

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-Q

**QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2005

Commission File No. 0-7099

CECO ENVIRONMENTAL CORP.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

13-2566064
(I.R.S. Employer
Identification No.)

3120 Forrer Street, Cincinnati, Ohio 45209
(Address of principal executive offices) (Zip Code)

513-458-2600
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of latest practical date.

Class: Common, par value \$.01 per share outstanding at May 5, 2005 - 9,993,260

[Table of Contents](#)

CECO ENVIRONMENTAL CORP.

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
MARCH 31, 2005

INDEX

Part I - Financial Information:

Item 1.	Condensed consolidated balance sheets as of March 31, 2005 and December 31, 2004	2
	Condensed consolidated statements of operations for the three-month periods ended March 31, 2005 and 2004	3
	Condensed consolidated statements of cash flows for the three-month periods ended March 31, 2005 and 2004	4
	Notes to condensed consolidated financial statements	5
Item 2.	Management's discussion and analysis of financial condition and results of operations	9
Item 3.	Quantitative and Qualitative Disclosure about Market Risk	13
Item 4.	Controls and Procedures	14

Part II - [Other Information](#)

Item 6.	Exhibits	15
---------	--------------------------	----

Signature	16
---------------------------	----

Certifications

CECO ENVIRONMENTAL CORP.

CONDENSED CONSOLIDATED BALANCE SHEETS

Dollars in thousands, except per share data

	MARCH 31, 2005	DECEMBER 31, 2004
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 402	\$ 339
Accounts receivable, net	10,424	14,055
Costs and estimated earnings in excess of billings on uncompleted contracts	4,178	4,181
Inventories	1,865	1,689
Prepaid expenses and other current assets	2,346	1,515
	<hr/>	<hr/>
Total current assets	19,215	21,779
Property and equipment, net	9,343	9,385
Goodwill, net	9,527	9,527
Intangibles – finite life, net	717	737
Intangibles – indefinite life	1,395	1,395
Deferred charges and other assets	464	618
	<hr/>	<hr/>
	\$ 40,661	\$ 43,441
	<hr/>	<hr/>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of debt	\$ 8,581	\$ 4,188
Accounts payable and accrued expenses	8,998	12,211
Billings in excess of costs and estimated earnings on uncompleted contracts	4,637	3,470
	<hr/>	<hr/>
Total current liabilities	22,216	19,869
Other liabilities	1,950	1,967
Debt, less current portion	—	4,549
Deferred income tax liability	2,462	2,462
Subordinated notes (related party - \$6,948 and \$6,884, respectively)	7,416	7,345
	<hr/>	<hr/>
Total liabilities	34,044	36,192
Shareholders' equity:		
Common stock, \$0.01 par value; 100,000,000 shares authorized, 10,168,479 shares issued in 2005 and 2004	102	102
Capital in excess of par value	15,017	15,017
Accumulated deficit	(7,269)	(6,637)
Accumulated other comprehensive loss	(760)	(760)
	<hr/>	<hr/>
	7,090	7,722
Less treasury stock, at cost, 175,220 shares in 2005 and 2004	(473)	(473)
	<hr/>	<hr/>
Total shareholders' equity	6,617	7,249
	<hr/>	<hr/>
	\$ 40,661	\$ 43,441
	<hr/>	<hr/>

The notes to condensed consolidated financial statements are an integral part of the above statements.

[Table of Contents](#)CECO ENVIRONMENTAL CORP.CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

Dollars in thousands, except per share data

	THREE MONTHS ENDED MARCH 31,	
	2005	2004
Net sales	\$ 15,055	\$ 14,074
Costs and expenses:		
Cost of sales, exclusive of items shown separately below	12,882	11,341
Selling and administrative	2,841	2,575
Depreciation and amortization	292	327
	<u>16,015</u>	<u>14,243</u>
Loss from operations	(960)	(169)
Other income	50	—
Interest expense (including related party interest of \$259 and \$217, respectively)	(597)	(596)
Loss from operations before income taxes	(1,507)	(765)
Income tax benefit	(875)	(344)
Net loss	\$ (632)	\$ (421)
Per share data:		
Basic and diluted net loss	\$ (.06)	\$ (.04)
Weighted average number of common shares outstanding:		
Basic and diluted	<u>9,993,260</u>	<u>9,984,974</u>

The notes to condensed consolidated financial statements are an integral part of the above statements.

