# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**WASHINGTON, D.C. 20549**

# FORM 8-K

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report: July 24, 2008**
**(Date of earliest event reported)**

# ENTEROMEDICS INC.

**(Exact name of registrant as specified in its charter)**

**Commission File Number: 1-33818**

| **Delaware** | **48-1293684** |
|---|---|
| **(State or other jurisdiction of incorporation)** | **(IRS Employer Identification No.)** |

**2800 Patton Road, St. Paul, Minnesota 55113**
**(Address of principal executive offices, including zip code)**

**(651) 634-3003**
**(Registrant's telephone number, including area code)**

**Not Applicable**
**(Former name or former address, if changed since last report)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02. Results of Operations and Financial Condition.**

The following information is being "furnished" in accordance with General Instruction B.2 of Form 8-K and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filing. Furnished herewith as Exhibit 99.1 and incorporated by reference herein is the text of EnteroMedics Inc.'s announcement regarding its financial results for the six months ended June 30, 2008.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

The following information is being "furnished" in accordance with General Instruction B.2 of Form 8-K and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

99.1 Press Release dated July 24, 2008, of EnteroMedics Inc.

**SIGNATURE**

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 hereunto duly authorized.

ENTEROMEDICS INC.

By: /s/ Greg S. Lea
Greg S. Lea
Senior Vice President and
Chief Financial Officer

Date: July 24, 2008

**EXHIBIT INDEX**

| Exhibit Number | Description |
|---|---|
| 99.1 | Press Release dated July 24, 2008. |

**Exhibit 99.1**


Contact:
EnteroMedics Inc.
Greg S. Lea
(651) 789-2860
ir@enteromedics.com

**EnteroMedics Reports Second Quarter 2008 Financial Results**

**Company Meets Enrollment Goal for the EMPOWER Pivotal Trial**

**ST. PAUL, Minn., July 24, 2008** – EnteroMedics Inc., (NASDAQ: ETRM), the developer of medical devices using neuroblocking technology to treat obesity and other gastrointestinal disorders, today announced financial results for the three and six months ended June 30, 2008.

For the three months ended June 30, 2008, the Company reported a net loss of $11.4 million, or $0.68 per share, including research and development expenses of $8.9 million and general and administrative expenses of $2.3 million. For the six months ended June 30, 2008, the Company reported a net loss of $19.9 million, or $1.18 per share. Expenses were primarily associated with the cost of supporting the Company's multiple ongoing clinical trials as well as the continued development of VBLOC™ vagal blocking therapy delivered through the Company's Maestro™ System. On June 30, 2008, the Company's cash, cash equivalents and short-term investments totaled $38.6 million.

The Company also announced today that the enrollment goal for the EMPOWER study has been exceeded with approximately 450 subjects enrolled to date. The EMPOWER study is a randomized, double-blind, placebo-controlled clinical trial of VBLOC Therapy for the treatment of obesity. The Company is targeting implantation of no more than 300 systems, the FDA approved number of implants, within the next three weeks. At this implant volume, the study is designed to achieve the desired goal of 90% power at the end of the 12-month blinding period.

"VBLOC Therapy has produced meaningful weight loss results with a continued positive safety record," said Mark Knudson, Ph.D., President and Chief Executive Officer. "Interest in the EMPOWER study has exceeded our expectations, and VBLOC Therapy is now one step closer to reaching individuals seeking to lose weight without having to accept a list of painful, debilitating and often permanent side effects and restrictions. We look forward to reviewing the EMPOWER study results in mid-2009 and we anticipate submitting them to the FDA shortly thereafter. We also look forward to reporting on additional study data from ongoing international trials in the intervening months."

Gregory S. Lea, Senior Vice President and Chief Financial Officer of EnteroMedics added that, “The EMPOWER study remains the Company’s most significant investment. The Company has sufficient current cash reserves to operate through 2009, and remains well positioned to fund the 12-month blinded portion of the trial as well as a PMA submission to the FDA.”

About VBLOC Therapy

EnteroMedics developed VBLOC™ vagal blocking therapy to offer bariatric surgeons and their patients a less invasive alternative to existing surgical weight loss procedures that may present significant risks and alter digestive system anatomy, lifestyle and food choices. VBLOC Therapy is delivered via the Maestro System through laparoscopically implanted leads to intermittently block the vagus nerves using high-frequency, low energy electrical impulses. VBLOC Therapy is designed to target the multiple digestive functions under control of the vagus nerves and to affect the perception of hunger and fullness. Preliminary results from the feasibility study conducted outside the U.S., which includes 33 patients, indicate that the Maestro System may provide durable and ongoing weight-loss for people with obesity. Follow up data show excess weight loss, or EWL, of 29.1% in 12 patients at 12 months of VBLOC Therapy, 27.4% in 17 patients at nine months of therapy and 21.4% in 28 patients at six months of therapy.

