

May 9, 2005



Perma-Fix Reports 29% Increase in First Quarter Revenue

- Nuclear Segment Revenue Increases 15% -

- Industrial Segment Revenue Increases 51% -

ATLANTA, May 9 /PRNewswire-FirstCall/ - Perma-Fix Environmental Services, Inc. (Nasdaq: PESI) (BSE: PESI) (Germany: PES.BE) today announced financial results for the first quarter ended March 31, 2005. Revenues for the first quarter of 2005 increased 29% to \$21.6 million compared to \$16.8 million for the first quarter of 2004. Revenues for the Nuclear Segment increased 15% to \$10.9 million, reflecting continued expansion within the mixed waste market, including new government and commercial contracts. Revenues for the Industrial Segment increased 51% to \$9.9 million for the quarter, reflecting the progress of the Company's recent restructuring of its Industrial Segment.

Income from continuing operations for the quarter was \$46,000, compared to loss from continuing operations of \$1.4 million in 2004. Net loss applicable to common stock for the quarter was \$168,000, or \$0.00 per share, compared to net loss applicable to common stock of \$2.0 million, or \$0.06 per share, for the same period in 2004. Net loss included \$167,000 of expenses related to discontinued operations at the Detroit facility, which was closed in the third quarter of 2004.

The table below presents certain financial information for the business segments, excluding allocation of corporate expenses.

| | Quarter Ended March 31, 2005 | | | Quarter Ended March 31, 2004 | | |
|-----------------------|------------------------------|----------|-------------|------------------------------|---------|-------------|
| | Industrial | Nuclear | Engineering | Industrial | Nuclear | Engineering |
| (In thousands) | | | | | | |
| Net revenues | \$ 9,949 | \$10,896 | \$ 763 | \$ 6,608 | \$9,475 | \$ 728 |
| Gross profit | 1,800 | 3,546 | 155 | 320 | 3,363 | 167 |
| Segment profit (loss) | (245) | 1,647 | 31 | (1,526) | 1,267 | 68 |

Dr. Louis F. Centofanti, Chairman and Chief Executive Officer, stated, "We are quite pleased with the revenue growth across all segments. The Nuclear Segment continues to generate strong cash flow, and our sales pipeline is robust as we enter the second quarter. The restructuring of the Industrial Segment is progressing well, as evidenced by the increased revenue and improved margins. As a result, we achieved positive income from continuing operations, during our seasonally weakest period. As further evidence of our sales success and commitment to customer service, we were recently awarded a renewed and expanded two-year contract estimated at approximately \$10 million from a leading North-American home-improvement retail chain. We anticipate continued revenue growth and improved

profitability within both segments for the balance of 2005."

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 continued revenue growth and profitability within both segments for the balance of 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, 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 or failure to abide by or comply with contracts or to deliver waste as anticipated, that pending or future litigation or administrative proceeding (including, but not limited to, the pending proceedings brought by the U.S. Environmental Protection Agency against Perma-Fix of Dayton, Inc. ("PFD") alleging that PFD's operations require it to operate under a title V Air permit and a citizens' suit again PFD alleging similar matters) is resolved unfavorably to us, and the additional factors referred to under "Special Note Regarding Forward-Looking Statements" of our 2004 Form 10-K. 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 TABLES FOLLOW

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

| (Amounts in Thousands, Except for Per Share Amounts) | Three Months Ended March 31, | |
|---|---------------------------------|-----------|
| | 2005 | 2004 |
| Net revenues | \$ 21,608 | \$ 16,811 |
| Cost of goods sold | 16,107 | 12,961 |
| Gross profit | 5,501 | 3,850 |
| Selling, general and administrative expenses | 4,919 | 4,338 |

| | | |
|---|----------|------------|
| Loss (Gain) on disposal of fixed assets | -- | (17) |
| Income (loss) from operations | 582 | (471) |
| Other income (expense): | | |
| Interest income | 1 | 1 |
| Interest expense | (412) | (665) |
| Interest expense-financing fees | (111) | (256) |
| Other | (14) | (54) |
| Income (loss) from continuing operations | 46 | (1,445) |
| Loss from discontinued operations | (167) | (553) |
| Net loss | (121) | (1,998) |
| Preferred Stock dividends | (47) | (47) |
| Net loss applicable to Common Stock | \$ (168) | \$ (2,045) |
| Net loss per common share - basic | | |
| Continuing operations | \$ -- | \$ (.04) |
| Discontinued operations | -- | (.02) |
| Net loss per common share | \$ -- | \$ (.06) |
| Net loss per common share - diluted | | |
| Continuing operations | \$ -- | \$ (.04) |
| Discontinued operations | -- | (.02) |
| Net loss per common share | \$ -- | \$ (.06) |
| Number of shares and potential common shares used in net loss per common share: | | |
| Basic | 41,778 | 37,040 |
| Diluted | 44,539 | 37,040 |

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

| | March 31, 2005 (Unaudited) | December 31, 2004 |
|--|----------------------------------|----------------------|
| (Amounts in Thousands, Except for Share Amounts) | | |
| ASSETS | | |
| Current assets: | | |
| Cash | \$ 78 | \$ 215 |
| Restricted cash | 60 | 60 |
| Accounts receivable, net of allowance for doubtful accounts of \$481 and \$570 | 27,411 | 27,192 |
| Prepaid expenses and other | 4,035 | 3,818 |
| Current assets of discontinued operations, net of allowance for doubtful accounts of \$119 and \$125 | 1,585 | 1,609 |
| Total current assets | 33,169 | 32,894 |
| Net property and equipment | 46,827 | 47,261 |
| Property of discontinued operations | 600 | 600 |
| Permits | 12,978 | 12,895 |
| Goodwill | 1,330 | 1,330 |
| Finite Risk Sinking Fund | 3,216 | 2,225 |
| Other assets | 3,063 | 3,250 |
| Total assets | \$ 101,183 | \$ 100,455 |

LIABILITIES AND STOCKHOLDERS' EQUITY
Current liabilities:

| | | |
|--|------------|------------|
| Accounts payable | \$ 7,355 | \$ 6,529 |
| Accrued expenses and other | 16,737 | 17,936 |
| Current liabilities of discontinued operations | 2,371 | 2,550 |
| Current portion of long-term debt | 6,361 | 6,376 |
| Total current liabilities | 32,824 | 33,391 |
| Other long-term liabilities | 9,241 | 9,147 |
| Long-term liabilities of discontinued operations | 1,804 | 1,804 |
| Long-term debt, less current portion | 13,876 | 12,580 |
| Total long-term liabilities | 24,921 | 23,531 |
| Total liabilities | 57,745 | 56,922 |
| 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, 42,793,267 and 42,749,117 shares issued, including 988,000 shares held as treasury stock, respectively | 43 | 43 |
| Additional paid-in capital | 80,958 | 80,902 |
| Accumulated deficit | (36,962) | (36,794) |
| Interest rate swap | (24) | (41) |
| | 44,015 | 44,110 |
| Less Common Stock in treasury at cost; 988,000 shares | (1,862) | (1,862) |
| Total stockholders' equity | 42,153 | 42,248 |
| Total liabilities and stockholders' equity | \$ 101,183 | \$ 100,455 |

SOURCE Perma-Fix Environmental Services, Inc.

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05/09/2005

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/Web site: <http://www.perma-fix.com/>
(PESI)

CO: Perma-Fix Environmental Services, Inc.
ST: Georgia
IN: ENV
SU: ERN

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