



CONTACTS:  
Pris Neulander, **puraDYN**  
Media Coordinator  
561-547-9499, x 215

Kathryn Morris, **puraDYN**  
Director, Corporate Communications  
561-547-9499, x 226  
[investor-relations@puradyn.com](mailto:investor-relations@puradyn.com)

## **puraDYN's 1<sup>st</sup> Quarter 2003 Sales Increase 24% Over 1<sup>st</sup> Quarter 2002**

**Boynton Beach, FL – May 22, 2003 – puraDYN Filter Technologies, Incorporated (AMEX: PFT)**, the global by-pass oil filtration system company, today reported a first-quarter 2003 sales increase of 24% over the same period in 2002.

Net sales increased by 24% to approximately \$752,000 for the three months ended March 31, 2003, compared to approximately \$605,000 for the same period in 2002.

The Company reported a loss of approximately \$953,000 (\$0.06 per share on a basic and diluted basis) for the quarter ended March 31, 2003, compared to a loss of approximately \$751,000 (\$0.05 on a basic and diluted basis) for the same period in 2002.

In reference to the loss, Kevin G. Kroger, President and COO, said, "Selling and administrative expenses increased by approximately 13% from approximately \$465,000 for the quarter ended March 31, 2002 to approximately \$528,000 for the same period in 2003, primarily due to an increase in non-cash, stock-based compensation expense related to variable accounting for stock options and warrants.

Kroger continued, "Our sustained sales growth during the first quarter can be attributed in large part to the commencement of the strategic alliance announced last September with Honeywell Consumer Products Group, manufacturers of FRAM<sup>®</sup> filters, as well as to sales to international OEMs and ongoing work with specific strategic customers. In addition, we continue to expand our global presence as shown from both new OEM activity and the nearly 32% of sales coming from overseas."

"As an example," Kroger said, "with our acceptance by a major power generation set manufacturer, other engine OEMs have begun testing and evaluating our systems. We anticipate a successful conclusion of these tests before year end."

### **About puraDYN Filter Technologies Inc.**

**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 dramatically 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 market. 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. **paraDYN** 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, 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.*

paraDYN Filter Technologies, Incorporated  
 Condensed Consolidated Statements of Operations  
 For the Three Months Ended March 31, 2003 and 2002  
 (Unaudited)

	Three Months Ended March 31	
	2003	2002
Net sales	\$ 752,457	\$ 604,644
Costs and expenses:		
Cost of products sold	680,924	538,334
Salaries and wages	446,019	391,149
Selling and administrative	528,172	465,473
	1,655,115	1,394,956
Loss from operations	( 902,658 )	( 790,312 )
Other income (expense):		
Investment income	--	59,363
Interest Income	12,724	11,948
Interest expense	(62,691)	(31,862)
Total other income (expense)	(49,967)	39,449
Net loss	\$ (952,625)	\$ (750,863)
Basic and diluted loss per common share	\$ (0.06)	\$ (0.05)
Weighted average common shares outstanding	15,663,513	15,545,706