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## **puraDYN Releases 1<sup>st</sup> Quarter Financial Results**

**Boynton Beach, FL – May 14, 2004 – puraDYN Filter Technologies Incorporated (AMEX: PFT)** today reported results of operations for the first quarter 2004.

Net sales for the first quarter ended March 31, 2004 were approximately \$613,000 compared to approximately \$752,000 for the same period in 2003, a decrease of approximately 18%. However, net sales for the first quarter 2004 increased approximately 84% over net sales from the fourth quarter 2003.

The Company reported a net loss of approximately \$1.16 million or (\$0.07) per share, basic and diluted, for the quarter ended March 31, 2004, compared to a net loss of approximately \$953,000 or (\$0.06) per share, basic and diluted, for the same period in 2003.

Kevin G. Kroger, President and COO, said, "First quarter expenses were negatively impacted by the effects of non-cash stock-based compensation, which accounted for an increase of approximately \$237,000 in operating expenses for the first quarter 2004 over the same period in 2003. Excluding this expense, our first quarter shows a decrease of approximately 14% in operating expenses, as compared to the first quarter 2003.

"In addition to several new accounts, one of the contributing factors for the improvement in sales over fourth quarter 2003 is the resumption of orders from one of our significant customers. In our 2003 financial results release, we mentioned that this customer had acquired some of its competitors, resulting in reduced demand for new equipment purchases due to the integration of the newly acquired equipment into their existing fleet. With the transition behind them, this customer has once again begun ordering new equipment with our **puraDYN**<sup>®</sup> system installed. In fact, through the first three months of 2004, sales to this customer have nearly reached their total 2003 sales.

"Another major contributing factor for improved sales is that our marketing strategy is beginning to gain momentum. New orders have been received from several new and existing customers over the past couple of months due to the focus on specific targeted industries and the completion of successful evaluations."

The Company also announced today that it has closed its recent private offering as of April 30, 2004, successfully completing a non-brokered private placement of 1.75 million shares of its common stock to one accredited investor resulting in gross proceeds of \$3.5 million (approximately \$3.45 million net of related expenses.)

There are no requirements to register these shares and this offering brings the total number of shares outstanding to approximately 17,452,000.

Proceeds from the placement will be used for capital equipment purchases, marketing, working capital, general corporate purposes and the repayment of \$2 million of affiliated debt in order to decrease interest expense while making available to the Company the full amount of net proceeds.

Joseph V. Vittoria, Chairman, said, "This successful round of financing will provide us resources to pursue the execution of our business plan. We fully appreciate the support and confidence shown by this accredited investor."

#### **About puraDYN Filter Technologies Incorporated**

**puraDYN** (AMEX: PFT) designs, manufactures and markets the **puraDYN**<sup>®</sup> Bypass Oil Filtration System, the most effective filtration product on the market today. It continuously cleans lubricating oil and maintains oil viscosity to safely and significantly extend oil change intervals and engine life. Effective for internal combustion engines, transmissions and hydraulic applications, the Company's patented and proprietary system is a cost-effective and energy-conscious solution targeting an annual \$13 billion potential industry. The Company has established aftermarket programs with several of the transportation industry leaders such as Volvo Trucks NA, Mack Trucks, PACCAR; a strategic alliance with Honeywell Consumer Products Group, producers of FRAM<sup>®</sup> filtration products; and continues to market to major commercial fleets. **puraDYN**<sup>®</sup> equipment has been certified as a 'Pollution Prevention Technology' by the California Environmental Protection Agency.

*STATEMENTS IN THIS PRESS RELEASE WHICH ARE NOT HISTORICAL DATA ARE FORWARD-LOOKING STATEMENTS WHICH INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES OR OTHER FACTORS NOT UNDER THE COMPANY'S CONTROL, INCLUDING BUT NOT LIMITED TO THE POSSIBLE INABILITY TO RAISE CAPITAL FUNDS, LACK OF PROTECTION FROM INTELLECTUAL PROPERTY, VULNERABILITY BECAUSE OF MANUFACTURING A LIMITED NUMBER OF PRODUCTS, DEPENDENCE ON DISTRIBUTORS, ORDERS PREVIOUSLY STATED IN THIS PRESS RELEASE MAY NOT MATERIALIZE, AND THE POSSIBILITY THAT THE PRODUCTS DO NOT MEET CUSTOMERS' NEEDS, WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS OF THE COMPANY TO BE MATERIALLY DIFFERENT FROM THE RESULTS, PERFORMANCE OR OTHER EXPECTATIONS IMPLIED BY THESE FORWARD-LOOKING STATEMENTS. THESE FACTORS INCLUDE, BUT ARE NOT LIMITED TO, THOSE DETAILED IN THE COMPANY'S PERIODIC FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION.*

**puraDYN** Filter Technologies Incorporated  
Condensed Consolidated Statements of Operations  
For the Three Months Ended March 31, 2004 and 2003  
(Unaudited)

	Three Months Ended March 31,	
	2004	2003
Net sales	\$ 613,403	\$ 752,457
Costs and expenses:		
Cost of products sold	629,667	683,664
Salaries and wages	408,985	446,019
Selling and administrative	394,175	491,551
Stock-based compensation	271,103	33,881
	1,703,930	1,655,115
Loss from operations	(1,090,527)	(902,658)
Other income (expense):		
Interest income	14,139	12,724
Interest expense	(88,016)	(62,691)
Total other income (expense)	(73,877)	(49,967)
Net loss	\$ (1,164,404)	\$ (952,625)
Basic and diluted loss per common share	\$ (0.07)	\$ (0.06)
Weighted average common shares outstanding	16,753,483	15,663,513