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## **puraDYN Releases 3rd Quarter Financial Results**

**Boynton Beach, FL – November 12, 2004 – puraDYN Filter Technologies Incorporated (AMEX: PFT)** today reported results of operations for the third fiscal quarter ended September 30, 2004.

Net sales for the third quarter 2004 were \$515,000 as compared to \$507,000 for the third quarter 2003. Net sales year-to-date were \$1.76 million compared to \$1.57 million for the same period in 2003. Last year, the Company recorded a provision for sales returns of \$146,000 for a product exchange in the second quarter. Revenue was then recognized upon reshipment of the product, which occurred in the third quarter 2003. Excluding the effect of the reversal of the provision for sales returns in 2003, net sales increased 43% for the third quarter of 2004 and 12% for year-to-date 2004 over the comparable periods in 2003.

The Company reported a net loss of \$793,000 or (\$0.05) per share, basic and diluted, for the quarter ended September 30, 2004, compared to a net loss of \$910,000 or (\$0.06) 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 15,692,164, respectively.

Cost of products sold decreased by \$9,000 to \$612,000 in third quarter 2004, as compared to \$621,000 in third quarter 2003. Excluding the effect of the reversal of the deferred cost related to the abovementioned provision for sales returns in 2003, cost of products sold for the three-months ended September 30, 2004, increased 18%, which is primarily due to the 43% increase in net sales, and an increase of 6% 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 62% for the three-month period ended September 30, 2004, and 26% for the year-to-date as compared to the same periods in 2003.

Kevin G. Kroger, President and COO, stated, "We continue to aggressively pursue opportunities within specific industries which have the most to gain from safely extending oil drain intervals and a significant reduction in oil purchases through the use of the **puraDYN**<sup>®</sup> systems. In addition, we believe the current US Department of Energy study of bypass oil filtration systems has brought attention to the technology within the engine industry as a solution to the high cost of oil and increasing dependence upon foreign oil."

### **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 and was selected as the manufacturer used by the US Department of Energy in a three-year evaluation to research and analyze performance, benefits and cost analysis of bypass oil filtration technology.

*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 Nine-Months Ended September 30, 2004 and 2003  
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Net sales	\$ 515,330	\$ 507,417	\$ 1,756,054	\$ 1,572,911
Costs and expenses:				
Cost of products sold	611,957	620,522	1,887,208	1,787,450
Salaries and wages	415,326	427,308	1,227,595	1,338,900
Selling and administrative	374,008	409,367	1,148,203	1,297,989
Stock based compensation	(161,530)	(116,464)	75,692	12,706
	<u>1,239,761</u>	<u>1,340,733</u>	<u>4,338,698</u>	<u>4,437,045</u>
Loss from operations	(724,431)	(833,316)	(2,582,644)	(2,864,134)
Other income (expense):				
Interest income	13,166	13,078	40,299	38,526
Interest expense	(81,247)	(89,276)	(236,882)	(233,365)
Total other expense, net	<u>(68,081)</u>	<u>(76,198)</u>	<u>(196,583)</u>	<u>(194,839)</u>
Net loss	<u>\$ (792,512)</u>	<u>\$ (909,514)</u>	<u>\$ (2,779,227)</u>	<u>\$ (3,058,973)</u>
Basic and diluted loss per common share	<u>\$ (0.05)</u>	<u>\$ (0.06)</u>	<u>\$ (0.16)</u>	<u>\$ (0.20)</u>
Weighted average common shares outstanding	<u>17,452,164</u>	<u>15,692,164</u>	<u>17,220,120</u>	<u>15,679,898</u>