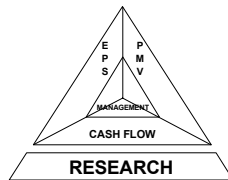


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**Gabelli & Company, Inc.**

FOR IMMEDIATE RELEASE

Rye, NY  
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### **AFP Imaging Announces Sale of Common Stock**

AFP Imaging Corporation (OTCBB: AFPC) announced today that it has sold 2,777,777 million shares of common stock in a private placement to selected institutional and accredited investors. The offering was priced at \$1.80 per share. In conjunction with the private placement, AFP has granted the investors certain registration rights with respect to the resale of the shares.

It is anticipated that proceeds from the offering will be used for general corporate purposes, including working capital, new product development, and possibly for strategic acquisitions in the dental and veterinary imaging equipment markets.

Gabelli & Company, Inc., the institutional brokerage affiliate of GAMCO Investors, Inc. (NYSE: GBL), acted as sole placement agent.

#### About AFP Imaging Corporation

AFP Imaging, based in Elmsford, NY, is involved in the development and manufacture of digital radiography and other imaging equipment. Through its global distribution network, AFP has branded products in over 100,000 dental, veterinary and medical facilities. AFP recently announced several new product initiatives including the Digi-Vet Equine system and an OEM agreement with Henry Schein's Easy Dental subsidiary for the sale of its intra-oral digital x-ray sensor.

The remarks in this press release contain certain forward-looking statements, which involve risks and uncertainties, including the Company's plans, objectives, expectations, and intentions. The Company's actual results may differ significantly from the results discussed in this press release, or in other forward-looking statements presented by management. Among the factors that could cause actual results to differ materially include failure of revenue on new products to develop as estimated, regulatory delays, loss of existing customers, the Company's inability to meet increasing demand for its new products, and other risk factors as described in the Company's filings with the Securities and Exchange Commission.

The information contained in this press release is intended for informational purposes only, is not intended as investment advice and is not an offer to sell or a solicitation to buy any security. No security or other product is offered or will be sold in any jurisdiction in which such offer or solicitation, purchase or sale would be unlawful under the securities, or other laws of the jurisdiction.