

March 28, 2008



## **Perma-Fix Announces Results for the Fourth Quarter and Fiscal 2007**

ATLANTA, March 28 /PRNewswire-FirstCall/ -- Perma-Fix Environmental Services, Inc. (Nasdaq: PESI) today announced results for the fourth quarter and year ended December 31, 2007.

Dr. Louis F. Centofanti, Chairman and Chief Executive Officer, stated, "The fourth quarter of the year is traditionally our slowest period, which was magnified by the effects of the current DOE bidding cycles along with budgetary pressures on the part of the federal government. The high fixed cost nature of our business, the shift in product mix towards higher volume yet lower margin wastes and the additional expenses as we stepped-up our bidding activity all combined to negatively impact both margins and EBITDA for the fourth quarter and full year. However, we are encouraged by the outlook for our business on a number of fronts, including the prospects for participating in onsite DOE management contracts and demonstrating our waste treatment capabilities at Hanford."

Dr. Centofanti continued, "We are continuing the process of exiting the industrial waste management business to focus entirely on higher margin nuclear waste treatment. As reported previously, the Industrial Segment of Perma-Fix has been re-classified as discontinued operations. As a result, we absorbed a much higher percentage of the corporate overhead within our Nuclear Segment, but expect to adjust these expenses accordingly following the divestiture of our Industrial Segment. Additionally, we recorded a \$5.8 million charge in the quarter for the impairment of tangible assets related to the Industrial Segment divestiture. As previously reported, we completed the sales of our Baltimore, Maryland, and Dayton, Ohio industrial facilities for \$3.825 million and \$2.1 million, respectively, in all-cash transactions, subject to certain working capital adjustments, including the assumption of certain liabilities by the purchasers. We are pursuing the sale of the remainder of our facilities within our Industrial Segment. The protracted sale process is largely due to the unique circumstances, varied buyers, and overall economic conditions. However, we believe that the additional time we have spent on this process will help to ensure we achieve maximum value for these assets. As we sell off these facilities, we intend to redeploy this capital into the continued growth of our nuclear business."

### **Financial Results**

Revenue for the fourth quarter of 2007 was \$13.8 million, versus \$13.8 million for the same period last year. Revenue for the fourth quarter of 2006 benefited from surcharge revenues of \$1.1 million within the Nuclear Segment relating to a settlement with a DOE contractor for work that had been previously completed. Revenue for the Nuclear Segment was unchanged at \$13.1 million versus \$13.1 million for the same period last year. The slowdown in revenue growth for the Nuclear Segment reflected weaker pricing for mixed waste

treatment due to the timing of projects at the DOE, partially offset by revenues from the new Perma-Fix Richland facility and surcharge revenues of \$1.1 million in the fourth quarter of 2006. Revenue from the Engineering Segment was \$661,000 versus \$621,000 for the same period last year. Operating loss from continuing operations for the fourth quarter was \$693,000 versus operating income of \$2.1 million for the same period last year. The decrease in operating income primarily reflects the lower margin waste treated within the Nuclear Segment. Loss from discontinued operations, net of taxes, totaled \$6.7 million for the fourth quarter of 2007 compared to \$208,000 for the same period last year. Loss from discontinued operations included a \$5.8 million charge for the impairment of intangible assets related to the Industrial Segment divestiture. Net loss applicable to common stock for the fourth quarter of 2007 was \$7.4 million, or a loss of \$0.14 per share, versus net income of \$1.9 million or \$0.04 per share, for the same period last year.

The Company had EBITDA from continuing operations of \$736,000 during the quarter ended December 31, 2007, as compared to EBITDA of approximately \$3.4 million for the same period of 2006. The Company defines EBITDA as earnings before interest, taxes, depreciation and amortization. EBITDA is not a measure of performance calculated in accordance with accounting principles generally accepted in the United States ("GAAP"), and should not be considered in isolation of, or as a substitute for, earnings as an indicator of operating performance or cash flows from operating activities as a measure of liquidity. The Company believes the presentation of EBITDA is relevant and useful by enhancing the readers' ability to understand the Company's operating performance. The Company's management utilizes EBITDA as a means to measure performance. The Company's measurements of EBITDA may not be comparable to similar titled measures reported by other companies. The table below reconciles EBITDA, a non-GAAP measure, to net income for the three months and twelve months ended December 31, 2007 and 2006.

| (In thousands)                               | Quarter Ended<br>December 31, |         | Twelve Months<br>December 31, |          |
|----------------------------------------------|-------------------------------|---------|-------------------------------|----------|
|                                              | 2007                          | 2006    | 2007                          | 2006     |
| Net (loss) Income -<br>Continuing Operations | \$ (693)                      | \$2,086 | \$ 517                        | \$5,644  |
| Adjustments:                                 |                               |         |                               |          |
| Depreciation &<br>Amortization               | 1,121                         | 763     | 3,867                         | 3,046    |
| Interest Income                              | (74)                          | (90)    | (312)                         | (280)    |
| Interest Expense                             | 353                           | 246     | 1,302                         | 1,241    |
| Interest Expense -<br>Financing Fees         | 52                            | 47      | 196                           | 192      |
| Income Tax (Recovery)<br>Expense             | (23)                          | 354     | -                             | 507      |
| EBITDA                                       | \$ 736                        | \$3,406 | \$5,570                       | \$10,350 |

