

November 12, 2012



Milestone Scientific Reports Third Quarter Financial Results and Provides Business Update

Domestic Instrument Sales Increase by 60.8%; Achieves Positive Cash Flow

LIVINGSTON, NJ -- (Marketwire) -- 11/12/12 -- [Milestone Scientific Inc.](#) (OTCQB: MLSS), the recognized leader in advanced, computer-controlled injection technologies, today announced financial results for the three months ended September 30, 2012.

Leonard Osser, Chief Executive Officer of Milestone Scientific, stated, "We are very pleased with our financial performance this quarter, as we achieved a 60.8% increase in domestic instrument sales to \$147,012 in the third quarter of 2012 compared to \$91,451 in the same period last year. Domestic handpiece sales increased by 53.4% to \$1.2 million in the third quarter of 2012, substantially higher than the \$762,726 in handpiece sales in the third quarter of 2011. This was due in part to a dealer purchasing in advance of a price increase. Importantly, we have now turned the corner and expect to be cash flow positive in 2013, which we expect will continue as we grow our sales and continue to carefully manage our expenses going forward."

"Our recent strategic alliance with Aseptico will help further drive both sales and cash flow. Specifically, Aseptico will take over responsibility for marketing directly to individual dentists and small offices. This should significantly reduce our own sales and marketing expenses, which will further enhance our cash flow. Aseptico already participates in over 70 dental shows, and will now begin to attend pediatric dental shows in the U.S. and Canada to market our STA instrument. Aseptico has committed to an active advertising initiative targeting major dental publications, as well as direct mailing campaigns to over 150,000 dentists across the U.S. and Canada. We are excited about this partnership as we believe it will allow us focus on our major opportunities, including sales to group dental practices and developing new medical applications of our computerized drug delivery systems."

"We are pleased to report that we continue to expand our presence in the domestic market. The addition of Dental American Group, a growing South Florida based dental group, makes this the second dental group in Florida that has adopted our instruments. We are awaiting additional dental groups in Florida and in other states to finish conducting beta tests of our Single Tooth Anesthesia (STA) System®, which are well underway. These dental practices view our pain-free, computer-controlled drug delivery system not only as a competitive advantage, but also as a profitable new revenue stream. We look forward to further penetrating the group dental market. Although the sales cycle within these organizations is considerably longer, it is far more scalable and cost effective than focusing on individual dentists."

Mr. Osser continued, "We are also educating the next generation of dentists as we expand our presence within dental universities. Most recently, we entered into an educational partnership with the University of Florida College of Dentistry, whereby Milestone will supply its STA System for use by the university faculty to train students. In addition to those universities that have already adopted our technology, we continue to be actively engaged in discussions with other dental universities, which will offer further evidence that our technology is widely recognized as the standard of care within the dental market."

"Last month we announced that the State Food and Drug Administration (SFDA) of the People's Republic of China approved Milestone's STA instrument. We expect the SFDA to approve The Wand handpiece in the coming months. This is a significant milestone for us, as this approval brings us closer to entering the Chinese market, while continuing to branch out and penetrate the international dental market."

"Lastly, through our partnership with Beijing 3H, we have nearly completed development of our pre-production epidural drug delivery instrument utilizing our patented CompuFlo technology. Upon finalization of the design, we plan to submit to the U.S. Food & Drug Administration for 510(k) approval. We see enormous opportunities ahead, not only in the epidural and intra-articular markets, but across a wide range of medical applications where our instruments provide a dramatic advantage and have the potential to significantly reduce widespread complications and malpractice related to conventional drug delivery."

Revenue for the three months ended September 30, 2012 was \$2.1 million versus \$1.7 million for the third quarter of 2011. The increase in product sales of \$383,365 or 22% was primarily the result of increased domestic revenue. Revenue for the third quarter of 2012 included \$150,000 collected from a vendor as a one-time event, against which the Company will expense approximately \$25,000 in the first quarter of 2013. Domestic instrument sales increased by 60.8% to \$147,012 in 2012 versus 2011 due to the increased demand at the distributor and group dental practice levels. In the domestic market, handpiece sales increased by \$407,382 or 53%. On the international front, total revenue was \$786,443, a 12% decrease versus the same period in 2011. International instrument sales decreased by \$104,107 or 32% in the third quarter of 2012 versus 2011 due to a reduced focus on the CompuDent/Wand Plus instruments in existing international countries. Distributors are now in the process of introducing our new STA instruments. Gross profit for the third quarter of 2012 was \$1.5 million or 71% of revenue versus \$1.1 million or 66% of revenue in the third quarter of 2011. Net income for the third quarter of 2012 was \$15,151 versus net loss of \$637,338 for the comparable period in 2011. The return to profitability is attributable to an increase in sales and gross margin dollars, as well as a decrease in selling, general and administrative expenses.

