighted average number of common shares outstanding during the period, and diluted net loss per common share, which is computed using the weighted average number of common shares outstanding and the weighted average dilutive potential common shares outstanding using the treasury stock method. However, for all periods presented, diluted net loss per share is the same as basic net loss per share as the inclusion of weighted average shares of unvested restricted common stock and common stock issuable upon the exercise of stock options would be anti-dilutive.

The following table summarizes securities outstanding, prior to the application of the treasury stock method, as of each of the periods presented which were not included in the calculation of diluted net loss per share as their inclusion would be anti-dilutive.

	June 30,	
	2008	2007
Common stock options	4,588,401	3,882,450
Nonvested restricted common stock	157,742	170,661

(2) Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements

In December 2007, the Financial Accounting Standards Board, or FASB, issued SFAS No. 141R, *Business Combinations,* or SFAS No. 141R. The pronouncement establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired. The pronouncement also establishes disclosure requirements to enable the evaluation of the nature and financial effects of the business combination. SFAS No. 141R is effective for fiscal years beginning after December 15, 2008. The Company does not believe SFAS No. 141R will have a material impact on its results of operations or financial position.

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements—an Amendment of ARB No. 51,* or SFAS No. 160. The pronouncement establishes accounting and reporting standards pertaining to ownership interests in subsidiaries held by parties other than the parent, the amount of net income attributable to the parent and to the noncontrolling interest, changes in a parent's ownership interest, and the valuation of any retained noncontrolling equity investment when a subsidiary is deconsolidated. The pronouncement also establishes disclosure requirements that identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. SFAS No. 160 is effective for fiscal years beginning on or after December 15, 2008. The Company does not believe SFAS No. 160 will have a material impact on its results of operations or financial position.

In December 2007, the EITF issued EITF Issue No. 07-1, *Accounting for Collaborative Arrangements,* or EITF No. 07-1, which requires collaborators to present the results of activities for which they act as the principal on a gross basis and report any payments received from (made to) other collaborators based on other applicable GAAP or, in the absence of other applicable GAAP, based on analogy to authoritative accounting literature or a reasonable, rational, and consistently applied accounting policy election. Further, EITF No. 07-1 clarified that the determination of whether transactions within a collaborative arrangement are part of a vendor-customer (or analogous) relationship subject to EITF No. 01-9, *Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products).* EITF No. 07-1 is effective for fiscal years beginning on or after December 15, 2008. The Company does not believe the adoption of EITF No. 07-1 will have a material impact on its overall financial position or results of operations.

(3) Fair Value Measurements

The Company adopted SFAS No. 157, *Fair Value Measurements,* on January 1, 2008. SFAS No. 157 defines and establishes a framework for measuring fair value and expands disclosure about fair value measurements. The standard creates a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3 inputs are unobservable inputs that reflect the Company's own assumptions about the assumptions market participants would use in pricing the asset or liability.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Under SFAS No. 157, the Company's cash and cash equivalents, which had a balance of $79.4 million, was required to be measured at fair value at June 30, 2008 and the balance was included in Level 1 inputs.

(4) Property and Equipment

Property and equipment consist of the following:

	June 30, 2008	December 31, 2007
	(in thousands)	
Laboratory equipment	$ 11,470	$ 10,110
Leasehold improvements	4,346	4,238
Computers and software	2,104	1,961
Furniture and fixtures	801	791
	18,721	17,100
Less accumulated depreciation and amortization	(12,716)	(11,524)
	$ 6,005	$ 5,576

Depreciation and amortization expenses of property and equipment were approximately $628,000, $848,000, $1,306,000 and $1,646,000 for the three months and six months ended June 30, 2008 and 2007, respectively.

(5) Stockholders' Equity

Initial Public Offering

In February 2007, the Company raised $50.0 million in gross proceeds from the sale of 5,000,000 shares of its common stock in the Company's initial public offering, or IPO, at $10.00 per share. The net offering proceeds after deducting approximately $5.3 million in expenses for underwriters' discounts, fees and commissions, legal, accounting, printing, listing and filing fees, and miscellaneous expenses were approximately $44.7 million.

Convertible Preferred Stock

In June 2006, the Company sold 8,000,000 shares of its Series A Convertible Preferred Stock (the Preferred Stock) at a price of $5.00 per share resulting in gross proceeds of $40 million. The Preferred Stock accrued a cumulative annual dividend of 8% of its purchase price, and was automatically convertible into shares of the Company's common stock upon completion of an IPO. The number of shares of common stock into which each share of Preferred Stock was convertible was determined by dividing the Preferred Stock purchase price plus all accrued dividends by the lesser of $20.00 or 66.6667% of the offering price to the public of the IPO.

In February 2007, all outstanding shares of the Preferred Stock and $1.9 million in accumulated dividends on the Preferred Stock were converted into 6,278,765 shares of common stock upon the completion of the IPO.

In accordance with EITF No. 98-5, *Accounting for Convertible Securities with Beneficial Conversion Features or Contingently Adjustable Conversion Ratios,* and EITF No. 00-27, *Application of Issue No. 98-5 to Certain Convertible Instruments,* the Company recorded a non-cash beneficial conversion charge of approximately $58.6 million in February 2007 in connection with the contingent adjustable conversion feature of the Preferred Stock.

(6) Stock Option Plans

In March 2006, the Company terminated the 2001 Stock Plan and adopted the Synta Pharmaceuticals Corp. 2006 Stock Plan (the 2006 Stock Plan). The 2006 Stock Plan provides for the grant of incentive stock options, nonstatutory stock options and nonvested stock to employees, officers, directors and consultants to the Company. A total of 3,800,000 shares of common stock have been reserved for issuance under the 2006 Stock Plan. In February 2008, the board of directors increased the number of shares of common stock reserved for issuance to 3,800,000 pursuant to an "evergreen" provision, which provides for an annual increase based on the lesser of 1,300,000 shares, 5% of the Company's then outstanding shares of common stock, or such other amount as the board of directors may determine. The administration of the 2006 Stock Plan is under the general supervision of the compensation committee of the board of directors. The exercise price of the stock options is determined by the board of directors, provided that incentive stock options are granted at not less than fair market value of the common stock on the date of grant and expire no later than ten years from the date the option is granted. Options generally vest over four years.

As of June 30, 2008, the Company had options outstanding to purchase 2,548,916 shares of its common stock, had outstanding 137,500 restricted shares of common stock and had no shares available for future issuance under the 2001 Stock Plan.

As of June 30, 2008, the Company had options outstanding to purchase 2,039,485 shares of its common stock, had outstanding 20,242 restricted shares of common stock and had available 1,714,695 shares available for future issuance under the 2006 Stock Plan.

In May 2004, the Company granted its board chairman an option to purchase 75,000 shares of its common stock at an exercise price of $10.843 per share, which was below the then fair market value of $16.00 per share. In December 2007, to comply with Section 409A of the Internal Revenue Code of 1986, the option agreement was amended to increase the exercise price of 28,125 of the shares issuable thereunder to $16.00 per share. No expense was recognized in connection with this amendment. In February 2008, this option was terminated and concurrently the Company granted a fully vested replacement option to purchase 75,000 shares of its common stock under the 2006 Stock Plan at an exercise price of $10.843 per share when the fair market value was $8.82. Accordingly, in the six months ended June 30, 2008, the Company recognized approximately $25,000 in stock compensation expense in connection with this new option grant.

Non-Vested ("Restricted") Stock Awards With Service Conditions

The Company's share-based compensation plan provides for awards of restricted shares of common stock to officers, other employees and non-employee directors. Restricted stock awards are subject to forfeiture if employment terminates during the prescribed retention period. The remaining unrecognized compensation expense on restricted stock at June 30, 2008 was $908,000. The weighted average period over which the balance is expected to be recognized is 0.8 years. Vesting may accelerate, with respect to restricted shares issued to certain officers and other employees, upon the FDA's approval of the Company's first New Drug Application.

(6) Stock Option Plans (Continued)

General Option Information

The following table summarizes stock option activity for the six months ended June 30, 2008:

	Shares	Weighted average exercise price of shares under plan
Outstanding at January 1, 2008	3,850,277	$ 11.22
Granted	1,128,660	8.69
Exercised	—	—
Cancelled(1)	(390,536)	11.48
Outstanding at June 30, 2008	4,588,401	$ 10.54
Exercisable at June 30, 2008	2,672,861	$ 11.41

(1) In March 2006, the Company terminated the 2001 Stock Plan and adopted the 2006 Stock Plan. Options granted under the 2001 Stock Plan and cancelled subsequent to the March 2006 termination of the 2001 Stock Plan do not return to the pool of options available for future issuance.

Included in the Company's stock options outstanding at June 30, 2008 were 287,492 options issued to non-employee consultants with a weighted average exercise price of $8.79 of which 282,709 were vested. The compensation expense is recorded over the respective vesting periods and is subject to variable accounting treatment prior to vesting, whereby the Company remeasures the fair value of the options at the end of each reporting period. Changes in the fair value may result in an expense or a credit in each reporting period. Compensation expense related to these options was approximately $11,000, $13,000, $579,000, including the $553,000 correction referred to in Note 2, and $44,000 for the three months and six months ended June 30, 2008 and 2007, respectively.

General Restricted Shares Information

The following table summarizes restricted stock activity during the six months ended June 30, 2008:

	Shares	Weighted average grant date fair value
Outstanding at January 1, 2008	157,832	$ 20.05
Granted	20,242	7.41
Vested	(18,107)	12.23
Cancelled	(2,225)	8.30
Outstanding at June 30, 2008	157,742	$ 19.49

(7) Accrued Expenses

Accrued expenses consist of the following:

	June 30, 2008	December 31, 2007
	(in thousands)	
Contracted research costs	$ 7,346	$ 3,517
Compensation and benefits	1,717	3,165
Professional fees	1,733	1,721
Other	532	781
	$11,328	$ 9,184

(8) Collaborative Development, Commercialization and License Agreement

In October 2007, as amended in June 2008, the Company and GSK entered into the GSK Agreement for elesclomol. Under the terms of the agreement, the companies will jointly develop and commercialize elesclomol in the United States, and GSK will have exclusive responsibility for the development and commercialization of elesclomol outside the United States. Pursuant to the agreement, the Company received a non-refundable upfront license payment of $80 million in November 2007. The Company is also eligible to receive potential pre-commercial milestone payments from GSK of up to $585 million, which include both payments for operational progress, such as trial initiation and enrollment, and payments for positive clinical and regulatory outcomes, such as regulatory approval. Of the $585 million in potential payments, $145 million are related to the development in metastatic melanoma and $440 million are related to the development in other cancer indications. Of the $145 million related to metastatic melanoma, $45 million are related to operational progress and $100 million are related to positive clinical and regulatory outcomes, which includes $25 million due to the Company either upon achieving the primary endpoint of the SYMMETRY trial, its global, pivotal Phase 3 clinical trial of elesclomol for the treatment of metastatic melanoma, or upon determination by the Company and GSK to file for regulatory approval if the primary endpoint is not achieved. In addition to milestones related to operational progress in development and clinical and regulatory outcomes, the Company is eligible to receive up to $300 million in potential commercial milestone payments from GSK based on achieving certain net sales thresholds. As of June 30, 2008, no milestones have been achieved.

Under the GSK Agreement, the total worldwide development costs for elesclomol, including development in metastatic melanoma, are shared according to an agreed targeted percentage, which represents for the Company a modest share of total costs. This cost share is realized by the Company over time through both direct cost reimbursement payments and operational milestone payments.

The GSK Agreement specifies an initial period during which the Company is solely responsible for all development costs, up to an agreed-upon limit, associated with specific development activities related to seeking FDA approval of elesclomol for the treatment of metastatic melanoma, whether incurred by the Company or GSK. Also during this period, GSK is responsible for certain operational milestone payments to the Company in the amount of up to $50 million. Costs may be incurred by GSK during this period that are related to the development of elesclomol in metastatic melanoma. Such costs are the responsibility of the Company; however, these costs are not required to be paid to GSK until after the final completion of the SYMMETRY trial, as defined in the GSK Agreement. Following the initial period, when total melanoma development costs have exceeded the pre-specified

(8) Collaborative Development, Commercialization and License Agreement (Continued)

limit, additional costs incurred for the program will no longer be the sole responsibility of the Company and will be shared by GSK in accordance with the agreed targeted percentage defined in the GSK Agreement. The Company anticipates that GSK will begin sharing development costs of elesclomol for the treatment of metastatic melanoma, including the costs of the SYMMETRY trial and the related new drug application, or NDA, submission with the U.S. Food and Drug Administration, or FDA, in the second quarter of 2009. In addition to development in metastatic melanoma, the Company also funds early clinical development of elesclomol in two other cancer indications. Satisfactory completion of these initial trials would result in certain milestone payments from GSK.

In the United States, the Company's share of the operating profits and losses from the commercialization and sales of elesclomol will be 40-50%, with the percentage increasing as the level of annual sales increases. Prior to commercialization, the Company is responsible for funding 40% of pre-commercialization costs in the United States. The Company may elect not to participate in co-commercialization, in which case the Company would earn royalties in lieu of profit sharing. Outside of the United States, the Company will receive double-digit tiered royalties.

Under the GSK Agreement, GSK may, subject to the agreement of the Company, purchase up to $45 million of the Company's common stock in two separate tranches upon the achievement of specified development and regulatory milestones. In the first tranche, GSK would be obligated to buy $25 million of the Company's common stock at the sole discretion of the Company. The per share purchase price would be at a specified premium. The Company attributed $260,000 of value to this option to require GSK to purchase its common stock. The second tranche of $20 million of common stock would be subject to the agreement of both the Company and GSK. The per share purchase price would be at a specified premium.

GSK may terminate the agreement upon not less than three months' written notice at any time prior to the date of the first commercial sale of an elesclomol product and upon not less than six months' written notice at any time on and after such date, in which case GSK may be obligated in certain circumstances to make additional payments to the Company. Under the GSK Agreement, the Company has the right, but not the obligation to participate in various joint governance committees (see Note 2).

(9) Related Party Transactions

In January 2005, the Company entered into an Agreement and Release with its scientific founder, who is a board member, whereby all outstanding matters regarding various oral understandings and arrangements between the scientific founder and the Company were resolved, including arrangements relating to (1) the assignment by the scientific founder of the benefit of his interests, if any, resulting from the Company's acquisition of the net assets of Cancer Genomics, Inc., Kava Pharmaceuticals, Inc. and SinglePixel Biomedical, Inc. (collectively, CKS), (2) the scientific founder's assignment of inventions, non-competition, non-solicitation and confidentiality agreements with the Company, and (3) a release by the scientific founder of any and all claims that the scientific founder may have had against the Company. Pursuant to this agreement, the Company is paying the scientific founder $500,000, payable in $25,000 installments quarterly for five years. The full amount of the obligation was charged to research and development expense in 2005. Total installment payments in each of the six months ended June 30, 2008 and 2007 were approximately $50,000.

