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# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

# FORM 10-Q

**(Mark One)**

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

**For the quarterly period ended March 31, 2015**

**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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). 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 May 1, 2015, the registrant had 134,420,670 shares of common stock outstanding.

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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)

| | March 31, 2015 | December 31, 2014 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 33,255 | $ 46,024 |
| Marketable securities | 43,351 | 51,666 |
| Prepaid expenses and other current assets | 1,367 | 1,656 |
| Total current assets | 77,973 | 99,346 |
| Property and equipment, net | 855 | 1,024 |
| Other assets | 564 | 305 |
| Total assets | $ 79,392 | $ 100,675 |
| **Liabilities and Stockholders' Equity** | | |
| Current liabilities: | | |
| Accounts payable | $ 3,738 | $ 3,139 |
| Accrued contract research costs | 12,511 | 12,317 |
| Other accrued liabilities | 5,408 | 6,177 |
| Current portion of capital lease obligations | 42 | 42 |
| Current portion of term loans | 9,221 | 9,214 |
| Total current liabilities | 30,920 | 30,889 |
| Long-term liabilities: | | |
| Capital lease obligations, net of current portion | 33 | 43 |
| Term loans, net of current portion | 2,299 | 4,607 |
| Total long-term liabilities | 2,332 | 4,650 |
| Total liabilities | 33,252 | 35,539 |
| Stockholders' equity: | | |
| Preferred stock, par value $0.0001 per share Authorized: 5,000,000 shares at March 31, 2015 and December 31, 2014; no shares issued and outstanding at each of March 31, 2015 and December 31, 2014 | — | — |
| Common stock, par value $0.0001 per share Authorized: 200,000,000 shares at March 31, 2015 and December 31, 2014; 109,120,670 shares issued and outstanding at each of March 31, 2015 and December 31, 2014 | 11 | 11 |
| Additional paid-in-capital | 704,403 | 702,694 |
| Accumulated other comprehensive income | 6 | 4 |
| Accumulated deficit | (658,280) | (637,573) |
| Total stockholders' equity | 46,140 | 65,136 |
| Total liabilities and stockholders' equity | $ 79,392 | $ 100,675 |

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 March 31, | |
|---|---|---|
| | **2015** | **2014** |
| Revenues: | | |
| Total revenues | $ — | $ — |
| Operating expenses: | | |
| Research and development | 16,182 | 17,583 |
| General and administrative | 4,150 | 5,324 |
| Total operating expenses | 20,332 | 22,907 |
| Loss from operations | (20,332) | (22,907) |
| Interest expense, net | (375) | (650) |
| Net loss | $ (20,707) | $ (23,557) |
| Net loss per common share: | | |
| Basic and diluted net loss per common share | $ (0.19) | $ (0.28) |
| Basic and diluted weighted average number of common shares outstanding | 108,376,264 | 85,438,127 |

See accompanying notes to condensed consolidated financial statements.

**SYNTA PHARMACEUTICALS CORP.**

**Condensed Consolidated Statements of Comprehensive Loss**

**(in thousands)**

**(unaudited)**

| | Three Months Ended March 31, | |
|---|---|---|
| | **2015** | **2014** |
| Net loss | $ (20,707) | $ (23,557) |
| Other comprehensive (loss): | | |
| Unrealized gain (loss) on available-for-sale securities | 2 | (13) |
| Comprehensive loss | $ (20,705) | $ (23,570) |

See accompanying notes to condensed consolidated financial statements.

**SYNTA PHARMACEUTICALS CORP.**

**Condensed Consolidated Statements of Cash Flows**

**(in thousands)**

**(unaudited)**

| | Three Months Ended March 31, | |
|---|---|---|
| | 2015 | 2014 |
| Cash flows from operating activities: | | |
| Net loss | $ (20,707) | $ (23,557) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Stock-based compensation expense | 1,710 | 2,586 |
| Depreciation and amortization | 169 | 168 |
| Changes in operating assets and liabilities: | | |
| Prepaid expenses and other current assets | 289 | 153 |
| Other assets | (259) | 32 |
| Accounts payable | 598 | (780) |
| Accrued contract research costs | 194 | 2,081 |
| Other accrued liabilities | (769) | (953) |
| Net cash used in operating activities | (18,775) | (20,270) |
| Cash flows from investing activities: | | |
| Purchases of marketable securities | (28,683) | (3,548) |
| Maturities of marketable securities | 37,000 | 19,768 |
| Purchases of property and equipment | — | (23) |
| Net cash provided by investing activities | 8,317 | 16,197 |
| Cash flows from financing activities: | | |
| Proceeds from issuance of common stock, net of transaction costs, and exercise of common stock options | — | 10,118 |
| Payment of term loans | (2,301) | (2,490) |
| Payment of capital lease obligations | (10) | (11) |
| Net cash (used in) provided by financing activities | (2,311) | 7,617 |
| Net (decrease) increase in cash and cash equivalents | (12,769) | 3,544 |
| Cash and cash equivalents at beginning of period | 46,024 | 48,490 |
| Cash and cash equivalents at end of period | $ 33,255 | $ 52,034 |
| Supplemental disclosure of cash flow information: | | |
| Cash paid for interest | $ 325 | $ 560 |

See accompanying notes to condensed consolidated financial statements.

**SYNTA PHARMACEUTICALS CORP.**

**Notes to Condensed Consolidated Financial Statements**

**(unaudited)**

**(1) Nature of Business**

Synta Pharmaceuticals Corp. (the Company) was incorporated in March 2000 and commenced operations in July 2001. The Company is an innovative, agile biopharmaceutical company focused on research, development and commercialization of novel oncology medicines that have the potential to change the lives of cancer patients.

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 and product reimbursement, product liability, uncertain protection of proprietary technology, potential inability to raise additional financing and compliance with the U.S. Food and Drug Administration and other government regulations.

The Company may require significant additional funds earlier than it currently expects in order to conduct additional clinical trials and continue to fund its operations. There can be no assurances, however, that additional funding will be available on favorable terms, or at all. If adequate funds are not available, the Company may be required to delay, significantly modify or terminate its research and development programs or reduce its planned commercialization efforts.

**(2) Summary of Significant Accounting Policies**

The accompanying condensed consolidated financial statements are unaudited, 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 March 31, 2015 and the consolidated results of operations, comprehensive loss and cash flows for the three months ended March 31, 2015 and 2014. The preparation of financial statements in conformity with accounting principles generally accepted in the United States (GAAP) 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 ended March 31, 2015 are not necessarily indicative of the results to be expected for the year ending December 31, 2015 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, 2014 included in the Company's Annual Report on Form 10-K.

**Principles of Consolidation**

The condensed 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 U.S. generally accepted accounting principles (GAAP) 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 contract research accruals, recoverability of long-lived assets, measurement of stock-based compensation, and the periods of performance under collaborative research and development agreements. The Company bases its estimates on historical experience and various other assumptions that management believes to be reasonable under the circumstances. Changes in estimates are recorded in the period in which they become known. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

The Company considers all highly liquid investments with original maturities of three months or less at the date of purchase and an investment in a money market fund to be cash equivalents. Changes in the level of cash and cash equivalents may be affected by changes in investment portfolio maturities, as well as actual cash disbursements to fund operations.

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's cash is deposited in a highly rated financial institution in the United States. The Company invests in money market funds and high-grade, short-term commercial paper and corporate bonds, which management believes are subject to minimal credit and market risk. Declines in interest rates, however, would reduce future investment income.

**Marketable Securities**

Marketable securities consist of investments in high-grade corporate obligations, and government and government agency obligations that are classified as available-for-sale. Since these securities are available to fund current operations they are classified as current assets on the consolidated balance sheets.

The Company adjusts the cost of available-for-sale debt securities for amortization of premiums and accretion of discounts to maturity. The Company includes such amortization and accretion as a component of interest expense, net. Realized gains and losses and declines in value, if any, that the Company judges to be other-than-temporary on available-for-sale securities are reported as a component of interest expense, net. To determine whether an other-than-temporary impairment exists, the Company considers whether it intends to sell the debt security and, if the Company does not intend to sell the debt security, it considers available evidence to assess whether it is more likely than not that it will be required to sell the security before the recovery of its amortized cost basis. During the three months ended March 31, 2015 and 2014, the Company determined it did not have any securities that were other-than-temporarily impaired.

Marketable securities are stated at fair value, including accrued interest, with their unrealized gains and losses included as a component of accumulated other comprehensive income or loss, which is a separate component of stockholders' equity. The fair value of these securities is based on quoted prices and observable inputs on a recurring basis. Realized gains and losses are determined on the specific identification method. During the three months ended March 31, 2015 and 2014, the Company did not have any realized gains or losses on marketable securities.

**Fair Value of Financial Instruments**

The carrying amounts of the Company's financial instruments, which include cash equivalents, marketable securities and term loan obligations, approximate their fair values. The fair value of the Company's financial instruments reflects the amounts that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy has the following three levels:

Level 1—quoted prices in active markets for identical assets and liabilities.

Level 2—observable inputs other than Level 1 inputs. Examples of Level 2 inputs include quoted prices in active markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are not active.

Level 3—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 within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. The Company measures the fair value of its marketable securities by taking into consideration valuations obtained from third-party pricing sources. The pricing services utilize industry standard valuation models, including both income and market based approaches, for which all significant inputs are observable, either directly or indirectly, to estimate fair value. These inputs include reported trades of and broker-dealer quotes on the same or similar securities, issuer credit spreads, benchmark securities and other observable inputs. As of March 31, 2015, the Company's financial assets valued based on Level 1 inputs consisted of cash and cash equivalents in a money market fund and its financial assets valued based on Level 2 inputs consisted of high-grade corporate bonds and commercial paper. During the three months ended March 31, 2015 and 2014, the Company did not have any transfers of financials assets between Levels 1 and 2. As of March 31, 2015, the Company did not have any financial liabilities that were recorded at fair value on the balance sheet. The disclosed fair value of the Company's term loan

obligations is determined using current applicable rates for similar instruments as of the balance sheet date. The carrying value of the Company's term loan obligations approximates fair value as the Company's interest rate yield is near current market rate yields. The disclosed fair value of the Company's term loan obligations is based on Level 3 inputs.

**Revenue Recognition**

***Collaboration and License Agreements***

The Company's principal source of revenue to date has been its former collaboration and license agreements, which included upfront license payments, development milestones, reimbursement of research and development costs, potential profit sharing payments, commercial and sales-based milestones and royalties. The accounting for collaboration and license agreements 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 arrangement consideration to be allocated to each unit of accounting.

For multiple-element arrangements entered into or materially modified after January 1, 2011, the Company follows the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2009-13— *Multiple-deliverable Revenue Arrangements* (ASU No. 2009-13). ASU No. 2009-13 amended certain provisions of Accounting Standards Codification (ASC) Topic 605— *Revenue Recognition*. This standard addresses the determination of the unit(s) of accounting for multiple-element arrangements and how an arrangement's consideration should be allocated to each unit of accounting.

Pursuant to this standard, each required deliverable is evaluated to determine if it qualifies as a separate unit of accounting. For the Company this determination includes an assessment as to whether the deliverable has "stand-alone value" to the customer separate from the undelivered elements. The arrangement's consideration is then allocated to each separate unit of accounting based on the relative selling price of each deliverable. The estimated selling price of each deliverable is determined using the following hierarchy of values: (i) vendor-specific objective evidence of fair value, (ii) third-party evidence of selling price, or (iii) the Company's best estimate of the selling price (BESP). The BESP reflects the Company's best estimate of what the selling price would be if the deliverable was regularly sold by it on a stand-alone basis. The Company expects, in general, to use BESP for allocating consideration to each deliverable in future collaboration agreements. In general, the consideration allocated to each unit of accounting is then recognized as the related goods or services are delivered limited to the consideration not contingent upon future deliverables. The Company did not recognize any revenue related to collaboration and license agreements during the three months ended March 31, 2015 and 2014.

The Company accounts for development milestones under collaboration and license agreements pursuant to ASU No. 2010-17*Milestone Method of Revenue Recognition* (ASU No. 2010-17). ASU No. 2010-17 codified a method of revenue recognition that has been common practice. Under this method, contingent consideration from research and development activities that is earned upon the achievement of a substantive milestone is recognized in its entirety in the period in which the milestone is achieved. At the inception of each arrangement that includes milestone payments, the Company evaluates whether each milestone is substantive. This evaluation includes an assessment of whether (a) the consideration is commensurate with either (1) the entity's performance to achieve the milestone, or (2) the enhancement of the value of the delivered item(s) as a result of a specific outcome resulting from the entity's performance to achieve the milestone, (b) the consideration relates solely to past performance and (c) the consideration is reasonable relative to all of the deliverables and payment terms within the arrangement. The Company evaluates factors such as the scientific, clinical, regulatory, commercial and other risks that must be overcome to achieve the respective milestone, the level of effort and investment required and whether the milestone consideration is reasonable relative to all deliverables and payment terms in the arrangement in making this assessment. The Company does not have any ongoing collaboration and license agreements under which milestones may be achieved.

Royalty revenues are based upon a percentage of net sales. Royalties from the sales of products will be recorded on the accrual basis when results are reliably measurable, collectability is reasonably assured and all other revenue recognition criteria are met. Commercial and sales-based 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 collectability is reasonably assured. The Company does not have any ongoing collaboration and license agreements under which royalties or commercial and sales-based milestones may be achieved.

