

May 14, 2015



Milestone Scientific Reports First Quarter 2015 Financial Results and Provides Business Update

LIVINGSTON, NJ -- (Marketwired) -- 05/14/15 -- [Milestone Scientific Inc.](#) (OTCQB: MLSS), a leading medical research and development company that designs and patents innovative injection technology, today announced financial results for the first quarter ended March 31, 2015 and provided a business update including its minority owned subsidiary which holds the exclusive rights to the epidural and intra-articular (IA) instruments ("Epidural & IA Subsidiary").

First Quarter 2015 Highlights:

- Revenue increased 5.7% to \$2.8 million versus \$2.6 million for the quarter ended March 31, 2014
- Epidural & IA Subsidiary signed distribution agreement with Poland-based distributor for epidural instrument
- Epidural & IA Subsidiary commenced clinical trials at two U.S. pain management centers
- Letter of intent signed with MILA International for marketing, distribution and commercialization of an anesthetic delivery instrument for maxillary nerve block procedures in horses

Leonard Osser, Chief Executive Officer of Milestone Scientific, stated, "A major focus of the Company in 2015 is commercializing the first medical applications of our technology platform, including those licensed by our Epidural & IA Subsidiary. Our Epidural & IA Subsidiary has been in negotiations with distributors in a number of countries. The Epidural & IA Subsidiary recently signed its first distribution agreement with TRIMED Sp.z.o.o., one of the largest distributors of diagnostic equipment in Poland. We look forward to announcing distributors in other European markets in the near future. At the same time, our Epidural and IA Subsidiary is introducing the epidural instrument to key opinion leaders in Poland and other target markets that we expect will demonstrate and help publicize the efficacy of the instrument. Upon completion of these pilot programs and the additional validation that we anticipate will come from the U.S. clinical trials, we expect the Epidural and IA Subsidiary will enter full scale commercialization of the instrument. At the same time, we are in the process of launching three additional medical instruments with our partners. We also remain focused on increasing sales in the dental arena and have undertaken a number of initiatives that we believe will help to accelerate our growth. Among these initiatives, we are working on development of a new dental instrument."

Mr. Osser continued, "Multi-site clinical trials of our epidural instrument are underway in the U.S. and we look forward to the conclusion of these trials later this year, which we expect will be a catalyst for our Epidural and IA Subsidiary to commence a full commercial launch

with both our international and U.S. distribution partners. In the short time since our FDA registration approval to commence with the clinical trials, over 100 clinical trial participants have completed the clinical trial procedures and the estimate is that 400 clinical trial participants will be in the study. We will keep investors informed as we reach benchmarks in terms of new enrollees. Upon successful completion of the clinical trials and statistical analysis of the studies, our Epidural and IA Subsidiary will return to the FDA for final marketing clearance. The U.S. epidural market is estimated at over \$7 billion annually and over 2.4 million women in the U.S. receive epidurals while in labor each year with another 1.6 million women who give birth choosing not to have an epidural, mainly due to safety concerns. In Europe, the addressable market for epidurals is estimated to be even larger than the U.S. Our Epidural and IA Subsidiary continues to advance the intra-articular instrument as well; however it is difficult to accurately predict the exact timing as the U.S. regulatory process is outside of our control."

Mr. Osser continued, "Our anticipated entrée into the \$24 billion global animal health industry commenced with the signing of a letter of intent with MILA International earlier this year. MILA is a Kentucky-based global marketer and distributor of veterinary products. Our strategy is to collaborate on the development, commercialization and distribution of an anesthetic delivery instrument for maxillary nerve block procedures in horses where MILA will be responsible for marketing and distribution and Milestone will manufacture product."

Revenue for quarter ended March 31, 2015 increased 5.7% to \$2.8 million versus \$2.6 million for the quarter ended March 31, 2014. The increase in product sales of \$149,370 was primarily the result of increased international revenue. Domestic instrument sales increased by \$290,257 in the first quarter of 2015 versus the first quarter of 2014. In the domestic market, handpiece sales decreased by \$593,431 or 58% in 2015 versus 2014. This decrease in domestic handpiece sales is not identified as a continuing issue. International instrument sales decreased by \$4,659 or 0.7% in the first quarter of 2015 versus the first quarter of 2014. In the international market, handpiece sales increased by \$506,728 or 71.6% due to an increase in Wand handpiece sales of \$419,601 in 2015 versus 2014. STA handpiece sales increased by \$87,127 or 67% for the first quarter of 2015 versus 2014. Gross profit in the first quarter of 2015 was \$1.8 million or 66% of revenue versus \$1.7 million or 66% of revenue for the same period in 2014. The total increase in gross profit dollars of \$99,219 is primarily due to an increase in revenue. Operating loss for the first quarter of 2015 was \$(71,143) versus operating income of \$329,248 in the first quarter of 2014. The \$505,212 or 36% increase in SG&A expenses reflects an increase in expenses for consulting services for international distributors, corporate marketing, trade shows, increased payroll and other expenses to support the anticipated growth of the Company. Net loss for the first quarter of 2015 was \$(427,634) or \$(0.02) per diluted share, versus net income of \$194,834 or \$0.01 per diluted share in the first quarter of 2014.

Conference Call

Milestone Scientific's executive management team will host a teleconference on Friday, May 15, 2015 at 8:30 am Eastern Daylight Savings Time to discuss the company's financial results. The conference call can be accessed via telephone by dialing toll free 888-632-5008 and entering the passcode 7965507 or on the company website at www.milestonescientific.com. For those unable to participate at that time, a replay of the call can be accessed by dialing 888-203-1112 and entering the pass code 7965507. The replay

will be available for 90 days.

