



CytoSorbents Reports 2013 First Quarter Financial Results

MONMOUTH JUNCTION, N.J., May 16, 2013 - CytoSorbents Corporation (OTCBB: CTSO) is a critical care focused company using blood purification to treat life-threatening illnesses in the intensive care unit. The Company's flagship product, CytoSorb®, is the only specifically approved cytokine filter in the European Union. The goal of CytoSorb® treatment is to prevent or treat organ failure, the cause of nearly half of all deaths in the intensive care unit for which no good therapies exist, by reducing cytokine storm and the subsequent deadly inflammation that can occur in the bloodstream. Today, the Company announced its financial results for the first quarter ending March 31, 2013.

2013 Highlights to Date:

- Total revenue for the first quarter was \$371K, which includes both product and grant income
- Sales of CytoSorb® for the first quarter of 2013 doubled from the previous quarter to \$176K, and exceeded product sales for all of 2012
- CytoSorb® product gross margins continue to be robust, well in excess of 50%
- European distribution of CytoSorb® was expanded to the United Kingdom and Ireland through an exclusive distribution agreement with L.IN.C Medical Systems Ltd
- Kathleen P. Bloch, MBA, CPA was appointed Chief Financial Officer. Ms. Bloch has been the CFO of a number of rapidly growing public and private companies, most recently at Laureate Biopharma, a leading contract biopharmaceutical manufacturing and development company
- Christopher Cramer, MBA, MS was hired as Vice President of Business Development, with more than 15 years of business development and medical device experience, most recently as Senior Director of Venture Development at Johnson and Johnson
- Recruited a world class Trauma Board consisting of international leaders in critical care, trauma and burn injury research who will help shape future research in these areas
- Was awarded an additional \$50K Phase I Option SBIR contract by the US Army for trauma and burn injury research in advance of an anticipated \$1 million Phase II SBIR award

Dr. Phillip Chan, CEO of CytoSorbents, commented, "We are very pleased with the substantial progress we have made this year. After formally launching CytoSorb® during the second half of 2012, we have garnered significant interest from many physicians throughout Germany, Austria, Switzerland, and now in the United Kingdom. We currently have more than 80 key opinion leaders either using CytoSorb® or committed to using it in the near term, a significant increase from the beginning of this year. In addition, the number of investigator-initiated studies that are being planned to begin this year has also risen from six to now ten studies, encompassing many different disease areas. And treatment successes with CytoSorb® have also spawned a number of case report studies in preparation, with one already accepted for journal publication. This acceleration of activity is just beginning to translate into sales, with first quarter CytoSorb® sales doubling compared to those in the fourth quarter of 2012, and exceeding product sales for all of last year."

Dr. Chan added, "We have just begun our geographic expansion with the signing of an exclusive distribution agreement with L.IN.C. covering the U.K. and Ireland, adding to our direct sales efforts in Germany and surrounding countries. Using independent distributors and strategic partners, we are targeting entry into many of the remaining 22 countries of the European Union where CytoSorb® is already approved, and into countries outside of the E.U. that will accept European regulatory approval. Although Germany, where we currently have reimbursement, a direct sales force, and significant thought leader support, represents a total addressable critical care market for CytoSorb® of nearly \$1 billion alone, there are many exciting opportunities outside of Germany that will further accelerate revenue growth."

Dr. Chan concluded, "Finally, we continue to assemble an outstanding team to execute upon our aggressive growth strategy that is built upon three pillars of value: commercialization of CytoSorb®, R&D and new product development, and strategic partnerships. The welcome additions of Kathy Bloch as Chief Financial Officer, and Chris Cramer as Vice President of Business Development will help catalyze our ongoing efforts to create sustainable value for shareholders."

Financial Result Highlights for the First Quarter Ending March 31, 2013:

For the first quarter ending March 31, 2013, CytoSorbents reported \$371K in total revenue, with \$176K in sales of CytoSorb®, achieving product gross margins in excess of 50%. This compares to total revenue of \$50K in the year ago period, with \$17K in product sales. CytoSorbents also recorded \$195K in grant income, predominantly from achieving milestones in the DARPA program. Spending under the DARPA program increased significantly during the quarter to accelerate the completion of Year 1 milestones, and commencement of Year 2 objectives, significantly reducing gross margins on grant income, as well as overall blended gross margins.

The Company's operating loss was \$1.4 million for the quarter ended March 31 2013, compared to an operating loss of \$1.1 million in the year ago period. The Company reported a net loss of \$2.2 million for the quarter ended March 31, 2013 compared to a net loss of \$2.1 million for the year ago quarter. Results include a non-cash charge for preferred stock dividends of \$0.6 million in 2013 compared to \$0.7 million in the same quarter in 2012. Cash used by operating activities in the quarter ended March 31, 2013 was \$0.8 million compared to \$1.1 million in 2012. Cash and cash equivalents were \$1.4 million as of March 31, 2013 compared with \$1.7 million at December 31, 2012.