**Stock-Based Compensation**

The Company recognizes stock-based compensation expense based on the grant date fair value of stock options granted to employees, officers and directors. The Company uses the Black-Scholes option pricing model to determine the grant date fair value as management believes it is 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. Expected volatility is based upon the weighted average historical volatility data of the Company's common stock. The risk-free rate for periods within the expected 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 represent the period of time that options granted are expected to be outstanding. The Company uses the simplified method for determining the expected lives of options. The Company estimates the forfeiture rate based on historical data. This analysis is re-evaluated at least annually and the forfeiture rate is adjusted as necessary.

For awards with graded vesting, the Company recognizes compensation costs based on the grant date fair value of awards on a straight-line basis over the requisite service period, which is generally the vesting period.

Certain of the employee stock options granted by the Company are structured to qualify as incentive stock options (ISOs). Under current tax regulations, the Company does not receive a tax deduction for the issuance, exercise or disposition of ISOs if the employee meets certain holding requirements. If the employee does not meet the holding requirements, a disqualifying disposition occurs, at which time the Company may receive a tax deduction. The Company does not record tax benefits related to ISOs unless and until a disqualifying disposition is reported. In the event of a disqualifying disposition, the entire tax benefit is recorded as a reduction of income tax expense. The Company has not recognized any income tax benefit for its share-based compensation arrangements due to the fact that the Company does not believe it is more likely than not it will realize the related deferred tax assets.

**Comprehensive Loss**

Comprehensive loss is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. Changes in unrealized gains and losses on marketable securities represent the only difference between the Company's net loss and comprehensive loss.

**Segment Reporting**

Operating segments are determined based on the way management organizes its business for making operating decisions and assessing performance. The Company has a single operating segment, which is the discovery, development and commercialization of drug products.

**Basic and Diluted Loss Per Common Share**

Basic net loss per share is computed using the weighted average number of common shares outstanding during the period, excluding restricted stock that has been issued but is not yet vested. Diluted net loss per common share 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 the three months ended March 31, 2015 and 2014, 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 outstanding securities not included in the computation of diluted net loss per common share as their inclusion would be anti-dilutive:

| | March 31, | |
|---|---|---|
| | 2015 | 2014 |
| Common stock options | 10,123,204 | 8,179,958 |
| Unvested restricted common stock | 734,758 | 35,000 |

**Recent Accounting Pronouncements**

In May 2014, the FASB issued ASU No. 2014-09, *—Revenue from Contracts with Customers* (Topic 606), which amends the guidance for accounting for revenue from contracts with customers. This ASU supersedes the revenue recognition requirements in ASC Topic 605, and creates a new Topic 606, *Revenue from Contracts with Customers*. This guidance is effective for fiscal years beginning after December 15, 2016, with early adoption not permitted. Two adoption methods are permitted: retrospectively to all prior reporting periods presented, with certain practical expedients permitted; or retrospectively with the cumulative effect of initially adopting the ASU recognized at the date of initial application. In April 2015, the FASB proposed a one year deferral of the effective date of this standard to annual periods ending after December 15, 2017, along with an option to permit companies to early adopt the standard for annual periods beginning after December 15, 2016. The Company has not yet determined which adoption method it will utilize or the effect that the adoption of this guidance will have on its consolidated financial statements.

In August 2014, the FASB issued ASU No. 2014-15, *—Presentation of Financial Statements—Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*. This ASU is intended to define management's responsibility to evaluate whether there is substantial doubt about an organization's ability to continue as a going concern within one year of the date of issuance of the entity's financial statements and to provide related footnote disclosures. This guidance is effective for fiscal years ending after December 15, 2016, with early application permitted. The Company has not yet determined the effect that the adoption of this guidance will have on the disclosures included in its consolidated financial statements.

**(3) Cash, Cash Equivalents and Marketable Securities**

A summary of cash, cash equivalents and available-for-sale marketable securities held by the Company as of March 31, 2015 and December 31, 2014 was as follows in thousands (see Note 2):

| | March 31, 2015 | | | |
|---|---|---|---|---|
| | Cost | Unrealized gains | Unrealized losses | Fair value |
| Cash and cash equivalents: | | | | |
| Cash and money market funds (Level 1) | $ 21,720 | $ — | $ — | $ 21,720 |
| Corporate debt securities due within 3 months of date of purchase (Level 2) | 11,535 | — | — | 11,535 |
| Total cash and cash equivalents | $ 33,255 | $ — | $ — | $ 33,255 |
| Marketable securities: | | | | |
| Corporate debt securities due within 1 year of date of purchase (Level 2) | 43,345 | 11 | (5) | 43,351 |
| Total cash, cash equivalents and marketable securities | $ 76,600 | $ 11 | $ (5) | $ 76,606 |

| | December 31, 2014 | | | |
|---|---|---|---|---|
| | Cost | Unrealized gains | Unrealized losses | Fair value |
| Cash and cash equivalents: | | | | |
| Cash and money market funds (Level 1) | $ 45,004 | $ — | $ — | $ 45,004 |
| Corporate debt securities due within 3 months of date of purchase (Level 2) | 1,020 | — | — | 1,020 |
| Total cash and cash equivalents | $ 46,024 | $ — | $ — | $ 46,024 |
| Marketable securities: | | | | |
| Corporate debt securities due within 1 year of date of purchase (Level 2) | 51,662 | 12 | (8) | 51,666 |
| Total cash, cash equivalents and marketable securities | $ 97,686 | $ 12 | $ (8) | $ 97,690 |

**(4) Property and Equipment**

Property and equipment as of March 31, 2015 and December 31, 2014 consisted of the following (in thousands):

| | March 31, 2015 | December 31, 2014 |
|---|---|---|
| Laboratory equipment | $ 12,217 | $ 12,217 |
| Leasehold improvements | 4,988 | 4,988 |
| Computers and software | 3,126 | 3,126 |
| Furniture and fixtures | 1,176 | 1,176 |
| | 21,507 | 21,507 |
| Less accumulated depreciation and amortization | (20,652) | (20,483) |
| | $ 855 | $ 1,024 |

Depreciation and amortization expenses of property and equipment, including equipment purchased under capital leases, were approximately $0.2 million in each of the three months ended March 31, 2015 and 2014.

**(5) Stockholders' Equity**

**Common Stock**

Each common stockholder is entitled to one vote for each common share of stock held. The common stock will vote together with all other classes and series of stock of the Company as a single class on all actions to be taken by the Company's stockholders. Each share of common stock is entitled to receive dividends, as and when declared by the Company's board of directors.

The Company has never declared cash dividends on its common stock and does not expect to do so in the foreseeable future.

***At-The-Market Issuance Sales Agreement***

In July 2014, the Company entered into an at-the-market issuance sales agreement (July 2014 Sales Agreement) with MLV & Co. LLC (MLV), pursuant to which the Company may issue and sell shares of its common stock from time to time, at the Company's option, through MLV as its sales agent. Sales of common stock through MLV may be made by any method that is deemed an "at-the-market" offering as defined in Rule 415 promulgated under the Securities Act of 1933, as amended, including by means of ordinary brokers' transactions at market prices, in block transactions or as otherwise agreed by the Company and MLV. Subject to the terms and conditions of the Sales Agreement, MLV will use commercially reasonable efforts to sell the common stock based upon the Company's instructions (including any price, time or size limits or other customary parameters or conditions the Company may impose). The Company is not obligated to make any sales of its common stock under the Sales Agreement. Any shares sold will be sold pursuant to an effective shelf registration statement on Form S-3. The Company will pay MLV a commission of up to 3% of the gross proceeds. The July 2014 Sales Agreement may be terminated by the Company at any time.

In July 2014, the Company reserved up to $50 million under its shelf registration statement for issuance under the July 2014 Sales Agreement. In the third quarter of 2014, the Company sold an aggregate of 5,679,685 shares of common stock pursuant to the July 2014 Sales Agreement for an aggregate of approximately $23.0 million in gross proceeds at an average selling price of $4.05 per share. Net proceeds to the Company were approximately $22.5 million after deducting commissions and other transaction costs. As of March 31, 2015, approximately $27.0 million remained reserved under the Company's shelf registration statement and the applicable prospectus supplement for possible future issuance under the July 2014 Sales Agreement.

**(6) Stock-Based Compensation**

The Company's 2006 Stock Plan provides for the grant of incentive stock options, non-statutory stock options and non-vested restricted stock to employees, officers, directors and consultants of the Company. In January 2015, the number of shares of common stock reserved for issuance under the 2006 Stock Plan was increased from 10,300,000 to 11,600,000 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. This increase was approved by the board of directors in December 2014. 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 compensation committee of the board of directors, provided that incentive stock options are granted with an exercise price 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 March 31, 2015, the Company had options outstanding to purchase 10,123,204 shares of its common stock, which includes options outstanding under its 2001 Stock Plan that was terminated in March 2006. As of March 31, 2015, 1,261,136 shares were available for future issuance.

The following table summarizes stock option activity during the three months ended March 31, 2015:

| | Shares | Weighted average exercise price per share |
|---|---|---|
| Outstanding at January 1, 2015 | 8,829,343 | $ 6.17 |
| Options granted | 1,693,686 | 2.39 |
| Options exercised | — | — |
| Options cancelled | (399,825) | 9.14 |
| Outstanding at March 31, 2015 | 10,123,204 | $ 5.42 |
| Exercisable at March 31, 2015 | 5,305,790 | $ 6.45 |

The total cash received by the Company as a result of stock option exercises during the three months ended March 31, 2015 and 2014 was $0 and $0.8 million, respectively. The weighted-average grant date fair values of options granted during the three months ended March 31, 2015 and 2014 were $1.92 and $5.02, respectively.

**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 employees, officers, directors and consultants to the Company. Restricted stock awards are subject to forfeiture if employment or service terminates during the prescribed retention period. Restricted shares vest over the service period. The total fair value of restricted stock that vested in each of the three months ended March 31, 2015 and 2014 was $0.1 million.

The following table summarizes unvested restricted share activity during the three months ended March 31, 2015:

| | Shares | Weighted average grant date fair value per share |
|---|---|---|
| Outstanding at January 1, 2015 | 744,514 | $ 3.65 |
| Vested | (9,756) | 4.10 |
| Granted | — | — |
| Forfeited | — | — |
| Outstanding at March 31, 2015 | 734,758 | $ 3.65 |

**Stock-Based Compensation Expense**

For the three months ended March 31, 2015 and 2014, 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 March 31, | |
|---|---|---|
| | 2015 | 2014 |
| Risk-free interest rate | 1.77% | 1.84% |
| Expected life in years | 6.25 | 6.25 |
| Volatility | 101% | 104% |
| Expected dividend yield | — | — |

Stock-based compensation expense during the three months ended March 31, 2015 and 2014 was as follows (in thousands):

| | Three Months Ended March 31, | |
|---|---|---|
| | 2015 | 2014 |
| Stock-based compensation expense by type of award: | | |
| Employee stock options | $ 1,508 | $ 2,529 |
| Restricted stock | 202 | 57 |
| Total stock-based compensation expense | $ 1,710 | $ 2,586 |
| | | |
| Effect of stock-based compensation expense by line item: | | |
| Research and development | $ 981 | $ 1,131 |
| General and administrative | 729 | 1,455 |
| Total stock-based compensation expense included in net loss | $ 1,710 | $ 2,586 |

Unrecognized stock-based compensation expense as of March 31, 2015 was as follows (dollars in thousands):

| | Unrecognized stock compensation expense | Weighted average remaining period (in years) |
|---|---|---|
| Employee stock options | $ 13,821 | 2.79 |
| Restricted stock | 2,343 | 3.19 |
| Total | $ 16,164 | 2.85 |

**7) Other Accrued Liabilities**

Other accrued liabilities as of March 31, 2015 and December 31, 2014 consisted of the following (in thousands):

| | March 31, 2015 | December 31, 2014 |
|---|---|---|
| Compensation and benefits | $ 2,605 | $ 3,852 |
| Professional fees | 1,696 | 1,285 |
| Other | 1,107 | 1,040 |
| | $ 5,408 | $ 6,177 |

**(8) Co-Development and License Agreements**

***Co-Development Agreement***

In July 2011, the Company entered into a co-development agreement with a clinical research organization (CRO) for the conduct of certain company-sponsored clinical trials. Under the co-development agreement, this CRO was performing clinical research services under a reduced fee structure in exchange for a share of licensing payments and commercial revenues, if any, resulting from the product under development up to a specified maximum payment, which is defined as a multiple of the fee reduction realized. Research and development expenses were being recognized based on the reduced fee structure and expected payments will be recorded in the future if and when payment is probable. The maximum amount of the service fee discount was realized in the year ended December 31, 2013.

***License Arrangement***

In May 2014, the Company entered into a license arrangement for its CRACM program, including two lead candidates and the associated intellectual property portfolio, with PRCL Research Inc. (PRCL), a company funded by TVM Life Science Venture VII and the Fonds de Solidarité des Travailleurs du Québec, based in Montreal, Canada. PRCL plans to develop one of the two lead candidates licensed from the Company to proof-of-concept. Synta was granted a minority interest in PRCL in exchange for its contribution of know-how and intellectual property and will also hold a seat on PRCL's Board of Directors. Synta will not be required to provide any research funding or capital contributions to PRCL. Synta will be reimbursed by PRCL for any ongoing intellectual property management costs in connection with the contributed intellectual property and may conduct preclinical research activities which would be reimbursed by PRCL. If and when proof-of-concept is reached with either drug candidate, Eli Lilly and Company, which is an investor in TVM, will manage the development program through one of its divisions and will have an option to acquire PRCL or its assets at the then fair value.

