



**MEDICAL NUTRITION USA, INC.**

## **Medical Nutrition USA, Inc. Reports 30% Sales Increase in Quarter**

ENGLEWOOD, NJ, Jun 03, 2010 (MARKETWIRE via COMTEX News Network) -- Medical Nutrition USA, Inc. (NASDAQ: MDNU), a developer and distributor of nutrition-medicine products, announced its financial results for the first fiscal quarter ended April 30, 2010.

First Quarter Fiscal 2011 vs. 2010

- Sales increased 30% to \$4,447,300 from \$3,427,700.
- Gross profit increased to \$2,441,700 or 55% of sales, from \$1,817,400 or 53% of sales;
- Selling, general and administrative expenses were \$2,017,200 or 45% of sales, compared to \$1,857,900 or 54% of sales;
- Pre-tax income increased \$316,500 or 7% of sales, compared to a Loss of \$150,000 or (4%) of sales;
- Net income increased to \$153,600 or \$0.01 per share compared to a net loss of \$143,900 or \$(0.01) per share.

"We are very pleased with the Company's results for the quarter," Medical Nutrition Chairman and Chief Executive Officer Frank A. Newman said. "Performance was strong across the board -- particularly for branded products, sales of which increased over 35% during the period. Our gains in the quarter reflect the continued addition of new nursing homes and hospitals to our end-user community as well as higher consumption within existing facilities. We feel good about our continuing momentum and direction for the year."

### UTI-Stat(R) (ProAntinox(R)) Study Published

Also in the quarter, the Company announced the publication of an independent clinical study showing that the Company's UTI-Stat(R) (ProAntinox(R)) product demonstrated effectiveness in significantly reducing the anticipated incidence of recurrent urinary tract infections (UTI) and significantly improved quality of life in those with a history of UTI. The study was conducted by Dr. Aaron E. Katz, Professor of Clinical Urology at Columbia University's College of Physicians and Surgeons and published by the peer-reviewed journal Urology, the official journal of the International Society of Urology. The results of the study were consistent with those in a 2008 study of UTI-Stat(R) among nursing home residents.

UTI-Stat(R) (ProAntinox(R)) is also available over-the-counter as Cystex(R) Cranberry. The study can be found at: [http://www.goldjournal.net/article/S0090-4295\(10\)00183-4/abstract](http://www.goldjournal.net/article/S0090-4295(10)00183-4/abstract).

### Earnings Conference Call

Medical Nutrition senior management will host a conference call today at 11:00 am EDT, to discuss its results with investors. Dial-in number for the conference call is: (866) 639-9991 (United States and Canada) or (678) 302-3571 (international callers); ask the operator to connect you to the Medical Nutrition USA Investor Call. A live webcast of the conference call can be accessed through the company's web site at: <http://ir.medicalnutritionusa.com/events.cfm>.

An archive of the webcast with audio can be accessed through the same link above. An audio-only replay of the call will be available following the conference call by dialing (866) 510-4862 (United States and Canada) or (678) 302-3562 (international callers) and entering the code, 4804300# followed by 4 and the following confirmation code: 201002225104127#. The audio-only replay will be available through Saturday, June 5.

### About Medical Nutrition USA, Inc.

Medical Nutrition USA 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(R), Fiber-Stat(R), UTI-Stat(R) and Diff-Stat(R) as well as private label products. Additional information is available at [www.mdnuc.com](http://www.mdnuc.com).

### Forward-Looking Statements

This news 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 are contained in the Medical Nutrition USA, Inc. Annual Report on Form 10-K for the year ended January 31, 2010 as filed with the Securities and Exchange Commission on April 16, 2010.

MEDICAL NUTRITION USA, INC.  
CONDENSED STATEMENTS OF OPERATIONS

	THREE MONTHS ENDED	
	APRIL 30,	
	2010	2009
	(Unaudited)	(Unaudited)
Sales	\$ 4,447,300	\$ 3,427,700
Cost of sales	2,005,600	1,610,300
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Gross profit	2,441,700	1,817,400
Selling, general and administrative expenses	2,017,200	1,857,900
Research and development	151,200	147,100
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Operating income (loss)	273,300	(187,600)
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Interest income	43,200	37,600
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Income (loss) before income tax expense (benefit)	316,500	(150,000)
Income tax expense (benefit)	162,900	(6,100)
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Net income (loss)	\$ 153,600	\$ (143,900)
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Earnings (loss) per common share:		
Basic	\$ 0.01	\$ (0.01)
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Diluted	\$ 0.01	\$ (0.01)
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Weighted average common shares outstanding		
Basic	14,041,116	14,130,752
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Diluted	14,884,580	14,130,752
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MEDICAL NUTRITION USA, INC.  
CONDENSED BALANCE SHEETS

	April 30,	January 31,
	2010	2010
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	(unaudited)	
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 4,444,500	\$ 4,416,900
Short-term investments	7,117,700	7,081,300
Accounts receivable, net of allowance of \$55,200 and \$52,200, respectively	1,406,800	1,479,100
Inventories	484,200	596,100
Deferred income taxes	363,300	480,400
Prepaid income taxes	35,900	--
Other current assets	157,700	188,800
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Total current assets	14,010,100	14,242,600
Fixed Assets, net of accumulated depreciation	241,200	251,000

Other Assets:

Deferred income taxes	431,200	442,300
Security deposits	20,000	15,300
Investment in Organics Corporation of America	125,000	125,000
Intangible assets, net of amortization	273,400	277,300
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	\$ 15,100,900	\$ 15,353,500
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LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:

Accounts payable	\$ 614,700	\$ 797,200
Accrued expenses	874,000	1,065,200
Income taxes payable	--	149,800
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Total current liabilities	1,488,700	2,012,200
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Stockholders' Equity:

Preferred stock \$0.001 par value, 5,000,000 shares authorized; no shares issued and outstanding as of April 30, 2010 and January 31, 2010	--	--
Common stock, \$0.001 par value; 20,000,000 shares authorized; 14,439,659 shares issued and 14,416,808 shares outstanding as of April 30, 2010 and 14,437,425 shares issued and 14,414,574 shares outstanding as of January 31, 2010	14,400	14,400
Additional paid-in-capital	25,551,300	25,434,000
Accumulated deficit	(11,861,700)	(12,015,300)
Accumulated other comprehensive income	11,600	11,600
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	13,715,600	13,444,700
Less treasury stock, at cost, 22,851 shares	(103,400)	(103,400)
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Total stockholders' equity	13,612,200	13,341,300
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	\$ 15,100,900	\$ 15,353,500
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SOURCE: Medical Nutrition USA, Inc.

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