

November 12, 2013



Milestone Scientific Reports Third Quarter Financial Results and Provides Business Update

Revenue Increases 14.8% to \$2.4 Million

Domestic Instrument Sales Increase 70.8%

Operating Margin Increases to 17.8% From 2.4%

Third Consecutive Quarter of Profitability

LIVINGSTON, NJ -- (Marketwired) -- 11/12/13 -- [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 three and nine months ended September 30, 2013.

Leonard Osser, Chief Executive Officer of Milestone Scientific, stated, "We are pleased with the continuing improvement in our operating results and the strengthening of our balance sheet this quarter. Though the company has significantly improved its bottom line this year, our main focus will be on further increasing profitability as we go forward. We achieved a 14.8% increase in revenue to \$2.4 million for the third quarter of 2013 compared to \$2.1 million for the same period last year. Notably, we achieved a 70.8% increase in domestic instrument sales to \$251,104 in the third quarter of 2013 reflecting the success of our new sales and marketing strategy. At the same time, our operating margins increased to 17.8% from just 2.4% for the same period last year as a result of our continued growth and strict financial discipline. We have built a highly scalable business model and expect to gain additional operating leverage as we continue to expand our domestic and international sales. Since the beginning of this year, we have also gone from a working capital deficit to over \$1 million of working capital and our shareholder's equity has increased from \$1.9 million to \$3.8 million at the end of the third quarter."

"As recently announced, our subsidiary, Milestone Medical Inc., has raised a total of \$3.0 million from European investors, representing a post-money valuation of approximately \$33.0 million. Closing of the transaction is subject to listing of the shares on the New Connect Market of the Warsaw Stock Exchange. Upon release of the funds at closing, the money raised will help accelerate the launch of our first two medical instruments, epidural and intra-articular, which are based on our patented Dynamic Pressure Sensing® system. We believe these first two medical applications represent a significant market opportunity for both Milestone Medical Inc. and Milestone Scientific Inc. We look forward to rolling out additional instruments and believe we have now demonstrated our ability to maximize value for shareholders by cost-effectively launching new products while minimizing equity dilution."

Revenue for the three months ended September 30, 2013 was \$2.4 million versus \$2.1 million for the third quarter of 2012. The increase in product sales of \$314,954 or 14.8% was primarily the result of increased domestic revenue. Domestic instrument sales increased by \$104,092 or 70.8% in 2013 versus 2012 due to the increased demand at the distributor and group dental practice levels. In the domestic market, handpiece sales increased by \$78,528 or 6.7%. International instrument sales increased by \$19,051 or 8.6% in the third quarter of 2013 versus 2012. In the international market, handpiece sales increased by \$131,662 or 24.1%. Gross profit for the third quarter of 2013 was \$1.8 million or 72% of revenue versus \$1.5 million or 71% of revenue in the third quarter of 2012. Operating income for the third quarter of 2013 was \$436,272 versus operating income of \$51,647 for the third quarter of 2012. Net income for the third quarter of 2013 was \$218,523 or \$0.01 per share, versus net income of \$15,150, or \$0.00 per share for the comparable period in 2012. The increase in net income 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, 2013 was \$7.2 million versus \$6.4 million for the nine months ended September 30, 2012. In the domestic market, total revenue was \$3.9 million, a 20.0% increase versus the same period in 2012. On the international front, total revenue increased by \$183,772 to \$3.3 million versus \$3.1 million for the same period in 2012. Gross profit for the nine months ended September 30, 2013 was \$5.0 million or 69% of revenue versus \$4.2 million or 66% of revenue for the nine months ended September 30, 2012. Operating income for the nine months ended September 30, 2013 was \$755,145 versus a loss of \$235,110 for the nine months ended September 30, 2012. Net income for the nine months ended September 30, 2013 was \$443,277, or \$0.03 per share, versus a loss of \$504,571, or \$(0.03) per share, for the comparable period in 2012. Net income for the nine months ended September 30, 2013 reflects the increase in sales and gross profit, as well as decreased selling, general and administrative expenses.

