

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): November 8, 2006

Celsion Corporation
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or other jurisdiction
of incorporation)

000-14242
(Commission File Number)

52-1256615
(IRS Employer
Identification No.)

10220-L Old Columbia Road, Columbia, Maryland
(Address of principal executive office)

21046-2364
(Zip Code)

Registrant's telephone number, including area code: (410) 290-5390

N/A

(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 obligations of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communication 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 240.135-4(c))

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Item 2.02. Results of Operations and Financial Condition

On November 8, 2006, Celsion Corporation (the “Company”) issued a press release reporting its financial results for the three- and nine-month periods ended September 30, 2006 (the “Earnings Release”). The Earnings Release is being filed as exhibit 99.1 to this Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Earnings Release dated November 8, 2006, furnished pursuant to Item 2.02 of Form 8-K

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 hereunto duly authorized.

CELSION CORPORATION

Date: November 9, 2006

By: /s/ Anthony P. Deasey
Anthony P. Deasey
Chief Executive Officer, Chief Operating Officer and
Chief Financial Officer
(Principal Financial and Chief Accounting Officer)

NEWSRELEASE**CELSION™***For Further Information Contact:*

Tony Deasey
 Celsion Corporation
 410.290.5390
tony@celsion.com

General Info: Marilyn Meek
 Financial Relations Board
 212-827-3773
mmeek@financialrelationsboard.com
 Investor Info: Susan Garland
 212-827-3775
sgarland@financialrelationsboard.com

**CELSION CORPORATION REPORTS THIRD QUARTER
 2006 FINANCIAL RESULTS**

Revenues rise 28.6% to \$4.1 Million for Quarter. Net Loss reduced by 51%.

Columbia, MD – November 8, 2006: Celsion Corporation (**AMEX: CLN**) today announced financial results for its third quarter ended September 30, 2006. The Company reported revenue of \$4.1 million for the quarter, compared to \$3.2 million for the third quarter of 2005, an increase of 28.6%.

Net loss for the third quarter was \$990,000, or \$0.09 per basic and diluted share, compared to a net loss of \$2.0 million, or \$0.18 per basic and diluted share for the comparable quarter in 2005. The 51% reduction in the net loss reflects the strength of the demand for the Prolieve® treatment and a substantial increase in gross margin, up from 31.8% of net sales in third quarter 2005 to 53.9% of net sales in third quarter 2006, due to the commissioning of the new Prolieve disposable catheter kit supplier.

The Company reported revenue for the nine months ended September 30, 2006 of \$6.8 million, compared to \$8.0 million in the comparable period in 2005. Net loss for the nine months was \$6.5 million, or \$0.61 per basic and diluted share, compared to \$6.6 million, or \$0.61 per basic and diluted share in the first nine months of 2005.

Anthony P. Deasey, Celsion's Chief Financial Officer and Interim President and Chief Executive Officer, commented, "We are very pleased with these results. The sales were delivered in the seven weeks since Prolieve was released from recall on August 11. While the sales include building inventory in our distributor, Boston Scientific's, warehouse they also demonstrate the strong market acceptance of Prolieve as a treatment for benign prostatic hyperplasia. We expect this progress to continue and, as a result, we are increasing our guidance for 2006 annual sales from our current estimate of \$10 million to \$11 million. It is also encouraging to note that the Prolieve profit contribution enabled us to reduce our net cash burn for the third quarter to \$900,000 compared to \$2.5 million and \$4.0 million respectively for the first and second quarters of this year."

"We continue to make good progress in our ThermoDox™ liver cancer phase I trial, having recently completed the fourth, 50mg/m², cohort of six patients. Additionally, we have treated, at least once, all three patients in the second cohort of patients in our phase I multiple dose escalation study in recurrent chest wall breast cancer at Duke University Medical Center."

About Celsion: The Prolieve Thermodilatation system is a minimally invasive transurethral microwave system which combines a transurethral microwave thermotherapy device with pressure applied by a balloon catheter.