CECO ENVIRONMENTAL CORP.CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

Dollars in thousands

	THREE MONTHS ENDED MARCH 31,	
	2005	2004
Cash flows from operating activities:		
Net loss	\$ (632)	\$ (421)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	292	327
Non cash interest expense included in net loss	89	164
Non cash gains included in net loss	(19)	(18)
Changes in operating assets and liabilities:		
Accounts receivable	3,631	1,099
Inventories	(176)	19
Costs and estimated earnings in excess of billings on uncompleted contracts	3	414
Prepaid expenses and other current assets	(831)	(348)
Accounts payable and accrued expenses	(3,213)	(1,705)
Billings in excess of costs and estimated earnings on uncompleted contracts	1,167	(105)
Other	136	268
Net cash provided by (used in) operating activities	447	(306)
Net cash used in investing activities - acquisition of property and equipment	(228)	(71)
Net cash (used in) provided by financing activities - long-term debt (repayments) borrowings	(156)	506
Net increase in cash	63	129
Cash and cash equivalents at beginning of the period	339	136
Cash and cash equivalents at end of the period	\$ 402	\$ 265

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid (refunded) during the period for:		
Interest	\$ 495	\$ 390
Income taxes	\$ 95	\$ (24)

The notes to condensed consolidated financial statements are an integral part of the above statements.

CECO ENVIRONMENTAL CORP.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

(Dollars in thousands)

1. Basis of reporting for condensed consolidated financial statements and significant accounting policies.

The accompanying unaudited condensed consolidated financial statements of CECO Environmental Corp. and subsidiaries (the "Company", "we", "us", or "our") have been prepared in accordance with accounting principles generally accepted in the United States of America. In the opinion of management, the accompanying unaudited condensed consolidated financial statements of the Company contain all adjustments (consisting only of normal recurring accruals) necessary to present fairly the financial position as of March 31, 2005 and the results of operations and of cash flows for the three-month periods ended March 31, 2005 and 2004. The results of operations for the three-month period ended March 31, 2005 are not necessarily indicative of the results to be expected for the full year. The balance sheet as of December 31, 2004 has been derived from the audited consolidated financial statements included in the Company's annual report on Form 10-K for the year ended December 31, 2004.

These financial statements should be read in conjunction with the audited financial statements and notes thereto in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission.

Stock Based Compensation - We apply Accounting Principles Board Opinion No. 25 and related interpretations in the accounting for stock option plans. Under such method, compensation is measured by the quoted market price of the stock at the measurement date less the amount, if any, that the employee is required to pay. The measurement date is the first date on which the number of shares that an individual employee is entitled to receive and the option or purchase price, if any, are known. We did not incur any compensation expense in 2005 or 2004 related to our stock option plans. We adopted the disclosure-only provisions of SFAS No. 123, "Accounting for Stock-Based Compensation" and related pronouncements.

The following table compares 2005 and 2004 as reported to the pro forma results, considering both options and warrants discussed in Note 11 in our 2004 Annual Report filed on Form 10-K, had we adopted the expense recognition provision of SFAS No. 123:

	Three Months Ended March 31,	
	2005	2004
Net loss as reported	\$ (632)	\$ (421)
Deduct: compensation cost based on fair value recognition, net of tax	(8)	(24)
Pro forma net loss under SFAS No. 123	\$ (640)	\$ (445)
Basic and diluted loss per share:		
As reported	\$ (0.06)	\$ (0.04)
Pro forma under SFAS No. 123	\$ (0.06)	\$ (0.05)

In December 2004, the FASB issued SFAS No. 123 (revised 2004), "Share-Based Payment." SFAS No. 123 (revised 2004) is a revision of SFAS No. 123, "Accounting for Stock-Based Compensation," and supersedes APB Opinion No. 25, "Accounting for Stock Issued to Employees." Statement No. 123(R) will require the fair value of all stock option awards issued to employees to be recorded as an expense over the related vesting period.