Milestone's executive management team will host a teleconference on Wednesday, November 13, 2013 at 8:30 A.M. Eastern Time to discuss the company's financial results. The conference call can be accessed via telephone by dialing toll free 1-877-941-8609. For those unable to participate at that time, a replay of the call can be accessed by dialing 1-800-406-7325 and entering the pass code 4649598#. 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, 2012. 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.
CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months		Nine Months	
	Ended September 30,	Ended September 30,	Ended September 30,	Ended September 30,
	2013	2012	2013	2012
Product sales	\$ 2,444,195	\$ 2,129,241	\$ 7,211,973	\$ 6,377,574
Cost of products sold	<u>677,792</u>	<u>625,710</u>	<u>2,233,944</u>	<u>2,142,661</u>
Gross profit	<u>1,766,403</u>	<u>1,503,531</u>	<u>4,978,029</u>	<u>4,234,913</u>
Selling, general and administrative expenses	1,317,433	1,391,521	4,045,465	4,330,847
Research and development expenses	<u>12,698</u>	<u>60,363</u>	<u>177,419</u>	<u>139,176</u>
Total operating expenses	<u>1,330,131</u>	<u>1,451,884</u>	<u>4,222,884</u>	<u>4,470,023</u>
Income (loss) from operations	436,272	51,647	755,145	(235,110)
Other income (expenses)				
Other income	-	-	17,543	-
Interest expense	(5,550)	(36,497)	(70,119)	(142,217)
Interest-Amortization of debt issuance	-	-	-	(3,065)
Loss on Earnings from Medical Joint Venture	<u>(212,199)</u>	<u>-</u>	<u>(259,291)</u>	<u>(124,179)</u>
Total other expenses	<u>(217,749)</u>	<u>(36,497)</u>	<u>\$ (311,868)</u>	<u>\$ (269,461)</u>
Net income (loss) applicable to common stockholders	<u>\$ 218,523</u>	<u>\$ 15,150</u>	<u>\$ 443,277</u>	<u>\$ (504,571)</u>
Net income (loss) per share applicable to common stockholders -				
Basic	<u>\$ 0.01</u>	<u>\$ 0.00</u>	<u>\$ 0.03</u>	<u>\$ (0.03)</u>
Diluted	<u>\$ 0.01</u>	<u>\$ 0.00</u>	<u>\$ 0.03</u>	<u>\$ (0.03)</u>
Weighted average shares outstanding and to be issued -				

Basic	<u>17,333,941</u>	<u>16,244,800</u>	<u>16,955,048</u>	<u>15,953,925</u>
Diluted	<u>17,716,964</u>	<u>16,369,814</u>	<u>17,322,388</u>	<u>15,953,925</u>

MILESTONE SCIENTIFIC INC.
CONDENSED BALANCE SHEETS

	<u>September 30, 2013</u> (Unaudited)	<u>December 31, 2012</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 401,836	\$ 165,249
Accounts receivable, net of allowance for doubtful accounts of \$17,862 as of September 30, 2013 and \$179,259 as of December 31, 2012	1,570,308	978,982
Receivable from Milestone Medical Inc	132,787	-
Inventories	874,559	638,561
Advances on contracts	501,469	476,969
Prepaid expenses and other current assets	116,945	239,061
Total current assets	<u>3,597,904</u>	<u>2,498,822</u>
Accounts receivable-long term, net of allowance for doubtful accounts of \$167,971 as of December 31, 2012	-	119,201
Advances on contracts	2,052,092	2,350,477
Investment in Milestone Education LLC	50,000	-
Furniture, Fixtures & Equipment net of accumulated depreciation of \$471,822 as of September 30, 2013 and \$458,708 as of December 31, 2012	26,622	36,624
Patents, net of accumulated amortization of \$478,916 as of September 30, 2013 and \$420,556 as of December 31, 2012	607,992	648,662
Other assets	12,917	7,317
Total assets	<u>\$ 6,347,527</u>	<u>\$ 5,661,103</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 1,806,404	\$ 2,336,594
Accrued interest on Notes Payable	-	356,563
Accrued expenses and other payables	747,296	581,407
Total current liabilities	<u>2,553,700</u>	<u>3,274,564</u>
Long-term Liabilities:		
Notes Payable	-	<u>450,000</u>

Total long-term liabilities	-	450,000
Total liabilities	<u>2,553,700</u>	<u>3,724,564</u>

Commitments and Contingencies

Stockholders' Equity

Common stock, par value \$.001; authorized 50,000,000 shares; 17,572,055 shares issued 1,655,317 shares to be issued and 17,538,722 shares outstanding as of September 30, 2013; 16,563,306 shares issued, 1,635,709 shares to be issued, and 16,529,973 shares outstanding as of December 31, 2012

Additional paid-in capital

Accumulated deficit

Treasury stock, at cost, 33,333 shares

Total stockholders' equity

Total liabilities and stockholders' equity

	19,228	18,199
	65,973,206	64,560,224
	(61,287,091)	(61,730,368)
	(911,516)	(911,516)
	<u>3,793,827</u>	<u>1,936,539</u>
	<u>\$ 6,347,527</u>	<u>\$ 5,661,103</u>

Investor Relations :

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Source: Milestone Scientific, Inc.