



**DEL CATH ANNOUNCES REIMBURSEMENT STATUS  
FOR CHEMOSAT IN GERMANY**

***Interim Reimbursement Value 4 Status Confirmed for 2014***

**NEW YORK, January 31, 2014** – Delcath Systems, Inc. (NASDAQ: DCTH) today announced that the Institut für das Entgeltsystem im Krankenhaus (InEk), the German federal reimbursement agency, has reiterated the Value 4 coverage status for the treatment of patients with liver metastases with the Delcath Hepatic CHEMOSAT® Delivery System. Under the Neue Untersuchungs und Behandlungsmethoden (NUB) reimbursement scheme, Value 4 Status, while not mandating reimbursement, allows participating cancer centers to negotiate reimbursement coverage for the CHEMOSAT procedure with all insurers serving their region.

The InEk determines three status levels for medical procedures submitted for its review: Value 1 (mandated reimbursement), Value 2 (declined for reimbursement), and Value 4 (negotiated reimbursement). The InEk may also decline to make determination regarding an application. For 2014 reimbursement, a total of 618 medical procedures were submitted to the InEk for consideration under the NUB scheme, with 16% or 96 procedures receiving Value 1 Status, 6% or 36 procedures receiving Value 4, and the remaining 78% denied coverage or un-evaluated. The CHEMOSAT application was submitted by 71 hospitals in Germany, which represents a significant increase in the level of institutional support the procedure received over 2013.

InEk first established NUB Value 4 status for CHEMOSAT procedures in 2013, and participating cancer centers in Germany have been and are expected to continue pursuing reimbursement under Value 4 status, providing hospitals the opportunity to submit Individual Funding Requests (IFR) to obtain reimbursement for the CHEMOSAT procedure. While IFRs are evaluated on a case-by-case basis, the majority of these applications have been approved in recent months. The Company expects that IFRs will be the key reimbursement vehicle in the German market in 2014.

“The number of applications denied or not evaluated by InEk illustrates how challenging the reimbursement environment is for new procedures in Germany,” said Jennifer K. Simpson, Interim Co-President and Co-CEO of Delcath. “With the broad institutional support for our product this year, an existing network of seven cancer centers in Germany offering the CHEMOSAT procedure, and a reimbursement mechanism via the IFR process, we believe we are well positioned to continue driving clinical adoption of CHEMOSAT in the German market. As local experience and clinical data continue to build in Germany, we also believe our prospects for achieving NUB Value 1 Status will improve.”

***About Delcath Systems***

Delcath Systems, Inc. is a specialty pharmaceutical and medical device company focused on oncology. Our proprietary drug/device combination product, the Delcath Hepatic Delivery System, is designed to administer high dose chemotherapy and other therapeutic agents to the liver, while controlling the systemic exposure of those agents. The Company's initial focus is on the treatment of primary and metastatic liver cancers. Outside of the United States, our proprietary product to deliver and filter melphalan hydrochloride is marketed under the trade name Delcath Hepatic CHEMOSAT® Delivery System for melphalan hydrochloride. The Company obtained authorization to affix a CE Mark for the Generation Two CHEMOSAT Delivery System for Melphalan in April 2012. The right to affix the CE mark allows the Company to market and sell the CHEMOSAT Delivery System for Melphalan in Europe. The Delcath Hepatic Delivery System for Melphalan has not been approved for sale in the United States by the United States Food and Drug Administration. The Company has initiated plans to investigate Melphalan Hydrochloride for Injection for use with the Delcath Hepatic Delivery System for primary liver cancer.

*Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by the Company or on its behalf. This news release contains forward-looking statements, which are subject to certain risks and uncertainties that can cause actual results to differ materially from those described. Factors that may cause such differences include, but are not limited to, uncertainties relating to: the ability of hospitals in Germany to successfully negotiate and receive reimbursement for the CHEMOSAT procedure in their region under Value 4 status and the amount of reimbursement, if any, to be provided under Value 4 status in 2014, approval of Individual Funding Requests for reimbursement of the CHEMOSAT procedure, the impact of Value 4 status on potential CHEMOSAT product use and sales in Germany, the Company's ability to regain compliance with the NASDAQ Marketplace Rules and maintain its listing on the NASDAQ Capital market,, the timing and results of future clinical trials including without limitation the HCC trials, clinical adoption, use and resulting sales, if any, for the CHEMOSAT system to deliver and filter melphalan in Europe, our ability to successfully commercialize the chemosaturaton system and the potential of the chemosaturaton system as a treatment for patients with primary and metastatic disease in the liver, our ability to obtain reimbursement for the CHEMOSAT system in various markets, the Company's ability to satisfy the requirements of the FDA's Complete Response Letter and provide the same in a timely manner, approval of the current or future chemosaturaton system for delivery and filtration of melphalan, doxorubicin or other chemotherapeutic agents for various indications in the US and/or in foreign markets, actions by the FDA or other foreign regulatory agencies, our ability to successfully enter into strategic partnership and distribution arrangements in foreign markets and the timing and revenue, if any, of the same, uncertainties relating to the timing and results of research and development projects,, and uncertainties regarding our ability to obtain financial and other resources for any research, development, clinical trials and commercialization activities. These factors, and others, are discussed from time to time in our filings with the Securities and Exchange Commission. You should not place undue reliance on these forward-looking statements, which speak only as of the date they are made. We undertake no obligation to publicly update or revise these forward-looking statements to reflect events or circumstances after the date they are made.*

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