The Company paid its scientific founder and a member of the board consulting fees of approximately $25,000 per month in January and February 2007 pursuant to a consulting agreement dated April 18, 2005. In March 2007, the Company amended the consulting agreement to reduce the fee from $25,000 to $10,000 per month. Total consulting fees paid in the six months ended June 30, 2008 and 2007 were approximately $60,000 and $90,000, respectively.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read this discussion together with the consolidated financial statements, related notes and other financial information included elsewhere in this Quarterly Report on Form 10-Q. The following discussion may contain predictions, estimates and other forward-looking statements that involve a number of risks and uncertainties, including those discussed under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2007 filed with the Securities and Exchange Commission. These risks could cause our actual results to differ materially from any future performance suggested below.

Overview

We are 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. We have 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. We have three drug candidates in clinical trials, one drug candidate in preclinical studies, and one program in the lead optimization stage of discovery, as well as other programs in earlier stages of discovery. We discovered and developed each of our drug candidates internally using our compound library and discovery capabilities. At present, other than our lead drug candidate, elesclomol, we retain all rights to each of our drug candidates and programs, across all geographic markets and therapeutic indications. We have entered into a partnership with GlaxoSmithKline, or GSK, for the joint development and commercialization of elesclomol.

We were incorporated in March 2000 and commenced operations in July 2001. Since that time, we have been principally engaged in raising capital and in the discovery and development of novel drug candidates.

Since our inception, we have had no revenues from product sales. We have funded our operations principally with $195.4 million in net proceeds from private placements of our common stock, $40.0 million in net proceeds from a private placement of our Series A convertible preferred stock, $44.7 million in net proceeds from our initial public offering, and an $80 million non-refundable upfront payment under the GSK Agreement, which, together with the exercise of common stock warrants and options, provided aggregate net cash proceeds of approximately $361.4 million through June 30, 2008. We have also generated funds from government grant revenues, equipment lease financings and investment income.

We have devoted substantially all of our capital resources to the research and development of our drug candidates. We have never been profitable and, as of June 30, 2008, we had an accumulated deficit of $340.4 million. We expect to incur significant operating losses for the foreseeable future as we advance our drug candidates from discovery through preclinical development and clinical trials and seek regulatory approval and eventual commercialization. In addition to these increasing research and development expenses, we expect general and administrative costs to increase in connection with additional headcount, public-company requirements and compliance, commercial development and medical community relations, as we, together with GSK, prepare for the potential launch of elesclomol. We will need to generate significant revenues to achieve profitability and may never do so.

Our Lead Drug Candidate, Elesclomol (formerly, STA-4783)

Our most advanced clinical-stage drug candidate, elesclomol, is a novel, injectable, small molecule compound that triggers apoptosis, or programmed cell death, in cancer cells, which we believe has potential for the treatment of a broad range of cancer types.

In September 2006, we announced positive results for elesclomol in combination with paclitaxel, a leading chemotherapeutic agent, in a double-blind, randomized, controlled, multicenter Phase 2b

clinical trial in patients with stage IV metastatic melanoma. We believe that this is the first blinded clinical trial of a drug candidate for the treatment of metastatic melanoma in 30 years to meet its primary endpoint with statistical significance. In November 2006, we received Fast Track designation from the U.S. Food and Drug Administration, or FDA, for the development of elesclomol for the treatment of metastatic melanoma. In December 2007, we received orphan drug designation for elesclomol in this indication in the United States from the FDA. Orphan drug status is designed to encourage biotechnology and pharmaceutical companies to develop drugs for rare diseases affecting fewer than 200,000 people in the United States. Assuming that elesclomol is approved by the FDA, we will be entitled to seven years of market exclusivity for elesclomol for the treatment of patients with metastatic melanoma.

Based on the results of our Phase 2b trial, we initiated a global, pivotal Phase 3 clinical trial of elesclomol in metastatic melanoma, called the SYMMETRY trial, in the third quarter of 2007. The SYMMETRY trial is being conducted under the terms of a Special Protocol Assessment, or SPA, agreed to by the FDA. The SPA process provides for a written agreement between a clinical trial sponsor and the FDA that the proposed design and planned analyses of the clinical trial is sufficient to support regulatory approval of a drug candidate, unless public health concerns unrecognized at the time of the protocol assessment become evident. The SYMMETRY trial is enrolling patients with stage IV metastatic melanoma who have not received prior chemotherapy but who may have already been treated with non-chemotherapeutic agents, such as biologics. Approximately 630 patients are being enrolled in the blinded, randomized, controlled study, which generally mirrors the design of our Phase 2b trial and will be conducted at approximately 150 centers worldwide.

As with our prior Phase 2b trial, patients enrolled in the SYMMETRY trial will be randomized to receive either elesclomol plus paclitaxel or paclitaxel alone. The dosage of each agent, the dosing schedule, and the primary endpoint—progression free survival, or PFS—are the same as in our prior Phase 2b trial. The SYMMETRY trial increases the total number of patients enrolled from the prior Phase 2b trial and includes central review of radiology scans, stratification to ensure balance between treatment and control arms, and a no-crossover design for facilitating the assessment of overall survival, or OS.

Based on our current enrollment projections and event rate targets, we expect to complete enrollment and conduct the primary PFS endpoint analysis of the SYMMETRY trial by early 2009. Assuming that the results of the PFS analysis are positive, we plan to submit a new drug application, or NDA, to the FDA as soon as possible, which is typically 6 to 8 months. If actual enrollment or event rates differ from our current projections, our target dates for completing the PFS analysis and submitting the NDA will likely change.

In October 2007, as amended in June 2008, we entered into a collaborative development, commercialization and license agreement with GSK for elesclomol, or the GSK Agreement, under which we are eligible to receive up to $1.01 billion in milestones and other payments, as well as share 40-50% of the profits and losses from sales in the United States and receive double-digit tiered royalties from sales outside of the United States. Under the terms of the agreement, we and GSK will jointly develop and commercialize elesclomol in the United States, and GSK will have exclusive responsibility for the development and commercialization of elesclomol outside the United States. Pursuant to the agreement, we received a non-refundable upfront license payment of $80 million in November 2007. We are also eligible to receive potential pre-commercial milestone payments from GSK of up to $585 million, which include both payments for operational progress, such as trial initiation and enrollment, and payments for positive clinical and regulatory outcomes, such as regulatory approval. Of the $585 million in potential payments, $145 million are related to the development in metastatic melanoma and $440 million are related to the development in other cancer indications. Of the $145 million related to metastatic melanoma, $45 million are related to operational progress and $100 million are related to positive clinical and regulatory outcomes, which includes

$25 million due to us either upon achieving the primary PFS endpoint of the SYMMETRY, trial, our global, pivotal Phase 3 clinical trial of elesclomol for the treatment of metastatic melanoma or upon determination by us and by GSK to file for regulatory approval if the primary endpoint is not achieved. In addition to milestones related to operational progress in development and clinical and regulatory outcomes, we are eligible to receive up to $300 million in potential commercial milestone payments from GSK based on achieving certain net sales thresholds. As of June 30, 2008, no milestones have been achieved.

Under the GSK Agreement, the total worldwide development costs for elesclomol, including the development in metastatic melanoma, are shared according to an agreed targeted percentage, which represents for us a modest share of total costs. This cost share is realized by us over time through both direct cost reimbursement payments and operational milestone payments.

The GSK Agreement specifies an initial period during which we are solely responsible for all development costs, up to an agreed-upon limit, associated with specific development activities related to seeking FDA approval of elesclomol for the treatment of metastatic melanoma, whether incurred by us or GSK. Also, during this period, GSK is responsible for certain operational milestone payments to us in the amount of up to $50 million. Costs may be incurred by GSK during this period that are related to the development of elesclomol in metastatic melanoma. Such costs are our responsibility; however, these costs are not required to be paid to GSK until after the final completion of the SYMMETRY trial, as defined in the GSK Agreement. Following the initial period when total melanoma development costs have exceeded the pre-specified limit, additional costs incurred for the program will no longer be our sole responsibility and will be shared by GSK in accordance with the targeted percentage defined in the GSK Agreement. We anticipate that GSK will begin sharing development costs of elesclomol for the treatment of metastatic melanoma, including the costs of the SYMMETRY trial and the related NDA submission, in the second quarter of 2009. In addition to development in metastatic melanoma, we also fund early clinical development of elesclomol in two other cancer indications. Satisfactory completion of these initial trials would result in certain milestone payments from GSK.

In the United States, our share of the operating profits and losses from the commercialization and sales of elesclomol will be 40-50%, with the percentage increasing as the level of annual sales increases. Prior to commercialization, we are responsible for funding 40% of pre-commercialization costs in the United States. We may elect not to participate in co-commercialization, in which case we would earn royalties in lieu of profit sharing. Outside of the United States, we will receive double-digit tiered royalties.

Under the GSK Agreement, GSK may, subject to our agreement, purchase up to $45 million of our common stock in two separate tranches upon the achievement of specified development and regulatory milestones. In the first tranche, GSK would be obligated to buy $25 million of our common stock at our sole discretion. The per share purchase price would be at a specified premium. We attributed $260,000 of value to this option to require GSK to purchase our common stock. The second tranche of $20 million of common stock would be subject to the agreement of both us and GSK. The per share purchase price would be at a specified premium.

GSK may terminate the agreement upon not less than three months' written notice at any time prior to the date of the first commercial sale of an elesclomol product and upon not less than six months' written notice at any time on and after such date, in which case GSK may be obligated in certain circumstances to make additional payments us. Under the GSK Agreement, we have the right, but not the obligation to participate in various joint governance committees (see Note 2).

We are also exploring the use of elesclomol in cancers beyond melanoma. We expect to introduce our sodium salt formulation, a water-soluble form of elesclomol, in a clinical trial for a new indication in the fourth quarter of 2008, and are planning for the initiation of a number of additional trials in additional indications in 2009. The sodium salt formulation will allow greater flexibility for use in

monotherapy as well as in combination with a broad range of commonly-used anti-cancer agents. This, in turn, will enable us to explore the use of elesclomol in the treatment of a wider range of cancers.

Our Other Oncology Drug Candidates and Research Programs

STA-9090. STA-9090 is a novel, injectable, small molecule drug candidate we are developing for the treatment of cancer. STA-9090 inhibits heat shock protein 90, or Hsp90, a chaperone protein that regulates the activity of numerous signaling proteins that trigger uncontrolled proliferation in cancer cells, in particular kinase proteins. Examples of kinase proteins include c-Kit, Bcr-Abl, Her2, EGFR, and others that are the targets of approved direct kinase inhibitors such as Gleevec, Herceptin, Tarceva, and Erbitux. We believe that inhibiting kinases indirectly, by disrupting the chaperone activities of Hsp90, provides two advantages: first, a means to simultaneously attack multiple cancer-promoting kinases; and, second, an ability to kill tumor cells with mutated kinases that have lost responsiveness to a direct kinase inhibitor. We have shown in preclinical experiments that STA-9090 is significantly more potent against certain types of cancer cells than Gleevec, as well as the two Hsp90 inhibitors furthest along in clinical development, 17-AAG and 17-DMAG being developed by Kosan Biosciences. STA-9090 is further differentiated from these Hsp90 inhibitors because it is a novel chemical structure that is not a derivative or analog of the natural product geldanamycin. We believe that this creates a distinct activity profile for STA-9090 and is a competitive advantage. We are currently conducting two Phase 1 studies in solid tumors to identify the maximum tolerated dose of STA-9090 based on once- and twice-a-week intravenous dosing schedules, respectively. In addition to an evaluation of safety and tolerability, patients in these studies will be assessed for biological activity based on biomarker responses and clinical response rates based on the RECIST criteria. We expect to initiate a third clinical trial of STA-9090 in hematological cancers in the fourth quarter of 2008.

STA-9584. STA-9584 is a novel, injectable, small molecule compound that disrupts the blood vessels that supply tumors with oxygen and essential nutrients. In preclinical experiments, STA-9584 has shown strong anti-tumor activity in a broad range of cancer models, including prostate, lung, breast, melanoma, and lymphoma. In preclinical testing, STA-9584 has been shown to act against established tumor vessels, a mechanism that is differentiated from the mechanism of anti-angiogenesis inhibitors such as Avastin, which prevents the formation of new tumor vessels. This program is currently in preclinical development.

Autoimmune and Inflammatory Diseases

Apilimod (STA-5326). Apilimod is a novel, orally administered, small molecule drug candidate we are developing for the treatment of autoimmune and other chronic inflammatory diseases. Apilimod inhibits the production of the cytokines interleukin-12, or IL-12, and interleukin-23, or IL-23, and thereby down-regulates the inflammation pathways that underlie certain autoimmune and inflammatory diseases. We are currently conducting a Phase 2a clinical trial of apilimod in patients with rheumatoid arthritis, or RA. The preliminary results of the first 22 patients in the RA Phase 2a trial showed encouraging biomarker and clinical signals suggesting activity of apilimod in this indication. We have elected to enroll an additional cohort in the RA Phase 2a trial to explore a higher dose of apilimod. We expect data from this higher dose cohort in the first half of 2009.

CRAC ion channel inhibitor. We have developed novel, small molecule inhibitors of calcium release activated calcium, or CRAC, ion channels expressed on immune cells. The CRAC ion channel is the primary route for calcium entry into T cells and other immune cells, regulating multiple immune cell processes important for initiating and maintaining an inflammatory immune response. We have demonstrated in preclinical experiments that our CRAC ion channel inhibitors selectively inhibit the production of critical pro-inflammatory cytokines, such as interleukin-2, or IL-2, and TNFa by immune cells, and that these compounds are effective in multiple animal models of immune diseases, including models of arthritis. This program is in the lead optimization stage of discovery.

Initial Public Offering

In February 2007, we raised $50.0 million in gross proceeds from the sale of 5,000,000 shares of our common stock in our initial public offering, or the IPO, at $10.00 per share. The net offering proceeds to us after deducting approximately $5.3 million in expenses for underwriters' discounts, fees and commissions, legal, accounting, printing, listing and filing fees, and miscellaneous expenses were approximately $44.7 million. All outstanding shares of our Series A convertible preferred stock and $1.9 million in accumulated dividends on the Series A convertible preferred stock were converted into 6,278,765 shares of common stock upon the completion of the IPO. In accordance with Emerging Issues Task Force, or EITF, No. 98-5, *Accounting for Convertible Securities with Beneficial Conversion Features or Contingently Adjustable Conversion Ratios*, and EITF No. 00-27, *Application of Issue No. 98-5 to Certain Convertible Instruments,* we recorded a non-cash beneficial conversion charge of approximately $58.6 million in February 2007 in connection with the contingent adjustable conversion feature of the Series A convertible preferred stock.

Financial Operations Overview

Revenue

We have not yet generated any product revenue and do not expect to generate any product revenue until late 2009 at the earliest, if at all. We will seek to generate revenue from product sales and from future collaborative or strategic relationships, which could include research and development, milestone payments, profit sharing and royalties. In October 2007, we entered into the GSK Agreement for our lead drug candidate, elesclomol. 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 ratably as collaboration revenue using the time-based model over the estimated performance period, the 15-year period through the earliest expiration date of the related patents, which we estimate to be the effective life of the GSK Agreement (see Revenue Recognition in the Critical Accounting Policies and Estimates section). In the three months and six months ended June 30, 2008, we recognized $1.3 million and $2.6 million, respectively, of license and milestone revenue under the GSK Agreement.

