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## **FLEXIBLE SOLUTIONS ANNOUNCES SECOND QUARTER 2004 FINANCIAL RESULTS**

**VICTORIA, B.C., Aug. 13, 2004 – FLEXIBLE SOLUTIONS INTERNATIONAL, INC. (AMEX: FSI, FRANKFURT: FXI)**, the developer and manufacturer of environmentally safe water and energy conservation technology, today announced financial results for the second quarter ended June 30, 2004.

Sales in the second quarter were \$547,761, compared with \$661,296 in the corresponding period a year ago, resulting in a net loss of \$(327,289), or \$(0.03) per basic weighted average share, compared with a net loss of \$(230,076), or \$(0.02) per basic weighted average share, in the second quarter of 2003. Basic weighted average shares used in computing per share amounts for the quarters were 11,819,916 and 11,709,916 respectively.

Sales in the six months were \$1,035,871, compared with \$1,942,562 for year-ago period, resulting in a net loss of \$(578,150), or \$(0.05) per basic weighted average share, compared with a loss of \$(49,295), or nil per basic weighted average share, in the second quarter of 2003. Basic weighted average shares used in computing per share amounts for the quarters were 11,819,916 and 11,677,988 respectively.

The sales data reflects only a small portion of FSI's acquisition of Donlar Corp., which was completed on June 9, and now operates as the Company's NanoChem Solutions, Inc., subsidiary. Revenue for the two companies on a combined pro-forma basis for the three months ended June 30, 2004, were \$1,620,700. For the six months ended June 30, 2004, pro-forma revenues totaled \$3,198,770.

"The second quarter was a productive period for Flexible Solutions as our gross profit increased to 80.8% from 38.3%, partially due to increased efficiencies at our Calgary factory," stated President and Chief Executive Officer Dan O'Brien. "We also had an increase in revenue per unit sold of our Ecosavr residential swimming pool product as a result of our taking over distribution of the product. However, total sales were less than the previous year as a result of excess product in the retail pipeline that was purchased by our former distributor in the first quarter 2004 and last quarter 2003. We believe that Ecosavr is now in the hands of end users and with in-house distribution now firmly in place, sales will soon return to higher levels and at twice the price per unit realized in 2003.

"In addition, significant investments that included the acquisition of Donlar brought a completely new line of environmentally friendly technologies into our product portfolio, in addition to a major revamping of our marketing efforts. With these expenditures behind us and a number of potential product sales in the pipeline for Donlar, now NanoChem Solutions, as well as our flagship Water\$avr evaporation control product, the Company is looking forward to accelerated revenue growth."

Mr. O'Brien noted that the second quarter results reflected a one-time \$175,595 depreciation charge resulting from the acquisition of assets of the Donlar, the developer and marketer of synergistic "green chemistry" technology and products. Flexible Solutions also made significant investments in marketing its WaterSavr evaporation control product, as well as establishing a new marketing division for Ecosavr.

Flexible Solutions is continuing to focus its marketing efforts for the Company's WaterSavr technology on drought stricken areas of the Western United States. "The Los Angeles-based Metropolitan Water District, the nation's largest, already has a WaterSavr project under way and we have trials in the pipeline with another major U.S. city," Mr. O'Brien said. "In addition, our new NanoChem Solutions division extended the Company's reach into new revenue-producing markets and is expected to play a key role in generating future growth."

**(TABLE FOLLOWS)**

**FLEXIBLE SOLUTIONS INTERNATIONAL, INC.**

**Consolidated Statement of Operations  
For 3 Mos. Ended June 30,  
(Unaudited)**

	<u>2004</u>	<u>2003</u>
Sales	\$ 547,761	\$ 661,296
Net Income (Loss)	\$ (327,289)	\$ (230,076)
Net Income (Loss) Per Common Share -- Basic	\$ (0.03)	\$ (0.02)
Weighted Average Shares Used in Computing Per Share Amounts -- Basic	11,819,916	11,709,916

**About Flexible Solutions International**

Flexible Solutions International, Inc. ([www.flexiblesolutions.com](http://www.flexiblesolutions.com)), based in Victoria, British Columbia, is the developer and manufacturer of WaterSavr, the world's first commercially viable water evaporation retardant. FSI is an environmental technology company specializing in energy and water conservation products for drinking water, agriculture, industrial markets and swimming pools throughout the world. WaterSavr reduces evaporation by up to 30% on reservoirs, lakes, aqueducts, irrigation canals, ponds and slow moving rivers. Heatsavr, a "liquid blanket" evaporation retardant for the commercial swimming pool and spa markets, also reduces humidity and lowers water heating costs, resulting in energy savings of 15% to 40%. The Company's EcoSavr product targets the residential swimming pool market. The Company's NanoChem Solutions, Inc., subsidiary specializes in environmentally friendly "green chemistry" water soluble products utilizing thermal polyaspartate (TPA) biopolymers, beta-proteins manufactured from the common biological amino acid, L-aspartic acid.

**Safe Harbor Provision**

The Private Securities Litigation Reform Act of 1995 provides a "Safe Harbor" for forward-looking statements. Certain of the statements contained herein, which are not historical facts, are forward looking statement with respect to events, the occurrence of which involve risks and uncertainties. These forward-looking statements may be impacted, either positively or negatively, by various factors. Information concerning potential factors that could affect the company is detailed from time to time in the company's reports filed with the Securities and Exchange Commission.

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