

May 17, 2016



Milestone Scientific Reports 29% Increase in Revenue for the First Quarter of 2016

LIVINGSTON, NJ -- (Marketwired) -- 05/17/16 -- [Milestone Scientific Inc.](#) (NYSE MKT: MLSS), a medical R&D company that designs, patents, incubates and commercializes a growing portfolio of innovative injection technologies, today announced financial results for the first quarter ending March 31, 2016.

First Quarter 2016 Financial Highlights

- Revenue for the first quarter of 2016 increased 29% to \$3.6 million
- Domestic handpiece sales increased 129% to \$988,000
- Domestic instrument sales increased 47% to \$661,000
- International instrument sales increased 87% to \$1.3 million

Leonard Osser, Chief Executive Officer of Milestone Scientific stated, "We are now seeing the positive impact of our recent sales and marketing initiatives that will enable us to grow our dental business in 2016 even though, quarter by quarter, revenue can be somewhat erratic given the ordering patterns of our customers. Our new distribution arrangement with Henry Schein, the world's largest provider of health care products and services to office-based dental, animal health and medical practitioners, enables us to leverage Henry Schein's field representatives and their unparalleled access, relationships, and marketing platforms in the professional dental segment. We believe this agreement significantly expands our reach in the U.S. and Canadian markets and should have a further positive impact on sales by year end."

"In addition to our focus on the U.S. market, our global sales initiatives for the dental instrument are taking hold and we are seeing positive results heading into 2016, especially in China. We recently announced a purchase order for one thousand dental instruments and over seven thousand disposable handpieces from Milestone China, a joint venture distribution company between Milestone Scientific and a team of senior healthcare executives from China. We believe this is the first of many purchase orders we will receive from China."

Mr. Osser continued, "We have nearly completed the clinical trials of our epidural instrument, and have 20 patients remaining. We have added two new sites in the U.S. at leading universities, which will broaden the scope of our clinical trials. The trials at these two sites have already commenced and should be completed this quarter. Recently, we announced that we increased Milestone Scientific's ownership stake in Milestone Medical to 87%. We believe this transaction is both timely, and will benefit both Milestone Scientific and Milestone Medical shareholders as we advance towards commercialization of the epidural and intra-articular instruments."

Revenue for the three months ended March 31, 2016 was \$3.6 million versus \$2.8 million

for the first quarter of 2015. The increase in total revenue by \$799,000 or 29% was primarily related to the increase in instruments and handpiece sales worldwide. Domestic instrument sales increased by 47% or \$212,000 in 2016 versus 2015 due to a purchase order received from our nonexclusive distributor, Henry Shein. In the domestic market, handpiece sales increased by \$556,000 or 129%. International Instruments sales increased by \$590,542 over the same period in 2015 due to a shipment of STA instruments to China. International handpiece sales decreased by \$629,000 for the same period in 2015 due to an incentive buyer program in 2015 for handpieces that did not occur in the first quarter of 2016. Gross profit for the first quarter of 2016 was \$2.2 million or 62% of revenue versus \$1.8 million or 66% of revenue in the first quarter of 2015. Net loss for the first quarter of 2016 was \$(750,000), or \$(0.03) per share, versus net loss of \$(419,000), or \$(0.02) per share, for the comparable period in 2015.

Conference Call

Milestone Scientific's executive management team will host a teleconference on Tuesday, May 17, 2016 at 8:30 AM Eastern Time to discuss the company's financial results. The conference call can be accessed via telephone by dialing toll free 888-631-5930 and entering the passcode 9556844 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 passcode 9556844. The replay will be available for 90 days.

About Milestone Scientific Inc.

Milestone Scientific Inc. (NYSE: MLSS) is a medical R&D company that designs, patents, incubates and commercializes a growing portfolio of innovative injection technologies. 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, 2015. 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.

