

April 1, 2011



/C O R R E C T I O N -- Network-1 Security Solutions, Inc./

In the news release, Network-1 Reports 2010 Year-end Financial Results, issued 01-Apr-2011 by Network-1 Security Solutions, Inc. (OTC Bulletin Board: NSSI) over PR Newswire, we are advised by the company that in the first paragraph, the diluted amount per share should read "\$0.67" rather than "\$.067" as originally issued inadvertently. The complete, corrected release follows:

Network-1 Reports 2010 Year-end Financial Results

2010 Patent Litigation Settlement Produces 5 New Licensees and Significant Revenue

NEW YORK, April 1, 2011 /PRNewswire/ -- Network-1 Security Solutions, Inc. (OTC Bulletin Board: NSSI), a company specializing in the acquisition, licensing, and protection of intellectual property, today announced financial results for the year ended December 31, 2010. Network-1 reported net income of \$19,236,000 or \$0.79 per share (\$0.67 per share on a diluted basis) for the year ended December 31, 2010 as compared to a net loss of (\$2,578,000) or \$(0.11) for the year ended December 31, 2009. Included in the results for 2010 and 2009 are non-cash compensation expenses of \$402,000 and \$901,000, respectively.

"It was a tremendous year for Network-1," commented Corey M. Horowitz, Chairman and CEO of Network-1. "We successfully resolved our second litigation over our Remote Power Patent and now have 11 licensees to this important technology, including some of the largest technology companies in the world". "We look forward now to licensing our technology to other vendors of Power over Ethernet equipment and, if necessary, enforcing our IP where appropriate. As importantly, we are extremely well positioned to pursue new opportunities in the intellectual property monetization arena."

The following are financial and strategic highlights:

- Revenues: Network-1 had revenues of \$33,037,000 for the year December 31, 2010 as compared with \$811,000 of revenues for the year ended December 31, 2009. Revenues for 2010 include \$32,320,000 from the settlement of its patent litigation in July 2010.

- Patent Litigation Settlement: On July 19, 2010, Network-1 announced that it agreed to settle its patent litigation against Adtran, Inc., Cisco Systems, Inc. and Cisco-Linksys, LLC, (collectively, "Cisco"), Enterasys Networks, Inc., Extreme Networks, Inc., Foundry Networks, Inc., and 3Com Corporation, Inc., pending in the United States District Court for the Eastern District of Texas, Tyler Division, for infringement Network-1's

Remote Power Patent, U.S. Patent No. 6,218,930 ("Remote Power Patent"). As part of the settlement, Adtran, Cisco, Enterasys, Extreme Networks and Foundry Networks each entered into a settlement agreement with Network-1 and agreed to enter into non-exclusive licenses for the Remote Power Patent (the "Licensed Defendants"). Under the terms of the licenses, the Licensed Defendants paid to Network-1 an aggregate upfront payment of approximately \$31 million and also agreed to license the Remote Power Patent for its full term, which expires in March 2020.

Additional highlights of the Patent Litigation Settlement include the following:

- Cisco agreed to pay royalties (beginning in 2011) based on its sales of Power over Ethernet ("PoE") products up to maximum royalty payments per year of \$8 million through 2015 and \$9 million per year thereafter for the remaining term of the Remote Power Patent. The aforementioned royalty payments are subject to certain conditions including the continued validity of Network-1's Remote Power Patent, and the actual amounts received may be less than the caps stated above.

- The settlement with 3Com provides for a dismissal of the litigation without prejudice. The release covers sales of certain 3Com Power over Ethernet products sold through the date of the settlement.

- Network-1 and 3Com's parent, Hewlett Packard Corporation, agreed that the dismissal does not apply to Hewlett-Packard Power over Ethernet products and that any future litigation involving Network-1 and Hewlett Packard concerning the Remote Power Patent will be in the United States District Court for the Eastern District of Texas.

- For additional details of the settlement, please see Network-1's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 20, 2010.

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.

Consistent with its activities over the past several years, Network-1 plans on continuing its licensing activities relating to the Remote Power Patent. Such licensing activities may require the expenditure of cash to support the licensing and enforcement of the Remote

Power Patent. In addition, Network-1 may acquire additional intellectual property assets in the future to develop, commercialize, license or otherwise monetize such intellectual property. In this regard, Network-1 continually reviews opportunities to acquire or license additional intellectual property for the purpose of pursuing licensing opportunities related to its existing intellectual property portfolio or otherwise. Network-1 may also enter into strategic relationships with third parties to develop, commercialize, license or otherwise monetize their intellectual property. The form of such relationships may vary depending upon the opportunity and may include, among other things, a strategic investment in such third party or the formation of a joint venture for the purpose of monetizing such third party's intellectual property assets.

"We continue to be presented with exciting opportunities in the IP monetization space," said Mr. Horowitz. "Our knowledge, discipline and experience combined with our resources opens many doors in this fast growing business. More and more companies are reaching out to monetize their intellectual property portfolios and this has created some large and well-publicized transactions," continued Mr. Horowitz.

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 Network-1's business plans. Such statements are subject to a number of risk factors and uncertainties as disclosed in the Network-1's Annual Report on Form 10-K for the year ended December 31, 2010 including, among others, the ability of Network-1 to enter into additional license agreements with third parties for its intellectual property or the intellectual property of its strategic partners, the ability of Network-1 to receive significant royalties from its existing license agreements, the uncertainty of patent litigation, Network-1's ability to achieve revenues and profits from its intellectual property or the intellectual property of its strategic partners, Network-1's ability to execute its strategy to acquire additional patents or enter into strategic relationships with third parties to license or otherwise monetize their intellectual property, the continued viability of the PoE market, future economic conditions and technology changes and legislative, regulatory and competitive developments. Except as otherwise required to be disclosed in periodic reports, Network-1 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 sheet are attached.

Statements of Operations

Years Ended
December 31,

	2010	2009
ROYALTY REVENUE	\$33,037,000	\$811,000
COST OF REVENUE	9,595,000	76,000
GROSS PROFIT	23,442,000	735,000
OPERATING EXPENSES:		
General and administrative	3,771,000	\$ 2,413,000
Non-cash compensation	402,000	901,000
TOTAL OPERATING EXPENSES	4,173,000	3,314,000
OPERATING INCOME (LOSS)	19,269,000	(2,579,000)
OTHER INCOME (EXPENSES):		
Interest income, net	41,000	1,000
INCOME (LOSS) BEFORE INCOME TAXES	\$19,310,000	(2,578,000)
INCOME TAXES	74,000	—
NET INCOME (LOSS)	\$ 19,236,000	\$ (2,578,000)
Net Income (Loss) Per Share		
Basic	\$ 0.79	\$ (0.11)
Diluted	\$ 0.67	\$ (0.11)
Weighted average common shares outstanding		
Basic	24,422,567	24,135,557
Diluted	28,619,982	24,135,557

Condensed Balance Sheet as of December 31, 2010

Cash and cash equivalents \$ 21,348,000

Total current assets \$ 22,776,000

Total assets \$ 22,865,000

Total current liabilities \$ 2,170,000

Total long term liabilities \$ 0

Total stockholders' equity \$ 20,695,000

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