Reimbursements of development costs to us by GSK are recorded as cost sharing revenue in the period in which the related development costs are incurred. Reimbursements by us to GSK for costs GSK incurs under the development program are recorded as a reduction of cost sharing revenue in the period in which the costs are incurred by GSK. Reimbursement of GSK's costs in an amount in excess of collaboration revenues otherwise recognized by us in a reporting period may result in negative revenue. In the three months and six months ended June 30, 2008, we recognized, as a reduction to revenue, $2.0 million of net cost sharing reimbursements to GSK under the GSK Agreement as we are solely responsible for funding 100% of the development costs of elesclomol for the treatment of metastatic melanoma until a specified limit of expenses has been incurred, after which continuing development costs are shared by GSK with us responsible for a modest share of the costs. We anticipate that GSK will begin sharing development costs of elesclomol for the treatment of metastatic melanoma, including the costs of the SYMMETRY trial and the related NDA submission, beginning in the second quarter of 2009.

In the future, we expect any revenue we generate will fluctuate from quarter-to-quarter as a result of the timing and amount of payments received under the GSK Agreement and from future collaborations or strategic relationships, and the amount and timing of payments we receive upon the sale of our drug candidates, to the extent any are successfully commercialized.

Research and Development

Research and development expense consists of costs incurred in connection with developing and advancing our drug discovery technology and identifying and developing our drug candidates. We charge all research and development expenses to operations as incurred.

Our research and development expense consists of:

- internal costs associated with research, preclinical and clinical activities;
- payments to third party contract research organizations, investigative sites and consultants in connection with our preclinical and clinical development programs;
- costs associated with drug formulation and supply of drugs for clinical trials;
- personnel related expenses, including salaries, stock-based compensation, benefits and travel; and
- overhead expenses, including rent and maintenance of our facilities, and laboratory and other supplies.

We do not know if we will be successful in developing our drug candidates. While expenses associated with the completion of our current clinical programs are expected to be substantial and increase, we believe that accurately projecting total program-specific expenses through commercialization is not possible at this time. The timing and amount of these expenses will depend upon the costs associated with potential future clinical trials of our drug candidates, and the related expansion of our research and development organization, regulatory requirements, advancement of our preclinical programs and product manufacturing costs, many of which cannot be determined with accuracy at this time based on our stage of development. This is due to the numerous risks and uncertainties associated with the duration and cost of clinical trials, which vary significantly over the life of a project as a result of unanticipated events arising during clinical development, including with respect to:

- the number of clinical sites included in the trial;
- the length of time required to enroll suitable subjects;
- the number of subjects that ultimately participate in the trials; and
- the efficacy and safety results of our clinical trials and the number of additional required clinical trials.

Our expenditures are subject to additional uncertainties, including the terms and timing of regulatory approvals and the expense of filing, prosecuting, defending or enforcing any patent claims or other intellectual property rights. In addition, we may obtain unexpected or unfavorable results from our clinical trials. We may elect to discontinue, delay or modify clinical trials of some drug candidates or focus on others. A change in the outcome of any of the foregoing variables in the development of a drug candidate could mean a significant change in the costs and timing associated with the development of that drug candidate. For example, if the FDA or other regulatory authority were to require us to conduct clinical trials beyond those that we currently anticipate, or if we experience significant delays in any of our clinical trials, we would be required to expend significant additional financial resources and time on the completion of clinical development. Additionally, future commercial and regulatory factors beyond our control will evolve and therefore impact our clinical development programs and plans over time.

Despite this uncertainty, however, our development strategy for our lead clinical-stage drug candidate, elesclomol, is currently based on a number of assumptions that allow us to make broad estimates of certain clinical trial expenses. We initiated the SYMMETRY trial, our global, pivotal Phase 3 clinical trial of elesclomol for the treatment of metastatic melanoma, in the third quarter of 2007, and we expect the remaining costs necessary for the NDA submission, including the cost of the

clinical trial, clinical drug supplies, registration manufacturing and regulatory activities necessary to compile the NDA submission, together with the costs of related nonclinical toxicology and other testing to support the trial, will be in the range of $55 million to $60 million. We do not expect to receive regulatory approval of any of our drug candidates until 2009 at the earliest, if at all.

Beyond our three lead drug candidates, we anticipate that we will select drug candidates and research projects for further development on an ongoing basis in response to their preclinical and clinical success, as well as commercial potential.

General and Administrative

General and administrative expense consists primarily of salaries and related expenses for personnel in executive, finance, business and commercial development, investor and medical community relations, human resources and administrative functions. Other costs include stock-based compensation costs, directors' and officers' liability insurance premiums, legal costs of pursuing patent protection of our intellectual property, fees for general legal, accounting, public-company requirements and compliance, and other professional services, as well as overhead-related costs not otherwise included in research and development. We anticipate increases in costs of commercial development and medical community relations, as we, together with GSK, prepare for the potential launch of elesclomol.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of operations are based on our financial statements which have been prepared in accordance with U.S. generally accepted accounting principles, or GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported periods. We are required to make estimates and judgments with respect to accrued expenses, including long-term contract accruals, the recoverability of long-lived and deferred tax assets, measurement of stock-based compensation and the period of performance under the GSK Agreement. We base our estimates on historical experience, known trends and events, and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources and the reported amounts of revenues and expenses. Actual results may differ from these estimates under different assumptions or conditions.

We believe the following accounting policies and estimates are most critical to aid in the understanding and evaluating our reported financial results.

Revenue Recognition

Collaboration and License Agreements

Our principal sources of revenue may include up front license payments, development milestones, reimbursement of development costs, profit sharing payments, sales milestones and royalties from its collaborations. We recognize revenue from these sources in accordance with Staff Accounting Bulletin (SAB) 104, "*Revenue Recognition*", or SAB 104, Emerging Issues Task Force (EITF) No. 99-19, "*Reporting Revenue Gross as a Principal Versus Net as an Agent*", or EITF No. 99-19, EITF No. 00-21, "*Revenue Arrangements with Multiple Deliverables*", or EITF No. 00-21, and EITF No. 01-09, *"Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)*" or EITF No. 01-09. The application of EITF No. 00-21 requires subjective analysis and requires management to make estimates and assumptions about whether deliverables within multiple-element arrangements are separable from the other aspects of the contractual arrangement into separate units of accounting and to determine the fair value to be allocated to each unit of accounting.

We entered into the GSK agreement with GSK in October 2007. We evaluated the multiple deliverables within the GSK Agreement in accordance with the provisions of EITF No. 00-21 to determine whether the delivered elements that are our obligation have value to GSK on a stand-alone basis and whether objective reliable evidence of fair value of the undelivered items exists. Deliverables that meet these criteria are considered a separate unit of accounting. Deliverables that do not meet these criteria are combined and accounted for as a single unit of accounting. The appropriate recognition of revenue is then applied to each separate unit of accounting.

Our deliverables under the GSK Agreement, including the related rights and obligations, contractual cash flows and performance periods, are more fully described in Note 8 of the accompanying consolidated financial statements. Certain of the deliverables have been combined as a single unit of accounting.

The GSK Agreement consists of the following key funding streams: an upfront license payment, product development milestones, reimbursements of certain development costs, sales milestones, profit sharing payments and product royalty payments. The cash flows associated with the single unit of accounting from the development portion of the GSK Agreement are recognized as revenue using a time-based model. Under this model, cash flow streams are recognized as revenue over the estimated performance period. Upon receipt of cash payments for milestones, revenue is recognized to the extent the accumulated service time, if any, has occurred. The remainder is deferred and recognized as revenue ratably over the remaining estimated performance period. A change in the period of time expected to complete the deliverable is accounted for as a change in estimate on a prospective basis. There have been no changes to this estimate to date. Revenue is limited to amounts that are nonrefundable and that GSK is contractually obligated to pay to us.

The $80 million non-refundable upfront license payment we received from GSK in November 2007, together with the $260,000 fair value of an option to require GSK to purchase $25 million of our common stock, is being recognized ratably using the time-based model over the estimated performance period which has been defined as the 15-year period through the earliest expiration date of the related patents, which we estimate to be the effective life of the GSK Agreement. We are also recognizing product development milestones as collaboration revenue using the time-based model over the same performance period through November 2022. In the three months and six months ended June 30, 2008, we recognized $1.3 million and $2.6 million, respectively, of license and milestone revenue under the GSK Agreement. As of June 30, 2008, no milestones have been achieved.

Reimbursements of development costs to us by GSK are recorded as cost sharing revenue in the period in which the related development costs are incurred. Reimbursements by us to GSK for costs GSK incurs under the development program are recorded as a reduction of cost sharing revenue in the period in which the costs are incurred by GSK. Reimbursement of GSK's costs in an amount in excess of collaboration revenues otherwise recognized by us in a reporting period may result in negative revenue. Based on the guidance of EITF No. 99-19, we have determined that we are acting as a principal under the GSK Agreement and, as such, record these amounts as collaboration revenue. In the three months and six months ended June 30, 2008, we recognized $2.0 million of net cost sharing reimbursements to GSK under the GSK Agreement as we are solely responsible for funding 100% of the development costs of elesclomol for the treatment of metastatic melanoma until a specified amount of expenses has been incurred, after which continuing development costs are shared by GSK with us responsible for a modest share of the costs

Profit sharing payments are based upon a formula that provides for a range of 40-50% of net profits earned on U.S. sales of products included in the GSK Agreement. Royalty revenues are based upon a percentage of sales in non-U.S. territories. Profit sharing payments and royalties from the sales of products included in the GSK Agreement will be recorded on the accrual basis when results are reliably measurable, collectibility is reasonably assured and all other revenue recognition criteria are met. Sales milestones, which are based upon the achievement of certain agreed-upon sales thresholds, will be recognized in the period in which the respective sales threshold is achieved and collectibility is reasonably assured.

Deferred Collaboration Revenue

Consistent with our policy on revenue recognition, deferred collaboration revenue represents cash received in advance for licensing fees and option fees. Such payments are reflected as deferred collaboration revenue until revenue can be recognized under our revenue recognition policy. Deferred collaboration revenue is classified as current if management believes we will complete the earnings process and be able to recognize the deferred amount as revenue within 12 months of the balance sheet date. At June 30, 2008, total deferred collaboration revenue was approximately $76.8 million, of which $5.4 million is current and will be recognized as revenue during the next 12 months.

Accrued Expenses

As part of the process of preparing financial statements, we are required to estimate accrued expenses. This process involves identifying services which have been performed on our behalf, and estimating the level of service performed and the associated cost incurred for such service as of each balance sheet date in our financial statements. Given our current business, the primary area of uncertainty concerning accruals which could have a material effect on our business is with respect to service fees paid to contract manufacturers in conjunction with the production of clinical drug supplies and to contract research organizations in connection with our preclinical studies and clinical trials. In connection with all of the foregoing service fees, our estimates are most affected by our understanding of the status and timing of services provided. The majority of our service providers, including contract research organizations, invoice us in arrears for services performed. In the event that we do not identify some costs which have begun to be incurred, or we under or over estimate the level of services performed or the costs of such services in a given period, our reported expenses for such period would be too low or too high. We currently reflect the over or under accrual of expenses directly in our operations in the period the amount was determined.

Our arrangements with contract research organizations in connection with clinical trials often provide for payment prior to commencing the project or based upon predetermined milestones throughout the period during which services are expected to be performed. We recognize expense relating to these arrangements based on the various services provided over the estimated time to completion. The date on which services commence, the level of services performed on or before a given date, and the cost of such services are often determined based on subjective judgments. We make these judgments based upon the facts and circumstances known to us based on the terms of the contract or our ongoing monitoring of service performance. In the three months and six months ended June 30, 2008 and 2007, respectively, we had arrangements with multiple contract research organizations whereby these organizations commit to performing services for us over multiple reporting periods. We currently recognize and plan to continue to recognize the expenses associated with these arrangements based on our expectation of the timing of the performance of components under these arrangements by these organizations. Generally, these components consist of the costs of setting up the trial, monitoring the trial, closing the trial and preparing the resulting data.

With respect to financial reporting periods presented in this Quarterly Report on Form 10-Q, and based on our receipt of invoices from our third party providers, the timing of our actual costs incurred have not differed materially from our estimated timing of such costs. In light of the foregoing, we do not believe our estimates of future expenses and our practice of making judgments concerning the accrual of expenses are reasonably likely to change in the future. There were no changes in our estimates and accruals for contract service fees that had a material effect on our net losses in the three months and six months ended June 30, 2008 and 2007, respectively.

Stock-Based Compensation

We continue to use the Black-Scholes option pricing model as the most appropriate valuation method for our option grants. The Black-Scholes model requires inputs for risk-free interest rate, dividend yield, volatility and expected lives of the options. Since we do not have a significant history of stock trading activity, expected volatility is based on historical data from several public companies similar in size and value to us. We will continue to use a weighted average approach using historical volatility and other similar public entity volatility information until historical volatility of our common stock is relevant to measure expected volatility for future option grants. We estimate the forfeiture rate based on historical data. Our options generally vest 25% after one year of service and quarterly over three years thereafter. Based on an analysis of historical forfeitures, we applied a forfeiture rate of 10% to all options that vest upon completion of the first year of service following the date of grant. The analysis will be re-evaluated at least annually and the forfeiture rate will be adjusted as necessary. The risk-free interest rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of the grant. The expected lives for options granted represents the period of time that options granted are expected to be outstanding. Since January 1, 2006, we have used the simplified method for determining the expected lives of options.

For awards with graded vesting, we allocate compensation costs under Statement of Financial Accounting Standards, or SFAS, No. 123R, *Share-Based Payment,* or SFAS No. 123R on a straight-line basis over the requisite service period. Accordingly, we amortized the fair value of each option over each option's service period, which is generally the vesting period.

We account for stock options issued to non-employees in accordance with the provisions of SFAS No. 123, *Accounting for Stock-Based Compensation,* or SFAS No. 123 and EITF No. 96-18, *Accounting for Equity Instruments that are Issued to Other than Employees, or in Conjunction with Selling Goods or Services,* which requires valuing and remeasuring such stock options to the current fair value until the performance date has been reached.

Our net loss for the three months and six months ended June 30, 2008 and 2007 includes $1.8 million, $1.5 million, $3.9 million and $2.9 million, respectively, of compensation costs and no income tax benefit related to our stock-based compensation arrangements for employee and non-employee awards. As of June 30, 2008, the total amount of unrecognized stock-based compensation expense was $14.7 million, which will be recognized over a weighted average period of 2.8 years.

