

August 2, 2004



Perma-Fix Announces Second Quarter Results

ATLANTA, Aug. 2 /PRNewswire-FirstCall/ -- Perma-Fix Environmental Services, Inc. (Nasdaq: PESI; BSE)(Germany: PES.BE) today announced financial results for the quarter ended June 30, 2004. Revenues for the quarter were \$19.9 million compared to \$19.9 million for the same period in 2003. Net income applicable to common stock for the quarter was \$70,000, compared to net loss applicable to common stock of \$1.3 million, or \$.04 per share, for the same period in 2003.

The second quarter of 2004 included \$2.7 million in revenue resulting from sales by our new subsidiaries created from the acquisition of certain assets of USL Environmental Services, Inc. d/b/a A&A Environmental ("A&A") of Baltimore, Md. and US Liquids of Pennsylvania, Inc. d/b/a EMAX ("EMAX") of Pittsburgh, Pa. The second quarter of fiscal 2003 included \$625,000 in revenue from the Company's Newport Hydrolysate Project with the Army.

Results for the quarter reflect an 8.0% increase in revenue from the Nuclear Segment and a 6.5% decrease in revenue from the Industrial Segment. The decrease in the Industrial Segment was largely attributable to the recent restructuring, in which the company eliminated low-margin, high volume services, and reduced its dependence on outside brokers. Also affecting the Industrial Segment during the quarter was the ongoing disruption at the Michigan facility resulting from a fire in the fourth quarter of 2003.

For the six months ended June 30, 2004, consolidated revenues were \$37.3 million compared to \$39.4 million for the period ended June 30, 2003. Net loss applicable to common stock for the six months was \$2.0 million, or \$.05 per share, compared with net loss applicable to common stock of \$1.7 million, or \$.05 per share for the same period in 2003.

Dr. Louis F. Centofanti, Chairman and CEO, commented, "Our recent restructuring efforts are now beginning to have a very positive effect on the Industrial Segment. As anticipated, our revenues were down slightly, as the Industrial Segment eliminated low-margin brokered customers. However, we are now seeing improved revenues as our new sales efforts take effect. As we analyze the results of the Industrial Segment for the quarter, the major contributor to its loss was the operating losses sustained at the Michigan facility, as a result of its ongoing disruption. Looking ahead, we remain focused on increasing revenues and achieving sustained profitability within the Industrial Segment, as we strengthen our dominant position in the Southeast."

Dr. Centofanti continued, "Within the Nuclear Segment, we increased revenues and achieved profitability during the second quarter. We also demonstrated a new PCB treatment process for contaminated soils to the U.S. Environmental Protection Agency. We

believe such demonstrations are an important element to our long-term growth, and this particular technology addresses a sizeable untapped market. However, as important as this is, the demonstration also utilized capacity at the M&EC facility, which limited our revenue growth during the quarter. Nevertheless, as we enter the third quarter, our pipeline is stronger than ever, and we are encouraged by the outlook for both revenue growth and improved cash flow in the second half of 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 increasing revenue and achieving sustained profitability within Industrial Segment, strengthening our dominant position in the Southeast, the Nuclear Segment pipeline being stronger than ever and the outlook for both revenue growth and improved cash flow in the second half of 2004. 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, future economic conditions, industry conditions, competitive pressures, changes in environmental laws, continued disruption at the Michigan facility, and neither the government nor any party delivering waste as anticipated. 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>.

FINANCIAL TABLE FOLLOWS

PERMA-FIX ENVIRONMENTAL SERVICES, INC. CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(Amounts in Thousands, Except for Per Share Amounts)	2004	2003	2004	2003
Net revenues	\$19,868	\$19,909	\$37,337	\$39,427
Cost of goods sold	14,438	15,391	28,346	29,848

Gross profit	5,430	4,518	8,991	9,579
Selling, general and administrative expenses	4,417	4,786	8,807	9,166
Income (loss) from operations	1,013	(268)	184	413
Other income (expense):				
Interest income	1	3	2	5
Interest expense	(579)	(691)	(1,249)	(1,393)
Interest expense-financing fees	(257)	(257)	(513)	(558)
Other	(61)	10	(305)	(55)
Net income (loss)	117	(1,203)	(1,881)	(1,588)
Preferred Stock dividends	(47)	(48)	(94)	(94)
Net income (loss) applicable to Common Stock	\$70	\$ (1,251)	\$ (1,975)	\$ (1,682)
Net income (loss) per common share:				
Basic	\$--	\$ (.04)	\$ (.05)	\$ (.05)
Diluted	\$--	\$ (.04)	\$ (.05)	\$ (.05)
Number of shares and potential common shares used in net income (loss) per common share:				
Basic	41,448	34,798	39,244	34,702
Diluted	45,210	34,798	39,244	34,702

PERMA-FIX ENVIRONMENTAL SERVICES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in Thousands, Except for Share Amounts)

June 30, 2004 December 31, 2003
(Unaudited)

ASSETS

Current assets:

Cash	\$190	\$411
Restricted cash	61	30
Accounts receivable, net of allowance for doubtful accounts of \$711 and \$703	27,347	24,622
Prepaid expenses and other	3,085	3,318
Total current assets	30,683	28,381

Net property and equipment	54,545	53,069
Permits	16,680	16,680
Goodwill	6,216	6,216
Finite Risk Sinking Fund	2,225	1,234
Other assets	4,128	4,635
Total assets	\$114,477	\$110,215

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Accounts payable	\$7,245	\$6,359
Accrued expenses and other	13,904	14,967
Current portion of long-term debt	2,296	2,896
Total current liabilities	23,445	24,222

Other long-term liabilities	8,809	8,074
Long-term debt, less current portion	21,478	26,192
Total long-term liabilities	30,287	34,266

Total liabilities	53,732	58,488
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Commitments and Contingencies	--	--
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Preferred Stock of subsidiary, \$1.00 par value; 1,467,396 shares authorized, 1,284,730 shares issued and outstanding, liquidation value \$1.00 per share	1,285	1,285
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Stockholders' equity:

Preferred Stock, \$.001 par value; 2,000,000 shares authorized, 2,500 shares issued and outstanding	--	--
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Common Stock, \$.001 par value; 75,000,000 shares authorized, 42,545,331 and 37,241,881 shares issued, including 988,000 shares held as treasury stock, respectively	43	37
Additional paid-in capital	80,573	69,640
Accumulated deficit	(19,218)	(17,243)
Interest rate swap	(76)	(130)
	61,322	52,304

Less Common Stock in treasury at cost; 988,000 shares	(1,862)	(1,862)
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Total stockholders' equity	59,460	50,442
Total liabilities and stockholders' equity	\$114,477	\$110,215

Source: Perma-Fix Environmental Services, Inc.