



Contact:

David Waldman or Klea Theoharis
Crescendo Communications, LLC
Email: mlss@crescendo-ir.com
Tel: 212-671-1020

**Milestone Scientific Reports Second Quarter 2015
Financial Results and Provides Business Update**

LIVINGSTON, NJ, August 14, 2015 -- Milestone Scientific Inc. (NYSE: 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 second quarter ended June 30, 2015 and provided a business update including an update on its minority owned subsidiary which holds the exclusive rights to the epidural and intra-articular (IA) instruments ("Epidural & IA Subsidiary").

Leonard Osser, Chief Executive Officer of Milestone Scientific, stated, "We experienced a net loss of \$2.1 million, or \$0.09 per share, for the second quarter 2015, due to a variety of factors including temporary weakness in dental product sales, expanded sales and marketing initiatives, and increased expenses related to the development of our medical instruments. Within the dental arena, we continue to experience weakness due to a variety of factors, including accelerated instrument and handpiece purchases in late 2014 to take advantage of temporary sale prices. We expect to resume growth in the second half of 2015. We have undertaken a number of sales and marketing initiatives that we believe will help to further enhance our growth. At the same time, we remain focused on launching new medical instruments, which we believe will open sizable new markets for the company. We recently announced a \$4.2 million grant to a consortium led by our Epidural & IA Subsidiary by the National Centre for Research and Development in Poland under its STRATEGMED Program to develop and commercialize a novel injection instrument for delivering stem cells and other medications to treat diabetes. Our subsidiary is expected to receive approximately \$1.5 million of this grant. We believe this grant will accelerate the rollout of our technology for diabetic applications in European markets and worldwide. We see significant global market potential for this instrument, especially given the aging population and increased worldwide incidence of diabetes. We look forward to providing updates on other medical instruments we plan to launch in the future."

Mr. Osser continued, "We continue to advance our intra-articular and epidural drug delivery instruments towards commercialization through our Epidural & IA Subsidiary. In May, our Epidural & IA Subsidiary signed an MOU with Fidia Farmaceutici SpA, a specialty pharmaceutical company based in Italy, for the co-development and manufacture of a custom intra-articular drug delivery instrument for Fidia's hyaluronic acid formulations. Fidia serves a large market and is one of the leading global manufacturers of hyaluronic acid formulations for intra-articular injections. In June, we announced that our Epidural & IA Subsidiary entered into an exclusive distribution agreement with Moss S.p.A. for distribution of the epidural instrument in Italy. Moss is one of the leading distributors of diagnostic and specialty surgery equipment in Italy. We also announced in June that our Epidural & IA Subsidiary commenced its first shipments of the epidural instrument to TRIMED Sp.z.o.o., one of the largest distributors of diagnostic equipment in Poland. TRIMED purchased a small number of instruments, initially for internal use and training purposes as it ramps up for a formal launch later this year. Our Epidural & IA Subsidiary is actively lining up additional distributors in other European countries and we look forward to announcing these in the coming months."

Mr. Osser concluded, "As previously announced, our Epidural & IA Subsidiary has commenced its pivotal clinical trial in the U.S., with the aim of verifying the placement of the epidural needle tip in the lumbar epidural space. Our Epidural & IA Subsidiary plans to enroll up to 400 patients in the trial at four separate sites in the U.S. Upon achieving full enrollment, we expect the clinical trial and accompanying statistical analysis to be completed later

this year, at which time the Epidural & IA Subsidiary will return to the FDA for final market clearance. In the meantime, we are broadening our U.S. distribution strategy beyond the current focus on labor and delivery markets to include a network of regional distribution partners whose strengths include hospitals, clinics and pain management centers, which we believe will give us far greater penetration in the broader U.S. market.”

Revenue for quarter ended June 30, 2015 decreased to \$1.8 million versus \$2.5 million for the quarter ended June 30, 2014. The decrease in product sales of \$(740,173) was primarily due to accelerated purchases of dental instruments and handpieces in late 2014 to take advantage of temporary sale prices. Domestic instrument sales decreased by \$(196,845) in the second quarter of 2015 versus the second quarter of 2014. In the domestic market, handpiece sales decreased by \$(140,386) or 17% in 2015 versus 2014. This decrease in domestic handpiece sales is also due to a price increase in January 2015 that is slowly being adopted by our distributor in USA. International handpiece sales decreased by \$(214,455) or 22% in the second quarter of 2015 versus the second quarter of 2014 due to international prices increase at the beginning of 2015 and a strengthening of the US dollar as compared to the Euro and other currencies throughout the world. Gross profit in the second quarter of 2015 was \$1.2 million or 68% of revenue versus \$1.6 million or 64% of revenue for the same period in 2014. The total decrease in gross profit dollars of \$(398,496) is primarily due to a decrease in revenue. Operating loss for the second quarter of 2015 was \$(1,473,653) versus operating income of \$47,507 in the second quarter of 2014. The \$1.1 million or 71% increase in SG&A expenses reflects an increase in expenses for consulting services for international distributors, corporate marketing, trade shows, increased payroll and other expenses to support the anticipated growth of the Company. Net loss for the second quarter of 2015 was \$(2,072,949) or \$(0.09) per diluted share, versus net loss of \$(169,457) or \$(0.01) per diluted share in the second quarter of 2014. Net loss for the three months ended June 30, 2015 includes a Loss on Earnings from Medical Joint Venture of \$(525,938) compared to \$(213,193) for the same period last year.

