
**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: January 28, 2010
(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))
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Item 2.02 Results of Operations and Financial Condition.

On January 28, 2010, EnteroMedics Inc. issued a press release announcing its financial results for the three months and full year ended December 31, 2009. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information furnished herewith pursuant to Item 2.02 of this Current Report and in Exhibit 99.1 hereto 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.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated January 28, 2010.

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: January 28, 2010

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press Release dated January 28, 2010.



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

EnteroMedics Reports Fourth Quarter and Full Year 2009 Financial Results

ST. PAUL, Minnesota, January 28, 2010 – 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 months and full year ended December 31, 2009.

For the full year 2009, the Company reported a net loss of \$31.9 million, or \$1.07 per share, research and development expenses of \$15.6 million, and general and administrative expenses of \$8.6 million. For the fourth quarter ended December 31, 2009, the Company reported a net loss of \$2.9 million, or \$0.08 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 December 31, 2009, the Company's cash, cash equivalents and short-term investments totaled \$14.6 million, which does not reflect the proceeds of its January 14, 2010 agreement with institutional investors to raise \$4.8 million in a registered direct offering of its common stock.

"We remain encouraged by the weight loss, diabetes and hypertension data emerging from our Maestro System development program, particularly results from our next-generation rechargeable device, since announcing the results of our EMPOWER study early in the fourth quarter," said President and CEO Mark B. Knudson, Ph.D. "We look forward to the continued development of the Maestro System as a treatment for morbid obesity and its related co-morbidities, diabetes and hypertension."

Gregory S. Lea, Senior Vice President and Chief Financial Officer of EnteroMedics added: "Since the beginning of the fourth quarter, we have taken steps to strengthen our balance sheet through two equity financings and repayment of over half of our outstanding debt. These efforts, along with cost-cutting measures implemented in the fourth quarter of 2009, provide us with the resources to fund operations into the second half of 2010."

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. These electrical impulses are delivered by a neuroregulator which is powered either by an external controller (Maestro RF System) or an integrated rechargeable battery (EnteroMedics' next-generation Maestro RC System). EnteroMedics is currently conducting a feasibility study examining VBLOC Therapy's effects on blood glucose levels in diabetic patients outside of the United States. 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 preliminary findings from our EMPOWER™ pivotal trial; our ability to comply with the Nasdaq continued listing requirements; our ability to 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; potential healthcare legislative reform 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 12, 2009. 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 U.S. 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,	
	2009	2008	2009	2008
Operating expenses:				
Research and development	\$ 3,161	\$ 4,387	\$ 15,581	\$ 27,674
Selling, general and administrative	1,855	2,081	8,632	8,597
Total operating expenses	5,015	6,468	24,212	36,270
Loss from operations	(5,015)	(6,468)	(24,212)	(36,270)
Other income (expense), net	2,125	(1,354)	(7,717)	(1,604)
Net loss	<u>\$ (2,890)</u>	<u>\$ (7,822)</u>	<u>\$ (31,929)</u>	<u>\$ (37,874)</u>
Net loss per share - basic and diluted	<u>\$ (0.08)</u>	<u>\$ (0.46)</u>	<u>\$ (1.07)</u>	<u>\$ (2.25)</u>
Shares used to compute basic and diluted net loss per share	<u>36,970</u>	<u>16,879</u>	<u>29,846</u>	<u>16,836</u>

ENTEROMEDICS INC.
(A Development Stage Company)

Condensed Consolidated Balance Sheets (unaudited)
(in thousands)

	<u>December 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>
ASSETS		
Cash, cash equivalents and short-term investments	\$ 14,618	\$ 26,295
Prepaid expenses and other current assets	484	499
Property and equipment, net	966	1,264
Other assets	146	221
Total assets	<u>\$ 16,214</u>	<u>\$ 28,279</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accounts payable	\$ 34	\$ 163
Debt	7,761	13,670
Other liabilities	2,838	3,040
Total liabilities	<u>10,633</u>	<u>16,874</u>
Stockholders' equity	5,581	11,405
Total liabilities and stockholders' equity	<u>\$ 16,214</u>	<u>\$ 28,279</u>

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