



May 11, 2005

Celsion Corporation Reports First Quarter 2005 Financial Results; Company Reports Revenue of \$1.9 Million for Quarter

COLUMBIA, Md.--(BUSINESS WIRE)--May 11, 2005--CELSION CORPORATION (AMEX:CLN) today announced financial results for its first quarter ended March 31, 2005. The Company reported revenue of \$1.9 million for the quarter, compared to \$0.1 million for the first quarter of 2004. The net loss for the first quarter of \$2.2 million, or \$0.01 per basic and diluted share, compared to a net loss of \$6.0 million, or \$0.04 per basic and diluted share, for the comparable quarter in 2004.

Revenue of \$1.9 million for the first quarter of 2005 represented an increase of 36% over revenue of \$1.4 million for the Company's fourth quarter of 2004, ended December 31, 2004. Compared to the fourth quarter of 2004, Celsion reported a gross margin of 32%, up from 15% for the prior quarter, as a result of a higher proportion of sales being derived from catheter kits in the most recent period.

Dr. Augustine Cheung, Celsion's Founder, President and Chief Executive Officer, commented, "We are extremely pleased with our first quarter results. Prolieve™ is gaining traction in the marketplace. During the quarter, Boston Scientific placed 58 machines in service and, approximately 1,500 patients were treated using our Prolieve system. The improvement in gross margin is also encouraging and we expect this trend to continue as the year progresses."

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.

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

	Three Months Ended March 31,	
	2005	2004
	(Unaudited)	
Revenues	\$ 1,870	\$ 100
Cost of Sales	1,272	75
Gross Margin	598	25
Operating Expenses		
Research & development	2,219	4,586
General and administrative	766	1,569
Total Operating Expenses	2,985	6,155

Loss from Operations	(2,387)	(6,130)
Other Income/(Expense)		
License fee amortization	143	47
Interest income	62	41
Loss from investment in Celsion China Ltd.	(21)	(24)
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Net loss before income taxes	(2,203)	(6,066)
Income taxes	-	-
	-----	-----
Net Income	\$ (2,203)	\$ (6,066)
	=====	=====
Net loss per common share (basic and diluted)	\$ (0.01)	\$ (0.04)
	=====	=====
Weighted average shares outstanding	160,802	153,221
	=====	=====

Celsion Corporation
Consolidated Condensed Balance Sheets
(in thousands)

	December 31,	
	-----	-----
	2005	2004
	-----	-----
ASSETS	(Unaudited)	
Current assets		
Cash and cash equivalents	\$ 7,534	\$ 10,484
Accounts receivable	1,599	783
Inventory	2,689	2,202
Prepaid expenses	639	679
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Total current assets	12,461	14,148
Property and equipment, net	663	682
Investment in Celsion China, Ltd.	87	108
Escrow account - license fee	2,013	2,007
Other assets	166	107
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Total assets	\$ 15,390	\$ 17,052
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 1,583	\$ 873
Accrued expenses	598	685
Deferred income	571	571
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Total current liabilities	2,752	2,129
Deferred revenue		
Total liabilities	2,809	2,952
Stockholders' equity		
Common stock	1,609	1,607
Additional paid-in capital	84,640	84,581
Accumulated deficit	(76,420)	(74,217)
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Total stockholders' equity	9,829	11,971

Total liabilities and stockholders'
equity

\$ 15,390 \$ 17,052
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SOURCE: Celsion Corporation