Revenue for the nine months ended September 30, 2012 was \$6.4 million versus \$6.6 million for the nine months ended September 30, 2011. Revenue for the nine months ended September 30, 2012 included \$150,000 collected from a vendor as a one-time event, against which the Company will expense approximately \$25,000 in the first quarter of 2013. The decrease in sales was primarily due to a marketing shift in the U.S. toward large dental groups which have a longer selling cycle. Gross profit for the nine months ended September 30, 2012 was \$4.2 million or 66% of revenue versus \$4.3 million or 65% of revenue for the nine months ended September 30, 2011. Operating loss for the nine months ended September 30, 2012 was \$235,110 versus a loss of \$923,579 for the nine months ended

September 30, 2011. The decrease in operating loss was substantially attributable to a reduction in selling, general and administrative expenses. Net loss for the nine months ended September 30, 2012 was \$504,571 versus a loss of \$1.1 million for the comparable period in 2011. Net loss for the nine months ended September 30, 2012 included a non-cash expense of \$124,179 related to the medical joint venture expense that did not occur in the same period last year.

Milestone's executive management team will host a teleconference on Monday, November 12, 2012 at 5:00 P.M. Eastern Time to discuss the company's financial results. The conference call can be accessed via telephone by dialing toll free 877-941-9205. For those unable to participate at that time, a replay of the call can be accessed by dialing 800-406-7325 and entering the pass code 4575578. The replay will be available for 90 days.

About Milestone Scientific Inc.

Headquartered in Livingston, New Jersey, Milestone Scientific is engaged in pioneering advanced computer-controlled drug delivery technologies for the medical and dental markets and currently sells its award-winning products through a global distribution network serving North and South America, Asia, Africa, Europe and the Middle East. For more information on the STA Single Tooth Anesthesia System® instrument and other innovative Milestone products, please visit the Company's web site found at 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, 2011. 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 STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Product sales, net	\$ 2,129,241	\$ 1,745,876	\$ 6,377,574	\$ 6,635,983

Cost of products sold	625,710	597,528	2,142,661	2,345,191
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Gross profit	1,503,531	1,148,348	4,234,914	4,290,792
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Selling, general and administrative expenses	1,391,521	1,695,908	4,330,847	5,121,831
Research and development expenses	60,363	(7,403)	139,176	92,540
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Total operating expenses	1,451,884	1,688,505	4,470,023	5,214,371
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Income (loss) from operations	51,647	(540,157)	(235,110)	(923,579)
Other expenses				
Interest expense	(36,497)	(35,622)	(142,217)	(89,679)
Interest-Amortization of debt issuance	-	(1,532)	(3,065)	(3,764)
Loss on Earnings from Joint Venture	-	(60,027)	(124,179)	(60,027)
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Total other expenses	(36,497)	(97,181)	\$ (269,461)	\$ (153,470)
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Net income (loss) applicable to common stockholders	\$ 15,151	\$ (637,338)	\$ (504,571)	\$ (1,077,049)
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Net income (loss) per share applicable to common stockholders - Basic and diluted	\$ 0.00	\$ (0.04)	\$ (0.03)	\$ (0.07)
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Weighted average shares outstanding and to be issued - Basic	16,244,800	15,121,221	15,953,925	15,073,725
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Diluted	16,369,814	15,121,221	15,953,925	15,073,725
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MILESTONE SCIENTIFIC INC.
CONDENSED BALANCE SHEETS

	September 30, 2012 (Unaudited)	December 31, 2011
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ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 273,526	\$ 96,324
Accounts receivable, net of allowance for doubtful accounts of \$179,895 in 2012 and \$182,880 in 2011	794,335	1,154,459
Inventories	670,655	790,494
Advances to contract manufacturer, current	940,318	952,558
Prepaid expenses and other current assets	150,943	304,180
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Total current assets	2,829,777	3,298,015
Accounts receivable-long term, net of allowance for doubtful accounts of \$234,692 as of		

September 30, 2012 and \$372,000 as of December 31, 2011	164,742	261,256
Advances to contract manufacturer, non current	2,150,451	2,453,948
Investment in distributor, at cost	76,319	76,319
Investment in Joint Venture	-	124,179
Furniture, Fixtures & Equipment net of accumulated depreciation of \$454,374 as of September 30, 2012 and \$446,484 as of December 31, 2011	40,284	52,309
Patents, net of accumulated amortization of \$401,335 as of September 30, 2012 and \$344,238 as of December 31, 2011	662,789	698,357
Other assets	7,317	27,819
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Total assets	\$ 5,931,679	\$ 6,992,202
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LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:

Accounts payable	\$ 2,605,133	\$ 3,931,531
Accrued expenses and other payables	915,152	677,419
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Total current liabilities	3,520,285	4,608,950
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Long-term Liabilities:

Notes Payable-net of discount of \$3,065 at December 2011	450,000	446,935
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Total long-term liabilities	450,000	446,935
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Commitments and Contingencies

Stockholders' Equity

Common stock, par value \$.001; authorized 50,000,000 shares; 16,353,751 shares issued 1,472,671 shares to be issued and 16,320,418 shares outstanding as of September 30, 2012; 15,556,878 shares issued, 1,501,457 shares to be issued, and 15,523,545 shares outstanding as of December 31, 2011	17,826	17,058
Additional paid-in capital	64,219,717	63,690,837
Accumulated deficit	(61,364,633)	(60,860,062)
Treasury stock, at cost, 33,333 shares	(911,516)	(911,516)
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Total stockholders' equity	1,961,394	1,936,317
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Total liabilities and stockholders' equity	\$ 5,931,679	\$ 6,992,202
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Source: Milestone Scientific, Inc.