Consolidated Results of Operations

Three Months Ended June 30, 2008 Compared with Three Months Ended June 30, 2007

Collaboration Revenue

	Three Months Ended June 30,		2008 to 2007 Change	
	2008	2007	$	%
	(dollars in millions)			
License and milestone revenue	$ 1.3	$—	$ 1.3	—%
Cost sharing reimbursements, net	(1.9)	—	(1.9)	—%
Total collaboration revenue	$ (0.6)	$—	$ (0.6)	—%

In October 2007, we entered into a collaborative development, commercialization and license agreement with GSK for elesclomol. Under the terms of the GSK Agreement, the companies will jointly develop and commercialize elesclomol in the United States, and GSK will have exclusive responsibility for the development and commercialization of elesclomol outside the United States. 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 ratably as collaboration revenue using the time-based model over the estimated performance period, the 15-year period through the earliest expiration date of the related patents, which we estimate to be the effective life of this agreement. Reimbursements by us to GSK for costs GSK incurs under the development program are recorded as a reduction of cost sharing revenue in the period in which the costs are incurred by GSK. Reimbursement of GSK's costs in an amount in excess of collaboration revenues otherwise recognized by us in a reporting period may result in negative revenue (see earlier discussion and Notes 2 and 8 in the accompanying consolidated financial statements).

Research and Development Expense

	Three Months Ended June 30,		2008 to 2007 Change	
	2008	2007	$	%
	(dollars in millions)			
Clinical-stage drug candidates				
Elesclomol	$13.0	$ 8.8	$ 4.2	48%
Apilimod	0.1	0.1	—	—
STA-9090	1.4	1.9	(0.5)	(26)%
Total clinical-stage drug candidates	14.5	10.8	3.7	34%
Early stage programs	3.8	2.8	1.0	36%
Total research and development	$18.3	$13.6	$ 4.7	35%

In the three months ended June 30, 2008, costs incurred under our elesclomol program increased by $4.2 million over the three months ended June 30, 2007, including a $1.2 million increase for personnel costs, related research supplies, operational overhead and stock compensation, and a $3.0 million increase for external costs. These increases were principally due to expenses incurred in connection with the advancement of the SYMMETRY trial, our global, pivotal Phase 3 clinical trial of elesclomol for the treatment of metastatic melanoma, which was initiated in the third quarter of 2007, advancement of the sodium salt formulation in support of planned clinical trials beginning in the second half of 2008 and further clinical development of elesclomol in other cancer types.

In the three months ended June 30, 2008, costs incurred in connection with apilimod were unchanged as compared to the three months ended June 30, 2007.

In the three months ended June 30, 2008, costs incurred under our STA-9090 program decreased by $0.5 million over the three months ended June 30, 2007, including a $0.7 million decrease for personnel costs, related research supplies, operational overhead and stock compensation, offset by a $0.2 million increase for external costs. This decrease was principally due to the advancement of the program from preclinical development, which included the conduct of toxicology and DMPK studies, as well as manufacturing support, into clinical development upon the initiation of two Phase 1 clinical trials in the fourth quarter of 2007.

In addition, in the three months ended June 30, 2008, costs incurred under our early-stage programs increased by $1.0 million over the three months ended June 30, 2007, including a $1.0 million increase for personnel costs, related research supplies, operational overhead and stock compensation.

General and Administrative Expense

	Three Months Ended June 30,		2008 to 2007 Change	
	2008	2007	$	%
	(dollars in millions)			
General and administrative	$4.0	$ 3.9	$0.1	3%

The increase in general and administrative expense principally resulted from an increase of $0.3 million for personnel costs and related overhead in connection with increased headcount and stock compensation, offset by a $0.2 million decrease in external professional fees.

Investment Income, Net

	Three Months Ended June 30,		2008 to 2007 Change	
	2008	2007	$	%
	(dollars in millions)			
Investment income, net	$0.3	$ 0.7	$(0.4)	(57)%

The decrease in net investment income was principally due to declining interest rates.

Net Loss

	Three Months Ended June 30,		2008 to 2007 Change	
	2008	2007	$	%
	(dollars in millions except for net loss per share)			
Net loss	$ (22.7)	$ (16.7)	$ (6.0)	(36)%
Basic and diluted net loss per share attributable to common stockholders	$ (0.67)	$ (0.50)		

The increase in the basic and diluted net loss per share attributable to common stockholders in 2008 was principally due to the increase in the net loss as described above.

Six Months Ended June 30, 2008 Compared with Six Months Ended June 30, 2007

Collaboration Revenue

	Six Months Ended June 30,		2008 to 2007 Change	
	2008	2007	$	%
	(dollars in millions)			
License and milestone revenue	$ 2.7	$—	$ 2.7	—%
Cost sharing reimbursements, net	(2.0)	—	(2.0)	—%
Total collaboration revenue	$ 0.7	$—	$ 0.7	—%

In October 2007, we entered into a collaborative development, commercialization and license agreement with GSK for elesclomol. Under the terms of the GSK Agreement, the companies will jointly develop and commercialize elesclomol in the United States, and GSK will have exclusive responsibility for the development and commercialization of elesclomol outside the United States. 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 ratably as collaboration revenue using the time-based model over the estimated performance period, the 15-year period through the earliest expiration date of the related patents, which we estimate to be the effective life of this agreement. Reimbursements by us to GSK for costs GSK incurs under the development program are recorded as a reduction of cost sharing revenue in the period in which the costs are incurred by GSK. Reimbursement of GSK's costs in an amount in excess of collaboration revenues otherwise recognized by us in a reporting period may result in negative revenue (see Notes 2 and 8 in the accompanying consolidated financial statements).

Research and Development Expense

	Six Months Ended June 30,		2008 to 2007 Change	
	2008	2007	$	%
	(dollars in millions)			
Clinical-stage drug candidates				
Elesclomol	$24.1	$16.0	$ 8.1	51%
Apilimod	0.2	1.0	(0.8)	(80)%
STA-9090	3.2	4.4	(1.2)	(27)%
Total clinical-stage drug candidates	27.5	21.4	6.1	29%
Early stage programs	7.0	5.8	1.2	21%
Total research and development	$34.5	$27.2	$ 7.3	27%

In the six months ended June 30, 2008, costs incurred under our elesclomol program increased by $8.1 million over the six months ended June 30, 2007, including a $3.1 million increase for personnel costs, related research supplies, operational overhead and stock compensation, and a $5.0 million increase for external costs. These increases were principally due to expenses incurred in connection with the advancement of the SYMMETRY trial, our global, pivotal Phase 3 clinical trial of elesclomol for the treatment of metastatic melanoma, which was initiated in the third quarter of 2007, advancement of the sodium salt formulation in support of planned clinical trials beginning in the second half of 2008 and further clinical development of elesclomol in other cancer types.

In the six months ended June 30, 2008, costs incurred in connection with apilimod decreased by $0.8 million over the six months ended June 30, 2007, including a $0.2 million decrease for personnel costs, related research supplies, operational overhead and stock compensation, and a $0.6 million decrease for external costs. These decreases were principally due to the completion in 2007 of the Phase 2a clinical trial of apilimod in patients with RA.

In the six months ended June 30, 2008, costs incurred under our STA-9090 program decreased by $1.2 million over the six months ended June 30, 2007, including a $1.2 million decrease for personnel costs, related research supplies, operational overhead and stock compensation. This decrease was principally due to the advancement of the program from preclinical development, which included the conduct of toxicology and DMPK studies, as well as manufacturing support, into clinical development upon the initiation of two Phase 1 clinical trials in the fourth quarter of 2007.

In addition, in the six months ended June 30, 2008, costs incurred under our early-stage programs increased by $1.2 million over the six months ended June 30, 2007, including a $1.3 million increase for personnel costs, related research supplies, operational overhead and stock compensation, offset by a $0.1 million decrease for external costs.

General and Administrative Expense

	Six Months Ended June 30,		2008 to 2007 Change	
	2008	2007	$	%
	(dollars in millions)			
General and administrative	$7.6	$7.3	$0.3	4%

The increase in general and administrative expense principally resulted from an increase of $0.6 million for personnel costs and related overhead in connection with increased headcount and stock compensation, offset by a $0.3 million decrease in external professional fees.

Investment Income, Net

	Six Months Ended June 30,		2008 to 2007 Change	
	2008	2007	$	%
	(dollars in millions)			
Investment income, net	$1.0	$1.4	$(0.4)	(29)%

The decrease in net investment income was principally due to declining interest rates on the higher average cash balances resulting from the $80 million non-refundable upfront payment received from GSK in November 2007.

Net Loss

	Six Months Ended June 30,		2008 to 2007 Change	
	2008	2007	$	%
	(dollars in millions except for net loss per share)			
Net loss	$(40.3)	$(33.1)	$(7.2)	(22)%
Basic and diluted net loss per share attributable to common stockholders	$(1.20)	$(2.72)		

The decrease in the basic and diluted net loss per share attributable to common stockholders in 2008 was principally due to a non-recurring beneficial conversion charge of approximately $58.6 million that was recognized in February 2007 in connection with the contingent adjustable conversion feature of the Series A convertible preferred stock, and an increase in the number of weighted average common shares outstanding during the six months ended June 30, 2008. This activity resulted from the sale of 5,000,000 shares of common stock and the conversion of the Series A preferred stock and accumulated dividends into 6,278,765 shares of common stock in connection with the IPO.

Liquidity and Capital Resources

Sources of Liquidity

We have incurred significant operating losses since our inception. We have funded our operations principally with $195.4 million in net proceeds from private placements of our common stock, $40.0 million in net proceeds from a private placement of our Series A convertible preferred stock, $44.7 million in net proceeds from the IPO, and the $80 million non-refundable upfront payment under the GSK Agreement, which, together with the exercise of common stock warrants and options, provided aggregate net cash proceeds of approximately $361.4 million through June 30, 2008. We have also generated funds from government grant revenues, equipment lease financings and investment income.

As of June 30, 2008, we had cash and cash equivalents of $79.4 million, a decrease of $36.2 million from $115.6 million as of December 31, 2007. This decrease principally reflects our net loss of $40.3 million during the six months ended June 30, 2008, as adjusted for non-cash charges for depreciation and stock-based compensation, and changes in working capital.

In October 2007, we entered into the GSK Agreement with GSK and received a non-refundable upfront cash payment of $80 million in November 2007. We are also eligible to receive potential pre-commercial milestone payments from GSK of up to $585 million, which include both payments for operational progress, such as trial initiation and enrollment, and payments for positive clinical and regulatory outcomes, such as regulatory approval. Of the $585 million in potential payments, $145 million are related to the development in metastatic melanoma and up to $440 million are related to the development of elesclomol in other cancer indications. In addition, we are eligible to receive up to $300 million in potential commercial milestone payments from GSK based on achieving certain net sales thresholds.

Based on our current operating plans, we expect to receive between $40 million and $50 million in operational progress milestone payments in 2008. We are also eligible to receive up to $100 million of potential milestone payments from GSK in the event of positive clinical and regulatory outcomes of the SYMMETRY trial, including $25 million due upon either achieving the primary PFS endpoint or upon determination by us and GSK to file for regulatory approval if the primary endpoint is not achieved. In addition, we estimate that GSK will begin sharing development costs of elesclomol for the treatment of metastatic melanoma, including the costs of the SYMMETRY trial and the related NDA submission, beginning in the second quarter of 2009, with us responsible for a modest share of these and other worldwide development costs thereafter.

Under our equipment lease agreement, we may periodically directly lease, or sell and lease back up to a maximum outstanding balance of $6.0 million of equipment and leasehold improvements. The term of this lease agreement ended in July 2008 and we are in negotiations for its renewal.

Cash Flows

The following table provides information regarding our cash position, cash flows and capital expenditures for the six months ended June 30, 2008 and 2007.

	Six Months Ended June 30,	
	2008	2007
	(dollars in millions)	
Cash, cash equivalents and marketable securities	$ 79.4	$ 64.5
Working capital	60.3	50.1
Cash flows provided by (used in):		
Operating activities	(34.7)	(25.7)
Investing activities	(1.0)	12.3
Financing activities	(0.5)	44.3
Capital expenditures (included in investing activities)	(1.0)	(0.8)

Our operating activities used cash of $34.7 million and $25.7 million in the six months ended June 30, 2008 and 2007, respectively. The use of cash in these periods principally resulted from our losses from operations, as adjusted for non-cash charges for depreciation and stock-based compensation, and changes in our working capital accounts.

Our investing activities used cash of $1.0 million in the six months ended June 30, 2008 in connection with purchases of property and equipment. Our investing activities provided cash of $12.3 million in the six months ended June 30, 2007, resulting from sales and maturities of marketable securities in our investment portfolio in the amount of $28.1 million, offset by the purchases of marketable securities in the amount of $15.0 million and purchases of property and equipment in the amount of $0.8 million.

Our financing activities used cash of $0.5 million in the six months ended June 30, 2008 and provided cash of $44.3 million in the six months ended June 30, 2007. In February 2007, we raised net cash proceeds of $44.7 million from the sale of 5,000,000 shares of our common stock in the IPO. We raised $0.9 million and $1.2 million in proceeds from the sale and lease-back of property and equipment in the six months ended June 30, 2008 and 2007, respectively. We repaid $1.4 million and $1.3 million in capital equipment leases in the six months ended June 30, 2008 and 2007, respectively. In January 2007, we repurchased 29,046 shares of our previously restricted common stock in the amount of $0.3 million from certain officers and non-officer employees in order to fund the minimum statutory tax withholding requirements related to the vesting of 80,000 shares of restricted common stock.

Contractual Obligations and Commitments

There have been no material changes to the contractual obligations and commitments included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2007.

Funding Requirements

We expect to incur substantial expenses and generate significant operating losses as we continue to advance our drug candidates into preclinical studies and clinical trials and as we:

- complete the SYMMETRY trial, our global, pivotal Phase 3 clinical trial of elesclomol for the treatment of metastatic melanoma, that was initiated in the third quarter of 2007, and initiate Phase 2 clinical trials of elesclomol in other cancer types;
- begin to perform and fund pre-commercialization activities, and establish sales and marketing functions and commercial manufacturing arrangements for elesclomol, consistent with our obligations under our agreement with GSK;

- complete the current Phase 2a clinical trial of apilimod for the treatment of RA, and possibly initiate Phase 2 clinical trials of apilimod in other inflammatory disease indications;
- initiate additional Phase 3 clinical trials of elesclomol in other cancer types and one or more Phase 3 clinical trials of apilimod, if supported by Phase 2 results;
- complete two Phase 1 clinical trials of STA-9090 that were initiated in the fourth quarter of 2007, and possibly initiate additional clinical trials, if supported by positive preclinical data or Phase 1 results;
- complete preclinical development of STA-9584 and initiate clinical trials, if supported by positive preclinical data;
- advance our CRAC ion channel inhibitor program into clinical trials, if supported by positive preclinical data;
- discover, develop, and seek regulatory approval for backups of our current drug candidates and other new drug candidates;
- identify additional compounds or drug candidates and acquire rights from third parties to those compounds or drug candidates through licenses, acquisition or other means;
- commercialize any approved drug candidates;
- hire additional clinical, scientific, and management personnel; and
- add operational, financial, and management information systems and personnel.