(tables follow)

MILESTONE SCIENTIFIC INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2016 (unaudited)	December 31, 2015 (audited)
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 2,671,778	\$ 4,194,384
Accounts receivable, net of allowance for doubtful accounts of \$5,000 as of March 31, 2016 and December 31, 2015	2,269,154	1,793,801
Other receivable	58,140	58,140
Inventories	3,898,237	4,258,094
Advances on contracts	1,253,645	1,215,128
Prepaid expenses and other current assets	505,336	304,604
Total current assets	10,656,290	11,824,151
Investment in Milestone Education LLC	-	16,346
Furniture, fixtures & equipment net of accumulated depreciation of \$589,703 as of March 31, 2016 and \$566,477 as of December 31, 2015	220,892	235,935
Patents, net of accumulated amortization of \$663,926 as of March 31, 2016 and \$646,388 as of December 31, 2015	712,448	715,540
Other assets	17,355	17,355
Total assets	\$ 11,606,985	\$ 12,809,327
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current Liabilities:		
Accounts payable	\$ 1,866,352	\$ 2,088,268
Accrued expenses and other payables	1,375,171	1,555,567
Total current liabilities	3,241,523	3,643,835
Commitments and Contingencies		
Stockholders' Equity		
Series A convertible preferred stock, par value \$.001, authorized 5,000,000 shares, 7,000 shares issued and outstanding, respectively	7	7

Common stock, par value \$.001;
authorized 50,000,000 shares; 21,720,497
shares issued, 1,100,405 shares to be
issued and 21,687,164 shares outstanding
as of March 31, 2016; 21,720,497 shares
issued, 963,451 shares to be issued and
21,687,164 shares outstanding as of
December 31, 2015

	22,821	22,685
Additional paid-in capital	79,076,752	78,632,383
Accumulated deficit	(68,185,043)	(67,434,984)
Treasury stock, at cost, 33,333 shares	(911,516)	(911,516)
Total Milestone Scientific Inc. stockholders' equity	<u>10,003,021</u>	<u>10,308,575</u>
Noncontrolling interest	(1,637,559)	(1,143,083)
Total Equity	8,365,462	9,165,492
Total liabilities and stockholders' equity	<u>\$ 11,606,985</u>	<u>\$ 12,809,327</u>

The following table includes assets to settle
liabilities of the consolidated variable
interest. These assets and liabilities are
included in the consolidated balance sheet
above.

Assets:

Cash and cash equivalents	\$ 72,967	\$ 1,222
Accounts receivable	45,075	45,075
Inventories	875,974	885,961
Advances on contracts	44,148	43,524
Furniture, fixtures & equipment net of accumulated depreciation	107,403	119,007

Liabilities:

Accounts payable	\$ 426,993	\$ 461,292
Accrued expenses and other payables	324,815	354,361

MILESTONE SCIENTIFIC INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31,	
	2016	2015
Product sales, net	<u>\$ 3,569,374</u>	<u>\$ 2,770,204</u>

Cost of products sold	1,368,190	933,148
Gross profit	2,201,184	1,837,056
Selling, general and administrative expenses	3,001,130	1,898,081
Research and development expenses	143,442	10,118
Total operating expenses	3,144,572	1,908,199
Loss from operations	(943,388)	(71,143)
Interest expense	(1,237)	-
Interest income	302	1,210
Total other expenses, net	(935)	1,210
Loss before provision for income tax and equity in net earnings of equity investments	(944,323)	(69,933)
Provision for income tax	(46,834)	-
Loss before equity in net earnings of equity investments	(991,157)	(69,933)
Loss on earnings from Milestone Medical	-	(450,160)
Loss on earnings from Education Joint Venture	-	(4,215)
(Loss) Gain on earnings from China Joint Venture	(269,726)	96,674
Loss in equity investments	(269,726)	(357,701)
Net Loss	(1,260,883)	(427,634)
Net loss attributable to noncontrolling interests	510,824	8,259
Net loss attributable to Milestone Scientific Inc.	<u>\$ (750,059)</u>	<u>\$ (419,375)</u>
Net loss per share applicable to common stockholders		
Basic	<u>\$ (0.03)</u>	<u>\$ (0.02)</u>
Diluted	<u>\$ (0.03)</u>	<u>\$ (0.02)</u>
Weighted average shares outstanding and to be issued—		
Basic	<u>22,609,349</u>	<u>21,919,616</u>
Diluted	<u>22,609,349</u>	<u>21,919,616</u>

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Source: Milestone Scientific, Inc.