About Milestone Scientific Inc.

Milestone Scientific Inc. (MLSS) is a leading medical research and development company that designs and patents innovative injection technology. Milestone's computer-controlled systems make injections precise, efficient, and virtually painless. For more information please visit our website: www.milestonescientific.com

Safe Harbor Statement

This press release contains forward-looking statements regarding the timing and financial impact of Milestone's ability to implement its business plan, expected revenues and future success. These statements involve a number of risks and uncertainties and are based on assumptions involving judgments with respect to future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond Milestone's control. Some of the important factors that could cause actual results to differ materially from those indicated by the forward-looking statements are general economic conditions, failure to achieve expected revenue growth, changes in our operating expenses, adverse patent rulings, FDA or legal developments, competitive pressures, changes in customer and market requirements and standards, and the risk factors detailed from time to time in Milestone's periodic filings with the Securities and Exchange Commission, including without limitation, Milestone's Annual Report for the year ended December 31, 2014. The forward looking-statements in this press release are based upon management's reasonable belief as of the date hereof. Milestone undertakes no obligation to revise or update publicly any forward-looking statements for any reason.

MILESTONE SCIENTIFIC INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2015 (Unaudited)	December 31, 2014 (Audited)
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 9,331,405	\$ 10,367,993
Accounts receivable, net of allowance for doubtful accounts of \$5,000 as of March 31, 2015 and December 31, 2014	1,642,938	1,541,478
Due from related party	184,589	-
Notes receivable-Milestone Medical Inc	200,000	-
Inventories	2,766,013	2,497,099
Advances on contracts	252,306	721,197
Prepaid expenses and other current assets	691,210	454,566
Total current assets	15,068,461	15,582,333
Investment in Milestone Medical Inc	506,947	888,720
Investment in Milestone Education LLC	19,977	24,192

Investment in Milestone China	445,325	348,651
Furniture, Fixtures & Equipment net of accumulated depreciation of \$422,001 as of March 31, 2015 and \$416,210 as of December 31, 2014	85,448	88,818
Patents, net of accumulated amortization of \$594,283 as of March 31, 2015 and \$576,960 as of December 31, 2014	512,706	530,029
Other assets	14,685	14,685
Total assets	<u>\$ 16,653,549</u>	<u>\$ 17,477,428</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:

Accounts payable	\$ 1,229,515	\$ 1,453,908
	627,192	981,168
Accrued expenses and other payables		
Total current liabilities	<u>1,856,707</u>	<u>2,435,076</u>

Commitments and Contingencies

Stockholders' Equity

Series A Convertible Preferred Stock, par value \$.001, authorized 5,000,000 shares, 7,000 and zero shares issued and outstanding, respectively

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Common stock, par value \$.001; authorized 50,000,000 shares; 21,404,494 shares issued, 974,953 shares to be issued and 21,371,161 shares outstanding as of March 31, 2015. 21,404,494 shares issued, 974,953 shares to be issued and 21,371,161 shares outstanding as of December 31, 2014

	22,380	22,380
Additional paid-in capital	77,586,539	77,504,415
Accumulated deficit	(62,386,837)	(61,967,462)
Treasury stock, at cost, 33,333 shares	(911,516)	(911,516)
Total stockholders' equity	<u>14,310,573</u>	<u>14,647,824</u>
Noncontrolling interest	<u>486,269</u>	<u>394,528</u>
Total Equity	<u>14,796,842</u>	<u>15,042,352</u>
Total liabilities and stockholders' equity	<u>\$ 16,653,549</u>	<u>\$ 17,477,428</u>

See Notes to Condensed Consolidated Financial Statements

	Three Months Ended March 31,	
	2015	2014
Product sales, net	\$ 2,770,204	\$ 2,620,834
Cost of products sold	933,148	882,997
Gross profit	<u>1,837,056</u>	<u>1,737,837</u>
Selling, general and administrative expenses	1,898,081	1,392,869
Research and development expenses	10,118	15,720
Total operating expenses	<u>1,908,199</u>	<u>1,408,589</u>
(Loss) income from operations	(71,143)	329,248
Other income (expenses)		
Interest income (expense)	1,210	(475)
Loss on Earnings from Medical Joint Venture	(450,160)	(130,523)
Loss on Earnings from Education Joint Venture	(4,215)	(3,416)
Gain on Earnings from China Joint Venture	96,674	-
Total other expenses, net	<u>(356,491)</u>	<u>(134,414)</u>
Net (loss) income	<u>(427,634)</u>	<u>194,834</u>
Net loss attributable to the noncontrolling interests	8,259	-
Net (loss) income attributable to Milestone Scientific Inc	<u>\$ (419,375)</u>	<u>\$ 194,834</u>
Net (loss) income per share applicable to common stockholders -		
Basic	<u>\$ (0.02)</u>	<u>\$ 0.01</u>
Diluted	<u>\$ (0.02)</u>	<u>\$ 0.01</u>
Weighted average shares outstanding and to be issued		
-		
Basic	<u>22,346,114</u>	<u>17,787,352</u>
Diluted	<u>22,346,114</u>	<u>18,268,814</u>

See Notes to Condensed Consolidated Financial Statements

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Source: Milestone Scientific, Inc.