



## MILESTONE SCIENTIFIC REPORTS STRONG SALES GROWTH IN FIRST QUARTER 2009 RESULTS

### *Sales of STA Systems Increase More Than Six-Fold and Recurring Handpiece Sales Increase 22% on Comparable Quarter-Over-Quarter Basis*

LIVINGSTON, N.J. – (PR NEWSWIRE) – May 7, 2009 – Milestone Scientific Inc. (OTCBB:MLSS), the recognized leader in advanced injection technologies, today announced its first quarter financial results for the three months ended March 31, 2009.

#### **Financial Highlights When Comparing Three Months Ended March 31, 2009 with Three Months Ended March 31, 2008:**

- Total revenues climbed 58% to \$2.21 million, up from \$1.40 million.
  - Total instrument sales rose 261% to \$792,000 from \$219,000.
    - Sales of the *STA Single Tooth Anesthesia System*<sup>™</sup> totaled \$617,000, up 626% over \$85,000.
  - Sales of disposable handpieces increased 22% to \$1.40 million from \$1.15 million.
  - Overall domestic sales grew 65% to \$1.48 million from \$898,000.
  - International sales increased 48% to \$726,000 from \$490,000.
- Total operating expenses rose 18% to \$1.80 million from \$1.52 million.
  - Selling, general and administrative expenses increased 17% to \$1.73 million from \$1.47 million, due largely to \$426,000 in increased sales and marketing costs in the first quarter of this year relating to media placement, trade show participation, sales promotions, increased field sales personnel, higher third party sales commissions and international selling participation; this increase was offset by a \$92,000 decrease in professional accounting services due to completion of the Sarbanes-Oxley initiative and lower audit fees and a \$57,000 decrease in consulting services.
  - Research and development expenses totaled, \$68,000 rising 42% from \$48,000.
- Loss from operations declined 13% to \$508,000 from \$582,000.
- Net loss totaled \$562,000, or \$0.05 loss per basic and diluted share, down 9% from \$616,000, or \$0.05 loss per basic and diluted share.

As of March 31, 2009, Milestone had \$1.60 million in cash and accounts receivables, working capital of \$1.19 million and total shareholders' equity of \$1.06 million.

According to Leonard Osser, Chairman and interim CEO, "2009 has started off on very solid footing, buoyed by strong market acceptance and accelerating adoption of our award-winning *STA System* by the global dental industry. With the recent addition of China National Medicines Corporation, d/b/a Sinopharm, to our growing worldwide distribution network, we have good reason to be enthusiastic about our anticipated sales performance in the coming quarters."

Continuing, Osser noted, "As we progress through 2009, we plan to expand Milestone's worldwide sales and marketing resources to further enhance our revenue growth potential, with particular emphasis centered on strengthening our distribution channels in Europe. We are also concentrating our efforts on pursuing several potential strategic collaborations to develop new product applications using our patented *CompuFlo*<sup>®</sup> technology that have been deemed the most promising and commercially viable. We look forward to providing details regarding our success on these and other important objectives in the near future."

Unfortunately, Milestone's management team is unable to host a conference call in tandem with the release of the first quarter results due to unexpected scheduling conflicts. However, the Company will resume its practice of hosting regular quarterly calls with the release of its second quarter results. Questions regarding the results or other Milestone-related matters should be directed to Dodi Handy at Elite Financial Communications Group by calling 407-585-1080 or via email at [dodi@efcg.net](mailto:dodi@efcg.net).

#### **FINANCIAL CHARTS TO FOLLOW**

#### **MILESTONE SCIENTIFIC INC. CONDENSED BALANCE SHEET**

	March 31, 2009 (Unaudited)	December 31, 2008
<b><u>ASSETS</u></b>		
Current Assets:		
Cash and cash equivalents	\$ 500,668	\$ 743,665
Accounts receivable, net of allowance for doubtful accounts of \$5,000 in 2009 and 2008	1,098,529	925,742
Inventories	647,676	719,902
Advances to contract manufacturer	124,950	250,110
Prepaid expenses and other current assets	229,216	218,296
Total current assets	<u>2,601,039</u>	<u>2,857,715</u>
Advances to contract manufacturer	415,780	415,780
Investment in distributor, at cost	76,319	76,319
Furniture, Fixtures & Equipment net of accumulated depreciation of \$360,880 as of March 31, 2009 and \$345,377 as of December 31, 2008	167,202	152,574
Patents, net of accumulated amortization of \$153,687 as of March 31, 2009 and \$135,406 as of December 31, 2008	895,373	901,045
Other assets	7,317	7,317
Total assets	<u>\$ 4,163,030</u>	<u>\$ 4,410,750</u>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

Current Liabilities:		
Accounts payable	\$ 1,077,752	\$ 829,130
Accrued expenses and other payable	332,330	495,897
Total current liabilities	<u>1,410,082</u>	<u>1,325,027</u>
Long-term Liabilities:		
Line of credit-net of discount of \$43,328 and \$50,504, respectively	1,256,672	1,249,496
Notes Payable-net of discount of \$13,254 and \$13,953, respectively	436,746	436,047
Total long-term liabilities	<u>1,693,418</u>	<u>1,685,543</u>
Commitments and Contingencies		
Stockholders' Equity		
Common stock, par value \$.001; authorized 50,000,000 shares; 13,023,661 shares issued 566,309 shares to be issued and 12,990,328 shares outstanding as of March 31, 2009; 12,695,685 shares issued, 504,639 shares to be issued, and 12,662,352 shares outstanding as of December 31, 2008	13,589	13,200
Additional paid-in capital	59,752,468	59,531,865
Accumulated deficit	(57,795,011)	(57,233,369)
Treasury stock, at cost, 33,333 shares	(911,516)	(911,516)
Total stockholders' equity	<u>1,059,530</u>	<u>1,400,180</u>
Total liabilities and stockholders' equity	<u>\$ 4,163,030</u>	<u>\$ 4,410,750</u>

	<b>Three Months Ended March 31</b>	
	<b>2009</b>	<b>2008</b>
Products sales, net	\$ 2,204,819	\$1,387,990
Royalty income	-	14,163
Total revenue	<u>2,204,819</u>	<u>1,402,153</u>
Cost of products sold	916,550	463,924
Gross Profit	<u>1,288,269</u>	<u>938,229</u>
Selling, general and administrative expenses	1,728,815	1,471,978
Research and development expenses	67,622	48,319
Total operating expenses	<u>1,796,437</u>	<u>1,520,297</u>
Loss from operations	(508,168)	(582,068)
Other income - interest & expense	(53,474)	(33,817)
Net loss	<u>\$ (561,642)</u>	<u>\$ (615,885)</u>
Loss per share applicable to common stockholders - basic and diluted	<u>(\$0.05)</u>	<u>(\$0.05)</u>
Weighted average shares outstanding and to be issued - basic and diluted	<u>12,458,115</u>	<u>12,262,256</u>

#### **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*<sup>®</sup> 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 *STA Single Tooth Anesthesia System*<sup>™</sup>, a computer-controlled local anesthesia delivery system, uses this technology to provide 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.milestonescientific.com](http://www.milestonescientific.com) and [www.STAis4U.com](http://www.STAis4U.com).

#### **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 for the year ended December 31, 2008. 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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