



MILESTONE SCIENTIFIC ANNOUNCES 2007 SECOND QUARTER RESULTS

Company to Host Teleconference Monday, August 20, 2007 at 4:15 PM ET

LIVINGSTON, N.J. – (PR NEWSWIRE) – August 17, 2007 – Milestone Scientific, Inc. (OTCBB:MLSS), the recognized leader in advanced injection technologies, today reported results for the three and six months ended June 30, 2007.

Financial Highlights for the Three Months Ended June 30, 2007 Compared to the Three Months Ended June 30, 2006:

- Total revenues rose 22.4% to \$1.81 million, up from \$1.48 million.
- Net loss increased 12% to \$1,069,000, or \$0.09 loss per basic and diluted share, compared to \$954,000, or \$0.08 loss per basic and diluted share

Financial Highlights for the Six Months Ended June 30, 2007 Compared to the Six Months Ended June 30, 2006:

- Revenues totaled \$4.1 million, representing a 30% increase over \$3.2 million.
- Gross profit margins increased to 56.6% from 53.9%.
- Despite factoring a non-cash charge of \$324,000 associated with the accounting for share-based compensation expense and \$71,000 in costs associated with the soft market launch of Milestone's new *Single Tooth Anesthesia (STA)* delivery system, net loss totaled \$1.60 million, or \$0.13 loss per basic and diluted share, representing a 2% improvement when compared to \$1.64 million, or \$0.14 loss per basic and diluted share.

As of June 30, 2007, Milestone had approximately \$928,000 in cash and receivables; \$1.5 million in working capital and \$2.6 million in total stockholders' equity. Subsequent to the end of the second quarter, Milestone secured a revolving line of credit of \$1 million. As previously announced, borrowings under the line will bear interest at 6% per annum, compounded quarterly in arrears, with one year's interest at 1% payable in advance on each draw down.

"Overall, we are generally pleased with the critical progress Milestone has made in the first half of 2007 on a number of key fronts. Shipments of the new *STA* delivery system made to Henry Schein's customers during the first two quarters of this year are expected to aid in promoting much more rapid market adoption of our novel, painless injection solution by U.S. dental professionals following our planned full scale launch in the fourth quarter," stated Leonard Osser, Chairman and CEO of Milestone. "In anticipation of the upcoming fourth quarter and in close collaboration with our sales management partner Corestrength, we remain focused on completing training of the Henry Schein national sales team and formalizing a series of exciting sales and promotional activities to support *STA*'s major domestic commercial launch. In addition, with the recent granting of the CE Mark for the *STA* system, permitting us to begin marketing the solution in European Union countries, we are also fine tuning our go-to-market strategy targeting dental practitioners in the international arena."

Continuing, Osser noted, "On the medical front, I'm pleased to confirm that the appointment of Joe Martin as CEO of our newly formed medical technologies division, has helped to significantly enhance Milestone's efforts to identify and pursue product development opportunities strategic partners interested in exploiting our patented *CompuFlo*[™] technology."

The Company will host a teleconference Monday, August 20, 2007, beginning at 4:15 PM Eastern Time, and invites all interested parties to join management in a discussion regarding the Company's financial performance, corporate progression and other meaningful developments. The conference call can be accessed by dialing toll-free 1-800-366-3908. For those unable to participate at that time, a replay of the teleconference can be accessed domestically by dialing 1-800-405-2236 and enter the passcode 11095891#. The replay will be available for 90 days.

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.

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

	June 30, 2007 (Unaudited)	December 31, 2006
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 192,527	\$ 1,160,116
Accounts receivable, net of allowance for doubtful accounts of \$79,612 in 2007 and \$16,519 in 2006	699,421	346,619
Royalty receivable	35,834	60,107
Inventories	1,566,027	1,323,338
Advances to contract manufacturer	1,149,121	1,077,871
Prepaid expenses	45,225	97,073
Total current assets	3,688,155	4,065,124
Investment in distributor, at cost	76,319	76,319
Equipment, net of accumulated depreciation of \$416,119 in 2007 and \$402,914 in 2006	432,765	459,259
Patents, net of accumulated amortization of \$53,362 in 2007 and \$41,938 in 2006	515,329	526,753
Other assets	12,261	14,153
Total assets	\$ 4,724,829	\$ 5,141,608
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current Liabilities:		
Accounts payable	\$ 1,858,081	\$ 1,196,107
Accrued expenses	233,948	232,076
Deferred compensation payable to officers	75,000	
Total current liabilities	2,167,029	1,428,183
Stockholders' Equity		
Common stock, par value \$.001; authorized 50,000,000 shares; 11,757,849 shares issued, 337,036 shares to be issued, and 11,724,516 shares outstanding in 2007; 11,692,636 shares issued, 337,036 shares to be issued, and 11,659,303 shares outstanding in 2006	12,096	12,031
Additional paid-in capital	58,168,474	57,720,129
Accumulated deficit	(54,711,254)	(53,107,219)
Treasury stock, at cost, 33,333 shares	(911,516)	(911,516)
Total stockholders' equity	2,557,800	3,713,425
Total liabilities and stockholders' equity	\$ 4,724,829	\$ 5,141,608

MILESTONE SCIENTIFIC, INC.
CONDENSED STATEMENT OF OPERATIONS

	Three Months Ended		Six Months Ended	
	June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006
Product sales, net	\$ 1,770,337	\$ 1,425,821	\$ 4,032,364	\$ 2,986,740
Royalty income	35,834	49,473	83,770	186,310
Total revenue	<u>1,806,171</u>	<u>1,475,294</u>	<u>4,116,134</u>	<u>3,173,050</u>
Cost of products sold	955,274	688,124	1,786,484	1,439,286
Royalty expense	(7,338)	5,637	(1,586)	22,057
Total cost of revenue	<u>947,936</u>	<u>693,761</u>	<u>1,784,898</u>	<u>1,461,343</u>
Gross profit	858,235	781,533	2,331,236	1,711,707
Selling, general and administrative expenses	1,809,554	1,369,497	3,646,442	2,849,212
Research and development expenses	121,398	390,741	299,964	554,183
Total operating expenses	<u>1,930,952</u>	<u>1,760,238</u>	<u>3,946,406</u>	<u>3,403,395</u>
Loss from operations	(1,072,717)	(978,705)	(1,615,170)	(1,691,688)
Interest income	3,799	24,690	11,135	52,094
Net loss	<u>\$ (1,068,918)</u>	<u>\$ (954,015)</u>	<u>\$ (1,604,035)</u>	<u>\$ (1,639,594)</u>
Loss per share- basic and diluted	<u>\$ (0.09)</u>	<u>\$ (0.08)</u>	<u>\$ (0.13)</u>	<u>\$ (0.14)</u>
Weighted average shares outstanding and to be issued - basic and diluted	<u>12,043,103</u>	<u>11,768,940</u>	<u>12,020,790</u>	<u>11,755,335</u>

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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