CECO ENVIRONMENTAL CORP.NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

The statement also requires the recognition of compensation expense for the fair value of any unvested stock option awards outstanding at the date of adoption. We are currently evaluating the impact on our results from adopting SFAS No. 123(R), but expect it to be comparable to the pro forma effects presented above.

2. New Accounting Standards

In December 2003, the FASB issued a revised FASB Interpretation No. 46, entitled "Consolidation of Variable Interest Entities." As revised, the new interpretation requires that the Company consolidate all variable interest entities in its financial statements under certain circumstances. We adopted the revised interpretation as of March 31, 2004 as required; however, the adoption of this interpretation currently did not affect our financial condition or results of operations, as we do not have any variable interest entities.

In November 2004, the FASB issued SFAS No. 151, "Inventory Costs, an amendment of ARB No. 43, Chapter 4". This statement clarifies the accounting for abnormal amounts of idle facility expense, freight, handling costs and wasted material. SFAS No. 151 is effective for inventory costs incurred during fiscal years beginning after June 15, 2005. We are currently evaluating the impact of adopting SFAS No. 151 on our consolidated financial position, results of operations and cash flows.

3. Inventories

Inventories consist of the following:

	March 31, 2005	December 31, 2004
Raw materials and subassemblies	\$ 1,116	\$ 888
Finished goods	121	251
Parts for resale	728	660
Reserve for obsolescence	(100)	(110)
	<u>\$ 1,865</u>	<u>\$ 1,689</u>

4. Business Segment Information

Our structure and operational integration results in one segment that focuses on engineering, designing, building and installing systems that remove airborne contaminants from industrial facilities, as well as equipment that controls emissions from such facilities. Accordingly, the condensed consolidated financial statements herein reflect the operating results of the segment.

5. Earnings Per Share

For the three months ended March 31, 2005 and 2004, both basic weighted average common shares outstanding and diluted average common shares outstanding were

CECO ENVIRONMENTAL CORP.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

9,993,260 and 9,984,974, respectively. We consider outstanding options and warrants in computing diluted net loss per share only when they are dilutive. Options and warrants to purchase 3,553,700 and 3,453,700 shares for the three months ended March 31, 2005 and 2004, respectively, were not included in the computation of diluted earnings per share due to their having an anti-dilutive effect. There were no adjustments to net loss for the basic or diluted earnings per share computations.

6. Debt

Total bank debt as of March 31, 2005 was \$8,581 and \$8,737 at December 31, 2004. Unused credit availability under our \$10 million revolving line of credit at March 31, 2005 was \$1,864. Availability is limited as determined by a borrowing base formula contained in the credit agreement.

The bank term loan and revolving line of credit are reported as current portion of debt in the balance sheet at March 31, 2005, since the term loan matures in July 2005 and the revolving line of credit matures in January 2006. We are currently finalizing negotiations with our current line of credit lender to consolidate the term debt, which is owed to two other banks, and the line of credit into one credit facility with reduced interest rates and a longer amortization period for the term loan. Due to time constraints with regard to final approval of the new agreement, we have opted to amend the existing agreement with regard to covenants at March 31, 2005. In April 2005, the twelfth amendment to the credit facility was negotiated. This amendment increased our capacity to issue letters of credit under the existing \$10 million facility from \$2 million to \$4 million. Any letters of credit issued under this new agreement do not reduce our borrowing base availability but are counted in the aggregate toward our \$10 million credit limit. Additionally, these letters of credit are secured by the personal guaranty of our Chairman, Phillip DeZwirek.

