

---

---

**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: February 20, 2008**  
(Date of earliest event reported)

---

**ENTEROMEDICS INC.**

(Exact name of registrant as specified in its charter)

---

**Commission File Number: 1-33818**

**Delaware**  
(State or other jurisdiction  
of incorporation)

**48-1293684**  
(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 year ended December 31, 2007.

**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 February 20, 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: February 20, 2008

**EXHIBIT INDEX**

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release dated February 20, 2008.

**Contact:****EnteroMedics Inc.**

Greg S. Lea, 651.789.2764

ir@EnteroMedics.com

**ENTEROMEDICS REPORTS 2007 YEAR-END FINANCIAL RESULTS**

**St. Paul, Minnesota—February 20, 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 year ended December 31, 2007.

For the full year 2007, the company reported a net loss of \$28.6 million, or \$11.69 per share, research and development expenses of \$21.1 million, and general and administrative expenses of \$7.0 million. For the fourth quarter ended December 31, 2007, the company reported a net loss of \$8.7 million, or \$1.10 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.

In November of 2007, the Company completed its initial public offering, raising \$39.1 million net of expenses, underwriters' discounts and commissions. At year end, the Company's cash and cash equivalents totaled \$57.0 million.

"In 2007, EnteroMedics successfully completed its initial public offering during a challenging period in the public markets" said Mark Knudson, President and CEO. He continued, "We are focused on achieving a number of milestones between now and the end of 2009, including the presentation of the results from various studies of VBLOC Therapy and obtaining CE Mark approval for potential marketing of the Maestro System outside of the United States."

Gregory S. Lea, Senior Vice President and Chief Financial Officer of EnteroMedics added that the Company is in a good financial position at year-end. He concluded, "We believe that the Company has sufficient cash reserves to fund operations through 2009, and remain on track to complete the submission of a PMA application to the FDA by the middle of 2009 for approval of VBLOC Therapy."

**Conference Call**

The Company will host a conference call today, Wednesday, February 20, at 4:00 p.m. CT (5:00 p.m. ET), to discuss the company's financial results and provide an update on its VBLOC

Therapy development program. To listen to the conference call, dial (877) 614-4258 (United States and Canada) or (816) 650-0779 (international), and use participant code 33052847 approximately 10 minutes prior to the start time. An audio replay of the conference call can be accessed by calling (800) 642-1687 or (706) 645-9291. The replay will be available for 3 months.

To access the live Webcast, visit the investor relations section of EnteroMedics' Web site at [www.EnteroMedics.com](http://www.EnteroMedics.com). A replay of the Webcast will be available immediately after the conference call.

#### **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. The Food and Drug Administration recently granted approval for a pivotal clinical trial of EnteroMedics' investigational Maestro™ System, the company's initial product for the treatment of obesity, that delivers VBLOC Therapy.

#### **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 Prospectus dated November 14, 2007. 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 December 31,		Year Ended December 31,	
	2007	2006	2007	2006
Operating expenses:				
Research and development	\$ 7,159	\$ 4,428	\$ 21,053	\$ 14,361
Selling, general and administrative	1,510	1,146	6,973	3,761
Total operating expenses	8,669	5,574	28,026	18,122
Loss from operations	(8,669)	(5,574)	(28,026)	(18,122)
Other income (expense), net	(77)	349	(549)	431
Net loss	<u>\$(8,746)</u>	<u>\$(5,225)</u>	<u>\$(28,575)</u>	<u>\$(17,690)</u>
Net loss per share - basic and diluted	<u>\$ (1.10)</u>	<u>\$ (9.37)</u>	<u>\$ (11.69)</u>	<u>\$ (34.19)</u>
Shares used to compute basic and diluted net loss per share	<u>7,918</u>	<u>558</u>	<u>2,445</u>	<u>517</u>

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

Condensed Consolidated Balance Sheets (unaudited)  
(in thousands)

	<b>December 31,</b>	
	<b>2007</b>	<b>2006</b>
<b>ASSETS</b>		
Cash, cash equivalents and short-term investments	\$57,031	\$ 34,732
Prepaid expenses and other current assets	523	223
Property and equipment, net	1,492	1,102
Other assets	5	6
Total assets	<u>\$59,051</u>	<u>\$ 36,064</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Liabilities:		
Accounts payable	\$ 300	\$ 679
Debt	11,099	4,378
Other liabilities	2,370	2,433
Total liabilities	<u>13,769</u>	<u>7,490</u>
Stockholders' equity	<u>45,282</u>	<u>28,574</u>
Total liabilities and stockholders' equity	<u>\$59,051</u>	<u>\$ 36,064</u>

###