**(9) Term Loans**

***General Electric Capital Corporation***

In March 2013, the Company amended its loan and security agreement entered into in September 2010 with General Electric Capital Corporation (GECC) and another lender (the GECC Term Loan) and obtained $12.9 million in additional loan funding and, as a result, increased the principal balance to $22.5 million at March 31, 2013. This amendment was accounted for as a loan modification. Interest on the borrowings under the GECC Term Loan remains at the annual rate of 9.75%. In January 2014, the Company began making 30 equal monthly payments of principal plus accrued interest on the outstanding balance. During the period from July 2012 through March 2013, the Company made nine equal monthly payments of principal under the GECC Term Loan. For the periods from April 2013 through December 2013 and prior to July 2012 the Company made interest-only payments.

The Company has paid various transaction fees and expenses in connection with the GECC Term Loan, which are deferred and are being amortized as interest expense over the remaining term of the GECC Term Loan. In addition, the Company is obligated to pay an exit fee of $788,000 at the time of the final principal payment which is being accreted and expensed as interest over the remaining term of the GECC Term Loan. In the three months ended March 31, 2015 and 2014, the Company recognized GECC Term Loan interest expense of $0.4 million and $0.6 million, respectively, of which $0.1 million was in connection with these transaction and exit fees and expenses in each of the periods. The Company may prepay the full amount of the GECC Term Loan, subject to prepayment premiums under certain circumstances. The Company did not issue any warrants in connection with the GECC Term Loan.

The GECC Term Loan is secured by substantially all of the Company's assets, except its intellectual property. The Company has granted GECC a springing security interest in its intellectual property in the event the Company is not in compliance with certain cash usage covenants, as defined therein. The GECC Term Loan contains restrictive covenants, including the requirement for the Company to receive the prior written consent of GECC to enter into loans, other than up to $4.0 million of equipment financing, restrictions on the declaration or payment of dividends, restrictions on acquisitions, and customary default provisions that include material adverse events, as defined therein. The Company has determined that the risk of subjective acceleration under the material adverse events clause is remote and therefore has classified the outstanding principal in current and long-term liabilities based on the timing of scheduled principal payments.

***Oxford Finance Corporation***

In March 2011, the Company entered into a loan and security agreement with Oxford Finance Corporation (Oxford) and received $2.0 million in loan funding, and in December 2012, the Company entered into a loan modification agreement, as amended, under which the Company could elect to draw down up to an additional $0.6 million in equipment financing until June 30, 2013 that would be payable in 36 equal monthly payments of principal plus accrued interest on the outstanding balance (collectively, the Oxford Term Loan). As of June 30, 2013, the Company had fully utilized the $0.6 million in additional equipment financing. Interest on the borrowings under the Oxford Term Loan accrues at an annual rate of 13.35%. In May 2011, the Company began making 36 equal monthly payments of principal plus accrued interest on the initial $2.0 million outstanding balance that was fully paid in April 2014. The Company continues to make equal monthly payments of principal plus accrued interest on the $0.6 million in additional equipment financing. The Company recognized approximately $13,000 and $20,000 in interest expense in the three months ended March 31, 2015 and 2014, respectively, related to the outstanding principal under the Oxford Term Loan. In addition to the interest payable under the Oxford Term Loan, the Company paid approximately $108,000 of administrative and legal fees and expenses in connection with the Oxford Term Loan. These expenses have been deferred and are being expensed over the term of the Oxford Term Loan. The Company did not issue any warrants in connection with the Oxford Term Loan. The Company may prepay the Oxford Term Loan, subject to prepayment premiums under certain circumstances. Oxford has the right to require the Company to prepay the Oxford Term Loan if the Company prepays the full amount of the GECC Term Loan under certain circumstances.

The Oxford Term Loan is secured by certain laboratory and office equipment, furniture and fixtures. In connection with the Oxford Term Loan, Oxford and GECC entered into a Lien Subordination Agreement, whereby GECC granted Oxford a first priority perfected security interest in the loan collateral. The Oxford Term Loan contains restrictive covenants, including the requirement for the Company to receive the prior written consent of Oxford to enter into acquisitions in which the Company incurs more than $2.0 million of related indebtedness, and customary default provisions that include material adverse events, as defined therein. The Company has determined that the risk of subjective acceleration under the material adverse events clause is remote and therefore has classified the outstanding principal in current and long-term liabilities based on the timing of scheduled principal payments.

Future principal payments under the GECC and Oxford Term Loans as of March 31, 2015 were approximately as follows (in thousands):

| | | |
|---|---|---|
| Years ending December 31, | | |
| 2015 | $ | 6,913 |
| 2016 | | 4,607 |
| Total principal payments | | 11,520 |
| Less current portion | | (9,221) |
| Long term portion | $ | 2,299 |

**(10) Subsequent Events**

***Public Offering***

In April 2015, the Company raised approximately $44.3 million in gross proceeds from the sale of an aggregate 25,300,000 shares of its common stock in a public offering at a public offering price of $1.75 per share, including 3,300,000 shares upon the full exercise of the underwriters' option to purchase additional shares. Certain of the Company's directors and their affiliates, including its largest stockholder, purchased an aggregate of 7,257,142 shares in this offering at the public offering price. The net offering proceeds to the Company were approximately $41.8 million after deducting underwriters' discounts, fees and commissions, and other offering expenses payable by the Company.

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

*You should read this discussion together with the condensed 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 "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2014 filed with the Securities and Exchange Commission on March 12, 2015. These risks could cause our actual results to differ materially from any future performance suggested below.*

**Overview**

Synta Pharmaceuticals Corp. is an innovative, agile biopharmaceutical company focused on research, development and commercialization of novel oncology medicines that have the potential to change the lives of cancer patients. Our lead oncology drug candidate, ganetespib, a novel heat shock protein 90 (Hsp90) inhibitor, is currently being evaluated in several large randomized clinical trials including GALAXY-2, a pivotal Phase 3 trial in non-small cell lung cancer (NSCLC), as well as breast cancer, ovarian and acute myeloid leukemia (AML). We are also evaluating several candidates from our proprietary Hsp90 inhibitor Drug Conjugate program (HDC Program), which leverages the preferential accumulation of Hsp90 inhibitors in tumors to selectively deliver a wide array of anti-cancer payloads. Our first clinical candidate from our HDC Program, STA-12-8666, is undergoing testing to enable the filing of an investigational new drug application (IND). Preclinical evaluation of additional HDC candidates is ongoing. We also have an additional clinical-stage oncology candidate: elesclomol, a mitochondrial metabolism inhibitor.

We were incorporated in March 2000 and commenced operations in July 2001. Since that time, we have been principally engaged in the discovery and development of novel drug candidates. As of March 31, 2015, we have raised an aggregate of approximately $819.2 million in cash proceeds to fund operations, including $616.2 million in net proceeds from private and public offerings of our equity, $30.5 million in gross proceeds from term loans and $167.2 million in non-refundable payments from partnering activities under prior collaborations, as well as $5.3 million from the exercise of common stock warrants and options. We have also generated funds from government grants, equipment lease financings and investment income. We are engaged in preliminary partnership discussions for a number of our programs, which may provide us with additional financial resources if consummated.

We have devoted substantially all of our capital resources to the research and development of our drug candidates. Since our inception, we have had no revenues from product sales. As of March 31, 2015, we had an accumulated deficit of $658.3 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. We will need to generate significant revenues from product sales to achieve future profitability and may never do so.

On April 22, 2015, Anne Whitaker notified our Board of Directors that she was resigning as our President and Chief Executive Officer and as a member of our Board of Directors, effective as of May 7, 2015. In connection with Ms. Whitaker's resignation, on April 23, 2015, the Board of Directors (i) appointed Chen Schor, our current Executive Vice President and Chief Operating Officer, as President and Chief Executive Officer, to be effective as of May 7, 2015 and (ii) appointed Mr. Schor as a Class I director with a term expiring at the annual meeting of stockholders to be held in 2017, to be effective as of May 7, 2015, to fill the vacancy to be created by Anne Whitaker's resignation.

In April 2015, we sold 25,300,000 shares of our common stock in a public offering for approximately $41.8 million in net proceeds. See "—Liquidity and Capital Resources—Public Offering."

**Program Overview**

We have two clinical-stage programs in oncology (ganetespib and elesclomol) and a novel, proprietary small molecule cancer drug development program (the HDC platform).

***Ganetespib (Hsp90 Inhibitor)***

*Summary*

Ganetespib is a novel, potent, small molecule inhibitor of Hsp90, a molecular chaperone which is required for the proper folding and activation of many cancer-promoting proteins. Inhibition of Hsp90 by ganetespib leads to the simultaneous degradation of many of these client proteins and the subsequent death or cell cycle arrest of cancer cells dependent on those proteins. A number of Hsp90 client proteins are also involved in the resistance of cancer cells to other anti-cancer treatments, such as chemotherapy. The ability to reduce cancer-cell drug resistance suggests that the combination of ganetespib with chemotherapies or other anti-cancer agents may provide greater benefit than those agents administered alone. In preclinical studies, ganetespib has shown potent anti-cancer activity against a broad range of solid and hematologic cancers, both as a monotherapy and in combination with certain widely used anti-cancer agents.

The results observed to date in our GALAXY program suggest a significant potential commercial opportunity for use of ganetespib in patients with advanced non-small cell lung adenocarcinoma. Lung cancer is the leading cause of cancer death worldwide in both men and women, estimated to be responsible for about 1.6 million deaths or approximately 20% of global cancer deaths in 2012. NSCLC is the most common form of lung cancer, making up approximately 85% to 90% of all lung cancers. Adenocarcinoma is the most common subtype of NSCLC.

*Ganetespib Mechanism of Action*

Hsp90 is required for the structural and functional maturation of numerous client proteins, many of which play critical roles in cell growth, differentiation and survival. Preclinical results have shown that ganetespib is a selective inhibitor of Hsp90. Relative to their normal counterparts, cancer cells are more reliant on the active Hsp90 complex. Recent published work has shown that cancer cells overexpress a modified form of Hsp90 that preferentially binds Hsp90 inhibitors. This preferential binding provides a possible explanation for the observed anticancer activity and lack of severe toxicity of Hsp90 inhibitors.

***Ganetespib in lung cancer: The GALAXY program***

*GALAXY-1 Phase 2b Trial*

In 2011, we initiated the GALAXY-1 trial in patients with advanced NSCLC who received one prior treatment for advanced disease, *i.e.,* a second-line treatment setting. GALAXY-1 compared treatment with docetaxel alone, which is approved for second-line treatment, vs. treatment with ganetespib plus docetaxel. The aims of this trial were to:

- evaluate clinical benefit and establish the safety profile of ganetespib in combination with docetaxel relative to docetaxel alone;
- identify the patient populations, by biomarker or other disease characteristics, which may be most responsive to combination treatment; and
- build the clinical and operational experience needed to optimize the design and execution of the pivotal GALAXY-2 Phase 3 trial.

Patients in both arms of GALAXY-1 received a standard regimen of docetaxel 75 mg/m$^2$ on day 1 of a 21-day treatment cycle. Patients in the combination arm also received ganetespib 150 mg/m$^2$ on days 1 and 15. Treatment continued until disease progression or until treatment intolerance. To ensure balance of prognostic factors between the two arms, patients were stratified by ECOG performance status, baseline LDH level, smoking status, and time since diagnosis of advanced disease.

Rate of disease progression during or following first line chemotherapy is a common stratification factor in salvage-setting (after first-line treatment) lung cancer clinical trials to ensure balance and evaluate any difference in treatment benefit between refractory and chemosensitive patients. Commonly used measures include time since completion of first line chemotherapy, best response to first line therapy, time since initiation of first line therapy, as well as time since diagnosis of advanced disease. The latter was chosen for GALAXY-1 in order to reduce ambiguity introduced by the recent approvals of maintenance therapy following first line treatment, as well as to avoid possible subjectivity in assessment of tumor response in the first-line setting.

GALAXY-1 was originally designed to enroll 240 second-line advanced NSCLC patients of all histologies in order to evaluate several hypotheses on which patients might be most responsive to combination treatment. Co-primary endpoints were progression-free survival (PFS) in all patients (the ITT population) and overall survival (OS) in patients with elevated baseline level of serum LDH (eLDH). During the course of the trial, the co-primary endpoints were changed to PFS in patients with eLDH and PFS in patients with mutant KRAS (mKRAS). Key secondary endpoints were OS and PFS in the adenocarcinoma patient population.

In early 2012, enrollment of patients with non-adenocarcinoma histologies (which consists primarily of squamous cell carcinomas) was terminated based on possible safety concerns, including risk of bleeding and a trend towards inferior survival. The trial was amended at that time to enroll 240 patients with adenocarcinoma histology only. To ensure the specified number of eLDH and mKRAS patients were included, a total of 385 patients were enrolled in GALAXY-1. Enrollment in GALAXY-1 was completed in May 2013.

