

Network-1 Reports 2006 Year-End Financial Results

NEW YORK, April 11 /PRNewswire-FirstCall/ -- Network-1 Security Solutions, Inc. (OTC Bulletin Board: NSSI), a company specializing in the acquisition, licensing, and protection of its intellectual property and proprietary technologies, today announced financial results for the year ended December 31, 2006. Network-1 reported a net loss of (\$1,958,000) for the year ended December 31, 2006 as compared to a net loss of (\$1,332,000) for the year ended December 31, 2005. Included in net loss for 2006 are non-cash compensation expenses of \$479,000.

Net loss attributable to common stockholders for the year ended December 31, 2006 was \$(1,958,000) or \$(0.10) per share. The net loss attributable to common stockholders was (\$1,832,000,) or \$(0.10) per share for the year ended December 31, 2005 which included a deemed dividend of \$500,000 relating to an extension to March 22, 2006 of the exercise period for certain warrants to purchase 1,352,152 shares of common stock ("Warrants").

Network-1 had no revenues for the year ended December 31, 2006. Cash and cash equivalents were \$1,797,000 at December 31, 2006. During the first quarter ending March 31, 2006 all of the Warrants were exercised resulting in aggregate proceeds to the Company of \$1,494,193. At March 31, 2007, the Company had approximately \$1,070,000 in cash and cash equivalents which management believes will be sufficient to fund its operations until December 2007.

During 2007, the Company continued to litigate its patent infringement case against D-Link Corporation and D-Link Systems in the United States District Court for the Eastern District of Texas, Tyler Division for infringement of the Company's Remote Power Patent (U.S. Patent No. 6,218,930). Discovery has been completed and motions for summary judgment are pending before the Court. Trial is currently scheduled for May, 2007.

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.

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 17, 2001 and expires on March 7, 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, 2006 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

	2006	2005
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Total operating expenses	\$2,027,000,	\$ 1,756,000
	-----	-----
Operating loss	\$ (2,027,000)	\$ (1,756,000)
Interest income	\$69,000	\$39,000
Reversal of prior year accruals	\$0	\$385,000
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Net Loss	\$ (1,958,000)	\$ (1,332,000)
Deemed dividend on extension of warrants and warrants issued in connection with anti-dilution provision	---	\$ (500,000)
	-----	-----
Net Loss attributable to common stockholders	\$ (1,958,000)	\$ (1,832,000)
	=====	=====
Per Common Share - Basic and Diluted Net Loss available to common		

stockholders	\$ (0.10)	\$ (0.10)
	=====	=====
Weighted average number of shares outstanding - basic and diluted	18,952,137	17,676,202
	=====	=====

Condensed Balance Sheet as of 12/31/06

Cash and cash equivalents	\$ 1,797,000
	=====
Total current assets	\$ 1,875,000
	=====
Total assets	\$ 1,971,000
	=====
Total current liabilities	\$ 569,000
	=====
Total long term liabilities	\$ 0
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Total stockholders' equity	\$ 1,402,000
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