About CytoSorbents

CytoSorbents Corporation is a critical care focused therapeutic device company using blood purification to modulate the immune system and fight multiple organ failure in life-threatening illnesses. Its purification technology is based on biocompatible, highly porous polymer beads that can actively remove toxic substances from blood and other bodily fluids by pore capture and adsorption. CytoSorb®, the Company's flagship product, is approved in the European Union as a safe and effective extracorporeal cytokine filter, designed to reduce the "cytokine storm" that could otherwise cause massive inflammation, organ failure and death in common critical illnesses such as sepsis, burn injury, trauma, lung injury, and pancreatitis. These are conditions where the mortality is extremely high, yet no effective treatments exist. CytoSorbents has numerous products under development based upon the same underlying blood purification technology such as HemoDefend™, ContrastSorb, DrugSorb, and others. Additional information is available for download on the Company's website: <http://www.cytosorbents.com>.

Forward-Looking Statements

This press release includes forward-looking statements intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Forward-looking statements in this press release are not promises or guarantees and are subject to risks and uncertainties that could cause our actual results to differ materially from those anticipated. These statements are based on management's current expectations and assumptions and are naturally subject to uncertainty and changes in circumstances. We caution you not to place undue reliance upon any such forward-looking statements. Actual results may differ materially from those expressed or implied by the statements herein. CytoSorbents Corporation and CytoSorbents, Inc believe that its primary risk factors include, but are not limited to: obtaining government regulatory approvals; ability to successfully develop commercial operations; dependence on key personnel; acceptance of the Company's medical devices in the marketplace; the outcome of potential litigation; compliance with governmental regulations; reliance on research and testing facilities of various universities and institutions; the ability to obtain adequate and timely financing in the future when needed; product liability risks; limited manufacturing experience; limited marketing, sales and distribution experience; market acceptance of the Company's products; competition; unexpected changes in technologies and technological advances; and other factors detailed in the Company's Form 10-K filed with the SEC on April 3, 2013, which is available at <http://www.sec.gov>.

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CYTOSORBENTS CORPORATION
(a development stage company)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(amounts in thousands, except per share data)

	Quarter Ended March 31,	
	<u>2013</u>	<u>2012</u>
Revenues		
Sales	\$ 176	\$ 17
Grant income	<u>195</u>	<u>33</u>
Total revenues	<u>371</u>	<u>50</u>
Cost of revenue	<u>253</u>	<u>54</u>
Gross profit	118	(4)
Expenses:		
Research and development	704	633
Legal, financial and other consulting	223	161
Selling, general and administrative	<u>613</u>	<u>269</u>
Total operating costs and expenses	<u>1,540</u>	<u>1,063</u>
Operating loss	(1,422)	(1,067)
Other expenses, net	<u>207</u>	<u>360</u>
Net loss before benefit from income taxes	(1,629)	(1,427)

Benefit from income taxes	---	---
Net loss	<u>(1,629)</u>	<u>(1,427)</u>
Preferred stock dividend	<u>586</u>	<u>664</u>
Net loss available to common stockholders	<u>\$ (2,215)</u>	<u>\$ (2,091)</u>
Earnings per share:		
Basic and diluted earnings per share	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
Basic and diluted weighted Average shares outstanding	<u>222,968,576</u>	<u>181,150,646</u>
Net Loss	\$ (1,629)	\$ (1,427)
Other comprehensive loss:		
Currency translation adjustment	(2)	---
Comprehensive loss	<u>\$ (1,631)</u>	<u>\$ (1,427)</u>

CYTOSORBENTS CORPORATION
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CONDENSED CONSOLIDATED BALANCE SHEETS
(amounts in thousands)

	March 31, 2013	December 31, 2012
ASSETS:		
Cash and cash equivalents	\$ 1,365	\$ 1,729
Accounts receivable, net	115	52
Inventories	555	682
Prepaid expenses and other current assets	<u>94</u>	<u>476</u>
Total current assets	2,129	2,939
Property and equipment, net	140	146
Other assets	<u>258</u>	<u>254</u>
TOTAL ASSETS	<u>\$ 2,527</u>	<u>\$ 3,339</u>
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Accounts payable	\$ 705	\$ 801
Accrued expenses and other current liabilities	289	350
Convertible notes payable, net	<u>---</u>	<u>926</u>
Total current liabilities	994	2,077
Convertible notes payable, net	<u>---</u>	<u>---</u>
Total liabilities	<u>994</u>	<u>2,077</u>

Redeemable Series B Convertible Preferred Stock	13,470	12,887
Total stockholders' equity	<u>(11,937)</u>	<u>(11,625)</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 2,527</u>	<u>\$ 3,339</u>

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