Prolieve is marketed, in the United States under an exclusive distribution agreement, with Boston Scientific Corporation.

Celsion has research, license or commercialization agreements with leading institutions such as the National Institutes of Health, Duke University Medical Center, Massachusetts Institute of Technology, Harbor UCLA Medical Center, Montefiore Medical Center and Memorial Sloan-Kettering Cancer Center in New York City, Roswell Park Cancer Institute in Buffalo, New York, and Duke University. For more information on Celsion, visit our website: <http://www.celsion.com>.

Celsion wishes to inform readers that forward-looking statements in this release are made pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Readers are cautioned that such forward-looking statements involve risks and uncertainties including, without limitation, unforeseen changes in the course of research and development activities and in clinical trials by others; possible acquisitions of other technologies, assets or businesses; possible actions by customers, suppliers, competitors, regulatory authorities; and other risks detailed from time to time in the Company's periodic reports filed with the Securities and Exchange Commission.

-Financial Tables Follow-

Celsion Corporation
Condensed Statements of Operations
(in thousands, except per share amounts)
(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	2005	2006	2005	2006
Net Sales	\$ 3,206	\$ 4,123	\$ 7,972	\$ 6,775
Cost of sales	2,187	1,903	5,385	4,310
Gross margin	1,019	2,220	2,587	2,465
Operating expenses				
Research & development	2,294	2,337	6,998	6,907
General & administrative	810	850	2,648	2,943
Total Operating expenses	3,104	3,187	9,646	9,850
Loss from operations	(2,085)	(967)	(7,059)	(7,385)
Other income/(expense)				
License fee amortization	143	143	429	429
Interest income (expense), net	10	(167)	136	(297)
Loss from investment in Celsion China Ltd.	(22)	—	(67)	(251)
Gain on sale of Celsion (Canada) Ltd.	—	—	—	1,012
Other	—	—	—	(5)
Net loss before income taxes	(1,954)	(991)	(6,561)	(6,497)
Income taxes	—	—	—	—
Net loss	\$ (1,954)	\$ (991)	\$ (6,561)	\$ (6,497)
Net loss per common share (basic and diluted)	\$ (0.18)	\$ (0.09)	\$ (0.61)	\$ (0.61)
Weighted average shares outstanding (1)	10,709,323	10,737,222	10,724,530	10,728,100

(1) Adjusted to reflect February 27, 2006 15:1 reverse stock split

Celsion Corporation
Condensed Balance Sheets
(in thousands)

	<u>December 31</u>	<u>September 30</u>
	<u>2005</u>	<u>2006</u>
		(Unaudited)
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,313	\$ 1,873
Short term investments	6,000	8,500
Accounts receivable	765	876
Inventory	3,326	3,045
Prepaid expenses	437	309
Escrow account – license	—	1,984
Total current assets	<u>12,841</u>	<u>16,587</u>
Property and equipment, net	571	565
Investment in Celsion China, Ltd.	12	—
Escrow account – license fee	2,053	—
Note and loan receivable	—	1,631
Other assets	432	534
Total assets	<u>\$ 15,909</u>	<u>\$ 19,317</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 1,996	\$ 1,624
Accrued expenses	1,348	1,347
Deferred income	571	571
Total current liabilities	<u>3,915</u>	<u>3,542</u>
Loans Payable principle and accrued interest	6,178	15,923
Deferred revenue	2,381	1,953
Total liabilities	<u>12,474</u>	<u>21,418</u>
Stockholders' equity		
Common stock	107	107
Additional paid-in capital	86,230	87,194
Treasury stock	—	(2)
Accumulated deficit	(82,902)	(89,400)
Total stockholders' equity (deficit)	<u>3,435</u>	<u>(2,101)</u>
Total liabilities and stockholders' equity	<u>\$ 15,909</u>	<u>\$ 19,317</u>