In March 2005, the thirteenth amendment to the credit facility was negotiated. This amendment waived minimum coverage requirements under several financial covenants through March 31, 2005. No extinguishment loss was recognized as a result of this amendment. We would not have been in compliance with the financial covenants at March 31, 2005 had the amendment not been made.

The Company's credit facilities were also amended on December 31, 2004 to reduce the financial covenant requirements for December 31, 2004.

7. Employee Benefit Plans

We sponsor a non-contributory defined benefit pension plan for certain union employees. The plan is funded in accordance with the funding requirements of the Employee Retirement Income Security Act of 1974.

We also sponsor a post-retirement health care plan for office employees retiring before January 1, 1990. The plan allows retirees who have attained the age of 65 to elect the type of coverage desired.

CECO ENVIRONMENTAL CORP.NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Retirement and health care plan expense is based on valuations performed by plan actuaries as of the beginning of each fiscal year. The components of the expense consisted of the following:

	Three Months Ended March 31,	
	2005	2004
Retirement plan:		
Service cost	\$ 33	\$ 30
Interest cost	69	71
Expected return on plan assets	(76)	(63)
Amortization of prior service cost	2	2
Amortization of net actuarial (gain)/loss	22	26
	<u> </u>	<u> </u>
Net periodic benefit cost	\$ 50	\$ 66
	<u> </u>	<u> </u>
Health care plan:		
Interest cost	\$ 7	\$ 7
	<u> </u>	<u> </u>

We made contributions to our defined benefit plans in the first quarter of 2005 totaling \$75. We anticipate contributing \$398 to fund the pension plan and \$80 for the retiree health care plan during the remainder of fiscal of 2005.

CECO ENVIRONMENTAL CORP.MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS
(unaudited)

Results of Operations

The Company's condensed consolidated statements of operations for the three-month period ended March 31, 2005 reflect the operations of the Company consolidated with the operations of its subsidiaries.

(\$'s in millions)	For the three months ended March 31,	
	2005	2004
Sales	\$ 15.1	\$ 14.1
Cost of sales	12.9	11.4
Gross profit (excluding depreciation and amortization)	\$ 2.2	\$ 2.7
Percent of sales	14.4%	19.4%
Selling and administrative expenses	\$ 2.8	\$ 2.6
Percent of sales	18.9%	18.3%
Operating (loss) income	\$ (1.0)	\$ (0.2)
Percent of sales	(6.4)%	(1.2)%

Consolidated net sales for the first quarter were \$15.1 million, an increase of \$1.0 million compared to the same quarter in 2004. Increased sales from our component parts and duct products lines partially offset by lower construction revenues accounted for most of the increase in sales. Our component parts and duct product lines are sold to contractors and end-users throughout North America.

In total, orders booked in 2005 increased to \$17.1 million as compared to \$15.0 million during the first quarter of 2004. This was an increase of \$2.1 million or 14%.

First quarter 2005 gross profit was \$2.2 million (14.4%) compared to gross profit of \$2.7 million (19.4%) during the same period in 2004. Due to an extremely competitive and difficult market in 2004, the contribution margins in our contracting business have been steadily declining. This decline had been offset by reductions in overhead costs during 2004 which allowed us to maintain a fairly consistent level of quarter to quarter gross profit margin. Currently, the significant amount of new business being generated in our CECO abatement group, related to ethanol processing facilities, is accepted at a lower gross margin percentage than our historical contracting business. In the current quarter, increases in raw material prices coupled with the change in product mix to include a higher percentage of these lower margin ethanol contracts and a now stabilized overhead cost structure have contributed to the decline at the gross profit level.