Our funding requirements will depend on a number of factors, including:

- the progress of our research and development programs, including the completion of preclinical studies and clinical trials for our current drug candidates and the results from these studies and trials;
- the number of drug candidates we advance into later-stage clinical trials and the scope of our research and development programs;
- our ability to discover additional drug candidates using our drug discovery technology and advance them into clinical development;
- the costs involved in preparing, filing, prosecuting, maintaining and enforcing patent claims for our drug discovery technology and drug candidates and avoiding infringing the intellectual property of others;
- the time and costs involved in obtaining regulatory approvals for our drug candidates;
- our ability to establish and maintain collaborative arrangements, including our agreement with GSK;
- the potential in-licensing of other products or technologies or the acquisition of complementary businesses;
- the cost of manufacturing, marketing and sales activities, if any; and
- the timing, receipt and amount of revenue, if any, from our drug candidates.

We do not anticipate that we will generate product revenue until late 2009 at the earliest, if at all. We expect our continuing operating losses to result in increases in cash used in operations over the next several years. Based on our current operating plans, we expect our existing funds, excluding expected milestone payments, will be sufficient to fund operations through at least 2008. Payment to us by GSK of milestones for our operational progress and achievement of certain success criteria leading

to the approval by the FDA of elesclomol for the treatment of metastatic melanoma could extend our cash availability, as could payments of milestones in connection with the development of elesclomol in other cancer indications and achievement of certain net sales thresholds. We are also eligible to receive up to $100 million of potential milestone payments from GSK in the event of positive clinical and regulatory outcomes of the SYMMETRY trial, including $25 million due upon either achieving the primary PFS endpoint or upon determination by us and GSK to file for regulatory approval if the primary endpoint is not achieved. In addition, we estimate that GSK will begin sharing development costs of elesclomol for the treatment of metastatic melanoma, including the costs of the SYMMETRY trial and the related NDA submission, beginning in the second quarter of 2009, with us responsible for a modest share of these and other worldwide development costs thereafter.

However, we may require significant additional funds earlier than we currently expect in order to conduct additional clinical trials and seek regulatory approval of our drug candidates. Because of the numerous risks and uncertainties associated with the development and commercialization of our drug candidates, we are unable to estimate the amounts of increased capital outlays and operating expenditures associated with our current and anticipated clinical trials.

Additional funding may not be available to us on acceptable terms or at all. In addition, the terms of any financing may adversely affect the holdings or the rights of our stockholders. For example, if we raise additional funds by issuing equity securities or by selling debt securities, if convertible, further dilution to our existing stockholders may result. To the extent our capital resources are insufficient to meet our future capital requirements, we will need to finance our future cash needs through public or private equity offerings, collaboration agreements, debt financings or licensing arrangements.

If adequate funds are not available, we may be required to terminate, significantly modify or delay our research and development programs, reduce our planned commercialization efforts, or obtain funds through collaborators that may require us to relinquish rights to our technologies or drug candidates that we might otherwise seek to develop or commercialize independently. We may elect to raise additional funds even before we need them if the conditions for raising capital are favorable.

Cash, Cash Equivalents and Marketable Securities

As of June 30, 2008, we had cash and cash equivalents of $79.4 million consisting of cash deposited in a highly rated financial institution in the United States and in a short-term U.S. Treasury money market fund. The primary objective of our investment activities is to preserve our capital for the purpose of funding operations and we do not enter into investments for trading or speculative purposes. We believe that we did not have material exposure to high-risk investments, such as mortgage-backed securities, auction rate securities or other special investment vehicles, or SIV's, within our money-market fund investments. We also believe that we do not have any material exposure to changes in fair value as a result of changes in interest rates. Declines in interest rates, however, would reduce future investment income.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements or relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities.

Certain Factors That May Affect Future Results of Operations

The Securities and Exchange Commission, or SEC, encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. This Quarterly Report on Form 10-Q contains such "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995.

Words such as "may," "anticipate," "estimate," "expects," "projects," "intends," "plans," "believes" and words and terms of similar substance used in connection with any discussion of future operating or financial performance, identify forward-looking statements. All forward-looking statements are management's present expectations of future events and are subject to a number of risks and uncertainties that could cause actual results to differ materially and adversely from those described in the forward-looking statements. These risks include, but are not limited to, those set forth in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2007 that we have filed with the SEC.

In light of these assumptions, risks and uncertainties, the results and events discussed in the forward-looking statements contained in this Quarterly Report on Form 10-Q might not occur. Stockholders are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this Quarterly Report on Form 10-Q. We are not under any obligation, and we expressly disclaim any obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise. All subsequent forward-looking statements attributable to Synta or to any person acting on its behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Interest Rate Sensitivity. As of June 30, 2008, we had cash and cash equivalents of $79.4 million consisting of cash deposited in a highly rated financial institution in the United States and in a short-term U.S. Treasury money market fund. The primary objective of our investment activities is to preserve our capital for the purpose of funding operations and we do not enter into investments for trading or speculative purposes. We believe that we did not have material exposure to high-risk investments such as mortgage-backed securities, auction rate securities or other special investment vehicles, or SIV's, within our money-market fund investments. We believe that we do not have any material exposure to changes in fair value as a result of changes in interest rates. Declines in interest rates, however, would reduce future investment income. During the six months ended June 30, 2008, we had investment income of $1.3 million. If overall interest rates fell by 10% during the six months ended June 30, 2008, our interest income would have decreased by less than $0.1 million, assuming consistent investment levels.

Capital Market Risk. We currently have no product revenues and depend on funds raised through other sources. One possible source of funding is through further equity offerings. Our ability to raise funds in this manner depends upon capital market forces affecting our stock price.

Item 4T. Controls and Procedures.

(a) *Evaluation of Disclosure Controls and Procedures.* Our principal executive officer and principal financial officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this Quarterly Report on Form 10-Q, have concluded that, based on such evaluation, our disclosure controls and procedures were adequate and effective. In designing and evaluating our disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

(b) *Changes in Internal Controls.* There were no changes in our internal control over financial reporting, identified in connection with the evaluation of such internal control that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings.

We are currently not a party to any material legal proceedings.

Item 1A. Risk Factors.

There have been no material changes to the risk factors included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2007.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Submission of Matters to a Vote of Security Holders.

We held our Annual Meeting of Stockholders on June 11, 2008. Of the 33,873,717 shares of common stock issued and outstanding and eligible to vote as of the record date of April 21, 2008, a quorum of 28,301,918 shares or 83% of the eligible shares, was present in person or represented by proxy. The following actions were taken at the meeting:

1. The reelection of Lan Bo Chen, Ph.D. and William S. Reardon, C.P.A as Class I directors, to serve until the 2011 Annual Meeting of Stockholders and until their successors have been elected and qualified. The following chart shows the number of votes cast for the nominees for director, as well as the number of votes withheld:

DIRECTOR	FOR	WITHHELD
Lan Bo Chen, Ph.D.	28,181,411	120,507
William S. Reardon, C.P.A.	28,181,586	120,332

After the meeting, Keith R. Gollust and Robert N. Wilson continued to serve as our Class II Directors for terms which expire in 2009 and until their successors are duly elected and qualified. Safi R. Bahcall, Ph.D. and Bruce Kovner continued to serve as our Class III Directors for terms which expire in 2010 and until their successors are duly elected and qualified.

2. The ratification of the appointment of Ernst & Young LLP, independent registered public accounting firm, to audit our financial statements for the fiscal year ending December 31, 2008. The following chart shows the number of votes cast for or against the proposal, as well as the number of abstentions:

FOR	AGAINST	ABSTAIN
28,179,601	107,559	14,758

Item 5. Other Information.

None.

Item 6. Exhibits.

(a) *Exhibits*

10.1 Second Amendment, dated May 27, 2008, to Commercial Lease by and between Duffy Hartwell LLC, as successor in interest to Duffy Hartwell Limited Partnership, and the Registrant, as successor in interest to Shionogi BioResearch Corp., dated November 4, 1996, as amended.

10.2 Eighth Amendment, dated June 19, 2008, to Lease of 125 Hartwell Avenue, Lexington, MA, dated October 26, 1992, by and between the Registrant, as successor-by-assignment, and 125 Hartwell Trust, as amended.

10.3 Amended and Restated Director Compensation Policy, effective June 11, 2008.

10.4* Amendment No. 1, dated June 27, 2008, to Collaborative Development, Commercialization and License Agreement, dated October 8, 2007, by and between the Registrant and GlaxoSmithKline.

10.5 Form of Severance and Change in Control Agreement, dated April 28, 2008, between the Registrant and each of James Barsoum, Ph.D., Eric W. Jacobson, M.D., and Keizo Koya, Ph.D. (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on April 29, 2008 (File No. 001-33277)).

10.6 Severance and Change of Control Agreement, dated April 28, 2008, between the Registrant and Keith S. Ehrlich (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on April 29, 2008 (File No. 001-33277)).

31.1 Certification of principal executive officer under Section 302(a) of the Sarbanes-Oxley Act of 2002.

31.2 Certification of principal financial officer under Section 302(a) of the Sarbanes-Oxley Act of 2002.

32.1 Certifications of the principal executive officer and the principal financial officer under Section 906 of the Sarbanes-Oxley Act of 2002.

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* Confidential portions of this document have been filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SYNTA PHARMACEUTICALS CORP.

By: /s/ SAFI R. BAHCALL, PH.D.

Safi R. Bahcall, Ph.D.
President and Chief Executive Officer
(principal executive officer)

Date: August 7, 2008

By: /s/ KEITH S. EHRLICH

Keith S. Ehrlich
Vice President, Finance and Administration, Chief Financial Officer
(principal accounting and financial officer)

Date: August 7, 2008

QuickLinks

Exhibit 10.1

SECOND AMENDMENT TO COMMERCIAL LEASE

Duffy Hartwell LLC, as successor in interest to Duffy Hartwell Limited Partnership, ("LESSOR") and Synta Pharmaceuticals Corporation, as successor in interest to Shionogi BioResearch Corp., ("LESSEE") (the LESSOR and the LESSEE are collectively referred to as the "Parties" in this Second Amendment) are landlord and tenant, respectively, under a certain Commercial Lease ("Initial Lease Agreement") dated November 4, 1996, as amended by a First Amendment to Commercial Lease ("First Amendment"; together with the Initial Lease Agreement, the "Lease Agreement") dated August 30 2006, for approximately 24,420 rentable square feet, more or less, in the building ("the "Building") located at 45 Hartwell Avenue, Lexington, MA and hereby agree as follows:

Whereas, the Parties have agreed to further amend the Lease Agreement by this Second Amendment to Commercial Lease ("Second Amendment") to add 10,100 rentable square feet, more or less, and to adjust relevant provisions of the Lease Agreement pursuant to the terms and conditions stated herein. Unless otherwise expressly stated, all references to "lease" or "Lease" in the Lease Agreement or this Second Amendment shall apply to and include the Lease Agreement and this Second Amendment.

Now therefore, for consideration of $1.00 and other mutual and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by both LESSOR and LESSEE, effective on and after the date of execution set forth below, the Lease Agreement is hereby further amended to reflect the following changes:

2. **PREMISES:**

As of the Expansion Commencement Date (as defined below in Section 3), Section 2 of the Lease Agreement is hereby deleted and replaced with the following:

34,520 rentable square feet + or - on the first floor in the Building ("premises" or "Leased Premises"), which includes 24,420 rentable square feet +/- described in the Initial Lease Agreement (the "Initial Premises") and an additional 10,100 rentable square feet +/- on the first floor of the Building (the "Expansion Premises") as shown on Amendment Exhibit A-1 attached hereto.

The Leased Premises includes the exclusive use of the loading platform shown on Exhibit A of the Initial Lease Agreement, together with the right to use in common, with others entitled thereto, any hallways and stairways necessary for access to the Leased Premises.

Appurtenant to the Leased Premises, the LESSEE shall have the right, in common with others entitled thereto, to use access ways, driveways, walkways, and other common facilities necessary for access to or beneficial use of the Leased Premises.

LESSEE shall have the right to use 127 unassigned parking spaces in the parking areas adjacent to the Building. LESSEE shall have rights in common with other lessees to use of the common entrance servicing the Leased Premises.

3. **TERM:**

As of the Expansion Commencement Date (as defined below), Section 3 of the Lease Agreement is hereby amended as follows:

As used in this Second Amendment, the term "Expansion Commencement Date" means the date of Substantial Completion (as hereafter defined) of the LESSOR'S Work in accordance with Amendment Exhibit B-1 attached hereto and hereby incorporated herein. LESSOR shall Substantially Complete the LESSOR'S Work and the painting associated with the Initial Tenant Improvements as further described in Section 3(i) of Amendment Exhibit B-1 (as such terms are defined in Amendment Exhibit B-1 attached hereto) on or before June 15, 2008, pursuant and subject to the terms and conditions of Amendment Exhibit B-1, time being of the essence. Unless otherwise specified herein, any reference to "term", "Term", "lease term" or "Extended Term" shall include the Initial Premises and, as of the Expansion Commencement Date, the Expansion Premises.

4. **RENT:**

As of the Expansion Commencement Date, Section 4 of the Lease Agreement is hereby amended with the addition of the following:

The LESSEE shall pay to the LESSOR base rent at the rate of $759,152.20 dollars per year, payable in advance in monthly installments of $63,262.69. LESSEE shall pay base rent and additional rent for the entire Leased Premises to the LESSOR monthly, in advance, not later than the first day of each calendar month. Payments shall be pro rated on a per diem basis should any payment become due during a portion of any monthly rental period.

5. **SECURITY DEPOSIT:**

This paragraph is hereby amended with the addition of the following:
Upon the execution of this Second Amendment, the LESSEE shall pay to the LESSOR the amount of $19,693.34 dollars which, in addition to the $43,569.35 previously paid (for a total of $63,262.69), shall be held as a security for the LESSEE'S performance as herein provided and promptly refunded to the LESSEE at the end of this lease subject to the LESSEE'S satisfactory compliance with the conditions hereof. The LESSEE shall maintain at all times a security deposit equivalent to a minimum of one month's base rent, including, if applicable, any and options to renew.

6. **RENT ADJUSTMENT:**

As of the Expansion Commencement Date, Section 6A and 6B of the Lease Agreement are hereby amended with the addition of the following:

A. TAX ADJUSTMENT: Notwithstanding anything to the contrary contained in this Second Amendment, prior to the Expansion Commencement Date, Section 6A of the Lease Agreement will only apply to the Initial Premises. Commencing on the Expansion Commencement Date, Section 6A of the Lease Agreement will apply to the entire Leased Premises, except that with respect to increases for the Expansion Premises only (i) the years "2007" and "2006" referenced in Section 6A shall be replaced with the years "2010" and "2009", respectively, and (ii) the percentage "50%" referenced in Section 6A shall be replaced with the percentage "20%". It is expressly understood that the LESSEE shall pay

50% of any excess in real estate taxes over fiscal year 2006 for the Initial Premises and 20% of any excess in real estate taxes over fiscal year 2009 for the Expansion Premises.