The final analysis of GALAXY-1 data was conducted in early May 2014. Publication of the final data from GALAXY-1 is expected in the first half of 2015. A summary of key efficacy data is presented in the tables and figures below:

| | Hazard Ratio G+D vs. D | eLDH N=87 | mKRAS N=89 | Dx > 6 months* N=177 | Adenocarcinoma N=253 |
|---|---|---|---|---|---|
| **OS** | Unadjusted | **0.88** p=0.300 | **1.18** p=0.755 | **0.71** p=0.023 | **0.87** p=0.150 |
| | Adjusted | **0.75** p=0.118 | **1.23** p=0.204 | **0.69** p=0.019 | **0.84** p=0.114 |
| **PFS** | Unadjusted | **1.06** p=0.595 | **0.93** p=0.387 | **0.75** p=0.040 | **0.85** p=0.112 |
| | Adjusted | **0.88** p=0.295 | **1.11** p=0.338 | **0.74** p=0.042 | **0.82** p=0.078 |

* The Dx > 6 months population selected for the Phase 3 GALAXY-2 trial are patients who were enrolled into the GALAXY-1 study at least 6 months after diagnosis of advanced disease (a stratification factor in the Phase 2b GALAXY-1 trial).

P-values are 1-sided

Hazard ratios were calculated using Cox proportional hazards model

Unadjusted: univariate analysis

Adjusted: pre-specified analysis adjusting for multiple prognostic variables such as gender, smoking status, LDH, ECOG performance status, interval since diagnosis of advanced disease, age, total baseline target lesion size, and geographic region

| G+D vs. D | | eLDH N=87 | mKRAS N=89 | Dx > 6 months * N=177 | Adenocarcinoma N=253 |
|---|---|---|---|---|---|
| **OS** | **Median (months)** | **6.0 vs. 5.1** | **7.6 vs. 6.4** | **11.0 vs. 7.4** | **10.2 vs. 8.4** |
| | Events | 72 (83)% | 68 (76)% | 132 (75)% | 190 (75)% |
| **PFS** | **Median (months)** | **2.8 vs. 2.7** | **3.9 vs. 3.0** | **5.3 vs. 3.4** | **4.5 vs. 3.2** |
| | Events | 70 (80)% | 73 (82)% | 142 (80)% | 205 (81)% |

* The Dx > 6 months population selected for the Phase 3 GALAXY-2 trial are patients who were enrolled into the GALAXY 1 study at least 6 months after diagnosis of advanced disease (a stratification factor in the Phase 2b GALAXY-1 trial).

Figure 3: OS Kaplan Meier plot for the Dx > 6 months patient population of GALAXY-1 selected for evaluation in the GALAXY-2 Phase 3 trial

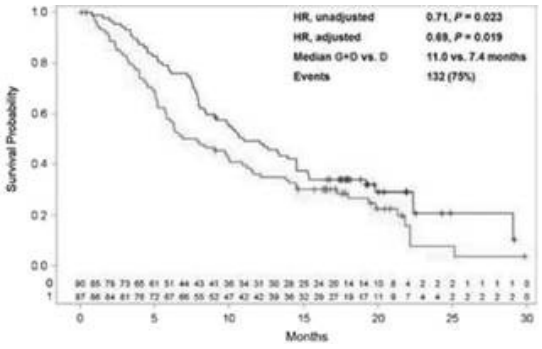
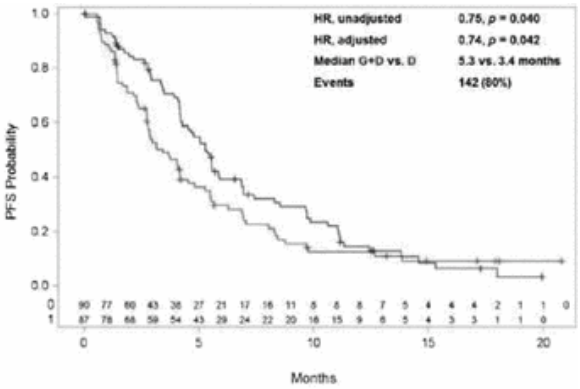



Figure 4: PFS Kaplan Meier plot for the Dx > 6 months patient population of GALAXY-1 selected for evaluation in the GALAXY-2 Phase 3 trial




*Safety*

The safety profile of adenocarcinoma patients treated with the combination of ganetespib (G) and docetaxel (D) was favorable, consistent with previously reported results. The most common adverse events (AEs), all grades, were neutropenia (46% vs. 45%), diarrhea (50% vs. 17%) and fatigue (35% vs. 24%), for G+D vs. D, respectively. Diarrhea was effectively prevented or managed with standard supportive care; the incidence of grade 3 or 4 diarrhea was 4% (G+D) vs. 0% (D). Fatigue was predominantly grade 1 and grade 2; grade 3 or 4 fatigue was 6% (G+D) vs. 4% (D). The most common grade 3 or 4 AEs were neutropenia (41% vs. 42%), leukopenia (10% vs 6%) and febrile neutropenia (9% vs. 5%). Only one case of visual impairment was reported in this study, which was mild (Grade 1) and transient. The safety profile of patients in the Dx > 6 months population was comparable to the profile in the adenocarcinoma population.

*GALAXY-2 Phase 3 Trial*

In early 2013, we initiated the GALAXY-2 trial, a global, randomized, multi-center study comparing the same treatments as in GALAXY-1 in the 2nd-line non-small cell adenocarcinoma patient population, with overall survival as the primary endpoint. Patients are required to have an interval since diagnosis of advanced disease of at least 6 months prior to study entry and have tumors that are negative for both EGFR mutations and ALK translocations.

Patients on both arms receive docetaxel generally for four to six 21-day cycles, according to standard practice at their treatment center. After completion of docetaxel treatment, patients on the ganetespib arm are eligible to continue to receive ganetespib monotherapy as maintenance treatment.

The GALAXY-2 trial is expected to enroll up to 850 patients. Assuming a median overall survival of 7 months in the control arm and 9.3 months in the combination arm (a hazard ratio of 0.75) and a two-sided overall Type I error rate of 0.05, GALAXY-2 has a 92% or higher power to detect a statistically significant treatment difference at the final analysis. The primary endpoint analysis will be based on an evaluation of OS in the intent-to-treat population, and a pre-specified analysis of OS in ALK- and EGFR-negative patients will be conducted as a supportive analysis. Two event-driven interim analyses of the overall survival primary endpoint of GALAXY-2 have been pre-specified. The first and second interim analyses will be performed after approximately 60% and 80% of the OS events required for final analysis have occurred, respectively.

To date, we have enrolled more than 500 patients into the GALAXY-2 study. We expect that the first GALAXY-2 interim OS analysis will be conducted in the second half of 2015. Based on current projections and statistical assumptions, we expect that the second interim OS analysis and the final OS analysis will be conducted in 2016. Assuming positive interim results from the ongoing GALAXY-2 trial of ganetespib and pending regulatory feedback, we plan to seek regulatory approval of ganetespib in North America and Europe for NSCLC in 2016.

***Ganetespib in breast cancer***

*I-SPY 2 Trial*

In 2014, ganetespib was selected for study in the I-SPY 2 TRIAL (**I**nvestigation of **S**erial Studies to **P**redict **Y**our **T**herapeutic **R**esponse with **I**maging **A**nd mo**L**ecular Analysis 2). I-SPY 2 is a standing Phase 2 randomized, controlled, multicenter trial for women with newly diagnosed, locally advanced breast cancer (Stage 2 or higher) that is designed to test whether adding investigational drugs to standard chemotherapy is better than standard chemotherapy alone in the neo-adjuvant setting (prior to surgery).

I-SPY 2 employs a unique adaptive trial design to match experimental therapies with patients. Genetic or biological markers ("biomarkers") from individual patients' tumors are used to screen promising new treatments, identifying which treatments are most effective in specific patient subgroups. Regimens that have a high Bayesian predictive probability of showing superiority in a 300 patient Phase 3 confirmatory trial in at least one of 10 predefined signatures may "graduate" from I-SPY 2. A regimen can graduate early and at any time after having 60 patients assigned to it, and exits the trial after a maximum of 120 patients. This high efficacy bar and rapid turnaround time allows the trial to match the most promising drug with the right patient in the most expeditious fashion.

I-SPY 2 was created as a pre-competitive consortium that brings together the Food and Drug Administration (FDA), National Cancer Institute (NCI), pharmaceutical companies, leading academic medical centers, and patient advocacy groups under its umbrella. I-SPY 2 is sponsored by QuantumLeap Healthcare Collaborative (QLHC), a non-profit 501(c)(3) foundation dedicated to accelerating healthcare solutions. QLHC shares a unique partnership with the Foundation for the National Institutes of Health Biomarkers Consortium, who manages intellectual property that emerges from the trial. The trial was developed by principal investigators, Laura J. Esserman, M.D., M.B.A., Professor of Surgery and Radiology and Director of the Carol Frank Buck Breast Care Center at UCSF Helen Diller Family Comprehensive Cancer Center in San Francisco, and Donald A. Berry, Ph.D., Professor in the Department of Biostatistics at The University of Texas MD Anderson Cancer Center, and founder of Berry Consultants.

Enrollment in the ganetespib arm of I-SPY 2 began in October 2014. Ganetespib is initially available to patients with HER2 negative disease, with the possibility to expand its eligibility to all biomarker subtypes after safety testing with trastuzumab is completed.

*Clinical trial of ganetespib and fulvestrant in patients with hormone receptor positive metastatic breast cancer*

This randomized Phase 2 trial is evaluating safety and activity of the fulvestrant and ganetespib combination in patients with hormone receptor positive metastatic breast cancer who are experiencing progression after initial treatment with hormonal therapy. At present, patient recruitment is ongoing. The trial is sponsored by Dana Farber Cancer Institute in Boston.

*Clinical trial of ganetespib in combination with paclitaxel and trastuzumab in HER2 positive metastatic breast cancer*

Preliminary results from this Phase 1 trial, conducted by physicians at New York University Langone Medical Center and Memorial Sloan Kettering Cancer Center, were presented at the 2014 San Antonio Breast Cancer Symposium in December. The trial was designed to evaluate the safety and preliminary activity of the triplet combination of ganetespib, paclitaxel and Herceptin in HER2 positive patients with metastatic breast cancer refractory to other HER2 inhibitors.

As of December 2014, this Phase 1 trial enrolled six heavily pretreated patients who received prior to entering the trial a median of 3.5 anti-HER2 treatments in the metastatic setting (range 3-4), including trastuzumab, pertuzumab, and ado-trastuzumab emtansine

(T-DM1).

Of the five patients evaluable for efficacy, partial tumor response was observed in one patient who remains on study, and four patients achieved stable disease ranging in duration from 11 to 29 weeks. Median Progression Free Survival was 19.4 weeks and the observed Clinical Benefit Rate (proportion of patients achieving objective response or stable disease greater than 24 weeks) was 60%.

*Ganetespib in acute myeloid leukemia (AML) and myelodysplastic syndrome (MDS)*

AML is a rapidly progressing hematologic cancer characterized by uncontrolled proliferation of immature blast cells in the bone marrow. The American Cancer Society estimates that there were approximately 18,860 new cases of AML in 2014 and approximately 10,460 people died from AML in 2014. MDS is a hematopoietic stem cell neoplasm characterized by disordered and ineffective hematopoiesis which results in irreversible decline in the number and quality of blood-forming cells. In most cases, progressive bone marrow failure results in neutropenia and thrombocytopenia, and in about one third of patients the disease progresses into AML, usually within a few years.

AML is a biologically heterogeneous disease, and therefore represents a major challenge in the advancement of treatment. Treatment choice and outcome are substantially decided by age, yet current long term remission rates remain poor, with only 40% of younger patients (age less than 60 years) and less than 10% of older patients (age equal to or greater than 60 years) achieving complete remissions. AML patients with relapsed or refractory disease and newly diagnosed AML patients over 60 years of age with poor prognostic risk factors typically die within one year, resulting in an acute need for new treatment options for these patients.

Starting in 2011, the Leukemia & Lymphoma Research Fund and Cancer Research UK sought to fund and initiate three large, multicenter, randomized trials to evaluate different investigational treatments, alone or in combination with chemotherapy, in patients with first-line AML and high risk MDS. These trials are being conducted under the sponsorship of Cardiff University, UK, and under the auspices of the UK NCRI Haematological Oncology Study Group, with investigators in Denmark, France, New Zealand, and the United Kingdom. Ganetespib, in combination with chemotherapy, has been selected for investigation in all three of these studies, which have initiated, or are expected to initiate by the first half of 2015:

- The AML-LI (Less Intensive)-1 Phase 2/3 trial is ongoing, and is evaluating the combination of ganetespib with low dose cytarabine (Ara-C) vs. low dose Ara-C alone in patients who are not eligible for intensive chemotherapy and are traditionally not included in most trials. In July 2014, we announced advancement of ganetespib into the Phase 3 extension of this trial, following an interim analysis of results from 50 patients who received the ganetespib-cytarabine combination in the Phase 2 portion of the trial. The primary efficacy outcome in Phase 2 was rate of complete response. Pursuant to the protocol, the Phase 3 extension will include an interim futility analysis and enroll approximately 200 patients in each of the ganetespib-cytarabine and the cytarabine alone arms, for a total of approximately 400 patients. The primary efficacy endpoint for the Phase 3 extension is overall survival.

- The AML-18 trial, which has initiated and began enrolling patients in the first quarter of 2015, will evaluate ganetespib with standard DA (daunorubicin and Ara-C) in patients over 60 years old who can tolerate intensive chemotherapy vs. treatment with standard DA alone. Up to 300 patients are expected to be enrolled in the ganetespib arm. Results from a pilot study conducted in the UK in 2012 under the auspices of the Cardiff Experimental Cancer Medicine Centre confirmed the feasibility and safety of combining ganetespib with intensive chemotherapy in older patients with AML.

