



Medical Nutrition USA, Inc.
10 West Forest Avenue, Englewood, NJ 07631

FOR IMMEDIATE RELEASE

Contacts:	<u>Medical Nutrition USA, Inc.</u> Alan Levy Vice President/Finance Chief Financial Officer 800-221-0308 alevy@mnidirect.net	<u>Investor Relations Counsel</u> The Equity Group Inc. Linda Latman, 212-836-9609 Lena Cati, 212-836-9611 Lcati@equityny.com www.theequitygroup.com
-----------	--	---

Medical Nutrition USA Quarterly Sales Increase 25%

Englewood, NJ – December 11, 2007. Medical Nutrition USA, Inc. (NASDAQ:MDNU) today announced financial results for the quarter and nine months ended October 31, 2007.

Highlights:

- Third quarter sales increase 25%;
- 500,000 share repurchase planned;
- Sales force to increase 45%;
- Continued working capital and balance sheet strength.

Review of Operating Results

Sales for the quarter ended October 31, 2007 increased 25% to \$3,419,800 as compared to \$2,734,700 for the quarter ended October 31, 2006. The increase in sales for the quarter resulted primarily from sales of branded products, which increased 23% to \$2,746,600. Branded product sales consist primarily of the Company's Pro-Stat® line of hydrolyzed, liquid, modular proteins and Fiber-Stat™ liquid fiber supplement.

Sales for the nine months ended October 31, 2007 increased approximately 26% to \$9,604,300 as compared to \$7,630,700 for the nine months ended October 31, 2006. The increase in sales for the nine months resulted primarily from sales of branded products, which increased 30% to \$8,032,600.

Gross profit for the quarter increased approximately 27% to \$1,795,200 or 52% of sales as compared to \$1,416,600, or 52% of sales for the quarter of the prior fiscal year. For the nine months ended October 31, 2007, gross profit increased approximately 27% to \$5,127,700 or 53% of sales as compared to \$4,027,700 or 53% of sales for the nine months ended October 31, 2006.

Selling, general and administrative expenses (SG&A) for the quarter increased by \$447,400 to \$1,519,900, or 44% of sales, from \$1,072,500, or 39% of sales, as compared to the comparable quarter in the prior year. SG&A for the nine months ended October 31, 2007 increased by \$989,300 to \$4,461,200, or 46% of sales, from \$3,471,900, or 45% of sales for the nine months ended October 31, 2006. The increase was primarily attributable to increased sales and marketing expenses resulting from expansion of the Company's sales force.

The Company had no interest expense during the quarter and nine months of the current fiscal year as compared to \$80,800 for the prior year quarter and \$2,737,900 for the prior year nine months ended October 31, 2006. The decrease was primarily a result of the completion of the amortization of debt discount related to the Company's 2003 convertible promissory notes and warrants, all of which had been converted into common stock as of January 31, 2007.

Income before income taxes for the quarter ended October 31, 2007 was \$369,800 as compared to \$200,700 for the quarter ended October 31, 2006. For the nine months ended October 31, 2007, income before income taxes was \$868,900 versus a loss of (\$2,203,800) for the nine months ended October 31, 2006.

Net income for the quarter was \$220,000 or \$0.02 per share, compared to net income of \$196,400 or \$0.01 per share for the quarter ended October 31, 2006. Net Income for the nine months ended October 31, 2007 was \$434,200 or \$0.03 per share, compared to a net loss for the nine months ended October 31, 2006 of (\$2,231,400) or \$(0.23) per share.

"We are pleased to report another strong quarter of growth in sales and profitability," said Frank A. Newman, Chairman and Chief Executive Officer. "We also think that we can do more to capitalize on the opportunities available to us and intend to increase our field sales force approximately 45% by the middle of next year. Investing in additional sales people now should pay meaningful dividends for the long term through expanded distribution of our products."

In addition, the Company announced that it intends to repurchase up to 500,000 shares of its common stock in the open market, or in private transactions (including private transactions with Company employees) over the next 12-24 months. The actual number of shares repurchased and the timing of such repurchases will depend on a variety of factors, including the trading price of the Company's common stock and general market conditions and repurchase activity may be suspended or discontinued at any time. The Company had approximately 14.2 million shares of common stock outstanding as of October 31, 2007. The repurchased shares will be retired and become authorized but unissued shares.

"The board has determined that repurchasing shares to mitigate the dilution from employee stock and option grants is a good use of excess cash, while maintaining more than adequate liquidity to continue growing our business," said Newman.

The Company will host a conference call to discuss these results on Wednesday, December 12th at 11:00 A.M. ET. To participate, please call (706) 643-9215. The conference call will also be broadcast live over the Internet. To listen to the live call, please go to www.mdnuc.com and click on the Investor Relations section where the conference call is posted. Please go to the website 15 minutes early to download and install any necessary audio software. If you are unable to listen live, the conference call will be archived and can be accessed for approximately 90 days.

About Medical Nutrition USA Inc.

Medical Nutrition USA Inc. develops and distributes products for the nutritionally at risk who are under medical supervision. Its products are used primarily in long-term care facilities, hospitals, dialysis clinics and bariatric clinics. The Company's product lines include Pro-Stat®, Fiber-Stat®, as well as private label products.

