

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q/A

(Mark One)

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

For the Quarterly Period ended June 30, 1999

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 000-14242

CELSION CORPORATION

(Exact name of registrant as specified in its charter)

Maryland

52-1256615

State or other jurisdiction of
incorporation or organization

(I.R.S. Employer Identification No.)

10220-I Old Columbia Road
Columbia, Maryland

21046-1705

(Address of principal executive offices)

(Zip Code)

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

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 X No
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As of June 30, 1999, the Registrant had outstanding 50,757,992 shares
of Common Stock, \$.01 par value.

actual results will not differ materially from its expectations. Factors which
could cause actual results to differ from expectations include, but are not
limited to, those referred to in the following paragraph.

General

Since inception, the Company has incurred substantial operating losses. The
Company expects operating losses to continue and possibly increase in the near
term and for the foreseeable future as it continues its product development
efforts, conducts clinical trials and undertakes marketing and sales activities
for new products. The Company's ability to achieve profitability is dependent
upon its ability to successfully integrate new technology into its thermotherapy
systems, conduct clinical trials, obtain governmental approvals, and
manufacture, market and sell its new products. Major obstacles facing the
Company over the last several years have included inadequate funding, a negative
net worth, and the slow development of the thermotherapy market due to technical
shortcomings of the thermotherapy equipment available commercially. The Company
has not continued to market its older thermotherapy system, principally because
of the system's inability to provide heat treatment for other than surface and
sub-surface tumors.

The operating results of the Company have fluctuated significantly in the past
on an annual and a quarterly basis. The Company expects that its operating
results will fluctuate significantly from quarter to quarter in the future and
will depend on a number of factors, many of which are outside the Company's
control.

Results of Operations

Comparison of Nine Months and Three Months Ended June 30, 1999
and Nine Months and Three Months Ended June 30, 1998

There were no product sales for the nine months ended June 30, 1999, compared with sales of \$110,260 for the nine months ended June 30, 1998, which represented re-orders of the Company's older equipment. Significant product revenues are not expected until development of equipment incorporating the Company's new technologies is completed and such equipment is clinically tested and receives necessary approvals from governmental regulatory agencies.

Cost of sales for the nine months ended June 30, 1998 were \$45,500 which was in line with previous periods.

Research and development expense decreased substantially to \$ 683,604 and \$219,976 for the nine and three months ended June 30, 1999 respectively from \$1,298,168 and \$697,060 for the nine and three months ended June 30, 1998 respectively. The decrease in 1999 expenditure levels, which were intended to be comparable to those in 1998, was mainly due to a reduction in research and development requirements. Significant system development costs were expended in the nine months ended June 30, 1998, which will no longer be necessary in future periods. The Company expects expenditures on research and development expenses to increase for the remainder of the fiscal year, once Phase II BPH clinical and Phase I breast cancer clinical trials begin.

Selling, general and administrative expense decreased substantially to \$853,470 and \$207,168 for the nine and three months ended June 30, 1999

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.

DATE: August 9, 1999

CELSION CORPORATION

(Registrant)

By:/s/Spencer J. Volk

Spencer J. Volk

President and Chief Executive Officer

By:/s/John Mon

John Mon

Treasurer and Chief Accounting Officer