- The AML-19 trial, which is expected to begin enrolling patients in the first half of 2015, will evaluate ganetespib in combination with conventional chemotherapy vs chemotherapy alone in younger patients with AML. The trial is expected to enroll more than 500 patients in the ganetespib arm and will be conducted by the UK NCRI Group, a network of over 100 institutions. Patients will receive ganetespib sequentially to standard intensive therapy, followed by ganetespib maintenance treatment. The objective is to identify if ganetespib reduces the risk of relapse in the overall population or in key subgroups, and as a result, improves overall survival, the primary endpoint.

The selection of ganetespib for these studies was supported by preclinical results generated by us and academic collaborators, including Alan K. Burnett formerly of Cardiff University, and Sanjay Bansal of the UT Health Science Center at San Antonio. Results from these studies show that ganetespib inhibits a number of cancer-promoting factors believed to contribute to the proliferation of leukemic cells and renders them more vulnerable to treatment with chemotherapy.

***Ganetespib in ovarian cancer***

*GANNET53 Trial*

According to the World Health Organization, approximately 239,000 new cases of ovarian cancer are diagnosed worldwide each year. Ovarian cancer is among the most deadly of the gynecologic cancers, causing approximately 152,000 deaths annually, including approximately 42,700 deaths in Europe and 15,400 deaths in the United States.

GANNET53, a Seventh Framework Programme (FP7) research project funded by the European Commission, is a pan-European randomized trial designed to evaluate the combination of ganetespib and paclitaxel vs. paclitaxel alone in over 200 patients with metastatic, predominantly p53 mutant, platinum-resistant ovarian cancer. Preclinical models have shown that mutant p53 is critical to the growth and proliferation of these cancers. Many mutations render p53 unable to fold appropriately, leaving the protein highly dependent on Hsp90 for stability. Inhibition of Hsp90 destroys the complex between Hsp90 and mutant p53, leading to the degradation of the protein and cancer cell death. This anti-cancer activity is substantially stronger in cells with mutant p53 than in cells with non-mutated p53, suggesting potential as a predictive biomarker for Hsp90 inhibitors such as ganetespib.

Hsp90 inhibition has also been shown to sensitize mutant p53 cancer cells to treatment with chemotherapies, as has been seen in preclinical studies evaluating ganetespib in other tumor types, supporting the planned trial design evaluating the combination of ganetespib and paclitaxel vs. paclitaxel alone.

Enrollment of the safety lead-in Phase 1 portion of GANNET53 in centers in Austria, Belgium, France, and Germany began in July 2014 and is now complete. Initial results from the Phase 1 portion will be presented at a medical meeting in the first half of 2015. Initiation of the randomized Phase 2 portion of the trial is also anticipated in the first half of 2015.

*A Phase I/II trial of paclitaxel in combination with ganetespib in patients with platinum-resistant ovarian cancer*

This trial is designed to evaluate the safety and preliminary activity of the combination of ganetespib with weekly paclitaxel in patients with recurrent, platinum-resistant ovarian, fallopian tube or primary peritoneal cancer. The trial is sponsored by Fox Chase Cancer Center in Philadelphia, and initiated in the first half of 2014.

***Ganetespib in Sarcoma***

In November 2014, we announced an invitation from the FDA to participate in a meeting of the Oncologic Drugs Advisory Committee's (ODAC) Pediatric Subcommittee on December 11, 2014. The purpose of the meeting was to inform the FDA as to whether there is sufficient interest in the pediatric sarcoma investigator community to warrant the FDA issuing a Pediatric Written Request to Synta. If the FDA issues a Pediatric Written Request and we fulfill its requirements, an additional six months of exclusivity in the US will be granted to ganetespib.

SARC 023, sponsored by the Sarcoma Alliance for Research through Collaboration (SARC), is an open label Phase 1/2 trial of ganetespib in combination with the mTOR inhibitor sirolimus in patients with refractory sarcoma, including malignant peripheral nerve sheath tumors (MPNSTs). The Pediatric Subcommittee of ODAC reviewed the design of SARC 023, as well as pre-clinical data demonstrating the scientific rationale for studying this combination in a clinical trial. The Phase 1 portion of the study, which is currently ongoing, is designed to assess the safety, tolerability, and maximum tolerated/recommended dose of the combination.

***Ganetespib in additional oncology indications***

In addition to the trials noted above, a number of ganetespib trials sponsored by third parties, including cooperative groups, foundations, and individual investigators, are ongoing or are expected to initiate in 2015, including:

- a trial evaluating the combination of ganetespib with capecitabine and radiation in patients with locally advanced rectal cancer being sponsored by Emory University, which began enrolling patients in 2012, and Phase 1 results from this trial will be presented at an upcoming medical meeting in the first half of 2015; and

- a trial evaluating ganetespib in combination with pemetrexed and cisplatin in patients with malignant pleural mesothelioma, being sponsored by University College London and Cancer Research UK, which began enrolling patients in 2013.

***HDC Program: STA-12-8666 (SN-38 HDC)***

In September 2013, we announced the launch of a novel, proprietary small molecule cancer drug development program: the HDC Program. This innovative approach to tumor targeted delivery is being developed to capitalize on the prolonged retention of Hsp90 inhibitors in tumors to trap an active agent of interest inside cancer cells. The HDC Program builds on our extensive expertise in the science of Hsp90.

The HDC platform is based on the observation that small molecule inhibitors of Hsp90 are retained in tumors for as much as 20 times longer than in blood or normal tissue. Preclinical experiments have shown that following intravenous administration in animals, ganetespib can persist in tumor cells for over a week, while it is cleared from blood and normal tissues in a matter of hours. Similar results demonstrating this characteristic have been published by others using first-generation Hsp90 inhibitors such as 17-AAG and its derivatives, as well as other classes of Hsp90 inhibitors.

HDCs are drug candidates consisting of an Hsp90 inhibitor (targeting moiety) joined to an anti-cancer agent (payload) via a cleavable chemical linker optimized for controlled release of payload drug inside cancer cells. HDCs are small molecules that do not rely on cell surface antigens for targeting and internalization for cellular uptake. Upon cell entry, typically via small molecule uptake (passive diffusion and possibly active transporter), HDCs can bind intracellular Hsp90 that is present in significant amounts in a wide range of cancers.

Figure 5: The HDC Program: using the preferential retention of Hsp90 inhibitors by tumor cells to selectively deliver anti-cancer payloads.


Upon systemic administration HDCs have the potential to achieve significantly higher concentrations of active anticancer drugs (payloads) in tumors than the concentrations achieved when such anticancer drugs are given in their original, unconjugated form. It is important to note that such high concentrations are sustained over prolonged periods of time, thus significantly increasing the exposure of tumors to the anticancer drug relative to the exposure that can be achieved when such anticancer drugs are given in their original, unconjugated form.

In October 2013, we announced the publication of the first key patent application covering our proprietary HDC technology, which includes composition of matter claims covering HDC compounds, methods for identifying therapeutically effective compounds, and methods of use against a wide range of diseases and conditions. Any resulting patent, if issued, would expire no earlier than 2034.

Our lead drug candidate from our HDC Program is STA-12-8666, a conjugate of an Hsp90 inhibitor bound to SN-38, the highly potent active metabolite of the widely used chemotherapy irinotecan. Several factors led to the choice of SN-38 as an HDC payload:

- SN-38 has a well-established pharmacological profile;
- in humans, the metabolic conversion of irinotecan to active SN-38 is a highly complex and relatively inefficient process, subject to a high degree of inter-individual variability and low conversion rates that combine to restrict active drug bioavailability;
- SN-38 is one of the most potent payloads which has been widely used in novel drug delivery technology development; and
- SN-38 is relatively small with a flat chemical structure, which may facilitate passive diffusion

These issues of variability, bioavailability and solubility have previously stimulated considerable interest in utilizing irinotecan and/or SN-38 in other delivery formulations intended to improve drug pharmacokinetics and therapeutic activity. With STA-12-8666, our team has sought to leverage the preferential accumulation of Hsp90 inhibitors in tumors to selectively deliver SN-38 and address these issues.

Preclinical results generated to date for STA-12-8666 illustrate the differentiated profile of STA-12-8666 as compared to irinotecan. Highlights of these results include:

- *Favorable biodistribution and activity profile.* STA-12-8666 demonstrates prolonged SN-38 activity following a single dose. In addition, STA-12-8666 and its components, including SN-38, have been shown to preferentially persist in tumors as compared to irinotecan. Detectable amounts of SN-38 in tumors are observed with STA-12-8666 close to 1 micromolar 5 days following administration, whereas levels of SN-38 declined rapidly below quantifiable limits by 72 hours with irinotecan administration in MDA-MB231 tumor bearing mice.

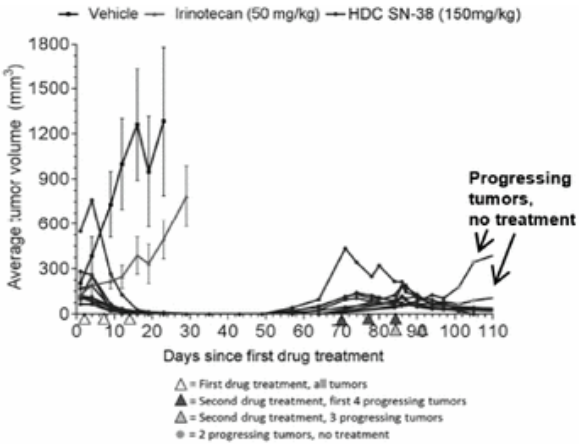
- *Efficacy in a broad range of tumors.* STA-12-8666 has been tested in more than a dozen tumor models where it has been shown to be superior to irinotecan at the equivalent doses and at their respective maximum tolerated doses (MTDs). In addition, STA-12-8666 has also been shown to be superior to the combination of irinotecan and a potent Hsp90 inhibitor in a model of small cell lung cancer (SCLC) at MTD.

- *Durable efficacy in aggressive tumor models.* STA-12-8666 has been shown to induce durable complete responses in *in vivo* models of melanoma, NSCLC, and other solid tumors.

- *Improved tolerability.* In animal toxicology studies conducted to date, STA-12-8666 has also shown an improved tolerability profile as compared to irinotecan.

Importantly, STA-12-8666 has also demonstrated sustained efficacy in chemo-resistant preclinical models of difficult to treat solid tumors. Of note, STA-12-8666 has demonstrated significant activity in patient derived xenograft (PDX) models of pancreatic cancer and SCLC. In results obtained in collaboration with investigators at Fox Chase Cancer Center, STA-12-8666 demonstrated durable antitumor activity in a resistant pancreatic patient derived xenograft (PDX) preclinical model.

Figure 6: Durable antitumor activity of STA-12-8666 in chemo-resistant pancreatic Patient Derived Xenografts (PDX).




Interestingly, tumors which progressed >1 month following last treatment rapidly respond to a second course of treatment, suggesting limited resistance to STA-12-8666; tumors which progressed received no additional STA-12-8666 treatment.

Taken together, we believe that the results obtained to date with STA-12-8666 have demonstrated its potential to be a viable clinical candidate and provide initial proof of concept in our HDC Program. In the first quarter of 2015, we advanced STA-12-8666 into IND enabling studies targeting an IND submission by the first quarter of 2016. We expect to identify one additional HDC drug candidate to nominate for preclinical development in the first half of 2016 and hope to initiate IND-enabling studies in 2016.

***Elesclomol (Mitochondria-Targeting Agent)***

Elesclomol is a first-in-class investigational drug candidate that triggers programmed cell death (apoptosis) in cancer cells through a novel mechanism: disrupting cancer cell energy metabolism. Preclinical experiments and findings in three randomized clinical trials have shown that lactate dehydrogenase (LDH), a key enzyme in cellular energy metabolism, is an important predictor of elesclomol treatment outcome.

We are evaluating the use of elesclomol in combination with paclitaxel in ovarian cancer. In March 2011, the Gynecological Oncology Group (GOG) initiated a Phase 2 clinical trial of elesclomol in combination with paclitaxel for the treatment of persistent or recurrent ovarian, fallopian tube or primary peritoneal cancer for patients with total baseline serum LDH level less than 0.8 times the upper limit of normal (ULN). The GOG is a non-profit organization with the purpose of promoting excellence in the quality and integrity of clinical and basic scientific research in the field of gynecologic malignancies. The National Cancer Institute is providing financial support of up to approximately $300,000 for the trial through its Cancer Therapy Evaluation Program. The ovarian cancer trial met the pre-specified efficacy requirement to advance to stage 2, indicating potential activity in this difficult-to-treat patient population with limited treatment options. Enrollment of stage 2 of this study has been completed.

**Financial Operations Overview**

***Revenue***

We have not yet generated any product revenue and may never do so. Our revenues to date have been generated primarily through our former collaboration and license agreements. The terms of these agreements included payment to us of upfront license fees, milestone payments, research and development cost sharing and royalties. We will seek to generate revenue from product sales and from future collaborative or strategic relationships. 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 and expenses incurred under future collaborations or strategic relationships, if consummated, 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, bonuses, 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 any of our drug candidates. 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 current and potential future clinical trials of our drug candidates, and any 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 the stage of development of our drug candidates. 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. 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.