The tables below present certain financial information for the business segments, excluding allocation of corporate expenses:

Quarter Ended Dec. 31, 2007

Quarter Ended Dec. 31, 2006

|                |          |             |          |             |
|----------------|----------|-------------|----------|-------------|
| (In thousands) | Nuclear  | Engineering | Nuclear  | Engineering |
| Net revenues   | \$13,143 | \$ 661      | \$13,136 | \$ 621      |
| Gross profit   | 3,399    | 197         | 6,268    | 105         |
| Segment profit | 740      | 83          | 3,692    | 6           |

|                          | Twelve Months Ended<br>Dec. 31, 2007 |             | Twelve Months Ended<br>Dec. 31, 2006 |             |
|--------------------------|--------------------------------------|-------------|--------------------------------------|-------------|
| (In thousands)           | Nuclear                              | Engineering | Nuclear                              | Engineering |
| Net revenues             | \$51,704                             | \$ 2,398    | \$49,423                             | \$ 3,358    |
| Gross profit             | 16,505                               | 760         | 20,930                               | 797         |
| Segment profit<br>(loss) | 6,364                                | 245         | 11,771                               | 252         |

As of December 31, 2007, our fixed charge coverage ratio contained in our loan agreement fell below the minimum requirement. We have obtained a waiver from our lender for this non-compliance as of December 31, 2007. We may not be in compliance with this fixed charge coverage ratio as of the end of the first quarter of 2008, and as a result, we were required under GAAP to reclassify \$11.4 million owing to our lenders from long term to current, resulting in a negative working capital of approximately \$17.2 million as of December 31, 2007. If we are unable to meet the fixed charge coverage ratio, we believe that our lender will waive this non-compliance, but there is no assurance.

#### About Perma-Fix Environmental Services

Perma-Fix Environmental Services, Inc. is a national environmental services company, providing unique mixed waste and industrial waste management services. The Company has increased its focus on the nuclear services segment, which provides radioactive and mixed waste treatment services to hospitals, research laboratories and institutions, numerous federal agencies including DOE and the U.S. Department of Defense and nuclear utilities. The industrial services 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 nine 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, expand our core services; new onsite contracts representing growth opportunity outside our traditional markets and increase the flow of waste to us; positioned to capture a meaningful share of waste at the Hanford site; our facility at the Hanford site represents a significant growth opportunity; divestiture of our Industrial Segment and achievements of maximum value; well positioned for 2008; encouraged by the outlook for 2008; and obtaining waiver of financial covenant from lender if required. 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; and our ability to apply and market our technologies; that neither the federal government nor any other party to a subcontract involving the federal government terminates or renegotiates any material contract granted to us prior to expiration of the term of the contract, as such contracts are generally terminable or renegotiable on 30 day notice, at the government's option; or the government or such other party to a contract granted to us fails to abide by or comply with the contract or to deliver waste as anticipated under the contract; that Congress provides funding for the new remediation projects; and the additional factors referred to under "Special Note Regarding Forward-Looking Statements" of our 2006 Form 10-K and the Forward-Looking Statements discussed in our Forms 10-Q for the quarter ending March 31, 2007, June 30, 2007, and September 30, 2007. 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>.

PERMA-FIX ENVIRONMENTAL SERVICES  
CONSOLIDATED BALANCE SHEETS  
As of December 31,

| (Amounts in Thousands, Except for<br>Share Amounts)                                                                              | 2007      | 2006      |
|----------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|
| ASSETS                                                                                                                           |           |           |
| Current assets:                                                                                                                  |           |           |
| Cash & equivalents                                                                                                               | \$137     | \$2,563   |
| Account receivable, net of allowance<br>for doubtful accounts of \$138 and \$168                                                 | 13,536    | 9,488     |
| Unbilled receivables                                                                                                             | 10,321    | 12,313    |
| Other current assets                                                                                                             | 3,403     | 4,776     |
| Assets of discontinued operations<br>included in current assets, net of<br>allowance for doubtful accounts of \$269<br>and \$247 | 5,197     | 7,100     |
| Total current assets                                                                                                             | 32,594    | 36,240    |
| Net property and equipment                                                                                                       | 47,309    | 33,345    |
| Property and equipment of discontinued<br>operations, net of accumulated depreciation<br>of \$12,408 and \$13,341                | 6,775     | 13,281    |
| Intangibles and other assets                                                                                                     | 36,984    | 21,427    |
| Intangible and other assets of<br>discontinued operations                                                                        | 2,369     | 2,369     |
| Total assets                                                                                                                     | \$126,031 | \$106,662 |
| LIABILITIES AND STOCKHOLDERS' EQUITY                                                                                             |           |           |
| Current liabilities                                                                                                              | 41,389    | 16,693    |
| Current liabilities related to<br>discontinued operations                                                                        | 8,359     | 6,737     |
| Total current liabilities                                                                                                        | 49,748    | 23,430    |
| Long-term liabilities                                                                                                            | 12,680    | 13,599    |
| Long-term liabilities related to<br>discontinued operations                                                                      | 3,590     | 3,895     |
| Total liabilities                                                                                                                | 66,018    | 40,924    |

