

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 (Date of earliest event reported) August 2, 2006  
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NEOPROBE CORPORATION  
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(Exact name of registrant as specified in its charter)

Delaware 0-26520 31-1080091  
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(State or other jurisdiction of incorporation) (Commission File Number) (IRS Employer Identification No.)

425 Metro Place North, Suite 300, Columbus, Ohio 43017  
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(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (614) 793-7500  
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(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 (see General Instruction A.2. below):

- 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.

On August 2, 2006, Neoprobe Corporation (the "Company") issued a press release regarding its consolidated financial results for the quarter ended June 30, 2006. A copy of the Company's press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information contained in Item 2.02 of this Current Report on Form 8-K, including exhibit 99.1 hereto, shall not be treated as "filed" for purposes of the Securities Exchange Act of 1934, as amended.

Statements contained or incorporated by reference in this Current

Report on Form 8-K which relate to other than strictly historical facts, such as statements about the Company's plans and strategies, expectations for future financial performance, new and existing products and technologies, anticipated regulatory pathways, and markets for the Company's products, are forward-looking statements. The words "believe," "expect," "anticipate," "estimate," "project," and similar expressions identify forward-looking statements that speak only as of the date hereof. Investors are cautioned that such statements involve risks and uncertainties that could cause actual results to differ materially from historical or anticipated results due to many factors including, but not limited to, the Company's continuing operating losses, uncertainty of market acceptance, reliance on third party manufacturers, accumulated deficit, future capital needs, uncertainty of capital funding, dependence on limited product line and distribution channels, competition, limited marketing and manufacturing experience, risks of development of new products, regulatory risks, and other risks detailed in the Company's most recent Annual Report on Form 10-KSB and other Securities and Exchange Commission filings. The Company undertakes no obligation to publicly update or revise any forward-looking statements.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits.

Exhibit Number	Exhibit Description
99.1	Neoprobe Corporation press release dated August 2, 2006, entitled "Neoprobe Announces Second Quarter Results."

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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.

Neoprobe Corporation

Date: August 3, 2006

By: /s/ Brent L. Larson

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Brent L. Larson, Vice President, Finance  
and Chief Financial Officer

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Exhibit 99.1

IMMEDIATE RELEASE                      AUGUST 2, 2006  
CONTACTS:  
BRENT LARSON,                      TIM RYAN,  
VICE PRESIDENT / CFO                      THE TROUT GROUP  
614 793 7500                      212 477 9007

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NEOPROBE ANNOUNCES SECOND QUARTER RESULTS  
BUSINESS UPDATE PROVIDED AND CONFERENCE CALL SCHEDULED

DUBLIN, OHIO - August 2, 2006 - Neoprobe Corporation (OTCBB:NEOP - News), a diversified developer of innovative oncology and cardiovascular surgical and diagnostic products, today announced financial results for the second quarter of 2006 and for the six-month period ended June 30, 2006. For the second quarter of 2006, Neoprobe reported a net loss of \$861,000 or \$0.01 share compared to a net loss of \$1.3 million or \$0.02 per share for the second quarter in 2005. For the six months ended June 30, 2006, Neoprobe reported a net loss of \$1.8 million or \$0.03 per share compared to a net loss of \$2.3 million or \$0.04 per share for the same period in 2005. The net loss for the second quarter of 2006 included \$348,000 in non-cash charges compared to total non-cash charges of \$322,000 for the second quarter of 2005. The net loss for the six-month period ended June 30, 2006 included \$745,000 in non-cash charges compared to total non-cash charges of \$775,000 for the same period in 2005.

For the second quarter of 2006, Neoprobe reported total revenues of \$1.4 million compared to \$1.7 million for the second quarter in 2005. For the six-month period ended June 30, 2006, Neoprobe reported total revenues of \$3.2 million compared to total revenues of \$3.2 million for the same period in 2005.

For the second quarter of 2006, Neoprobe reported total operating expenses of \$1.4 million compared to \$2.1 million for the second quarter of 2005. For the six-month period ended June 30, 2006, Neoprobe reported total operating expenses of \$3.1 million compared to \$3.6 million for the same period in 2005.

Brent Larson, Neoprobe's Vice President, Finance and CFO, said, "Results for the quarter and year to date exemplify what we consider to be one of the strengths of our business model. We are able to control our costs and generate positive cash flow from our device product lines, allowing us to focus funds raised for new product development on those activities that present the greatest opportunities for upside to our shareholders."