B. OPERATING COSTS: Notwithstanding anything to the contrary contained in this Second Amendment, prior to the Expansion Commencement Date, Section 6B of the Lease Agreement will only apply to the Initial Premises. Commencing on the Expansion Commencement Date, Section 6B of the Lease Agreement will apply to the entire Leased Premises, except that with respect to increases for the Expansion Premises only (i) the year "2006" referenced in Section 6B shall be replaced with the year "2008", and (ii) the percentage "50%" referenced in Section 6B shall be replaced with the percentage "20%". It is expressly understood that the LESSEE shall pay 50% of any increase in operating expenses over those incurred during the calendar year 2006 for the Initial Premises and 20% of any increase in operating expenses over those incurred during the calendar year 2008 for the Expansion Premises.

Increases shall be prorated should this lease be in effect with respect to only a portion of any calendar year.

7. **UTILITIES:**

This paragraph is hereby amended with the addition of the following:
The LESSEE shall pay, as they become due, all bills for electricity, water and sewer and other utilities (whether they are used for furnishing heat or other purposes) that are furnished to the Leased Premises regardless of whether they are separately metered (or submetered) or servicing the Leased Premises exclusively. In the event there are any utilities servicing the Leased Premises and other space, then the LESSEE shall pay to the LESSOR the LESSEE'S proportionate share of such common expense as it is apportioned between one or more parties. The words "Commencement Date" set forth in the first sentence of Section 7 of the Lease Agreement is hereby replaced with the words "Commencement Date or Expansion Commencement Date, as applicable".

22. **BROKERAGE:**

This paragraph is hereby supplemented with the addition of the following:
LESSOR and LESSEE represent to each other that neither party has dealt with any broker or brokers in connection with this Second Amendment other than Richards Barry Joyce & Partners and Glenn Commercial Group, which will be paid by the LESSOR in full and without contribution from LESSEE pursuant to a separate agreement. LESSOR and LESSEE agree that each will hold harmless and indemnify the other from any loss, cost, damage and expense, including reasonable attorney's fees incurred by LESSOR or LESSEE for a commission or finder's fee as a result of the falseness of this representation.

25. **OTHER PROVISIONS:**

a. Section 25(a) of the Lease Agreement is hereby deleted and replaced with the following: "The Commercial Lease Addendum attached to the Initial Lease, with the exception of subparagraph D. Market Rate Rent for Extension Options which is hereby deleted as moot, and the following Exhibits are attached to either the Lease Agreement or this Second Amendment and are hereby incorporated by reference:

Exhibits: A. Layout of Leased Premises
A-1 Amendment Exhibit A-1, Layout of Expansion Premises
B. Buildout Obligations – Excepting Paragraphs (a)-(c) which are hereby deleted as moot.
B-1 Amendment Exhibit B-1, LESSOR'S Work
C. INTENTIONALLY OMITTED
D. Right of First Refusal on Additional Space
E. Exclusions from Operating Expenses
F. INTENTIONALLY OMITTED
G. INTENTIONALLY OMITTED
H. INTENTIONALLY OMITTED
I. Hazardous Waste Provisions"

b. Section 25(b) of the Lease Agreement is hereby deleted in its entirety.

The Lease Agreement, as amended, is further amended by inserting the following Section 27 and Section 28:

27. **SIGNAGE:**

LESSEE shall be permitted, at its sole cost and expense, to install appropriate signage and logo on (i) the LESSEE'S front entrance directly into the Leased Premises, and (ii) on a lawn monument sign, subject to LESSOR'S written approval as to size, color and location. LESSEE shall be responsible for obtaining all necessary and appropriate approvals from the applicable permitting authority.

28. **EARLY ACCESS:**

Provided the LESSEE is not in any material default hereunder after any notice and grace periods, and the LESSEE does not interfere with the rights of other tenants or the LESSOR'S Work or the Tenant Improvements, the LESSEE will be allowed, upon reasonable notice to LESSOR, reasonable access to the Expansion Premises seven (7) days prior to the Expansion Commencement Date to permit LESSEE to prepare the Expansion Premises for its use and occupancy (but not to conduct business therein), including without limitation installing wiring and cabling, furniture and equipment. During such access, LESSEE shall be bound by all of the obligations of the LESSEE under the Lease Agreement, as amended, including any and all insurance requirements, but, provided that said access is solely for the purpose of preparing the Expansion Premises for LESSEE'S use and occupancy, including without limitation installing wiring and cabling, furniture and equipment, excluding the payment of base rent and LESSEE'S proportionate share of real estate taxes and operating costs during the above-mentioned early access period.

Notwithstanding the above, except for LESSOR'S Work, LESSEE accepts the Expansion Premises and the entire Leased Premises in its current "AS IS" condition and acknowledges that the Initial Premises are currently occupied by the LESSEE and that the Initial Premises, as delivered and currently constituted, is suitable for the LESSEE'S intended use. LESSEE acknowledges that all work, if any, contemplated in the Lease Agreement including but not limited to the Exhibit B thereto, to be performed by the LESSOR has been completed to the full satisfaction of the LESSEE.

The Parties acknowledge that the Initial Lease Agreement, First Amendment and this Second Amendment represent the entire agreement between the Parties and that no other modification, written or otherwise, exists between the Parties. The normal rule of construction that any ambiguities be resolved against the drafting party shall not apply to the interpretation of the Initial Lease Agreement, First Amendment or this Second Amendment or any exhibits or amendments thereto.

All other terms and provisions under the Lease Agreement shall remain unchanged, are in full force and effect, and are hereby ratified and affirmed. LESSOR and LESSEE hereby acknowledge and confirm that, to the best of their respective knowledge, neither the LESSOR nor the LESSEE is in default of any other term or condition of the Lease Agreement. In the event of a conflict between this Second Amendment and the Lease Agreement the terms of this Second Amendment shall govern. All capitalized terms used but not defined herein shall have the same definitions ascribed to such terms in the Lease Agreement.

IN WITNESS WHEREOF, the said Parties hereto set their hands and seals this 27th day of May, 2008.

LESSEE
Synta Pharmaceuticals Corporation,
as successor in interest to
Shionogi BioResearch Corp.,

By: /s/ Keith Ehrlich
Name: Keith Ehrlich
Its: CFO
Duly Authorized

LESSOR
Duffy Hartwell LLC,
as successor in interest to
Duffy Hartwell LLC,

By: /s/ Steven P. Duffy
Hartwell Management LLC, Manager
Steven P. Duffy, Duly Authorized

Amendment Exhibit A-1
Layout of Expansion Premises

[FLOOR PLAN]

Amendment Exhibit B-1
LESSOR'S Work

1. LESSOR'S Work:

LESSOR shall conduct the following LESSOR'S Work, at its sole cost and expense, using available building standard quantities and materials. The LESSOR'S Work shall consist of:

(i) demising the Expansion Premises from the adjacent space occupied by another tenant; and
(ii) modifying the Expansion Premises HVAC system to exclusively service the Expansion Premises.

2. TENANT IMPROVEMENT ALLOWANCE:

In addition to the above, LESSOR shall provide to LESSEE a Tenant Improvement Allowance of $121,200.00 ("Tenant Improvement Allowance") for work in addition to the LESSOR'S Work. The Tenant Improvement Allowance shall be used for work which shall be conducted by the LESSOR and agreed upon by the LESSEE. The Tenant Improvement Allowance shall be applied towards the costs of planning and conducting the Tenant Improvements (as defined below), including, if applicable, any premiums associated with work conducted outside of normal business hours. LESSEE shall be solely responsible for all costs and expenses in excess of the Tenant Improvement Allowance.

3. INITIAL TENANT IMPROVEMENTS:

LESSOR shall conduct the following Initial Tenant Improvements, at the LESSEE'S cost and expense, with the Tenant Improvement Allowance applied as a credit until it is exhausted. The Initial Tenant Improvements shall consist of:

(i) paint the entire Expansion Premises the same colors used in the Initial Premises on or before June 15, 2008; and
(ii) merge the Expansion Premises with the Initial Premises to allow for access between the two spaces, which work shall be performed after LESSEE'S business hours and on weekends (such work shall not be performed during LESSEE'S business hours).

LESSEE shall be responsible for any delays caused to the completion date for the Initial Tenant Improvements which is caused by (i) LESSEE'S failure to reasonably cooperate with the LESSOR'S prosecution of the Initial Tenant Improvements, or (ii) LESSEE'S failure to make decisions associated with the Initial Tenant Improvements in a reasonably timely manner.

4. EXPENDITURE OF TENANT IMPROVEMENT ALLOWANCE:

In the event that LESSEE does not expend all of the Tenant Improvement Allowance on the Initial Tenant Improvements, LESSOR and LESSEE hereby agree, in full satisfaction of the LESSOR'S obligations to provide a Tenant Improvement Allowance, that LESSEE shall have the right, at its election, to do one or both of the following from time to time, by providing written notice to LESSOR:

(i) expend any or all of the remaining balance of the unused Tenant Improvement Allowance on non-structural alterations to the Expansion Premises (together with the Initial Tenant Improvements, the "Tenant Improvements"). Such work shall be performed by the LESSOR in accordance with the terms of this Amendment Exhibit B-1, and the Second Amendment to which this Amendment Exhibit B-1 is attached, at LESSEE'S expense with the Tenant Improvement Allowance applied as a credit until it is exhausted, at which time LESSEE'S rights, if any, to the Tenant

Improvement Allowance shall lapse and the Tenant Improvement Allowance shall be deemed fully expended and exhausted; and

(ii) apply the remaining balance of unused Tenant Improvement Allowance, at a 50% discount, towards the LESSEE'S next installment(s) of monthly base rent due with LESSEE paying the difference between the amount of base rent, additional rent, and other sums due in accordance with the Lease Agreement, as amended, and the amount applied in accordance with the above (i.e. if there is an unused Tenant Improvement Allowance of $2.00, then such amount shall be applied as a $1.00 credit towards the base rent in accordance with the above).

In the event the LESSEE from time to time elects to submit a work request for Tenant Improvements, the LESSEE shall provide LESSOR with a written description, in reasonable detail, of the Tenant Improvements requested ("TI Description"). Each time the LESSEE sends a TI Description to the LESSOR, the LESSOR shall provide the LESSEE with a fair market rate written estimate ("TI Estimate") to perform the Tenant Improvements as stated in the TI Description within fourteen (14) days of receiving said TI Description. LESSEE shall, within seven (7) days of receiving said estimate from the LESSOR, notify the LESSOR in writing of its intent to proceed ("Proceed Notice") with the Tenant Improvements requested in the TI Description. In the event LESSEE fails to provide a Proceed Notice, such failure shall be deemed a withdrawal of the request for the Tenant Improvements stated in the TI Description. LESSOR shall notify and obtain the approval of LESSEE prior to conducting any work which constitutes a material change in scope or cost to the estimate accepted by the LESSEE in a Proceed Notice. LESSOR shall use commercially reasonable and diligent efforts to complete the LESSOR'S Work, the Initial Tenant Improvements, and all Tenant Improvements for which it receives a Proceed Notice, and all such LESSOR'S Work, Initial Tenant Improvements, and Tenant Improvements shall be conducted in a good and workmanlike manner.

All Tenant Improvements shall be completed by LESSOR at fair market rates. Notwithstanding the foregoing, the LESSEE shall be solely responsible for all costs and expenses associated with the Tenant Improvements for any and all work which is performed pursuant to a TI Estimate for which the Tenant provided a Proceed Notice and is in excess of the remaining Tenant Improvement Allowance. The Tenant Improvement Allowance shall apply to Tenant Improvements requested pursuant to a TI Description received by LESSOR on or before July 1, 2009. The Tenant Improvement Allowance will not apply to Tenant Improvements requested by the LESSEE after July 1, 2009; or to Tenant Improvements which by their nature, cannot be commenced on or before September 1, 2009. LESSEE shall not be responsible for delays associated with the previous sentence which are caused through no fault of the LESSEE. The Tenant Improvement Allowance may be credited against base rent as aforesaid up to October 31, 2009, but not thereafter. Any Tenant Improvement Allowance not used as aforesaid shall be deemed fully expended and exhausted. The amount or remaining balance of the Tenant Improvement Allowance shall be determined by subtracting the TI Cost, which shall be the final amount of all costs and expenses incurred by the LESSOR while conducting the Tenant Improvements in accordance with this Amendment Exhibit B-1, to date from the Tenant Improvement Allowance.

5. FIRST AUDIT:

LESSEE shall have the right to conduct an audit of the TI Cost incurred by the LESSOR and paid out of the Tenant Improvement Allowance with respect to the Initial Tenant Improvements in accordance with the following:

(i) Within thirty (30) days after Substantial Completion, the LESSEE shall have the one time right to request that the LESSOR provide to the LESSEE, within fourteen (14) days from the date of LESSEE'S request, a final written accounting itemized in reasonable detail (the "First Accounting") all TI Costs incurred by the LESSOR and paid out of the Tenant Improvement Allowance with respect to the Initial Tenant Improvements; and

(ii) In the event the LESSEE desires additional information, the LESSEE may, upon fourteen (14) days prior written notice to the LESSOR, conduct a reasonable audit of LESSOR'S books and records with respect to the Initial Tenant Improvements ("First Audit"), such audit to be conducted at the LESSEE'S expense and at the offices of the LESSOR located in Massachusetts from 9 am to 5 pm on workdays. A final copy of the completed audit shall be provided to the LESSOR. LESSOR shall provide reasonable access to LESSEE to all relevant books and records; and

(iii) Notwithstanding the foregoing, the LESSEE shall complete the First Audit within sixty (60) days after Substantial Completion, at which time the LESSEE'S rights under this paragraph 5 of Amendment Exhibit B-1 shall expire; and

(iv) If during such audit LESSEE discovers a discrepancy of more than 5% in LESSOR'S accounting, LESSOR shall pay for the reasonable cost of LESSEE'S audit.

6. SECOND AUDIT:

LESSEE shall have the right to conduct an audit of the TI Cost incurred by the LESSOR and paid out of the Tenant Improvement Allowance with respect to the Tenant Improvements, other than the Initial Tenant Improvements, in accordance with the following:

(i) The LESSEE shall have the one time right to request that the LESSOR provide to the LESSEE, within thirty (30) days from the date of LESSEE'S request, a final written accounting itemized in reasonable detail ("Second Accounting") all TI Costs to date incurred by the LESSOR and paid out of the Tenant Improvement Allowance with respect to the Tenant Improvements, other than the Initial Tenant Improvements; and

(ii) In the event the LESSEE desires additional information, the LESSEE may, upon fourteen (14) days prior written notice to the LESSOR, conduct a reasonable audit of LESSOR'S books and records with respect to the Tenant Improvements, other than the Initial Tenant Improvements ("Second Audit"), such audit to be conducted at the LESSEE'S expense and at the offices of the LESSOR from 9 am to 5 pm on workdays. A final copy of the completed audit shall be provided to the LESSOR. LESSOR shall provide reasonable access to LESSEE to all relevant books and records;

(iii) Notwithstanding the foregoing, the LESSEE shall complete the Second Audit within sixty (60) days after LESSEE'S right to use the Tenant Improvement Allowance expires, at which time the LESSEE'S rights under this paragraph 6 of Amendment Exhibit B-1 shall expire; and

(iv) If during such audit LESSEE discovers a discrepancy of more than 5% in LESSOR'S accounting, LESSOR shall pay for the reasonable cost of LESSEE'S audit.