This press release contains forward-looking statements that are subject to certain risks and uncertainties. Although we believe that the expectations reflected in any of our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed. Risks and uncertainties that could cause or contribute to such material difference include, but are not limited to, general economic conditions, changes in customer demand, changes in trends in the nursing home, renal care, health food and bariatric surgery markets, changes in competitive pricing for products, and the impact of our competitors' new product introductions. Our future financial condition and results of operations, as well as any forward- looking statements are subject to change and inherent risk and uncertainties. Other important factors that may cause actual results to differ materially from those expressed in forward-looking statements is contained in the Medical Nutrition USA, Inc. Annual Report on Form 10-KSB for the year ended January 31, 2007 as filed with the Securities and Exchange Commission on May 16, 2007 and Form 10QSB for the quarter ended July 31, 2007 as filed on September 14, 2007.

MEDICAL NUTRITION USA, INC.
STATEMENTS OF OPERATIONS

	NINE MONTHS ENDED		THREE MONTHS ENDED	
	OCTOBER 31,		OCTOBER 31,	
	2007	2006	2007	2006
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales	\$ 9,604,300	\$ 7,630,700	\$ 3,419,800	\$ 2,734,700
Cost of sales	4,476,600	3,603,000	1,624,600	1,318,100
Gross profit	<u>5,127,700</u>	<u>4,027,700</u>	<u>1,795,200</u>	<u>1,416,600</u>
Selling, general and administrative expenses	4,461,200	3,471,900	1,519,900	1,072,500
Research and development	108,000	204,100	16,600	145,700
Operating income	<u>558,500</u>	<u>351,700</u>	<u>258,700</u>	<u>198,400</u>
Other income (expense):				
Interest income	310,400	182,400	111,100	83,100
Interest expense	-	(2,737,900)	-	(80,800)
Total other income (expense)	<u>310,400</u>	<u>(2,555,500)</u>	<u>111,100</u>	<u>2,300</u>
Income (loss) before income taxes	868,900	(2,203,800)	369,800	200,700
Income tax expense	434,700	27,600	149,800	4,300
Net income (loss)	<u>\$ 434,200</u>	<u>\$ (2,231,400)</u>	<u>\$ 220,000</u>	<u>\$ 196,400</u>
Earnings (loss) per common share:				
Basic	<u>\$ 0.03</u>	<u>\$ (0.23)</u>	<u>\$ 0.02</u>	<u>\$ 0.01</u>
Diluted	<u>\$ 0.03</u>	<u>\$ (0.23)</u>	<u>\$ 0.01</u>	<u>\$ 0.01</u>
Weighted average common shares outstanding				
Basic	<u>14,113,806</u>	<u>9,796,907</u>	<u>14,172,265</u>	<u>13,485,395</u>
Diluted	<u>15,591,788</u>	<u>9,796,907</u>	<u>15,541,512</u>	<u>15,325,198</u>

MEDICAL NUTRITION USA, INC.

BALANCE SHEETS

	<u>OCTOBER</u> 31, 2007 (Unaudited)	<u>JANUARY</u> 31, 2007
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 5,239,100	\$ 8,103,300
Short-term investments	4,280,000	-
Accounts receivable, net of allowance of \$45,800 and \$44,200 at October 31, 2007 and January 31, 2007, respectively	1,086,800	1,050,300
Inventory	483,700	496,200
Deferred income taxes	895,000	250,500
Prepaid income taxes	243,000	-
Other current assets	283,100	57,800
Total current assets	<u>12,510,700</u>	<u>9,958,100</u>
Fixed Assets , net of accumulated depreciation of \$232,000 and \$189,200, respectively	196,900	162,700
Other assets:		
Deferred income taxes	380,200	1,442,100
Security deposits	15,300	15,300
Investment in Organics Corporation of America	125,000	125,000
Intangible assets, net of amortization	228,700	240,700
	<u>\$ 13,456,800</u>	<u>\$ 11,943,900</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 559,000	\$ 653,200
Accrued expenses	490,400	276,600
Accrued rebates	72,300	94,000
Total current liabilities	<u>1,121,700</u>	<u>1,023,800</u>
Stockholders' Equity:		
Preferred stock \$0.001 par value, 5,000,000 shares authorized, no shares outstanding at October 31, 2007 and January 31, 2007	-	-
Common stock, \$0.001 par value; 20,000,000 shares authorized; 14,175,411 shares issued at October 31, 2007 and 14,050,145 shares issued at January 31, 2007, respectively	14,200	14,000
Additional paid-in-capital	24,865,000	23,884,400
Accumulated deficit	(12,440,700)	(12,874,900)
	<u>12,438,500</u>	<u>11,023,500</u>
Less: treasury stock, at cost; 22,851 shares as of October 31, 2007 and January 31, 2007	(103,400)	(103,400)
Total stockholders' equity	<u>12,335,100</u>	<u>10,920,100</u>
	<u>\$ 13,456,800</u>	<u>\$ 11,943,900</u>