We anticipate that overall research and development costs may increase as we continue to advance our ganetespib program through the GALAXY-2 trial, our Phase 3 trial in second-line advanced NSCLC, towards commercialization, conduct a full year of the I-SPY 2 breast cancer trial, and advance STA-12-8666, the lead drug candidate from our HDC Platform, into clinical development.

Beyond our current 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, bonuses 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 that general and administrative expense may increase in 2015 depending upon the rate at which we expand our pre-commercialization activities related to ganetespib.

**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 contract research accruals, the recoverability of long-lived assets, measurement of stock-based compensation and the periods of performance under collaboration and license agreements. 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.

You should read the following discussion of our reported financial results in conjunction with the critical accounting policies disclosed in our Annual Report on Form 10-K for the year ended December 31, 2014, as filed with the Securities and Exchange Commission on March 12, 2015. There have been no significant changes to our critical accounting policies in 2015 to-date.

**Consolidated Results of Operations**

***Three Months Ended March 31, 2015 Compared with Three Months Ended March 31, 2014***

*Revenues*

There were no revenues in each of 2015 and 2014.

*Research and Development Expense*

| | Three Months Ended March 31, | | 2015 to 2014 Change | |
|---|---|---|---|---|
| | 2015 | 2014 | $ | % |
| | (dollars in millions) | | | |
| Clinical-stage drug candidates | | | | |
| Ganetespib | $ 13.2 | $ 14.1 | $ (0.9) | (6)% |
| STA-12-8666 | 1.7 | — | 1.7 | —% |
| Elesclomol | 0.1 | 0.2 | (0.1) | (50)% |
| Total clinical-stage drug candidates | 15.0 | 14.3 | 0.7 | 5% |
| CRACM | 0.1 | 0.1 | — | —% |
| Early stage programs and other | 1.1 | 3.2 | (2.1) | (66)% |
| Total research and development | $ 16.2 | $ 17.6 | $ (1.4) | (8)% |

*Ganetespib*

In 2015 as compared to 2014, costs incurred under our ganetespib program decreased by $0.9 million, including an increase of $0.3 million in personnel-related costs, related research supplies, operational overhead and stock compensation, offset by $1.2 million in net decreases in external costs. Increases in external costs resulting from the advancement of the GALAXY-2 trial, our Phase 3 trial in second-line advanced NSCLC, and the conduct of a full quarter of the I-SPY-2 breast cancer trial that commenced enrollment in October 2014 were offset by lower costs incurred in 2015 in connection with the wind-down of the GALAXY-1 trial, the ENCHANT-1 trial and other company-sponsored trials, and costs that were incurred in the first quarter of 2014 for validation manufacturing that were not incurred in the first quarter of 2015. We anticipate that costs under the ganetespib program may increase as we continue to advance the program through the GALAXY-2 trial towards commercialization and conduct a full year of the I-SPY 2 breast cancer trial.

*STA-12-8666*

In 2015 as compared to 2014, costs incurred under our STA-12-8666 program increased by $1.7 million, including increases of $1.2 million for personnel-related costs, related research supplies, operational overhead and stock compensation, and $0.5 million for external costs. In the first quarter of 2015, we commenced pre-clinical development of our lead HDC candidate, STA-12-8666, and expect to submit an IND by the first quarter of 2016. We anticipate that costs under the STA-12-8666 program will increase in 2015 as we advance the pre-clinical development of STA-12-8666.

*Elesclomol*

In 2015 as compared to 2014, costs incurred under our elesclomol program decreased by $0.1 million, principally due to a decrease of $0.1 million in external costs related to the pace of the ongoing clinical trial in ovarian cancer. We anticipate that future costs under our elesclomol program will remain at low levels as the ongoing clinical trial in ovarian cancer being conducted by the Gynecological Oncology Group (GOG) nears completion.

*CRACM*

In 2015 as compared to 2014, costs incurred under our CRACM program remained at a constant nominal level. In May 2014, we entered into a license arrangement with PRCL under which we may conduct preclinical research activities in the future that would be reimbursed by PRCL.

*Early-stage programs*

In 2015 as compared to 2014, costs incurred under our early stage programs decreased by $2.1 million, including decreases of $1.8 million in personnel-related costs, related research supplies, operational overhead and stock compensation, and $0.3 million in external costs. In 2015, we advanced our lead HDC candidate, STA-12-8666, into pre-clinical development and expect to nominate one additional HDC candidate for IND enabling studies in the first half of 2016. We anticipate that our HDC discovery costs will decrease in 2015 as a result of the more focused research effort.

*General and Administrative Expense*

| | Three Months Ended March 31, | | 2015 to 2014 Change | |
|---|---|---|---|---|
| | 2015 | 2014 | $ | % |
| | (dollars in millions) | | | |
| General and administrative | $ 4.1 | $ 5.3 | $ (1.2) | (23)% |

In 2015 as compared to 2014, general and administrative expenses decreased by $1.2 million, including $1.3 million in net decreases in personnel-related costs, related overhead and stock compensation, offset by an increase of $0.1 million in external professional fees. The $1.3 million decrease in internal costs was principally related to costs incurred in the first quarter of 2014 in connection with the departure of our former President and Chief Executive Officer that were not incurred in the first quarter of 2015, offset by a full quarter of net compensation costs in the first quarter of 2015 for our President and Chief Executive Officer who joined the Company in September 2014. In March 2014, our former President and Chief Executive Officer, who was a member of the Board of Directors, resigned and we entered into a separation agreement with him. In the first quarter of 2014, we recognized approximately $2.0 million in costs in connection with this separation agreement, including approximately $1.0 million in cash compensation to be paid over two years and approximately $1.0 million in non-cash stock compensation expense related to the accelerated vesting and

extended vesting period of certain of his stock options. We anticipate that general and administrative expense may increase in 2015 depending upon the rate at which we expand our pre-commercialization activities related to ganetespib.

*Interest Expense, net*

| | Three Months Ended March 31, | | 2015 to 2014 Change | |
|---|---|---|---|---|
| | 2015 | 2014 | $ | % |
| | (dollars in millions) | | | |
| Interest expense, net | $ 0.4 | $ 0.7 | $ (0.3) | (43)% |

In 2015 as compared to 2014, interest expense decreased due to principal payments under the GECC Term Loan and the original three-year $2.0 million loan under the Oxford Term Loan. We anticipate that interest expense will decrease in 2015 as we continue to make principal payments under the GECC Term Loan.

**Liquidity and Capital Resources**

***Cash Flows***

The following table provides information regarding our cash position, cash flows and capital expenditures for the three months ended March 31, 2015 and 2014.

| | Three Months Ended March 31, | |
|---|---|---|
| | 2015 | 2014 |
| | (dollars in millions) | |
| Cash, cash equivalents and marketable securities | $ 76.6 | $ 78.8 |
| Working capital | 47.1 | 48.0 |
| Cash flows (used in) provided by: | | |
| Operating activities | (18.8) | (20.3) |
| Investing activities | 8.3 | 16.2 |
| Financing activities | (2.3) | 7.6 |

Our operating activities used cash of $18.8 million and $20.3 million in 2015 and 2014, 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.

In 2015, our investing activities provided cash of $8.3 million, including the maturities of marketable securities in our investment portfolio in the amount of $37.0 million, offset by purchases of marketable securities in the amount of $28.7 million. In 2014, our investing activities provided cash of $16.2 million, including the maturities of marketable securities in our investment portfolio in the amount of $19.8 million, offset by purchases of marketable securities in the amount of $3.5 million and purchases of property and equipment in the amount of $0.1 million.

In 2015, our financing activities used cash of $2.3 million related to the principal payments in connection with the GECC Term Loan and Oxford Term Loan. In 2014, our financing activities provided cash of $7.6 million, including $9.3 million in net proceeds from sales of our common stock under the at-the-market issuance sales agreement with MLV and $0.8 million in proceeds from the exercise of common stock options, offset by $2.5 million related to the principal payments in connection with the GECC Term Loan and Oxford Term Loan.

***Contractual Obligations and Commitments***

There were 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, 2014.

***Public Offering***

In April 2015, we raised approximately $44.3 million in gross proceeds from the sale of an aggregate 25,300,000 shares of our common stock in a public offering at a public offering price of $1.75 per share, including 3,300,000 shares upon the full exercise of the

underwriters' option to purchase additional shares. Certain of our directors and their affiliates, including our largest stockholder, purchased an aggregate of 7,257,142 shares in this offering at the public offering price. The net offering proceeds to us were approximately $41.8 million after deducting underwriters' discounts, fees and commissions, and other offering expenses payable by us.

***At-The-Market Issuance Sales Agreement with MLV***

In July 2014, we entered into an at-the-market issuance sales agreement (July 2014 Sales Agreement) with MLV & Co. LLC (MLV), pursuant to which we may issue and sell shares of our common stock from time to time, at our option, through MLV as our sales agent. Sales of common stock through MLV may be made by any method that is deemed an "at-the-market" offering as defined in Rule 415 promulgated under the Securities Act of 1933, as amended, (the Securities Act), including by means of ordinary brokers' transactions at market prices, in block transactions or as otherwise agreed by us and MLV. Subject to the terms and conditions of the Sales Agreement, MLV will use commercially reasonable efforts to sell the common stock based upon our instructions (including any price, time or size limits or other customary parameters or conditions we may impose). We are not obligated to make any sales of our common stock under the Sales Agreement. Any shares sold will be sold pursuant to an effective shelf registration statement on Form S-3. We will pay MLV a commission of up to 3% of the gross proceeds. The July 2014 Sales Agreement may be terminated by us at any time.

In July 2014, we reserved up to $50 million under our shelf registration statement for issuance under the July 2014 Sales Agreement. In the third quarter of 2014, we sold an aggregate of 5,679,685 shares of common stock pursuant to the July 2014 Sales Agreement for an aggregate of approximately $23.0 million in gross proceeds at an average selling price of $4.05 per share. Net proceeds to us were approximately $22.5 million after deducting commissions and other transaction costs. As of March 31, 2015, approximately $27.0 million remained reserved under our shelf registration statement and applicable prospectus supplement for possible future issuance under the July 2014 Sales Agreement.

***Term Loans***

*General Electric Capital Corporation (GECC*)

In March 2013, we amended our loan and security agreement entered into in September 2010 with GECC and one other lender, or the GECC Term Loan, and obtained $12.9 million in additional loan funding and, as a result, increased the principal balance to $22.5 million at March 31, 2013. Interest on the borrowings under the GECC Term Loan remains at the annual rate of 9.75%. We made interest-only payments for the period from April 2013 through December 2013. In January 2014, we began making 30 equal monthly payments of principal under the GECC Term Loan. During the period from July 2012 through March 2013, we made 9 equal monthly payments of principal under the GECC Term Loan. For the periods from April 2013 through December 2013 and prior to July 2012 we made interest-only payments. We are obligated to pay an exit fee of $788,000 at the time of the final principal payment. (See Note 9 of the accompanying condensed consolidated financial statements.)

*Oxford Finance Corporation (Oxford)*

In March 2011, we entered into a loan and security agreement with Oxford and received $2.0 million in loan funding, and in December 2012, we entered into a loan modification agreement, as amended, under which we could elect to draw down up to an additional $0.6 million in equipment financing until June 30, 2013, which we collectively refer to herein as the Oxford Term Loan. As of June 30, 2013, the Company had fully utilized the $0.6 million in additional equipment financing. Interest on the borrowings under the Oxford Term Loan accrues at an annual rate of 13.35%. In May 2011, we began making 36 equal monthly payments of principal plus accrued interest on the initial $2.0 million outstanding balance that was fully paid in April 2014. We continue to make equal monthly payments of principal plus accrued interest on the $0.6 million in additional equipment financing. (See Note 9 of the accompanying condensed consolidated financial statements.)

**Liquidity**

*Funding Requirements*

We expect to continue to incur significant operating expenses and capital expenditures and anticipate that our expenses and losses may increase substantially in the foreseeable future as we:

- complete the ongoing clinical trials of ganetespib in solid tumors, including the GALAXY-2 and I-SPY 2 trials, and initiate additional clinical trials of ganetespib if supported by trial results;
- complete preclinical development of STA-12-8666, our first HDC drug candidate, and initiate clinical trials of this compound, if supported by the preclinical data;
- advance an HDC drug candidate with a different anti-cancer payload than STA-12-8666 into preclinical development and initiate clinical trials, if supported by preclinical data;
- complete the ongoing clinical trial of elesclomol in ovarian cancer, and initiate additional clinical trials of elesclomol, if supported by trial results;
- 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, acquisitions or other means; and
- commercialize any approved drug candidates.

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

- the progress and results of our ongoing clinical trials of ganetespib and elesclomol, and any additional clinical trials we may initiate in the future based on the results of these clinical trials;
- the results of our preclinical studies of STA-12-8666 and any additional Hsp90 inhibitors or other HDC drug candidates that we may develop, and our decision to initiate clinical trials, if supported by the preclinical and other test results;
- uncertainty associated with costs, timing, and outcome of regulatory review of our drug candidates;
- the scope, progress, results, and cost of preclinical development, clinical trials, and regulatory review of any new drug candidates we may discover or acquire;
- the costs of preparing, filing, and prosecuting patent applications and maintaining, enforcing, and defending intellectual property-related claims;
- our ability to establish additional strategic collaborations and licensing or other arrangements on terms favorable to us;
- the costs to satisfy our obligations under potential future collaborations;
- the timing, receipt, and amount of sales or royalties, if any, from ganetespib, elesclomol, STA-12-8666, other drug candidates from our HDC program and our other potential products; and
- whether we are able to receive regulatory approval for and commercialize ganetespib or any of our other drug candidates.

