

November 4, 2003



## **Perma-Fix Reports Record Revenue and Net Income for the Third Quarter; Net Income Increases 167 Percent**

ATLANTA, Nov. 4 /PRNewswire-FirstCall/ -- Perma-Fix Environmental Services, Inc. (Nasdaq: PESI; BSE) (Germany: PES.BE) today announced revenues of \$25.5 million for the quarter ended September 30, 2003, compared with revenues of \$24.2 million for the quarter ended September 30, 2002. Net income for the quarter was approximately \$4.0 million, or \$.12 per share, compared with net income of \$1.5 million, or \$.04 per share for the quarter ended September 30, 2002.

Results reflect a change in accounting estimate within the nuclear segment, whereby the percentage of completion methodology for revenue recognition was refined. The impact of the new accounting estimate was a deferral of approximately \$3.8 million in revenue and \$1.0 million in net income or \$.03 per share for the quarter. The change in estimate had no impact on cash flow.

The increase in revenues for the quarter ended September 30, 2003, is due to an increase in the industrial segment revenues of approximately \$2.3 million, to \$12.2 million, compared with the same period of 2002. Revenue in the nuclear segment declined \$1.1 million, to \$12.5 million, from the same period last year, reflecting the change in accounting estimates.

For the nine months ended September 30, 2003, consolidated revenues increased to \$64.9 million from \$63.2 million for the period ended September 30, 2002. Net income for the nine months was \$2.3 million, or \$.07 per share, compared with net income of \$2.2 million, or \$.07 per share for the same period in 2002.

Dr. Louis F. Centofanti, Chairman and Chief Executive Officer, commented, "We experienced a significant improvement in earnings, which we attribute to top-line growth, coupled with careful management of our expenses. Importantly, our industrial segment showed continued improvement and our nuclear services segment is back on track following the Department of Energy's lockdowns earlier this year. In fact, the nuclear revenues for the quarter would have exceeded the prior year, if not for the change in accounting estimate. In September our facilities received especially strong shipments of mixed waste, accounting for the increase in our accounts receivable, as well as contributing to revenue and cash flow in the fourth quarter. These strong results reinforce the need for investors to measure our performance on an annual versus a quarterly basis."

Dr. Centofanti continued, "We remain optimistic about the long-term growth opportunities. We are beginning to explore strategic opportunities that may enable us to improve the flow of mixed waste to our facilities. More importantly, we have barely scratched the surface of

the untapped multi- billion dollar mixed waste market. Additionally, we are continuing to pursue emerging opportunities to treat chemical-weapon by-products with our new biological water-treatment process."

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 the Departments of Energy and 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, long-term growth opportunities and the improvement of the flow of mixed waste to our facilities. 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, the ability of the company to successfully apply its technologies and successfully treat mixed waste, the DOE's failure to abide by or comply with the Oak Ridge contracts or to deliver 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> .

Perma-Fix Environmental Services, Inc.  
Consolidated Statements of Operations  
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Amounts in Thousands, Except for Per Share Amounts)	2003	2002	2003	2002
Net revenues	\$25,463	\$24,232	\$64,890	\$63,168
Cost of goods sold	15,223	16,988	45,071	44,835
Gross profit	10,240	7,244	19,819	18,333
Selling, general and administrative expenses	4,971	4,422	14,137	12,697
Income from operations	5,269	2,822	5,682	5,636

Other income (expense):				
Interest income	2	4	7	13
Interest expense	(744)	(723)	(2,137)	(2,150)
Interest expense- financing fees	(256)	(262)	(814)	(779)
Other	(198)	(285)	(253)	(366)
Net income	4,073	1,556	2,485	2,354
Preferred Stock dividends	(48)	(48)	(142)	(111)
Net income applicable to Common Stock	\$4,025	\$1,508	\$2,343	\$2,243
Net income per common share:				
Basic	\$.12	\$.04	\$.07	\$.07
Diluted	\$.11	\$.04	\$.06	\$.06
Number of shares and potential common shares used in net income per common share:				
Basic	34,885	34,275	34,764	34,181
Diluted	38,247	42,617	39,089	42,992

PERMA-FIX ENVIRONMENTAL SERVICES, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2003 (Unaudited)	December 31, 2002
ASSETS		
Current assets:		
Cash	\$194	\$212
Restricted cash	20	20
Accounts receivable, net of allowance for doubtful accounts of \$1,200 and \$1,212	27,236	21,820
Prepaid expenses and other	4,230	3,517
Total current assets	31,680	25,569
Net property and equipment	53,778	49,925
Permits, net	16,666	20,759
Goodwill, net	6,216	6,525
Finite Risk Sinking Fund	1,234	--
Other assets	4,875	3,047
Total assets	\$114,449	\$105,825
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$8,604	\$9,759
Accrued expenses and unearned revenue	15,553	11,706
Current portion of long-term debt	3,118	3,373
Total current liabilities	27,275	24,838
Other long-term liabilities	8,070	7,975

Long-term debt, less current portion	29,492	27,142
Total long-term liabilities	37,562	35,117
Total liabilities	64,837	59,955
Commitments and Contingencies	--	--
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
Stockholders' equity:		
Preferred Stock, \$.001 par value; 2,000,000 shares authorized, 2,500 shares issued and outstanding	--	--
Common Stock, \$.001 par value; 75,000,000 shares authorized, 36,274,209 and 35,326,734 shares issued, including 988,000 shares held as treasury stock, respectively	36	35
Additional paid-in capital	68,142	66,799
Accumulated deficit	(17,829)	(20,172)
Interest rate swap	(160)	(215)
	50,189	46,447
Less Common Stock in treasury at cost; 988,000 shares	(1,862)	(1,862)
Total stockholders' equity	48,327	44,585
Total liabilities and stockholders' equity	\$114,449	\$105,825

SOURCE Perma-Fix Environmental Services, Inc.