7. WORK NOT INCLUDED IN LESSOR'S WORK OR TENANTIMPROVEMENTS:

Not included in the LESSOR'S Work or Tenant Improvements are any and all costs or work associated with:

(i) telephone/data/voice/network throughout the Leased Premises; and

(ii) cubicles and/or open areas, including but not limited to costs or work associated with their installation or setup, and any telephone/data/voice/network and/or A/C power wiring, coring, through floor access modules, or other wiring therefor; and
(iii) Interior blinds; the installation of any interior blinds and/or window treatments which may be visible from the common area or outside the Leased Premises is subject to the LESSOR'S written consent; and
(iv) Coring the conference room floor and the server room.

8. AS IS:

Except for LESSOR'S Work and the Initial Tenant Improvements, the Expansion Premises shall be delivered in "AS IS" condition and LESSEE acknowledges that by taking possession of the Expansion Premises, the Expansion Premises "AS IS" are suitable for its intended use.

9. SUBSTANTIAL COMPLETION DATE:

The date of Substantial Completion shall be the date (which shall not be later than June 15, 2008) the LESSOR has completed the LESSOR'S Work and painting pursuant to Section 3(i) above (other than minor punch list items) and has received all the approvals necessary for LESSEE to use and occupy the Expansion Premises for LESSEE'S intended use. If actual receipt of a use and occupancy certificate is not necessary for LESSEE to use and occupy the Expansion Premises after LESSOR'S Work is complete, LESSOR agrees to use commercially reasonable efforts to obtain a certificate of occupancy as soon as reasonably possible thereafter. LESSOR and LESSEE shall use good faith efforts to mutually agree upon a list of minor punch list items that remain to be completed as part of the LESSOR'S Work after the date of Substantial Completion. LESSOR shall complete with LESSEE'S reasonable cooperation, the agreed upon minor punch list items within thirty (30) days from the date of Substantial Completion or such reasonable time thereafter as is necessary to complete said punch list items. Notwithstanding the above, LESSEE shall be responsible for any delays to the Substantial Completion date which is caused by LESSEE'S failure to make LESSOR'S Work decisions in a reasonably timely manner. LESSEE shall be solely responsible for all costs, expenses and delays resulting from requests by LESSEE for work, quantities or materials in excess of the Tenant Improvement Allowance.

Exhibit 10.2

125 Hartwell Avenue
Lexington, Massachusetts 02421
(the "Building")

EIGHTH AMENDMENT
June 19, 2008

EXISTING LEASE DATA

LANDLORD:	125 Hartwell Trust, under a declaration of trust dated February 20, 1980 and filed with the Middlesex South Registry District of the Land Court as Document No. 600788, as amended
TENANT:	Synta Pharmaceuticals Corp., a Delaware corporation, successor-by-assignment to EMD Pharmaceuticals, Inc.
PREMISES:	Collectively, (i) approximately 19,810 square feet of Premises Rentable Area on the second (2nd) floor of the Building, consisting of approximately 10,980 square feet of Premises Rentable Area under the original Lease shown as the "Premises" on Exhibit 3 thereto, plus approximately 8,830 square feet of Premises Rentable Area added by the First Amendment referred to below shown as the "RFO Premises" on said Exhibit 3, and (ii) approximately 2,670 square feet of Premises Rentable Area on the first (1st) floor of the Building, substantially as shown cross-hatched on Exhibit A attached to the Fifth Amendment referred to below
LEASE EXECUTION DATE:	October 26, 1992
TERMINATION DATE:	November 30, 2011
PREVIOUS LEASE AMENDMENTS:	First Amendment dated as of January 31, 1993 Second Amendment dated October 1, 1997 Third Amendment dated November 1, 2002 Assignment and Assumption of Lease and Consent of and Release by Landlord and Fourth Amendment to Lease dated as of July 9, 2004 Fifth Amendment dated October 22, 2004 Sixth Amendment dated August 1, 2005 Seventh Amendment dated November 26, 2007

ADDITIONAL PREMISES:	Approximately 4,584 square feet of Premises Rentable Area on the first (1st) floor of the Building, substantially as shown cross-hatched on Exhibit A attached hereto and made a part hereof

WHEREAS, Tenant desires to lease additional space in the Building; and

WHEREAS, Landlord is willing to lease additional space in the Building to Tenant upon the terms and conditions hereinafter set forth.

NOW THEREFORE, the parties hereby agree that the above-described lease, as previously amended (the "Lease"), is hereby further amended as follows (capitalized terms used herein without definition shall have the meanings ascribed to them in the Lease):

1. DEMISE OF ADDITIONAL PREMISES

Landlord hereby demises and leases to Tenant, and Tenant hereby accepts and leases from Landlord, the Additional Premises for a Term commencing as of the Commencement Date in respect of the Additional Premises (as hereinafter defined) and expiring on November 30, 2011. The demise of the Additional Premises shall otherwise be upon and governed by the terms and conditions of the Lease (as hereby amended) applicable to the demise of the existing Premises (including, without limitation, that there shall be no Building Expense Cap applicable to the calculation of Building Expense Escalation Charges in respect of the Additional Premises), except as follows or as otherwise provided in this Amendment:

A. The Commencement Date in respect of the Additional Premises shall be the earlier of (i) the first date on which Tenant occupies all or any part of the Additional Premises for the conduct of business, or (ii) the date on which Landlord's Work (as hereinafter defined) shall be (or be deemed to be) substantially (i.e., complete except for so-called "punch list" items and other work to be undertaken by Landlord which does not materially impair Tenant's use of the Additional Premises for the Permitted Uses (collectively, the "Punchlist Work")), as reasonably determined by Landlord. Landlord shall use diligent and commercially reasonable efforts to complete all Punchlist Work within thirty (30) days after the substantial completion of Landlord's Work. If Tenant (or any agent, employee or contractor of Tenant) causes any delay in the performance or substantial completion of Landlord's Work, then Landlord's Work shall be deemed to have been substantially completed on the date that Landlord's Work would have been substantially completed but for such delay. Landlord shall use diligent and commercially reasonable efforts to cause Landlord's Work to be substantially completed on or before September 15, 2008 (the "Estimated Substantial Completion Date"), but Tenant shall not have any claim against Landlord, and Landlord shall have no liability to Tenant, if Landlord's Work shall not be substantially completed by the Estimated Substantial Completion Date. The parties shall confirm in writing the Commencement Date in respect of the Additional Premises as soon as it is known.

Landlord shall permit Tenant access to the Additional Premises at least seven (7) days prior to the Commencement Date in respect of the Additional Premises only for the purpose of

preparing the Additional Premises for Tenant's use and occupation, including, without limitation, installing Tenant's furniture, telecommunications systems, and computer and other cabling, but only to the extent that such activities of Tenant do not interfere with Landlord's access to, work within or to, or use of the Additional Premises. Any such access by Tenant shall be upon all of the terms and conditions of the Lease (other than the payment of Basic Rent and other charges due under the Lease, as hereby amended, in respect of the Additional Premises which shall not commence to accrue until the Commencement Date in respect of the Additional Premises) and shall be at Tenant's sole risk, and Landlord shall not be responsible for any injury to persons or damage to property resulting from such early access by Tenant.

B. The Basic Rent payable in respect of the Additional Premises shall be $114,600.00 per year (i.e., $9,550.00 per month).

C. The Building Expense Base applicable to the Additional Premises shall be the amount of Building Expenses for calendar year 2008.

D. Tenant shall have no obligation to pay for electricity consumed in the Additional Premises so long as the use of electricity therein is consistent with an ordinary office use. If Tenant shall consume electricity in the Additional Premises beyond that which is consistent with an ordinary office use, Tenant shall pay Landlord, within fifteen (15) days of demand from time to time, for the cost of such excess electricity.

E. Tenant's Proportionate Share in respect of the Additional Premises shall be 11.94%.

F. Tenant shall, by reason of the demise of the Additional Premises, be entitled to an additional seventeen (17) parking spaces in the paved parking area located adjacent to the Building. The use of such spaces shall be subject to the same terms and conditions of the Lease as are applicable to Tenant's use of the other parking spaces provided to Tenant under the Lease. Accordingly, the total number of parking spaces which Landlord shall provide and maintain for the use of Tenant's employees and invitees pursuant to Section 2 of the Lease (as hereby amended) shall be one hundred two (102).

2. LANDLORD'S WORK IN RESPECT OF ADDITIONAL PREMISES

Landlord shall, at Landlord's expense, repaint and recarpet the Additional Premises using Building standard paint and carpet ("Landlord's Work"). Except for Landlord's Work, Tenant shall accept the Additional Premises "as is" without any obligation on the part of Landlord to prepare or construct the Additional Premises for Tenant's occupancy or to provide any allowance or contribution with respect thereto, and Tenant acknowledges that it has had an opportunity to inspect the Additional Premises and that Landlord has made no representation or warranty as to the condition of the Additional Premises. Landlord agrees to perform Landlord's Work in a good and workmanlike fashion and in compliance with applicable laws, rules and regulations.

3. EXTENSION OPTIONS

In the event that Tenant shall timely and properly exercise its right to extend the Term of the Lease for the remaining option term(s) provided for in Paragraph 1 of the Sixth Amendment, then such extension(s) shall apply to both the existing Premises and the Additional Premises and the demise of both the existing Premises and the Additional Premises for such option term(s) shall be governed by the terms and provisions of said Paragraph 1.

4. BROKER

Each party (the "indemnifying party") represents and warrants to the other party that it has dealt only with Richards Barry Joyce & Partners and no other broker or agent in connection with this Amendment and the leasing of the Additional Premises. The indemnifying party shall indemnify and hold the other party (and such other party's trustees, beneficiaries, agents and employees) harmless of and from all claims that may be made by any person against such other party (or its trustees, beneficiaries, agents or employees) for brokerage or other compensation in the nature of brokerage with respect to this Amendment on account or arising out of the indemnifying party's breach of the foregoing representation and warranty. Landlord shall pay the commission owed to Richards Barry Joyce & Partners in connection with this Amendment pursuant to a separate agreement between Landlord and such party.

5. MISCELLANEOUS

As amended by this Amendment, the Lease is hereby ratified, approved and confirmed in all respects. Landlord and Tenant each hereby acknowledge and confirm that, to the best of its respective knowledge, neither Landlord nor Tenant is in default of any term or condition of the Lease. In the event of a conflict between the Lease and this Amendment, the terms of this Amendment shall govern.

WHEREFORE, the parties have hereunto set their hands and seals as of the date first above written.

LANDLORD:

/s/ Steven Colangelo
Steven Colangelo, signing as
Trustee of 125 Hartwell Trust and not
individually and without recourse
against the Trustee personally or his
assets

TENANT:

SYNTA PHARMACEUTICALS CORP.

By: /s/ Keith S. Ehrlich
Name: Keith S. Ehrlich
Title: CFO
Hereunto Duly Authorized

EXHIBIT A

Plan Showing Location of Additional Premises on First Floor of Building

[See attached]

[FLOOR PLAN]

Exhibit 10.3

SYNTA PHARMACEUTICALS CORP.
AMENDED AND RESTATED*
DIRECTOR COMPENSATION POLICY

The Board of Directors of Synta Pharmaceuticals Corp. (the "Company") has approved the following policy which establishes compensation to be paid to non-employee directors of the Company, to provide an inducement to obtain and retain the services of qualified persons to serve as members of the Company's Board of Directors. Each such director will receive as compensation for his or her services (i) a stock option grant upon his or her initial appointment or election to the Board of Directors of the Company, (ii) an annual fee payable in cash and/or stock, (iii) an annual stock option grant and (iv) additional fees for service on a committee of the Board of Directors or as Chairman of the Board of Directors, all as further set forth herein.

Applicable Persons

This Policy shall apply to each director of the Company who (a) is not an employee of the Company or any Affiliate and (b) does not receive compensation as a consultant to the Company or any Affiliate unless such compensation is received solely for services provided as a member of the Scientific Advisory Board (each, an "Outside Director"). Affiliate shall mean a corporation which is a direct or indirect parent or subsidiary of the Company, as determined pursuant to Section 424 of the Internal Revenue Code of 1986, as amended.

Stock Option Grant Upon Initial Appointment or Election as a Director

Number of Shares

Each new Outside Director on the date of his or her initial appointment or election to the Board of Directors, shall be granted a non-qualified stock option to purchase 15,000 shares of the Company's common stock under the Company's then applicable stockholder-approved stock plan (the "Stock Plan"), subject to automatic adjustment in the event of any stock split or other recapitalization affecting the Company's common stock.

Vesting Provision

Such option shall vest as to 25% of such grant on the first anniversary of the date of grant of the option and as to an additional 6.25% of such grant on the last day of each successive three month period thereafter, provided such Outside Director continues to serve as a member of the Board of Directors. However, in the event of termination of service of an Outside Director, such option shall vest to the extent of a pro rata portion through the Outside Director's last day of service based on the number of days accrued in the applicable period prior to his or her termination of service.

* Amended and Restated as of June 11, 2008.

Exercise Price and Term of Option

Each option granted shall have an exercise price per share equal to the Fair Market Value (as defined in the Stock Plan) of the shares of common stock of the Company on the date of grant of the option, have a term of ten years and shall be subject to the terms and conditions of the Stock Plan. Each such option grant shall be evidenced by the issuance of a non-qualified stock option agreement.

Early Termination of Option Upon Termination of Service

If an Outside Director:

a. ceases to be a member of the Board of Directors for any reason other than death or disability, any then vested and unexercised options granted to such Outside Director may be exercised by the director within a period of three months after the date the director ceases to be a member of the Board of Directors and in no event later than the expiration date of the option; or

b. ceases to be a member of the Board of Directors by reason of his or her death or disability, any then vested and unexercised options granted to such director may be exercised by the director (or by the director's personal representative, or the director's survivors) within a period of one year after the date the director ceases to be a member of the Board of Directors and in no event later than the expiration date of the option.

Annual Fee

Annual Fee to Each Outside Director (the "Annual Fee")

Each Outside Director shall be compensated on an annual basis for providing services to the Company. Except as otherwise set forth in this Policy, director compensation shall be paid for the period from July 1 through June 30 of each year. Each Outside Director shall receive compensation consisting of one of the following combinations of cash and/or a grant of common stock, subject to certain contractual restrictions, under the Stock Plan, at the election of each Outside Director, as follows:

- $40,000 cash,
- $30,000 cash and such number of shares of the Company's common stock as is equal to $10,000 on the date of grant of the shares,
- $20,000 cash and such number of shares of the Company's common stock as is equal to $20,000 on the date of grant of the shares,
- $10,000 cash and such number of shares of the Company's common stock as is equal to $30,000 on the date of grant of the shares, or
- such number of shares of the Company's common stock as is equal to $40,000 on the date of the grant of the shares.

