October 6, 2004

Perma-Fix Discontinues Operations at Detroit Facility to Improve Financial Performance

ATLANTA, Oct. 6 /PRNewswire-FirstCall/ -- Perma-Fix Environmental Services, Inc. (Nasdaq: PESI; BSE: PESI) (Germany: PES.BE), a national environmental services company providing unique mixed waste and industrial waste management services, reported that its Board of Directors have approved the discontinuation of operations at its Detroit, Michigan, facility to improve financial performance of the Industrial Segment. The Detroit Facility experienced significant disruptions in operations in 2003 largely due to two fires that have resulted in the decision to close the facility.

"Facility closures are always difficult; however the damages that have occurred at our Detroit facility would require a significant investment for recovery that cannot be supported in the current market. In its current condition, the Detroit facility represents a critical drain on the financial resources of our Industrial Segment. Therefore, discontinuation of operations is necessary to stop this drain and will significantly improve the financial performance of the Segment," stated Dr. Louis F. Centofanti, Chairman and CEO.

Dr. Centofanti continued, "With the restructuring of the Industrial Segment complete, coupled with the discontinuation of operations at our Detroit facility, and the recently announced pre-payment of our Senior Subordinated Notes, excluding the related one-time charges, we anticipate a meaningful improvement in earnings from operations for the balance of 2004 and 2005."

The Company has estimated, based on current information available to it, that it will record a one-time charge of approximately $11.3 million as a result of the discontinued operations in the third quarter of 2004. The one- time charge includes approximately $7.2 million of non-cash charges, and approximately $4.1 million in expected future cash payments for closure, environmental remediation and union pension withdrawal liabilities. Non-cash charges include the disposition of certain fixed assets, inventory, other assets and the impairment of $2.5 million of goodwill and other intangible assets, which represents the unamortized goodwill and other intangible assets allocated to the facility from the time of its acquisition. The Company is in the process of calculating the amount of goodwill and other intangible assets allocable to the discontinued operations and, based on these results, the actual amount of goodwill and other intangible assets allocated to discontinued operations could change. The amount of the charge could change when the Company finalizes the allocation of the intangibles, valuation of the fixed assets, completion of an actuarial study of the withdrawal liability under the pension plan at the Detroit facility and completion of the closure and remediation of the Detroit facility. In addition, the Company has submitted insurance claims for incidents at the facility, and is currently negotiating settlements for those claims. It

cannot be determined at this time the amount or completion date of such settlements.

Revenue for the Detroit facility was $5.7 million, or 6.8 percent, of total consolidated revenues for the year ended December 31, 2003, and $1.4 million, or 3.8 percent, of total consolidated revenues for the six months ended June 30, 2004. Loss from the discontinued operations was approximately $524,000 for the year ended December 31, 2003, and approximately $1.0 million for the six months ended June 30, 2004.

Perma-Fix Environmental Services, Inc. is a national environmental services company providing unique mixed waste and industrial waste management services. The Nuclear Segment provides radioactive and mixed waste treatment services to hospitals, research laboratories and institutions, numerous federal agencies, including the Departments of Energy and Defense, and nuclear utilities. The Industrial Segment provides hazardous and non-hazardous waste treatment services for a diverse group of customers including Fortune 500 companies, numerous federal, state and local agencies and thousands of smaller clients. The company operates eleven major waste treatment facilities across the country.

This press release contains "forward-looking statements," which are based largely on the Company's expectations and are subject to various business risks and uncertainties, certain of which are beyond the Company's control. Forward-looking statements include, but are not limited to, the information concerning management's expectations regarding expected one-time charge, significantly improved financial performance of the Industrial Segment and a meaningful improvement in earning from operations, for the balance of 2004 and 2005. These forward-looking statements are intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. While the Company believes the expectations reflected in this news release are reasonable, it can give no assurance such expectations will prove to be correct. There are a variety of factors, which could cause future outcomes to differ materially from those described in this release, including without limitation, completion of certain appraisals, future economic conditions, industry conditions, competitive pressures, changes in environmental laws, the Company's ability to discontinue operations in Detroit as anticipated, environmental, regulatory and remedial activities are as anticipated and the resolution of the union pension withdrawal liability in the amount recorded, and other factors as discussed in the Company's Form 10-K for the year ended December 31, 2003, under "Special Note Regarding Forward- Looking Statements." The Company makes no commitment to disclose any revisions to forward-looking statements, or any facts, events or circumstances after the date hereof that bear upon forward-looking statements.

Please visit us on the World Wide Web at http://www.perma-fix.com .

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/CONTACT: Dr. Louis F. Centofanti, Chairman and CEO of Perma-Fix Environmental Services, Inc., +1-404-847-9990; or media, Andrew Lavin of A. Lavin Communications, +1-212-290-9540, or andrewlavin@alavin.com; or David Waldman, dwaldman@lhai.com, or John Heilshorn, both of Lippert Heilshorn & Associates, +1-212-838-3777; or Herbert Strauss, European investor relations, +011-43-316-296-316, or herbert@eu-ir.com, all for Perma-Fix Environmental Services, Inc./
/Web site: http://www.perma-fix.com/
(PESI)

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