



## MILESTONE SCIENTIFIC ANNOUNCES FIRST QUARTER 2007 RESULTS

### *Company Also Announces Details for Upcoming 2007 Annual Meeting of Stockholders*

**LIVINGSTON, N.J. – (PR NEWSWIRE) – May 17, 2007** – Milestone Scientific, Inc. (OTCBB:MLSS), the recognized leader in advanced injection technologies, today reported results for the three months ended March 31, 2007.

#### **Financial Highlights for the Three Months Ended March 31, 2007 Compared to the Three Months Ended March 31, 2006:**

- Revenues rose 36% to \$2,309,963 from \$1,697,756 million. Domestic sales of the Company's new *Single Tooth Anesthesia (STA™)* delivery system, which began shipping in late March, were \$632,309, representing 27% of total sales for the current first quarter period.
- Gross profit margins improved to 64% from 54%.
- Despite factoring a non-cash charge of \$248,700 associated with the accounting of stock options pursuant to FASB Rule 123-R, coupled with increased marketing expense related to the launch of the *STA* delivery system in February of this year, net loss declined 22% to \$535,117, or \$0.05 basic and diluted share, from \$685,679, or \$0.06 basic and diluted share.

As of March 31, 2007, Milestone had approximately \$1.9 million in cash and receivables; \$2.4 million in working capital and \$3.5 million in total stockholders' equity.

"2007 started off on a firm footing, thanks in part to our valued new business relationship with Henry Schein, Inc. and the soft launch of the *STA™* system in the domestic professional dentistry market. As the year unfolds and we progress towards *STA*'s full scale launch in late 2007/early 2008, we expect that ensuing momentum associated with this innovative new product will help to drive improvement in our overall financial performance in subsequent quarters," stated Leonard Osser, Chairman and CEO of Milestone.

Continuing, Osser noted, "We are also very pleased to see global sales of our disposable handpieces used in conjunction with our legacy system, *CompuDent™*, gain meaningful traction in the first quarter, with revenues rising 23% to \$1.2 million from \$980,000. This is a clear sign that our razor/razor blade business model is delivering desired results and supports our goal of building multiple recurring revenue streams from a global customer base of dental and medical professionals who look to Milestone Scientific for best of class, innovative and highly effective technologies and solutions."

Due to the fact that the Company's Chairman and CEO has encountered an unexpected scheduling conflict and is required to travel overseas, the teleconference originally scheduled for this afternoon at 4:15 PM ET has been cancelled. Milestone further announced that it will host its 2007 Annual Meeting of Stockholders beginning at 10:00 AM ET on June 5, 2007 at the offices of Brown, Rudnick, Burlack and Israel, located at 7 Times Square in New York, New York. Only stockholders of record at the close of business on April 30, 2007 are entitled to vote at the Annual Meeting. Milestone's management team invites and encourages all shareholders to attend. A formal notice of the Meeting and accompanying proxy materials were mailed to all stockholders of record on May 4, 2007. If you would like to view a copy of the proxy materials, please visit [www.sec.gov](http://www.sec.gov) or contact Elite Financial Communications Group, LLC at 407-585-1080 or via email at [mlss@efcg.net](mailto:mlss@efcg.net).

#### **About Milestone Scientific, Inc.**

Headquartered in Livingston, New Jersey, Milestone Scientific is engaged in pioneering proprietary, highly innovative technological solutions for the medical and dental markets. Central to the Company's IP platform and product development strategy is its patented *CompuFlo™* technology for the improved and painless delivery of local anesthetic. Specifically, *CompuFlo* is a computer-controlled, pressure sensitive infusion, perfusion, suffusion and aspiration technology, which provides real-time readouts of pressures, fluid densities and flow rates, enabling the advanced delivery and removal of a wide array of fluids. The *Single Tooth Anesthesia (STA™)* computer-controlled local anesthesia delivery system which uses this technology provides dentists with audible and visual signals as to in-tissue pressure. Milestone's existing painless injection systems are currently sold in 25 countries. For more information on these and other innovative Milestone products, please visit the Company's web site found at [www.milesci.com](http://www.milesci.com).

**MILESTONE SCIENTIFIC, INC.**  
**CONSOLIDATED BALANCE SHEET**

	March 31, 2007 (Unaudited)	December 31, 2006
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 451,202	\$ 1,160,116
Accounts receivable, net of allowance for doubtful accounts of \$21,441 in 2007 and \$16,519 in 2006	1,414,132	346,619
Royalty receivable	47,936	60,107
Inventories	1,224,412	1,323,338
Advances to contract manufacturer	1,096,935	1,077,871
Prepaid expenses	122,558	97,073
Total current assets	4,357,175	4,065,124
Investment in distributor, at cost	76,319	76,319
Equipment, net of accumulated depreciation of \$427,767 as of March 31, 2007 and \$402,914 as of December 31, 2006	449,720	459,259
Patents, net of accumulated amortization of \$47,651 as of March 31, 2007 and \$41,939 as of December 31, 2006	521,042	526,753
Other assets	13,206	14,153
Total assets	\$ 5,417,462	\$ 5,141,608
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current Liabilities:		
Accounts payable	\$ 1,462,020	\$ 1,196,107
Accrued expenses	449,137	232,076
Deferred compensation payable to officers	44,497	
Total current liabilities	1,955,654	1,428,183
Stockholders' Equity		
Common stock, par value \$.001; authorized 50,000,000 shares; 11,707,637 shares issued, 337,036 shares to be issued, and 11,674,304 shares outstanding	12,046	12,031
Additional paid-in capital	58,003,614	57,720,129
Accumulated deficit	(53,642,336)	(53,107,219)
Treasury stock, at cost, 33,333 shares	(911,516)	(911,516)
Total stockholders' equity	3,461,808	3,713,425
Total liabilities and stockholders' equity	\$ 5,417,462	\$ 5,141,608

**MILESTONE SCIENTIFIC, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

	<b>Three Months Ended March 31</b>	
	<b>2007</b>	<b>2006</b>
Products sales, net	\$ 2,262,027	\$1,560,919
Royalty income	47,936	136,837
Total revenue	2,309,963	\$1,697,756
Cost of products sold	831,210	751,162
Royalty expense	5,752	16,421
Total cost of revenue	836,962	767,583
Gross Profit	1,473,001	930,173
Selling, general and administrative expenses	1,836,888	1,479,714
Research and development expenses	178,566	163,442
Total operating expenses	2,015,454	1,643,156
Loss from operations	(542,453)	(712,983)
Other income - interest	7,336	27,404
Net loss applicable to common stockholders	\$ (535,117)	\$ (685,579)
Loss per share applicable to common stockholders - basic and diluted	\$ (0.05)	\$ (0.06)
Weighted average shares outstanding and to be issued - basic and diluted	11,958,098	11,741,578

**Safe Harbor Statement**

This press release contains forward-looking statements regarding the timing and financial impact of the 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 on Form 10-KSB for the year ended December 31, 2006. 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.

**FOR MORE INFORMATION, PLEASE CONTACT:**  
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