Selling and administrative expenses increased slightly by \$266,000 or .6% to \$2.8 million during the first quarter of 2005 from \$2.6 million in the same period of 2004. Cost reduction initiatives implemented in 2004 were offset by relocation expenses and increased compensation costs in the first quarter of 2005.

CECO ENVIRONMENTAL CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS
(unaudited)

Depreciation and amortization decreased by \$35,000 to \$292,000 during the three months ended March 31, 2005 as compared to the same period of 2004.

Operating loss was \$960,000 in the first quarter of 2005 compared to operating loss of \$169,000 during the same quarter of 2004. The impact on operating loss from lower margins on sales along with slight increases in selling and administrative expenses were the primary factors for the increase in operating loss.

Interest expense for the three months ended March 31, 2005 increased by \$1,000 to \$597,000 from \$596,000 during the first quarter of 2004. The increase was due primarily to higher interest rates. Federal and state income tax benefit was \$875,000 during the first quarter of 2005 and \$344,000 during the first quarter of 2004. The estimated effective federal and state income tax rate in the first quarter of 2005 was 58%, compared to 45% in 2004. Our statutory income tax rate is affected by certain permanent differences including non-deductible interest expense.

Net loss for the quarter ended March 31, 2005 was \$632,000 compared with a net loss of \$421,000 for the same period in 2004.

Backlog

Our backlog consists of orders we have received for products and services we expect to ship and deliver within the next 12 months. Our backlog, as of March 31, 2005 was \$ 22.7 million compared to \$20.7 million as of December 31, 2004. There can be no assurances that backlog will be replicated, increased or translated into higher revenues in the future. The success of our business depends on a multitude of factors related to our backlog and the orders secured during the subsequent period(s). Certain contracts are highly dependent on the work of contractors and other subcontractors participating in a project, over which we have no or limited control, and their performance on such project could have an adverse effect on the profitability of our contracts. Delays resulting from these contractors and subcontractors, changes in the scope of the project, weather, and labor availability also can have an effect on a contract's profitability.

Financial Condition, Liquidity and Capital Resources

The Company's principal sources of liquidity are cash flow from operations and available borrowings under its revolving credit facility. The Company's principal uses of cash are operating costs, debt service, payment of interest on the Company's outstanding senior debt, working capital and other general corporate requirements.

At March 31, 2005 and December 31, 2004, cash and cash equivalents totaled \$402,000 and \$339,000, respectively. Generally, we do not carry significant cash and cash equivalent balances because excess amounts are used to pay down our revolving line of credit.

Total bank and related debt as of March 31, 2005 was \$8,581,000 and \$8,737,000 at December 31, 2004. Unused credit availability under our \$10 million revolving line of credit at March 31, 2005 was \$1,864,000. Availability is limited as determined by a borrowing base formula contained in the credit agreement.

The bank term loan and revolving line of credit are reported as current portion of debt in the balance sheet at March 31, 2005, since the term loan matures in July 2005 and the revolving line of credit matures in January 2006. We are currently finalizing negotiations with our current line of credit

CECO ENVIRONMENTAL CORP.MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS
(unaudited)

lender to consolidate the term debt and the line of credit into one credit facility with reduced interest rates and a longer amortization period for the term loan. Due to time constraints with regard to final approval of the new agreement, we have opted to amend the existing agreement with regard to covenants at March 31, 2005.

In April 2005, the twelfth amendment to the credit facility was negotiated. This amendment increased our capacity to issue letters of credit under the existing \$10 million facility from \$2 million to \$4 million. Any letters of credit issued under this new agreement do not reduce our borrowing base availability but are counted in the aggregate toward our \$10 million credit limit. Additionally, these letters of credit are secured by the personal guaranty of our Chairman, Phillip DeZwirek.

In May 2005, the thirteenth amendment to the credit facility was negotiated. This amendment waived minimum coverage requirements under several financial covenants through March 31, 2005. No extinguishment loss was recognized as a result of this amendment. We would not have been in compliance with the financial covenants had the amendment not been made.