As of March 31, 2015, we had $76.6 million in cash, cash equivalents and marketable securities, a decrease of $21.1 million from $97.7 million as of December 31, 2014. This decrease principally reflects cash used in operations and term loan principal payments as discussed under “Cash Flows” above.

We have not yet generated any product revenue and may never do so. We expect our continuing operations to use cash over the next several years and such cash use may increase significantly from year to year. While we are engaged in multiple preliminary partnership discussions for each of our currently unpartnered programs, including ganetespib and the HDC platform, which could result in one or more new partnership agreements that may include upfront payments and cost-sharing provisions, there is no guarantee we will be successful in entering into any such partnership agreements on commercially reasonable terms, if at all, or that we will receive any other revenue through these partnership efforts in the future.

We expect our $76.6 million in cash resources as of March 31, 2015, together with the $41.8 million in net cash proceeds raised in the public offering in April 2015, will be sufficient to fund operations at least through the first half of 2016. This estimate assumes no additional funding from new partnership agreements, equity financings or further sales under our ATM. The timing and nature of certain activities contemplated for the remainder of 2015 and 2016 will be conducted subject to the availability of sufficient financial resources. We have an effective shelf registration statement on Form S-3 (File No. 333-187242), under which we currently have up to $127.4 million in securities available for future issuance, which includes up to $27.0 million in remaining shares of common stock that we have reserved and that may be offered and sold under the July 2014 Sales Agreement with MLV.

We may require significant additional funds earlier than we currently expect in order to conduct additional clinical trials and conduct additional preclinical and discovery activities. 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.

To the extent our capital resources are insufficient to meet our future operating and capital requirements, we will need to finance our future cash needs through public or private equity offerings, collaboration agreements, debt financings or licensing arrangements. However, 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 convertible debt securities, further dilution to our existing stockholders may result. If we raise funds through collaboration agreements or licensing arrangements, we may be required to relinquish rights to our technologies or drug candidates, or grant licenses on terms that are not favorable to us.

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. Conversely, we may elect to raise additional funds even before we need them if the conditions for raising capital are favorable due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans.

**Recent Accounting Pronouncements**

Refer to Note 2, “Summary of Significant Accounting Policies,” in the accompanying notes to the condensed consolidated financial statements for a discussion of recent accounting pronouncements.

**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 under the heading “Risk Factors” contained in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2014 that we filed with the SEC on March 12, 2015.

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 March 31, 2015, we had cash, cash equivalents and marketable securities of $76.6 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, as well as high-grade corporate bonds and commercial paper. 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 do not have material exposure to high-risk investments such as mortgage-backed securities, auction rate securities or other special investment vehicles 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.

*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 4. Controls and Procedures.**

(a) *Evaluation of Disclosure Controls and Procedures*. Our principal executive officer and principal financial officer evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

(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, 2014.

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

None.

**Item 3. Defaults Upon Senior Securities.**

None.

**Item 4. Mine Safety Disclosures.**

Not applicable.

**Item 5. Other Information.**

None.

**Item 6. Exhibits.**

(a) *Exhibits*

| | |
|---|---|
| 10.1* | Separation Agreement between the Company and Keith Ehrlich, dated February 10, 2015. |
| 10.2* | Cash-Based Employee Retention and Incentive Bonus Plan. |
| 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. |
| 101 | The following materials from Synta Pharmaceuticals Corp.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2015, formatted in XBRL (eXtensible Business Reporting Language): (i) the Unaudited Condensed Consolidated Balance Sheets, (ii) the Unaudited Condensed Consolidated Statements of Operations, (iii) the Unaudited Condensed Consolidated Statements of Comprehensive Loss, (iv) the Unaudited Condensed Consolidated Statements of Cash Flows, and (v) Notes to Unaudited Condensed Consolidated Financial Statements. |

* Management contract, compensatory plan or arrangement

**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.

Dated: May 7, 2015

/s/ Chen Schor
Chen Schor
Chief Executive Officer and President
(principal executive officer)

Dated: May 7, 2015

/s/ Marc R. Schneebaum
Marc R. Schneebaum
*Senior Vice President, Chief Financial Officer*
*(principal accounting and financial officer)*

**Exhibit 10.1**

February 10, 2015

Synta Pharmaceuticals Corp.
45 Hartwell Avenue
Lexington, Ma 02421

tel. 781 274 8200
fax: 781 274 8228

**VIA HAND DELIVERY**

Keith Ehrlich
58 Pine Hill Ln.
Concord, Ma 01742

**Re: Separation Agreement**

Dear Keith:

The purpose of this letter agreement (the "Agreement") is to set forth the terms of your separation from Synta Pharmaceuticals Corp. ("Synta"). Payment of the Separation Benefit described below is contingent on your agreement to and compliance with the terms of this Agreement. This Agreement shall become effective on the date that is the **eighth (8th) day** following your execution of it, as explained more fully in Section 7 below (the "Effective Date").

**1.** **Separation of Employment**. As we discussed, your employment with Synta shall end effective February 19, 2015 (the "Separation Date"). From and after the Separation Date, you shall not represent yourself or perform services as an employee of Synta or any of its subsidiaries or affiliates. As of the Separation Date, you shall resign from any other positions on which you served with respect to Synta and such subsidiaries and affiliates.

**2.** **Separation Benefit**. In exchange for the promises and covenants contained herein, including but not limited to your release of claims, Synta agrees to provide you with the following (together, the "Separation Benefit"):

**(a)** Synta shall provide you or, upon your death, your estate with payment of an amount equal to six (6) months of your current base salary, less applicable federal, state, local and other employment-related deductions, paid in equal installments in accordance with Synta's normal payroll practices over the six (6) month period following the later of the Effective Date or the Separation Date.

**(b)** In the event that you choose to exercise your right under COBRA(1) to continue your participation in Synta's health insurance plan (which you may do, to the extent permitted by COBRA, regardless of whether you sign this Agreement), Synta shall pay for the costs for such coverage for the six (6) month period following your Separation Date, except for your co-pay (if any) which shall be deducted from your severance payments described in Section 2(a) above, to

(1) "COBRA" is the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

the same extent that such insurance is provided to persons then currently employed by Synta, provided that this obligation shall cease on the date you become eligible to receive health insurance benefits through any other employer, and you agree to provide Synta with written notice immediately upon securing such employment and upon becoming eligible for such benefits.

**(c)** Synta shall: (i) accelerate the vesting of unvested options under Synta's 2001 Stock Plan and 2006 Stock Plan (the "Stock Plan") and any Stock Option Agreements executed by you pursuant thereto (the "Option Agreement") such that your options to purchase a total of 365,802 shares of Synta common stock subject to the Stock Plan and the Option Agreements shall be fully vested and exercisable as of the Effective Date (the "Vested Options"), and (ii) extend the exercise period of the Vested Options under the Stock Option Agreement (including by your estate in the event of your death or Disability as described in the applicable Option Agreement) to the earlier of eighteen (18) months following the Separation Date or the expiration date of the applicable Vested Options as set forth in the Stock Plan and/or Option Agreement. Please note that the acceleration of vesting of options may cause certain options currently deemed to be incentive stock options taxable in accordance with Section 422 of the Internal Revenue Code of 1986, as amended, to be converted into non-qualified stock options which are taxable upon exercise. You acknowledge and agree that Synta does not guarantee or make any representations regarding the tax consequences of this provision or the tax treatment of any stock options. The terms and conditions of the Stock Plan and the Option Agreement are incorporated herein by reference and shall survive the signing of this Agreement.

**(d)** Synta shall permit you to remain eligible for payment of an annual bonus based on services performed during calendar year 2014, which bonus shall be determined by the Compensation Committee of Synta's Board of Directors pursuant to its standard practices and procedures regarding same, and irrespective of any normal eligibility requirements related to continued employment, provided that if you are not employed on the date that such bonus is paid to Synta's officers (i.e., your Separation Date occurs before such annual bonus is paid to Synta's officers), then such annual bonus shall be in an amount equal to eighty percent (80%) of your standard target annual bonus amount, and such annual bonus shall be paid to you or, upon your death, your estate on Synta's next standard pay date following the later of the Effective Date or the Separation Date.

You acknowledge and agree that the Separation Benefit is not otherwise due or owing to you under any Synta policy or practice. You further acknowledge that except for the Separation Benefit, your final wages, any accrued but unused vacation, and any properly incurred but not yet reimbursed business expenses (each of which shall be paid or reimbursed, as the case may be, in accordance with Synta's regular payroll practices and applicable law), you are not now and shall not in the future be entitled to any other compensation from Synta including, without limitation, other wages, commissions, bonuses, vacation pay, holiday pay, equity, stock, stock options, paid time off, or any other form of compensation or benefit.

**3.** **Unemployment Benefits**. By virtue of your separation of employment, you shall be entitled to apply for unemployment benefits. The determination of your eligibility for such benefits shall be made by the appropriate state agency pursuant to applicable state law. Synta

agrees that it shall not contest any claim for unemployment benefits by you. Synta, of course, shall not be required to falsify any information.

**4.** **Cooperation**. During the six (6) months following the Effective Date, you shall cooperate fully with Synta in connection with any matter or event relating to your employment or events that occurred during your employment, including, without limitation: **(a)** being available upon reasonable notice to meet with Synta regarding matters in which you have been involved (including contract matters or audits); **(b)** assisting Synta in transitioning your job duties to other Synta personnel or contractors; **(c)** assisting with any audit, inspection, proceeding or other inquiry by a private or public entity; and (d) as requested by Synta, assisting in the defense or prosecution of any claims or actions now in existence or which may be brought or threatened in the future against or on behalf of Synta (including claims or actions against its affiliates and its and their officers and employees), including acting as a witness, providing affidavits, and preparing for, attending and participating in any legal proceeding (including depositions, consultation, discovery or trial) in connection with such claim or action. You further agree that should you be contacted (directly or indirectly) by any person or entity adverse to Synta (for example, by any party representing an individual or entity), you shall promptly notify Synta in writing. You shall be reasonably compensated for your time and reimbursed for any reasonable costs and expenses incurred in connection with providing such cooperation under this section.

**5.** **Confidentiality, Return of Property, Non-Disparagement; Related Matters**. You expressly acknowledge and agree to the following:

**(a)** You shall adhere to the Non-Competition, Confidentiality and Inventions Agreement between you and Synta regarding confidential information, intellectual property, and non-competition and non-solicitation (the "Non-Disclosure and Non-Competition Agreement"), the terms of which are incorporated herein and shall survive the signing of this Agreement.

**(b)** You shall promptly return to Synta all Synta documents (and any copies thereof), equipment and property, and you shall abide by any and all common law and statutory obligations relating to protection of Synta's trade secrets and confidential and proprietary information.

**(c)** All information relating in any way to the negotiation of this Agreement, including the terms and amount of financial consideration provided for in this Agreement, shall be held confidential by you and shall not be publicized or disclosed to any person (other than an immediate family member, legal counsel or financial advisor, provided that any such whom disclosure is made agrees to be bound by these confidentiality obligations), to any government agency (except as mandated by state or federal law), or to any business entity.

**(d)** You shall not make any statements that are disparaging about Synta or its officers, directors and managers, including, but not limited to, any statements that disparage any product, service, finances, financial condition, capability or any other aspect of the business of Synta, and you shall not engage in any conduct that is intended to harm professionally or personally the reputation of Synta or its officers, directors and managers.

**(e)** A breach of any provision of this section shall constitute a material breach of this Agreement and, in addition to any other legal or equitable remedy available to Synta, shall entitle Synta to recover the Separation Benefit provided to you under this Agreement.

**6. Your Release of Claims**.

**(a)** Release. You agree and acknowledge that by signing this Agreement and accepting the Separation Benefit, and for other good and valuable consideration provided for in this Agreement, you are waiving and releasing your right to assert any form of legal claim against Synta(2) whatsoever for any alleged action, inaction or circumstance existing or arising from the beginning of time through the Separation Date. Your waiver and release herein is intended to bar any form of legal claim, charge, complaint or any other form of action (jointly referred to as "Claims") against Synta seeking any form of relief including, without limitation, equitable relief (whether declaratory, injunctive or otherwise), the recovery of any damages or any other form of monetary recovery whatsoever (including, without limitation, back pay, front pay, compensatory damages, emotional distress damages, punitive damages, attorneys' fees and any other costs), for any alleged action, inaction or circumstance existing or arising through the Separation Date. Without limiting the generality of the foregoing, you specifically waive and release Synta from any waivable claim arising from or related to your employment relationship with Synta including, without limitation:

**(i)** Claims under any Massachusetts or any other state or federal statute, regulation or executive order (as amended) relating to employment, discrimination, fair employment practices, or other terms and conditions of employment, including but not limited to the Age Discrimination in Employment Act and Older Workers Benefit Protection Act (*29 U.S.C. § 621 et seq*.), the Civil Rights Acts of 1866 and 1871 and Title VII of the Civil Rights Act of 1964 and the Civil Rights Act of 1991 (42 U.S.C. § 2000e et seq.), the Equal Pay Act (*29 U.S.C. §201 et seq*.), the Americans With Disabilities Act (*42 U.S.C. § 12101 et seq*.), the Genetic Information Non-Discrimination Act (*42 U.S.C. §2000ff et seq*.), the Massachusetts Fair Employment Practices Statute (*M.G.L. c. 151B § 1 et seq*.), the Massachusetts Equal Rights Act (M.G.L. c. 93 §102), the Massachusetts Civil Rights Act (*M.G.L. c. 12 §§ 11H & 111*), the Massachusetts Privacy Statute (*M.G.L. c. 214 § 1B*), the Massachusetts Sexual Harassment Statute (*M.G.L. c. 214 § 1C*), and any similar Massachusetts or other state or federal statute.

