

March 2, 2004



## Perma-Fix Announces 43% Increase In Net Income For 2003

ATLANTA, March 2 /PRNewswire-FirstCall/ -- Perma-Fix Environmental Services, Inc. (Nasdaq: PESI; BSE) (Germany: PES.BE) today announced financial results for the fourth quarter and fiscal 2003. Revenues for the quarter ended December 31, 2003, totaled \$20.0 million, compared to \$20.2 million for the same period in 2002. Net income for the quarter was \$586,000 or \$.02 per share compared to net loss of \$199,000 or \$.01 per share for the same period in 2002.

Results for the quarter reflect an 8.8% increase in revenue for the Industrial Segment, which was largely attributable to \$1.9 million recognized on the Company's Newport Hydrolysate Project with the Army, which was completed in 2003. Revenue for the Nuclear Segment declined 10.4% due to continued timing irregularities of revenues within this segment.

For the twelve months ended December 31, 2003, revenues increased by approximately 1.8% to a record \$84.9 million, compared to revenues of \$83.4 million in 2002. For the twelve months ended December 31, 2003, net income totaled \$2.9 million or \$.08 per share, compared to net income of \$2.0 million or \$.06 per share in 2002.

Results for the year reflect a 17.6% increase in revenue for the Industrial Segment, which was largely attributable to \$4.9 million recognized on the Company's Newport Hydrolysate Project with the Army. Revenue for the Nuclear Segment declined 11.5% due to the Department of Energy lockdowns related to the terrorism alerts in the first half of the year.

Dr. Louis F. Centofanti, Chairman and CEO, commented, "We are quite pleased with the 43.3% increase in profitability, continued reduction in our long-term debt, and improved working capital position. We achieved these results despite the Department of Energy (DOE) lockdowns and resulting impact to our Nuclear Segment from the heightened terrorism alerts in the first half of 2003. Importantly, the DOE has put new procedures in place, which we believe will minimize the likelihood of future lockdowns. As a result, we were largely unaffected by the heightened terrorism alerts in the fourth quarter of 2003. Looking ahead, we expect continued growth in the Nuclear Segment in 2004, as we focus not only on treating mixed waste, but also on characterizing and handling the waste, which should ultimately improve the flow of waste to our facilities, and reduce the irregularity of this revenue stream."

Dr. Centofanti continued, "We continue to make strides in improving the profitability of our Industrial Segment, which we should begin to recognize in the second quarter of 2004. Importantly, we are now focusing on higher margin accounts, and expect the recent workforce reductions will result in annual savings of approximately \$3.2 million. Moreover, we continue to identify attractive growth opportunities that will utilize our state-of-the-art

biological wastewater treatment process, including the destruction of chemical weapon byproducts."

Perma-Fix Environmental Services, Inc. is a national environmental services company, providing unique mixed waste and industrial waste management services. 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 nuclear services 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 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, the information concerning possible or assumed future results of operations of the company, continued growth in the Nuclear Segment in 2004, improving profitability in the Industrial Segment, and minimized likelihood of future DOE lockdowns. 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 apply and market its technologies, neither the government nor any party which has granted the Company a material contract terminates their contract prior to expiration of the term of the contract, the DOE's failure to abide by or comply with its contracts or to deliver waste as anticipated, and the continued acceptance of our new wastewater technology. 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

Three Months Ended                      Twelve Months Ended  
December 31                                      December 31

(Amounts in Thousands,

Except for Share Amounts)	2003	2002	2003	2002
Net revenues	\$20,002	\$20,236	\$84,892	\$83,404
Cost of goods sold	13,562	14,220	58,633	59,055
Gross profit	6,440	6,016	26,259	24,349

Selling, general and  
administrative

expenses	4,500	5,212	18,637	17,909
Income from operations	1,940	804	7,622	6,440
Other income (expense):				
Interest income	1	3	8	16
Interest expense	(704)	(753)	(2,841)	(2,903)
Interest expense - financing fees	(256)	(265)	(1,070)	(1,044)
Other	(348)	59	(601)	(307)
Net income (loss)	633	(152)	3,118	2,202
Preferred Stock dividends	(47)	(47)	(189)	(158)
Net income (loss) applicable to Common Stock	\$586	\$(199)	\$2,929	\$2,044
Net income (loss) per common share:				
Basic	\$.02	\$(.01)	\$.08	\$.06
Diluted	\$.01	\$(.01)	\$.08	\$.05
Number of shares and potential common shares used in computing net income (loss) per share:				
Basic	35,631	34,323	34,982	34,217
Diluted	46,396	34,323	39,436	42,618

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

(Amounts in Thousands,  
Except for Share Amounts)

ASSETS

Current assets:

Cash	\$411	\$212
Restricted cash	30	20
Accounts receivable, net of allowance for doubtful accounts of \$703 and \$698	24,052	21,820
Prepaid expenses and other	3,318	3,517
Total current assets	27,811	25,569

Net property and equipment	53,069	49,925
Permits, net	16,680	20,759
Goodwill, net	6,216	6,525
Finite Risk Sinking Fund	1,234	--
Other assets	4,635	3,047
Total assets	\$109,645	\$105,825

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Accounts payable	\$6,359	\$9,759
Accrued expenses and other	14,397	11,706

Current portion of long-term debt	2,896	3,373
Total current liabilities	23,652	24,838
Other long-term liabilities	8,074	7,975
Long-term debt, less current portion	26,192	27,142
Total long-term liabilities	34,266	35,117
Total liabilities	57,918	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, 37,241,881 and 35,326,734 shares issued, including 988,000 shares held as treasury stock, respectively	37	35
Additional paid-in capital	69,640	66,799
Accumulated deficit	(17,243)	(20,172)
Interest rate swap	(130)	(215)
	52,304	46,447
Less Common Stock in treasury at cost; 988,000 shares	(1,862)	(1,862)
Total stockholders' equity	50,442	44,585
Total liabilities and stockholders' equity	\$109,645	\$105,825

SOURCE Perma-Fix Environmental Services, Inc.