The Company's credit facilities were also amended on December 31, 2004 to reduce the financial covenant requirements for December 31, 2004.

In the future, if we cannot comply with the terms of the Credit Agreement as currently written, it will be necessary for us obtain a waiver or renegotiate our loan covenants, and there can be no assurance that such negotiations will be successful. However, we have been able to demonstrate to our lender our ability to address the situation(s) resulting in our inability to comply by making changes to our business and successfully renegotiating our agreement. In the event that we are not successful in obtaining a waiver or an amendment, we would be declared in default which would cause all amounts owed to be immediately due and payable.

Overview of Cash Flows and Liquidity

	For the three months ended March 31,	
	2005	2004
(\$'s in thousands)		
Net cash provided by (used in) operating activities	\$ 447	\$ (306)
Net cash used in investing activities	(228)	(71)
Net cash (used in) provided by financing activities	(156)	506
Net increase (decrease)	\$ 63	\$ 129

Cash provided by operating activities increased in 2005 compared to cash used in 2004. Cash was provided by reductions in accounts receivable of \$3,631,000 and increases in billings in excess of costs and estimated earnings on uncompleted contracts of \$1,167,000. Cash used in operating activities for the first three months of 2005 was the result of reductions to accounts payable and accrued expenses of \$3,213,00 and increases to prepaid and other current assets of \$831,000. Other changes in working capital items provided cash of \$135,000. Our net investment in working capital (excluding cash and cash equivalents and current portion of debt) at March 31, 2005 and December 31, 2004 was \$5,178,000 and \$5,759,000, respectively.

Net cash used in investing activities related to the acquisition of capital expenditures for property and equipment was \$228,000 for the first three months of 2005 compared with \$71,000 for the same period in 2004. We are managing our capital expenditure spending in light of the current level of sales. Should sales increase significantly in 2005, we would anticipate increased capital spending. Additionally, capital expenditures may be incurred depending on the ultimate disposition of our Cincinnati

CECO ENVIRONMENTAL CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS
(unaudited)

property. We have reopened discussions with a potential purchaser for the sale of our Cincinnati property. The proceeds from this sale would be used to finance the acquisition of a replacement property. It is anticipated that the replacement property will cost significantly less than the current facility and the net transaction would result in the creation of additional working capital.

Financing activities used cash of \$156,000 during the first three months of 2005 compared with cash provided of \$506,000 during the same period of 2004. Current year and 2004 financing activities included net borrowings under the bank credit facility.

Forward-Looking Statements

We desire to take advantage of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 and are making this cautionary statement in connection with such safe harbor legislation. This Form 10-Q, the Annual Report to Shareholders, Form 10-K or Form 8-K of the Company or any other written or oral statements made by or on our behalf may include forward-looking statements, which reflect our current views with respect to future events and financial performance. The words "believe," "expect," "anticipate," "intends," "estimate," "forecast," "project," "should" and similar expressions are intended to identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All forecasts and projections in this Form 10-Q are "forward-looking statements," and are based on management's current expectations of our near-term results, based on current information available pertaining to us.

We wish to caution investors that any forward-looking statements made by or on our behalf are subject to uncertainties and other factors that could cause actual results to differ materially from such statements. These uncertainties and other risk factors include, but are not limited to: changing economic and political conditions in the United States and in other countries, war, changes in governmental spending and budgetary policies, governmental laws and regulations surrounding various matters such as environmental remediation, contract pricing, and international trading restrictions, customer product acceptance, continued access to capital markets, and foreign currency risks.

We wish to caution investors that other factors might, in the future, prove to be important in affecting our results of operations. New factors emerge from time to time and it is not possible for management to predict all such factors, nor can it assess the impact of each such factor on the business or the extent to which any factor, or a combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Investors are further cautioned not to place undue reliance on such forward-looking statements as they speak only to our views as of the date the statement is made. We undertake no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events or otherwise.

