



CONTACTS:
Pris Neulander, **puraDYN**
Media Coordinator
561-547-9499, x 215
pneulander@puradyn.com

Kathryn Morris, **puraDYN**
Director, Corporate Communications
561-547-9499, x 226
investor-relations@puradyn.com

puraDYN Releases 2nd Quarter Financial Results

Boynton Beach, FL – August 11, 2004 – puraDYN Filter Technologies Incorporated (AMEX: PFT) today reported results of operations for the second fiscal quarter ended June 30, 2004.

Net sales for the second quarter 2004 were \$627,000 as compared to \$313,000 for the second quarter 2003. Net sales year-to-date were \$1.24 million compared to \$1.07 million for the same period in 2003. Last year, during the three months ended June 30, 2003, the Company recorded a provision for sales returns of \$146,000 for a product exchange, which reduced net sales. Revenue was then recognized upon reshipment of the product, which occurred in the third quarter 2003. Excluding the effect of the sales return recorded in second quarter 2003, net sales increased 37% for the second quarter of 2004 and 2% for year-to-date 2004 over the comparable periods in 2003.

The Company reported a net loss of \$822,000 or (\$0.05) per share, basic and diluted, for the quarter ended June 30, 2004, compared to a net loss of \$1.2 million or (\$0.08) per share, basic and diluted, for the same period in 2003. Basic and diluted weighted average shares used in the calculation for the three-months ended 2004 and 2003 were 17,452,164 and 15,683,702, respectively.

Cost of products sold increased by \$166,000 to \$645,000 in second quarter 2004, as compared to \$479,000 in second quarter 2003. Cost of products sold year-to-date increased by \$120,000 to \$1.28 million in 2004 from \$1.16 million in 2003. Excluding the effect of a cost deferral related to the abovementioned provision for sales returns in 2003, cost of products sold for the three months ended June 30, 2004 represents an increase of 11%, which is primarily due to the 37% increase in net sales, and an increase of 1% for year-to-date 2004 as compared to the same periods in 2003.

In addition, sales generated by the Company's subsidiary in the United Kingdom increased by 11% for the three-month period ended June 30, 2004, as compared to the same period in 2003.

Kevin G. Kroger, President and COO, stated, "By continuing to aggressively pursue opportunities within specific industries, we have seen gradual, consistent improvement in sales activity as indicated in previous announcements. We currently have a record number of evaluations in progress indicating increased recognition of bypass oil filtration technology and the **puraDYN®** product within the engine industry."

About puraDYN Filter Technologies Incorporated

puraDYN (AMEX: PFT) designs, manufactures and markets the **puraDYN**[®] 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[®] filtration products; and continues to market to major commercial fleets. **puraDYN**[®] 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 and Six Months Ended June 30, 2004 and 2003
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Net sales	\$ 627,320	\$ 313,036	\$ 1,240,724	\$ 1,065,494
Costs and expenses:				
Cost of products sold	645,586	478,773	1,275,252	1,159,698
Salaries and wages	403,283	465,573	812,269	911,592
Selling and administrative	380,020	401,562	774,195	895,852
Stock based compensation	(33,881)	95,289	237,222	129,170
	<u>1,395,008</u>	<u>1,441,197</u>	<u>3,098,938</u>	<u>3,096,312</u>
Loss from operations	(767,688)	(1,128,161)	(1,858,214)	(2,030,818)
Other income (expense):				
Interest income	12,995	12,724	27,134	25,448
Interest expense	(67,618)	(81,397)	(155,635)	(144,089)
Total other expense, net	(54,623)	(68,673)	(128,501)	(118,641)
Net loss	<u>\$ (822,311)</u>	<u>\$ (1,196,834)</u>	<u>\$ (1,986,715)</u>	<u>\$ (2,149,459)</u>
Basic and diluted loss per common share	<u>\$ (0.05)</u>	<u>\$ (0.08)</u>	<u>\$ (0.12)</u>	<u>\$ (0.14)</u>
Weighted average common shares outstanding	<u>17,452,164</u>	<u>15,683,702</u>	<u>17,102,823</u>	<u>15,673,663</u>