Additional Annual Fee to Outside Director Serving as Chairman of the Board (the "Annual Chairman Fee")

If the Chairman of the Board of Directors is an Outside Director, he or she shall receive an additional annual fee of $20,000 for the period from July 1 through June 30 of each year. Such compensation shall consist of one of the following combinations of cash and/or a grant of common stock, subject to certain contractual restrictions, under the Stock Plan, at the election of the Chairman of the Board of Directors, as follows:

- $20,000 cash,
- such number of shares of the Company's common stock as is equal to $20,000 on the date of the grant of the shares, or
- any combination of cash or grant of shares that equals $20,000.

Calculation of Shares

The number of shares to be received by an Outside Director shall be calculated by dividing the total dollar amount that the Outside Director has elected to be paid in shares of common stock for his or her Annual Fee and/or his or her Annual Chairman Fee, as applicable, by the Fair Market Value (as defined in the Stock Plan) of the shares of common stock of the Company on the last business day prior to the date of grant of the shares (rounded down to the nearest whole number so that no fractional shares shall be issued).

Election

Each Outside Director shall make an election on the form provided by the Company, indicating the combination of his or her Annual Fee and, if applicable, his or her Annual Chairman Fee, prior to each annual meeting of stockholders. If the Company does not schedule an annual meeting of stockholders to be held on or before June 30 of any year, each Outside Director shall make his or her election(s) by June 15 of the applicable year.

Cash Payments

Any cash portion of the Annual Fee or Annual Chairman Fee to be paid to an Outside Director shall be paid quarterly in arrears as of the last day of each calendar quarter. If an Outside Director dies, resigns or is removed during any quarter, he or she shall be entitled to a cash payment for his or her Annual Fee on a pro rata basis through his or her last day of service. If the Chairman of the Board of Directors dies, resigns as Chairman of the Board or is removed during any quarter, he or she shall be entitled to a cash payment for his or her Annual Chairman Fee on a pro rata basis through his or her last day of service as Chairman of the Board.

Restricted Stock Grants

Shares of common stock shall be granted at the first meeting of the Board of Directors following each annual stockholders meeting, or if no such meeting of the Board of Directors shall occur before June 30 of the applicable year, by unanimous written consent dated June 30 of that year.

The shares issued as all or part of the Annual Fee shall be subject to a lapsing repurchase right such that the shares shall be subject to forfeiture to the Company if such Outside Director does not continue to serve as a member of the Board of Directors as of the end of the applicable quarter as follows: the repurchase right shall lapse as to 25% of each such grant on each of September 30, December 31, March 31 and June 30 thereafter, provided such Outside Director continues to serve as a member of the Board of Directors as of the applicable date.

The shares issued as all or part of the Annual Chairman Fee shall be subject to a lapsing repurchase right such that the shares shall be subject to forfeiture to the Company if such Outside Director does not continue to serve as Chairman of the Board of Directors as of the end of the applicable quarter as follows: the repurchase right shall lapse as to 25% of the grant on each of September 30, December 31, March 31 and June 30 thereafter, provided such Outside Director continues to serve as Chairman of the Board of Directors as of the applicable date.

Initial Annual Fee and Annual Chairman Fee For Newly Appointed or Elected Directors

Each Outside Director who is first appointed or elected to the Board of Directors after the date of the adoption of this Policy shall receive his or her first year's Annual Fee and, if applicable, Annual Chairman Fee, prorated in accordance with the terms of this Policy from the beginning of the next calendar quarter after his or her initial appointment or election through the following June 30. Each such Outside Director shall make an election prior to the beginning of the next calendar quarter after his or her initial appointment or election as to the combination of cash and/or stock. The Board of Directors shall, by unanimous written consent dated the date of the first day of such quarter, grant any shares to be issued to such Outside Director as part of such compensation. Any such shares shall be subject to a pro rata lapsing repurchase right as of the last day of each quarter remaining in such initial period, provided, with respect to the Annual Fee, such Outside Director continues to serve as a member of the Board of Directors, or, with respect to the Annual Chairman Fee, such Outside Director continues to serve as Chairman of the Board of Directors, as of the end of the applicable quarter.

Purchase Price and Other Provisions Applicable to All Stock Grants

Shares granted shall have a purchase price equal to the par value of the common stock on the date of grant and shall be subject to the terms and conditions of the Stock Plan. The terms of such grant shall be evidenced by a restricted stock agreement to be entered into between the Company and the Outside Director. In addition, in the event of termination of service of an Outside Director, or termination of service as Chairman of the Board of Directors, as applicable, the Company's lapsing repurchase right shall be deemed to have lapsed to the extent of a pro rata portion of the shares through the Outside Director's last day of service as a director, or the last day of service as Chairman of the Board of Directors, as applicable, based on the number of days accrued in the applicable period prior to his or her termination of service.

Annual Stock Option Grant

Number of Shares

At the first meeting of the Board of Directors following each annual stockholders meeting, or if no such meeting of the Board of Directors shall occur before June 30 of the applicable year, by unanimous written consent dated June 30 of that year, each Outside Director shall be granted a non-qualified stock option to purchase 5,500 shares of the Company's common stock under the Stock Plan, subject to automatic adjustment in the event of any stock split or other recapitalization affecting the Company's common stock (the "Annual Stock Option Grants"). In addition, if on such date the Chairman of the Board of Directors is an Outside Director, he or she shall be granted an additional non-qualified stock option to purchase 2,500 shares of the Company's common stock under the Stock Plan, subject to automatic adjustment in the event of any stock split or other recapitalization affecting the Company's common stock (the "Annual Chairman Stock Option Grant").

Vesting Provision

Each Annual Stock Option Grant shall vest as to 25% of such grant on each of September 30, December 31, March 31 and June 30 thereafter, provided such Outside Director continues to serve as a member of the Board of Directors. Each Annual Chairman Stock Option Grant shall vest as to 25% of such grant on each of September 30, December 31, March 31 and June 30 thereafter, provided such Outside Director continues to serve as Chairman of the Board of Directors. However, in the event of termination of service of an Outside Director, or termination of service as Chairman of the Board of Directors, as applicable, such option shall vest to the extent of a pro rata portion through the Outside Director's last day of service as a director, or the last day of service as Chairman of the Board of Directors, as applicable, based on the number of days accrued in the applicable period prior to his or her termination of service.

Exercise Price and Term of Option

Each option granted shall have an exercise price per share equal to the Fair Market Value (as defined in the Stock Plan) of the shares of common stock of the Company on the date of grant of the option, have a term of ten years and shall be subject to the terms and conditions of the Stock Plan. Each such option grant shall be evidenced by the issuance of a non-qualified stock option agreement.

Early Termination of Option Upon Termination of Service

If an Outside Director:

a. ceases to be a member of the Board of Directors for any reason other than death or disability, any then vested and unexercised options granted to such Outside Director may be exercised by the director within a period of three months after the date the director ceases to be a member of the Board of Directors and in no event later than the expiration date of the option; or

b. ceases to be a member of the Board of Directors by reason of his or her death or disability, any then vested and unexercised options granted to such director may be exercised by the director (or by the director's personal representative, or the director's survivors) within a period of one year after the date the director ceases to be a member of the Board of Directors and in no event later than the expiration

date of the option.

Board Committee Compensation

Each Outside Director shall also receive an annual fee of $5,000 for each Committee of the Board of Directors on which such individual serves. However, the Chairman of each Committee, other than the Audit Committee, shall receive an annual fee of $10,000, and the Chairman of the Audit Committee shall receive an annual fee of $15,000 for services as Chairman. Payment of such fees shall be made quarterly in arrears on the last day of each calendar quarter and upon death, resignation or removal, payment shall be made pro rata through the last day of service.

Expenses

Upon presentation of documentation of such expenses reasonably satisfactory to the Company, each Outside Director shall be reimbursed for his or her reasonable out-of-pocket business expenses incurred in connection with attending meetings of the Board of Directors, Committees thereof or in connection with other Board related business.

Amendments

The Board of Directors shall review this Policy from time to time to assess whether any amendments in the type and amount of compensation provided herein should be adjusted in order to fulfill the objectives of this Policy.

DATED: June 11, 2008

Exhibit 10.4

Amendment No. 1 to Collaborative Development, Commercialization and License Agreement

This amendment (the "Amendment") dated June 27, 2008 is to the Collaborative Development, Commercialization and License Agreement dated October 8, 2007 between Synta Pharmaceuticals Corp., a Delaware corporation with offices at 45 Hartwell Ave., Lexington, Massachusetts 02421 ("Synta"), and SmithKline Beecham Corporation, a Pennsylvania corporation with offices at One Franklin Plaza, Philadelphia, Pennsylvania 19101 ("GSK") (the "Agreement").

WITNESSETH:

WHEREAS, Section 6.4.1(a) of the Agreement sets forth various payments to be made by GSK to Synta upon the achievement of certain development and regulatory milestones;

WHEREAS, the Parties desire to modify certain milestones set forth in Section 6.4.1(a) to be achieved by Synta; and

WHEREAS, the Parties desire to set forth the modifications to Section 6.4.1(a) as set forth herein, pursuant to Section 14.7 of the Agreement.

NOW THEREFORE, in consideration of the foregoing and the covenants and obligations expressed herein, the Parties agree as follows:

1. Capitalized terms used herein and not otherwise defined herein shall have the respective defined meanings set forth in the Agreement.

2. The [***] dollar ($[***]) payment payable from GSK to Synta upon achievement of the milestone entitled "[***] for [***] in the [***] of [***] as [***] in [***]" in Section 6.4.1(a) of the Agreement shall be [***] to [***] dollars ($[***]).

3. A payment of [***] dollars ($[***]) shall be payable by GSK to Synta upon achievement of a [***] to be included in Section 6.4.1(a) for the "[***] for [***] in the [***] of [***] as [***] in [***]."

4. The [***] dollar ($[***]) payment payable from GSK to Synta upon "[***] of [***]" [***] shall be payable upon "[***] of a [***] the [***] of [***]."

5. The [***] dollar ($[***]) payment payable by GSK to Synta upon achievement of "[***] of [***] in a [***]" [***] shall be payable upon the "[***] of the [***] of [***] for the [***]."

6. The [***] dollar ($[***]) payment payable from GSK to Synta upon "[***] of [***] of [***] and [***]" [***] shall be payable upon "[***] of [***] for the [***]." For the avoidance of doubt, "[***] of [***] for the [***]" shall be deemed to have been achieved

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

upon [***] from the [***] of the [***] from the [***] of [***] ([***], and [***]) [***] for the [***] for the [***] or [***].

7. For ease of reference, the tables in **Appendix A**, attached hereto, set forth Section 6.4.1(a) as amended by the foregoing. GSK shall not be responsible for any milestone payment associated with the achievement of any development or regulatory milestones other than as set forth in Section 6.4.1(a), as amended by this Amendment. Such payments shall be made in accordance with Section 6.4.2 of the Agreement.

8. For the avoidance of doubt, nothing herein amends or modifies the obligations of Synta to conduct the work set forth in Section 3.1.3(b) or any other section of the Agreement.

9. All other terms, conditions and provisions of the Agreement shall remain in full force and effect except as otherwise provided herein. All references to the "Agreement" therein shall mean the Agreement as amended by this Amendment.

10. This Amendment may be signed in one or more counterparts, each of which when taken together shall constitute one and the same instrument.

11. This Amendment shall be governed by and construed in accordance with the laws of the State of New York, without regard to the application of principles of conflicts of law.

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

[Remainder of page intentionally left blank – signature page to follow]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their duly authorized officers or representatives.

SYNTA PHARMACEUTICALS CORP.

By: /s/ Safi Bahcall
Name:
Title:

SMITHKLINE BEECHAM CORPORATION
(d/b/a GlaxoSmithKline)

By: /s/ [***]
Name: [***]
Title: Vice President & Secretary

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

Appendix A

6.4.1 **Milestones.**

(a) Development and Regulatory Milestones. As partial consideration for the licenses granted to GSK by SYNTA under the terms of this Agreement, GSK shall make the following non-refundable, non-creditable (except as provided in Section 6.4.2(d) and Section 3.1.3(d)) payments to SYNTA:

Indication Based Milestone Events	First Minor Indication ($ Million)	Second Minor Indication ($ Million)	First Major Indication ($ Million)	Second Major Indication ($ Million)
[***] for [***] in the [***] of [***] as [***] in [***]	[***]	[***]	[***]	[***]
[***] for [***] in the [***] of [***] as [***] in [***]	[***]	[***]	[***]	[***]
[***] of the [***] for a [***]	[***]	[***]	[***]	[***]
The earlier of (a) the date of determination by the JDC that the Ongoing Clinical Trial has achieved its primary endpoint, or (b) the date of determination by the JDC to file for Regulatory Approval in the U.S. Territory for STA-4783 for metastatic melanoma despite not meeting the primary endpoint in the Ongoing Clinical Trial	25	[***]	[***]	[***]
[***] for a [***] in the [***]	[***]	[***]	[***]	[***]
[***] for a [***] in the [***] for a [***] or any [***] if [***] not [***]	[***]	[***]	[***]	[***]
[***] for a [***] in [***]	[***]	[***]	[***]	[***]
[***] in the [***]for a [***]	[***]	[***]	[***]	[***]
[***] in the [***] or [***] for a [***]	[***]	[***]	[***]	[***]
[***] in [***] for a [***]	[***]	[***]	[***]	[***]
Total	[***]	[***]	[***]	[***]

Other Milestone Events	Milestone Payment ($ Millions)
First [***] of the following [***] events to occur: the [***] by the [***] that [***] the [***] for [***] the [***] the [***] in the [***]	[***] for each event, for a total of [***]
[***] of a [***] the [***] of [***]	[***]
[***] of the [***] of [***] for the [***]	[***]
[***] by the [***] that the [***] the [***]	[***]
[***] of [***] for the [***]	[***]
Total	[***]

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

Exhibit 31.1

CERTIFICATIONS UNDER SECTION 302

I, Safi R. Bahcall, Ph.D., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Synta Pharmaceuticals Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2008

/s/ SAFI R. BAHCALL, PH.D.

Safi R. Bahcall, Ph.D.
President and Chief Executive Officer
(principal executive officer)

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Exhibit 31.2

CERTIFICATIONS UNDER SECTION 302

I, Keith S. Ehrlich, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Synta Pharmaceuticals Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2008

/s/ KEITH S. EHRLICH

Keith S. Ehrlich
Vice President, Finance and Administration,
Chief Financial Officer
(principal accounting and financial officer)

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Exhibit 32.1

CERTIFICATIONS UNDER SECTION 906

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Synta Pharmaceuticals Corp., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the period ended June 30, 2008 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 7, 2008 /s/ SAFI R. BAHCALL, PH.D.

Safi R. Bahcall, Ph.D.
President and Chief Executive Officer
(principal executive officer)

Dated: August 7, 2008 /s/ KEITH S. EHRLICH

Keith S. Ehrlich
Vice President, Finance and Administration,
Chief Financial Officer
(principal accounting and financial officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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