Revenue for the six months ended June 30, 2015 was \$4.5 million versus \$5.1 million for the six months ended June 30, 2013. The decrease in revenue of \$(590,803) or 12% was due to a decrease in instruments and handpiece unit sales. In the domestic market, total revenue decreased by \$(684,842) to \$1.7 million versus \$2.4 million for the same period in 2014. On the international front, total revenue increased by \$95,039 to \$2.8 million versus \$2.7 million for the same period in 2014. Gross profit for the six months ended June 30, 2015 was \$3.0 million or 67% of revenue versus \$3.3 million or 65% of revenue for the six months ended June 30, 2014. Operating loss for the six months ended June 30, 2015 was \$(1,484,830) versus an income of \$376,754 for the six months ended June 30, 2014. Net loss for the six months ended June 30, 2015 was \$(2,492,323), or \$(0.11) per share, versus an income of \$25,377, or \$0.00 per share, for the comparable period in 2014. Net loss for the six months ended June 30, 2015 includes a Loss on Earnings from Medical Joint Venture of \$(976,099) compared to \$(343,716) for the same period last year.

Conference Call

Milestone Scientific's executive management team will host a teleconference on August 14, 2015 at 8:30 AM Eastern Daylight Savings Time to discuss the company's financial results. The conference call can be accessed via telephone by dialing toll free 888-215-6982 and entering the passcode 1515257 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 pass code 1515257. The replay will be available for 90 days.

About Milestone Scientific Inc.

Milestone Scientific Inc. (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, 2014. 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 STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Product sales, net	\$ 1,766,759	\$ 2,506,932	\$ 4,536,963	\$ 5,127,766
Cost of products sold	570,729	912,406	1,503,877	1,795,403
Gross profit	1,196,030	1,594,526	3,033,086	3,332,363
Selling, general and administrative expenses	2,590,897	1,517,854	4,488,978	2,910,724
Research and development expenses	18,820	29,165	28,938	44,885
Total operating expenses	2,609,717	1,547,019	4,517,916	2,955,609
(Loss) income from operations	(1,413,687)	47,507	(1,484,830)	376,754
Other income (expenses)				
Interest income (expense)	(1,130)	635	80	161
Loss on Earnings from Milestone Medical Inc.	(525,938)	(213,193)	(976,099)	(343,716)
Loss on Earnings from Education Joint Venture	(3,621)	(4,406)	(7,836)	(7,822)
Loss on Earnings from China Joint Venture	(160,654)	—	(63,979)	—
Total other expenses, net	(691,343)	(216,964)	(1,047,834)	(351,377)
(Loss) income before provision for income taxes	(2,105,030)	(169,457)	(2,532,664)	25,377
Provision for Income Tax	(13,646)	—	(13,646)	—
(Loss) income	(2,118,676)	(169,457)	(2,546,310)	25,377
Net loss attributable to the noncontrolling interests	45,727	—	53,987	—
Net (loss) income attributable to Milestone Scientific Inc	\$ (2,072,949)	\$ (169,457)	\$ (2,492,323)	\$ 25,377
Net (loss) income per share applicable to common stockholders—				
Basic	\$ (0.09)	\$ (0.01)	\$ (0.11)	\$ 0.00
Diluted	\$ (0.09)	\$ (0.01)	\$ (0.11)	\$ 0.00
Weighted average shares outstanding and to be issued—				
Basic	22,405,897	20,246,281	22,390,332	19,196,919
Diluted	25,114,399	20,246,281	25,132,192	22,206,942

MILESTONE SCIENTIFIC INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,447,326	\$ 10,367,993
Treasury Bills	5,550,283	—
Accounts receivable, net of allowance for doubtful accounts of \$5,000 as of June 30, 2015 and December 31, 2014	1,635,098	1,541,478
Due from related party	343,251	—
Note receivable-Milestone Medical Inc	1,000,000	—
Inventories	3,240,398	2,497,099
Advances on contracts	723,067	721,197
Prepaid expenses and other current assets	469,781	454,566
Total current assets	14,409,204	15,582,333
Investment in Milestone Medical Inc	—	888,720
Investment in Milestone Education LLC	16,357	24,192
Investment in Milestone China	284,672	348,651
Furniture, Fixtures & Equipment net of accumulated depreciation of \$430,140 as of June 30, 2015 and \$416,210 as of December 31, 2014	117,304	88,818
Patents, net of accumulated amortization of \$611,606 as of June 30, 2015 and \$576,960 as of December 31, 2014	495,382	530,029
Other assets	17,355	14,685
Total assets	\$ 15,340,274	\$ 17,477,428
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 795,919	\$ 1,453,908
Accrued expenses and other payables	1,143,719	981,168
Total current liabilities	1,939,638	2,435,076
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; 21,438,093 shares issued, 1,003,606 shares to be issued and 21,404,760 shares outstanding as of June 30, 2015; 21,404,494 shares issued, 974,953 shares to be issued and 21,371,161 shares outstanding as of December 31, 2014	22,442	22,380
Additional paid-in capital	77,908,947	77,504,415
Accumulated deficit	(64,459,785)	(61,967,462)
Treasury stock, at cost, 33,333 shares	(911,516)	(911,516)
Total stockholders' equity	12,560,095	14,647,824
Noncontrolling interest	840,541	394,528
Total Equity	13,400,636	15,042,352
Total liabilities and stockholders' equity	\$ 15,340,274	\$ 17,477,428