Revenues for the first six months of 2006 remained consistent overall with 2005. We saw a 128% increase in year-to-date blood flow revenues over the same period in 2005. This increase offset the impacts of a roughly 5% price decline on relatively consistent volumes for our gamma detection product line. Our gross margins declined around 3% due primarily to the effects of selling the majority of our blood flow devices on a wholesale basis to distributors as opposed to on a retail basis directly to end customers. While winding down our arrangements the independent sales organizations adversely impacted our second quarter sales causing them to be below our original expectations, we are greatly encouraged by the recent agreement we have signed with ESTECH for distribution of the Quantix/OR(TM) here in the United States. We are confident that this refocusing of our sales efforts in the United States with a high quality sales organization such as ESTECH will yield much greater longer term rewards.

Operating expenses for the quarter and six-month period were down compared to the prior year primarily due to lower drug development expenses for Lymphoseek(R). Operating expenses for 2005 and into the first quarter of 2006 included significant expenses related to non-clinical testing and drug manufacturing validation and production activities associated with Lymphoseek. These activities were substantially completed by the first quarter of 2006 and expenses decreased accordingly during the second quarter of 2006 while we waited for regulatory and institutional clearances to commence the Phase 2 clinical study.



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Statements in this news release, which relate to other than strictly historical facts, such as statements about the Company's plans and strategies, expectations for future financial performance, new and existing products and technologies, anticipated clinical and regulatory pathways, and markets for the Company's products are forward-looking statements. The words "believe," "expect," "anticipate," "estimate," "project," and similar expressions identify forward-looking statements that speak only as of the date hereof. Investors are cautioned that such statements involve risks and uncertainties that could cause actual results to differ materially from historical or anticipated results due to many factors including, but not limited to, the Company's continuing operating losses, uncertainty of market acceptance of its products, reliance on third party manufacturers, accumulated deficit, future capital needs, uncertainty of capital funding, dependence on limited product line and distribution channels, competition, limited marketing and manufacturing experience, risks of development of new products, regulatory risks and other risks detailed in the Company's most recent Annual Report on Form 10-KSB and other Securities and Exchange Commission filings. The Company undertakes no obligation to publicly update or revise any forward-looking statements.

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NEOPROBE CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2006 (unaudited)	December 31, 2005
Assets:		
Cash and cash equivalents	\$ 4,726,719	\$ 4,940,946
Available-for-sale securities	-	1,529,259
Other current assets	1,966,174	1,978,268
Intangible assets, net	1,992,522	2,098,910
Other non-current assets	920,830	1,023,058
Total assets	<u>\$ 9,606,245</u>	<u>\$ 11,570,441</u>

Liabilities and stockholders' equity:

Current liabilities	\$ 897,753	\$ 1,501,683
Notes payable, net of discounts	6,252,997	5,973,853
Other liabilities	64,649	78,109
Stockholders' equity	2,390,846	4,016,796
Total liabilities and stockholders' equity	<u>\$ 9,606,245</u>	<u>\$ 11,570,441</u>

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>  
<CAPTION>

	Three Months Ended		Six Months Ended	
	June 30, 2006 (unaudited)	June 30, 2005 (unaudited)	June 30, 2006 (unaudited)	June 30, 2005 (unaudited)

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Net sales	\$ 1,433,991	\$ 1,700,878	\$ 3,221,909	\$ 3,166,765
Cost of goods sold	600,762	642,233	1,337,982	1,205,556
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Gross profit	833,229	1,058,645	1,883,927	1,961,209
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Operating expenses:				
Research and development	642,573	1,303,369	1,476,756	1,941,814
Selling, general and administrative	753,812	827,832	1,606,295	1,663,947
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Total operating expenses	1,396,385	2,131,201	3,083,051	3,605,761
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Loss from operations	(563,156)	(1,072,556)	(1,199,124)	(1,644,552)
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Interest expense	(363,426)	(333,905)	(719,960)	(661,478)
Increase in warrant liability	-	-	(142,427)	
Other income, net	65,113	62,050	130,013	101,275
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Net loss	\$ (861,469)	\$ (1,344,411)	\$ (1,789,071)	\$ (2,347,182)
	=====	=====	=====	=====
Loss per common share:				
Basic	\$ (0.01)	\$ (0.02)	\$ (0.03)	\$ (0.04)
Diluted	\$ (0.01)	\$ (0.02)	\$ (0.03)	\$ (0.04)
Weighted average shares outstanding:				
Basic	58,560,046	58,455,008	58,535,631	58,386,434
Diluted	58,560,046	58,455,008	58,535,631	58,386,434

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