**(ii)** Claims under any Massachusetts or any other state or federal statute, regulation or executive order (as amended) relating to wages, hours or other terms and conditions of employment, including but not limited to the National Labor Relations Act (*29 U.S.C. § 151 et seq*.), the Family and Medical Leave Act (*29 U.S.C. §2601 et seq*.), the Employee Retirement Income Security Act of 1974 (*29 U.S.C. § 1000 et seq*.), COBRA (*29 U.S.C. § 1161 et seq*.), the Worker Adjustment and Retraining Notification Act (*29 U.S.C. § 2101 et seq*.), the Massachusetts Wage Act (*M.G.L. c. 149 § 148 et. seq*.), the Massachusetts Minimum Fair Wages Act (*M.G.L. c. 151 § 1 et. seq*.), the Massachusetts Equal Pay Act (*M.G.L. c. 149 § 105A*), and any similar Massachusetts or other state or federal statute. **Please note that this section**

(2) For purposes of this section, "Synta" means Synta Pharmaceuticals Corp. and its divisions, affiliates, subsidiaries and related entities, and its and their owners, shareholders, partners, directors, officers, employees, trustees, agents, successors and assigns.

**specifically includes a waiver and release of Claims that you have or may have regarding payments or amounts covered by the Massachusetts Wage Act or the Massachusetts Minimum Fair Wages Act (including, for instance, hourly wages, salary, overtime, minimum wages, commissions, vacation pay, holiday pay, sick leave pay, dismissal pay, bonus pay or severance pay)**.

**(iii)** Claims under any Massachusetts or any other state or federal common law theory, including, without limitation, wrongful discharge, breach of express or implied contract, promissory estoppel, unjust enrichment, breach of a covenant of good faith and fair dealing, violation of public policy, defamation, interference with contractual relations, intentional or negligent infliction of emotional distress, invasion of privacy, misrepresentation, deceit, fraud or negligence or any claim to attorneys' fees under any applicable statute or common law theory of recovery.

**(iv)** Claims under any Massachusetts or any other state or federal statute, regulation or executive order (as amended through the Separation Date) relating to whistleblower protections, violation of public policy, or any other form of retaliation or wrongful termination, including but not limited to the Sarbanes-Oxley Act of 2002 and any similar Massachusetts or other state or federal statute.

**(v)** Any other Claim arising under other state or federal law.

**(b)** Release Limitation. Notwithstanding the foregoing, **this section does not**:

**(i)** release Synta from any obligation expressly set forth in this Agreement;

**(ii)** waive or release any legal claims which you may not waive or release by law, including but not limited to obligations under workers' compensation laws;

**(iii)** prohibit you from challenging the validity of this release under federal or state law;

**(iv)** prohibit you from filing a charge or complaint of employment-related discrimination with the Equal Employment Opportunity Commission ("EEOC") or similar state agency; or

**(v)** prohibit you from participating in any investigation or proceeding conducted by the EEOC or similar state agency.

Please note, however, that your waiver and release are intended to be a complete bar to any recovery or personal benefit by or to you with respect to any claim, including those raised through a charge with the EEOC or similar state agency, except those which cannot be released under law. Accordingly, nothing in this section shall be deemed to limit Synta's right to seek immediate dismissal of such charge or complaint on the basis that your signing of this Agreement constitutes a full release of any individual rights, or to seek restitution to the extent permitted by law of the economic benefits provided to you under this Agreement in the event you successfully challenge the validity of this release and prevail in any claim.

**(c)** Acknowledgement. You acknowledge and agree that, but for providing this waiver and release, you would not be receiving the Separation Benefit provided to you under the terms of this Agreement.

**7.** **ADEA/OWBPA Review and Revocation Period**. You and Synta acknowledge that you are over the age of 40 and that you, therefore, have specific rights under the Age Discrimination in Employment Act ("ADEA") and the Older Workers Benefit Protection Act (the "OWBPA"), which prohibit discrimination on the basis of age. It is Synta's desire and intent to make certain that you fully understand the provisions and effects of this Agreement. To that end, you have been encouraged and given the opportunity to consult with legal counsel for the purpose of reviewing the terms of this Agreement. Consistent with the provisions of the ADEA and OWBPA, Synta also is providing you with **twenty one (21) days** in which to consider and accept the terms of this Agreement by signing below and returning it to Deborah Southmayd, Synta Pharmaceuticals Corp., 45 Hartwell Avenue, Lexington, MA 02421. You may rescind your assent to this Agreement if, within **seven (7) days** after you sign this Agreement, you deliver by hand or send by mail (certified, return receipt and postmarked within such 7-day period) a notice of rescission at the above-referenced address.

**8.** **Taxes and Withholdings**. The Separation Benefit provided under this Agreement shall be reduced by all applicable federal, state, local and other deductions, taxes, and withholdings. Synta does not guarantee the tax treatment or tax consequences associated with any payment or benefit under this Agreement, including but not limited to consequences related to Section 409A of the Internal Revenue Code.

**9.** **Modification; Waiver; Severability**. No variations or modifications hereof shall be deemed valid unless reduced to writing and signed by the parties hereto. The failure of Synta to seek enforcement of any provision of this Agreement in any instance or for any period of time shall not be construed as a waiver of such provision or of Synta's right to seek enforcement of such provision in the future. The provisions of this Agreement are severable, and if for any reason any part hereof shall be found to be unenforceable, the remaining provisions shall be enforced in full.

**10.** **Choice of Law and Venue; Jury Waiver**. This Agreement shall be deemed to have been made in Massachusetts, shall take effect as an instrument under seal within Massachusetts, and shall be governed by and construed in accordance with the laws of Massachusetts, without giving effect to conflict of law principles. You agree that any action, demand, claim or counterclaim relating to the terms and provisions of this Agreement, or to its breach, shall be commenced in Massachusetts in a court of competent jurisdiction, and you further acknowledge that venue for such actions shall lie exclusively in Massachusetts and that material witnesses and documents would be located in Massachusetts.

**11.** **Entire Agreement**. You acknowledge and agree that this Agreement, along with the specific agreements that are expressly incorporated herein by reference and stated as surviving the signing of this Agreement, supersede any and all prior or contemporaneous oral and written agreements between you and Synta, and set forth the entire agreement between you and Synta.

**12.** **Knowing and Voluntary Agreement**. By executing this Agreement, you are acknowledging that you have been afforded sufficient time to understand the terms and effects of this Agreement, that your agreements and obligations hereunder are made voluntarily, knowingly and without duress, and that neither Synta nor its agents or representatives have made any representations inconsistent with the provisions of this Agreement.

This Agreement may be signed on one or more copies, each of which when signed shall be deemed to be an original, and all of which together shall constitute one and the same Agreement. If the foregoing correctly sets forth our understanding, please sign, date and return the enclosed copy of this Agreement to Deborah Southmayd, Synta Pharmaceuticals Corp., 45 Hartwell Avenue, Lexington, MA 02421. If Synta does not receive your acceptance within **twenty-one (21) days**, the Agreement shall terminate and be of no further force or effect.

Sincerely,

SYNTA PHARMACEUTICALS CORP.

By: /s/ Arthur J. McMahon
Arthur J. McMahon
Senior Vice-President, Human Resources

Dated: 2/10/15

Agreed and Acknowledged:

/s/ Keith Ehrlich
Keith Ehrlich

Dated: 2/10/15

**Exhibit 10.2**

**Employee Retention and Incentive Bonus Plan**

*As adopted by the Compensation Committee on March 2, 2015*

**Introduction**

On March 2, 2015, the Compensation Committee (the "Committee") of the Board of Directors of Synta Pharmaceuticals Corp. (the "Company") established this Employee Retention and Incentive Bonus Plan (the "Plan"), which will provide for payments (the "Retention/Incentive Bonus Payments") to employees of the Company based on (i) continued employment through the Payment Date (as defined below) (the "Retention Goal") and (ii) achievement of certain product development pipeline goals by March 2016 that were previously approved by the Committee (the "Product Development Goals" and collectively with the Retention Goal, the "Goals").

**Administration**

The Committee shall have complete discretionary authority over the administration of the Plan as set forth herein including, without limitation, the authority to accelerate achievement of the Goals, adjudicate claims related to the Plan, interpret the terms of the Plan, and to resolve disputes and factual questions related to the Plan. Determinations of the Committee shall be binding on the Company and the Participants (as defined below).

**Eligibility to Participate**

The Plan is applicable to all employees of the Company as of March 2, 2015 (the "Participants"), as well as any future employees approved by the Committee or approved by an officer of the Company (as defined below) as delegated by the Committee. Participants at the Senior Vice President level and above (the "Executive Officers") are not eligible to receive payments under the Plan pursuant to the Retention Goal and are only eligible to receive payments pursuant to the achievement of the Product Development Goals. This Plan shall in no way be construed or interpreted to establish or guarantee a term of employment and does not change the "at-will" or other status of any person employed by the Company.

**Goals and Weighting**

The Goals and the amounts to be paid upon achievement of the Goals shall be as follows:

| | **Percentage of target bonus based on annual salary as of December 31, 2015** | | |
|---|---|---|---|
| **Goals** | **SVP and Above** | **VP** | **Below VP** |
| Retention Only<br>• Remain employed through the payment date in March 2016 unless terminated by the Company without Cause | N/A | 100% | 100% |
| Product Development Goal #1<br>• Patient Enrollment by Specified Date X (75%)<br>• Submission of Regulatory Filing by Specified Date Y (25%) | • 50% | • 50% | • 50% |
| Product Development Goal #2<br>• Patient Enrollment by Specified Date A (75%)<br>• Submission of Regulatory Filing by Specified Date B (25%) | • 100% | • 100% | • 100% |
| Product Development Goal #3<br>• Successful Results by Specified Date Z | 100% | 100% | 100% |

The achievement of Product Development Goals #1 and #2 is dependent on two factors, which are not given equal weighting. The achievement of each factor is separable, however payment will be made for all Goals on the same date. The maximum amount that can be achieved for all Goals for "SVP and Above" and "VP" Participants is 200% and the maximum amount for all other Participants is 300%. All Retention/Incentive Bonus Payments will be made on or before March 15, 2016 (the "Payment Date").

**Eligibility for Plan Payout**

The Retention/Incentive Bonus Payments under the Plan will be paid in cash, subsequent to the certification of the extent of the achievement of the Product Development Goals by the Committee, with such certification to be made and amounts paid no later than the Payment Date. For a Participant to be eligible to receive payment under the Plan, the Participant must be employed by the Company on the Payment Date, except that if such Participant is terminated by the Company without Cause prior to the Payment Date, he or she shall still be deemed to have met the Retention Goal and will be paid on or before the Payment Date and, to the extent that any of the Product Development Goals have been achieved as of the date of termination, will be paid for achievement of the applicable Product Development Goals on the Payment Date.

As used herein, "Cause" shall include (and is not limited to): (i) material misrepresentation with respect to the Company or any affiliate, parent or subsidiary of the Company; (ii) insubordination; (iii) substantial malfeasance or nonfeasance of duty; (iv) unauthorized disclosure of confidential information; (v) Participant's breach of any material provision of any employment, consulting, advisory, non-disclosure, invention assignment, non-competition, or similar agreement between Participant and the Company; (vi) conduct substantially prejudicial to the business of the Company or any affiliate, parent or subsidiary of the Company; or (vii) unsatisfactory performance as determined by the Committee or a designated appointee of the Committee, including but not limited to the Participant's supervisor. The Committee shall have sole discretion to determine the existence of "Cause," and its determination will be conclusive on the Participant and the Company. "Cause" is not limited to events which have occurred prior to the termination of Participant's service, nor is it necessary that the Committee's finding of "Cause" occur prior to such termination. If the Committee determines, subsequent to Participant's termination of service, that either prior or subsequent to Participant's termination Participant engaged in conduct which would constitute "Cause," then Participant shall have no right to any benefit or compensation under this Plan.

**Tax Matters**

All Retention/Incentive Bonus Payments are subject to applicable state, federal, local and other tax withholding requirements. It is the Company's intention that all Retention/Incentive Bonus Payments made under the Plan will be exempt from Section 409A of the Internal Revenue Code pursuant to Treas. Reg. § 1.409A-1(b)(4) and will be interpreted and administered as such.

**Exhibit 31.1**

**CERTIFICATIONS UNDER SECTION 302**

I, Chen Schor, 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.

Dated: May 7, 2015

/s/ Chen Schor
Chen Schor
Chief Executive Officer and President
(principal executive officer)

**Exhibit 31.2**

**CERTIFICATIONS UNDER SECTION 302**

I, Marc R. Schneebaum, 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.

Dated: May 7, 2015

/s/ Marc R. Schneebaum
Marc R. Schneebaum
*Senior Vice President, Chief Financial Officer*
*(principal accounting and financial officer)*

**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 March 31, 2015 (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: May 7, 2015

/s/ Chen Schor
Chen Schor
Chief Executive Officer and President
(principal executive officer)

Dated: May 7, 2015

/s/ Marc R. Schneebaum
Marc R. Schneebaum
*Senior Vice President, 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.