About EnteroMedics Inc.

EnteroMedics is a development stage medical device company focused on the design and development of devices that use neuroblocking technology to treat obesity and other gastrointestinal disorders. EnteroMedics’ proprietary neuroblocking technology, VBLOC™ vagal blocking therapy, is designed to intermittently block the vagus nerves using high-frequency, low-energy, electrical impulses. EnteroMedics has met its enrollment goal under an FDA-approved investigational device exemption (IDE) for the EMPOWER Study using the Maestro™ System, its initial product for the treatment of obesity. For more information, visit www.enteromedics.com.

Forward-Looking Safe Harbor Statement

This press release contains forward-looking statements about EnteroMedics Inc. Our actual results could differ materially from those discussed due to known and unknown risks, uncertainties and other factors including our limited history of operations, our losses since inception and for the foreseeable future; our lack of regulatory approval for our Maestro™ System for the treatment of obesity; our inability to complete our EMPOWER pivotal trial and other clinical trials, or significant delays in the completion of our clinical trials; our ability to timely commercialize our Maestro System; our dependence on third parties to initiate and perform our clinical trials; the need to obtain regulatory approval for any modifications to our Maestro System; physician adoption of our Maestro System and VBLOC™ vagal blocking therapy; our ability to obtain third party coding, coverage or payment levels; ongoing regulatory compliance; our dependence on third party manufacturers and suppliers; the successful development of our sales and marketing capabilities; our ability to raise additional capital when needed; our ability to attract and retain management and other personnel and to manage our growth effectively; potential product liability claims; potential healthcare fraud and abuse claims;

and our ability to obtain and maintain intellectual property protection for our technology and products. These and additional risks and uncertainties are described more fully in the Company's filings with the Securities and Exchange Commission, particularly those factors identified as "risk factors" in the Company's Form 10-K dated March 13, 2008. We are providing this information as of the date of this press release and do not undertake any obligation to update any forward-looking statements contained in this document as a result of new information, future events or otherwise.

Caution-Investigational device. Limited by Federal law to investigational use.

The implantation procedure and usage of the Maestro System™ carry some risks, such as the risk generally associated with laparoscopic procedures and those related to treatment as described in the EMPOWER clinical trial informed consent.

(See Attached Table)

**ENTEROMEDICS INC.**
(A Development Stage Company)

Condensed Consolidated Statements of Operations (unaudited)
(in thousands, except per share data)

| | Three Months Ended June 30 | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| Operating expenses: | | | | |
| Research and development | $ 8,911 | $ 4,663 | $ 15,094 | $ 8,741 |
| Selling, general and administrative | 2,315 | 2,436 | 4,647 | 3,783 |
| Total operating expenses | 11,226 | 7,099 | 19,741 | 12,524 |
| Loss from operations | (11,226) | (7,099) | (19,741) | (12,524) |
| Other income (expense), net | (128) | (379) | (112) | (352) |
| Net loss | $(11,354) | $(7,478) | $(19,853) | $(12,876) |
| Net loss per share - basic and diluted | $ (0.68) | $(12.41) | $ (1.18) | $ (21.61) |
| Shares used to compute basic and diluted net loss per share | 16,810 | 603 | 16,804 | 596 |

**ENTEROMEDICS INC.**
(A Development Stage Company)

Condensed Consolidated Balance Sheets (unaudited)
(in thousands)

| | June 30, 2008 | December 31, 2007 |
|---|---|---|
| **ASSETS** | | |
| Cash, cash equivalents and short-term investments | $38,555 | $ 57,031 |
| Prepaid expenses and other current assets | 458 | 523 |
| Property and equipment, net | 1,376 | 1,492 |
| Other assets | 5 | 5 |
| Total assets | $40,394 | $ 59,051 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Liabilities: | | |
| Accounts payable | $ 550 | $ 300 |
| Debt | 8,605 | 11,099 |
| Other liabilities | 4,442 | 2,370 |
| Total liabilities | 13,597 | 13,769 |
| Stockholders' equity | 26,797 | 45,282 |
| Total liabilities and stockholders' equity | $40,394 | $ 59,051 |

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