

Network-1 Reports First Quarter 2008 Results

NEW YORK, May 12 /PRNewswire-FirstCall/ -- Network-1 Security Solutions, Inc. (OTC Bulletin Board: NSSI) today announced financial results for the quarter ended March 31, 2008. Network-1 reported a net loss of (\$319,000) for the first quarter ended March 31, 2008 as compared to a net loss of (\$1,060,000) for the first quarter ended March 31, 2007. Included in net loss for the quarter ended March 31, 2008 and 2007 were expenses of \$73,000 and \$461,000 in non cash compensation expenses, respectively.

Net loss attributable to common stockholders for the quarter ended March 31, 2008 was \$(319,000) or \$(0.01) per share as compared to a net loss attributable to common stockholders of (\$1,060,000) or (\$0.05) per share for the quarter ended March 31, 2007.

Network-1 had revenues for the quarter ended March 31, 2008 of \$69,000. At March 31, 2008, the Company had approximately \$5,511,000 in cash and cash equivalents which management believes will be sufficient to fund its operations until at least December 2009.

On February 11, 2008, the Company announced that it had initiated patent litigation against several data networking equipment manufacturers in the United States District Court for the Eastern District of Texas, Tyler Division, for infringement of its Remote Power Patent. Named as defendants in the lawsuit are Cisco Systems, Inc., Cisco-Linksys, LLC, Enterasys Networks, Inc., 3Com Corporation, Inc., Extreme Networks, Inc., Foundry Networks, Inc., NETGEAR, Inc., and Adtran, Inc.

The Remote Power Patent relates to, among other things, the delivery of power over Ethernet cables in order to remotely power network connected devices including, among others, wireless switches, wireless access points, RFID card readers, VOIP telephones and network cameras. In June 2003, the Institute of Electrical and Electronic Engineers (IEEE) approved the IEEE 802.3af Power over Ethernet ("PoE") standard which has led to the rapid adoption of PoE.

By taking advantage of PoE technology, companies can deploy next generation solutions such as Voice over IP and Wireless LAN's without having to run separate power cables. PoE technology provides numerous benefits including significant deployment savings and increased service reliability through centralized backup power. These benefits have caused analysts to identify PoE as a "must have" technology and vendors have responded with a wealth of new products offerings.

Indeed, industry analysts expect PoE to become a defacto technology embedded in LAN Ethernet switches that power devices such as wireless access points, VOIP telephones, and network cameras, among others. Industry analysts project that in 2007 fully 20% of all Ethernet switch ports were PoE enabled and between 90 and 95% of IP Phones and Wireless Access Points were also so enabled.

ABOUT NETWORK-1 SECURITY SOLUTIONS, INC.

Network-1 Security Solutions, Inc. is engaged in the acquisition, development, licensing and protection of its intellectual property and proprietary technologies. It currently owns six patents covering various telecommunications and data networking technologies and is currently focusing its licensing efforts on its Remote Power Patent (U.S. Patent No. 6,218,930) covering the remote delivery of power over Ethernet networks. The Remote Power Patent was granted by the U.S. Office of Patents and Trademarks on April 21, 2001 and expires on March 11, 2020.

This release contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These statements address future events and conditions concerning the Company's business plans. Such statements are subject to a number of risk factors and uncertainties as disclosed in the Company's Annual Report on Form 10-KSB for the year ended December 31, 2007 including, among others, the ability of Network-1 to obtain license agreements from third parties for its patent portfolio, uncertainty of patent litigation, the Company's ability to achieve revenues and profits from its patent portfolio, the Company's ability to raise capital when needed, future economic conditions and technology changes and legislative, regulatory and competitive developments. Except as otherwise required to be disclosed in periodic reports, the Company expressly disclaims any future obligation or undertaking to update or revise any forward-looking statement contained herein.

The condensed statements of operations and condensed balance sheets are attached.

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Network-1 Security Solutions, Inc. Condensed Statements of Operations

	Three Months Ended March 31,	
	2008	2007
Royalty Revenue	\$69,000	-
Cost of Revenue	3,000	-
Gross Profit	66,000	-
Operating Expenses:		
General and administrative	352,000	\$614,000
Non-cash compensation	73,000	461,000
Total Operating Expenses	425,000	1,075,000
OPERATING LOSS	(359,000)	(1,075,000)
Other Income (Expenses):		
Interest income, net	40,000	15,000

Loss Before Income Taxes	(319,000)	(1,060,000)
INCOME TAXES	-	-
Net Loss	(319,000)	(1,060,000)
Net loss per share - Basic and Diluted	(0.01)	(0.05)
Weighted average number of common shares outstanding	24,135,557	19,784,724

Condensed Balance Sheet as of 3/31/08

Cash and cash equivalents	\$5,511,000
Total current assets	\$5,637,000
Total assets	\$5,684,000
Total current liabilities	\$198,000
Total long term liabilities	\$0
Total stockholders' equity	\$5,486,000

SOURCE Network-1 Security Solutions, Inc.