|                                                                                                                                                                    |           |           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|
| Commitments and Contingencies                                                                                                                                      |           |           |
| Preferred Stock of subsidiary, \$1.00<br>par value; 1,467,396 shares authorized,<br>1,284,730 shares issued and outstanding,<br>liquidation value \$1.00 per share |           |           |
|                                                                                                                                                                    | 1,285     | 1,285     |
| Stockholders' equity:                                                                                                                                              |           |           |
| Preferred Stock, \$.001 par value;<br>2,000,000 shares authorized,<br>no shares issued and outstanding                                                             |           |           |
|                                                                                                                                                                    | -         | -         |
| Common Stock, \$.001 par value;<br>75,000,000 shares authorized,<br>53,704,516 and 52,053,744 shares<br>issued and outstanding                                     |           |           |
|                                                                                                                                                                    | 54        | 52        |
| Additional paid-in capital                                                                                                                                         | 96,409    | 92,980    |
| Stock subscription receivable                                                                                                                                      | (25)      | (79)      |
| Accumulated deficit                                                                                                                                                | (37,710)  | (28,500)  |
| Total stockholders' equity                                                                                                                                         | 58,728    | 64,453    |
| Total liabilities and<br>stockholders' equity                                                                                                                      | \$126,031 | \$106,662 |

PERMA-FIX ENVIRONMENTAL SERVICES, INC.  
CONSOLIDATED INCOME STATEMENT  
FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2007

| (Amounts in Thousands, Except for Per<br>Share Amounts)  | Three Months Ended<br>December 31, |          | Twelve Months Ended<br>December 31, |          |
|----------------------------------------------------------|------------------------------------|----------|-------------------------------------|----------|
|                                                          | 2007                               | 2006     | 2007                                | 2006     |
| Net revenues                                             | \$13,804                           | \$13,757 | \$54,102                            | \$52,781 |
| Cost of goods sold                                       | 10,208                             | 7,384    | 36,837                              | 31,054   |
| Gross profit                                             | 3,596                              | 6,373    | 17,265                              | 21,727   |
| Selling, general and administrative<br>expenses          | 3,872                              | 3,668    | 15,406                              | 14,320   |
| Loss on disposal of property and<br>equipment            | 72                                 | 46       | 71                                  | 48       |
| (Loss) income from operations                            | (348)                              | 2,659    | 1,788                               | 7,359    |
| Other income (expense):                                  |                                    |          |                                     |          |
| Interest income                                          | 74                                 | 90       | 312                                 | 280      |
| Interest expense                                         | (353)                              | (246)    | (1,302)                             | (1,241)  |
| Interest expense-financing fees                          | (52)                               | (47)     | (196)                               | (192)    |
| Other                                                    | (37)                               | (16)     | (85)                                | (55)     |
| (Loss) income from continuing<br>operations before taxes | (716)                              | 2,440    | 517                                 | 6,151    |
| Income tax (recovery) expense                            | (23)                               | 354      | -                                   | 507      |
| (Loss) income from continuing<br>operations              | (693)                              | 2,086    | 517                                 | 5,644    |
| Loss from discontinued operations, net<br>of taxes       | (6,703)                            | (208)    | (9,727)                             | (933)    |
| Net (loss) income                                        | (7,396)                            | 1,878    | (9,210)                             | 4,711    |
| Preferred Stock dividends                                | -                                  | -        | -                                   | -        |
| Net (loss) income applicable to Common<br>Stock          | \$(7,396)                          | \$1,878  | \$(9,210)                           | \$4,711  |
| Net income (loss) per common share -<br>basic            |                                    |          |                                     |          |

|                                                                           |          |        |          |        |
|---------------------------------------------------------------------------|----------|--------|----------|--------|
| Continuing operations                                                     | \$ (.01) | \$ .04 | \$ .01   | \$ .12 |
| Discontinued operations                                                   | (.13)    | -      | (.19)    | (.02)  |
| Net (loss) income per common share                                        | \$ (.14) | \$ .04 | \$ (.18) | \$ .10 |
| Net income (loss) per common share -<br>diluted                           |          |        |          |        |
| Continuing operations                                                     | \$ (.01) | \$ .04 | \$ .01   | \$ .12 |
| Discontinued operations                                                   | (.13)    | -      | (.19)    | (.02)  |
| Net (loss) income per common share                                        | \$ (.14) | \$ .04 | \$ (.18) | \$ .10 |
| Number of common shares used in<br>computing net income (loss) per share: |          |        |          |        |
| Basic                                                                     | 53,143   | 52,036 | 52,549   | 48,157 |
| Diluted                                                                   | 53,143   | 52,763 | 52,549   | 48,768 |

SOURCE: Perma-Fix Environmental Services, Inc.

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