Nephros Receives €600,000 Payment from Bellco S.r.l.

PR Newswire

RIVER EDGE, N.J., Jan.15, 2013 /PRNewswire/ -- Nephros, Inc. (OTC Bulletin Board: NEPH [1]), a commercial stage medical device company that develops and sells high performance liquid purification ultrafilters, announced that on January 15, 2013, Nephros received the scheduled payment of €600,000 from Bellco S.r.l. under the previously announced license agreement.

Under the terms of the license agreement which became effective July 1, 2011, Nephros provided an exclusive license to Bellco S.r.l. for its mid-dilution technology for Canada, Italy, France, Spain, and Belgium for the period July 1, 2011 to December 31, 2016. In exchange for the license, Bellco agreed to pay to Nephros €1.85 million in three installments. The €600,000 payment received on January 15, 2013, represents the third and final installment under the license agreement. In addition, for the period January 1, 2015 until December 31, 2016, Bellco will pay to Nephros a royalty of €4.50 per unit up to 103,000 units and €4.00 per unit above 103,000 units sold per year.

About Nephros, Inc.

Nephros is a commercial stage medical device company that develops and sells high performance liquid purification filters. Our filters, which we call ultrafilters, are primarily used in dialysis centers and healthcare facilities for the production of ultrapure water and bicarbonate. Because our ultrafilters capture contaminants as small as 0.005 microns in size, they eliminate a wide variety of bacteria, viruses, fungi, parasites, and endotoxins harmful to humans.

All of our ultrafilters use a proprietary hollow fiber technology. We believe the hollow fiber design allows our ultrafilters to be the only commercially available filters for healthcare applications that optimize the three elements critical to filter performance:

- Filtration – as low as 0.005 microns
- Flow rate – minimal disruption
- Filter life – up to 12 months

By comparison, competitive filters on the market today are typically effective only to the 0.2 micron level and are prone to clog more quickly, thus reducing their useful lives.

We were founded in 1997 by healthcare professionals affiliated with Columbia University Medical Center/New York-Presbyterian Hospital to develop and

commercialize an alternative method to hemodialysis (HD). In 2009, we began to extend our filtration technologies to meet the demand for liquid purification in other areas, in particular water purification.

Presently, we offer seven types of ultrafilters for sale to customers in four markets:

- *Dialysis Centers – Water/Bicarbonate*: Treatment of both water and bicarbonate for the production of ultrapure dialysate
- *Hospitals and Other Healthcare Facilities*: Removal of infectious agents in drinking and bathing water, particularly in high risk patient areas
- *Military*: Highly compact, individual water purification devices used by soldiers to produce safe drinking water in the field
- *Dialysis Centers – Blood*: Clearance of toxins from blood using an alternative method to HD in patients with chronic renal failure

We have designed our ultrafilters as either in-line products, filters that are incorporated into the existing plumbing of healthcare facilities, or point-of-use products, filters that can be easily installed onto a faucet or as a replacement shower head or can be used stand-alone to purify small quantities of water immediately prior to use.

For more information about Nephros, please visit the company's website at www.nephros.com [2].

Forward-Looking Statements

This press release contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended (the "PSLRA"). Such statements include statements regarding the efficacy and intended use of our technologies under development, the timelines for bringing such products to market and the availability of funding sources for the continued development of such products and other statements that are not historical facts, including statements which may be preceded by the words "intends," "may," "will," "plans," "expects," "anticipates," "projects," "predicts," "estimates," "aims," "believes," "hopes," "potential" or similar words. For such statements, we claim the protection of the PSLRA. Forward-looking statements are not guarantees of future performance are based on certain assumptions and are subject to various known and unknown risks and uncertainties, many of which are beyond our control. Actual results may differ materially from the expectations contained in the forward-looking statements. Factors that may cause such differences include, but are not limited to, the risks that:

- we may not be able to continue as a going concern;
- we may not be able to obtain funding if and when needed or on terms favorable to us in order to continue operations;
- we may not obtain appropriate or necessary regulatory approvals to achieve our business plan;

- products that appeared promising to us in research or clinical trials may not demonstrate anticipated efficacy, safety or cost savings in subsequent pre-clinical or clinical trials;
- we may encounter problems with our suppliers and manufacturers;
- we may encounter unanticipated internal control deficiencies or weaknesses or ineffective disclosure controls and procedures;
- we may not be able to effectively market our products;
- we may not be able to sell our water filtration products or chronic renal failure therapy at competitive prices or profitably;
- we may not be able to secure or enforce adequate legal protection, including patent protection, for our products; and
- we may not be able to achieve sales growth in key geographic markets.

More detailed information about the Company and the risk factors that may affect the realization of forward-looking statements, including the forward-looking statements in this press release, is set forth in our filings with the SEC. We urge investors and security holders to read those documents free of charge at the SEC's web site at www.sec.gov [3]. We do not undertake to publicly update or revise our forward-looking statements as a result of new information, future events or otherwise, except as required by law.

SOURCE Nephros, Inc.

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