CECO ENVIRONMENTAL CORP.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Risk Management Activities

In the normal course of business, we are exposed to market risk including changes in interest and raw material commodity prices. We may use derivative instruments to manage our interest rate exposures. We do not use derivative instruments for speculative or trading purposes. Generally, we enter into hedging relationships such that changes in the fair values of cash flows of items and transactions being hedged are expected to be offset by corresponding changes in the values of the derivatives.

Interest Rate Management

We may use interest rate swap contracts to adjust the proportion of our total debt that is subject to variable interest rates. Our interest rate swap contract matured in 2002 and was not renewed.

The remaining amount of loans outstanding under the Credit Agreement bear interest at the floating rates as described in Note 9 to the consolidated statements contained in the Company's 2004 Annual Report on Form 10-K filed with the Securities and Exchange Commission.

Credit Risk

As part of our ongoing control procedures, we monitor concentrations of credit risk associated with financial institutions with which we conduct business. Credit risk is minimal as credit exposure is limited with any single high quality financial institution to avoid concentration. We also monitor the creditworthiness of our customers to which we grant credit terms in the normal course of business. Concentrations of credit associated with these trade receivables are considered minimal due to our geographically diverse customer base. Bad debts have not been significant. We do not normally require collateral or other security to support credit sales.

CECO ENVIRONMENTAL CORP.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e)) under the Securities and Exchange Act of 1934 (the "Exchange Act") designed to ensure that information required to be disclosed in reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the specified time periods. Our Chief Executive Officer and Chief Financial Officer evaluated, with the participation of our management, the effectiveness of our disclosure controls and procedures as of March 31, 2005. Based on the evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective. There were no significant changes in our disclosure controls or in other factors that could significantly affect our disclosure controls and procedures subsequent to the evaluation.

Internal Controls Over Financial Reporting

We are not subject to the disclosure requirements promulgated under Section 404 of the Sarbanes-Oxley Act of 2002 regarding internal controls over financial reporting until we file our Annual Report on Form 10-K for the year ended December 31, 2006. There were no significant changes in our internal controls over financial reporting that occurred during our most recent fiscal quarter that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

CECO ENVIRONMENTAL CORP.

PART II -OTHER INFORMATION

ITEM 6. EXHIBITS

a. Exhibits

- Exhibit 10.1 Twelfth Amendment to Credit Agreement dated April 26, 2005
- Exhibit 10.2 Thirteenth Amendment to Credit Agreement dated March 31, 2005
- Exhibit 31.1 Rule 13(a)/15d-14(a) Certification by Chief Executive Officer
- Exhibit 31.2 Rule 13(a)/15d-14(a) Certification by Chief Financial Officer
- Exhibit 32.1 Certification of Chief Executive Officer (18 U.S. Section 1350)
- Exhibit 32.2 Certification of Chief Financial Officer (18 U.S. Section 1350)

CECO ENVIRONMENTAL CORP.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CECO ENVIRONMENTAL CORP.

/s/ Dennis W. Blazer

Dennis W. Blazer
V.P. - Finance and Administration
and Chief Financial Officer

Date: May 13, 2005

TWELFTH AMENDMENT TO CREDIT AGREEMENT

This TWELFTH AMENDMENT TO CREDIT AGREEMENT (this "Amendment") is made as of the 26th day of April, 2005 by and among CECO GROUP, INC., CECO FILTERS, INC., AIR PURATOR CORPORATION, NEW BUSCH CO., INC., THE KIRK & BLUM MANUFACTURING COMPANY, KBD/TECHNIC, INC. and CECO ABATEMENT SYSTEMS, INC. (the "Borrowers"), and FIFTH THIRD BANK ("Fifth Third"), individually and as agent (in such capacity, the "Agent") and PNC BANK, NATIONAL ASSOCIATION ("PNC") individually, and JPMORGAN CHASE BANK, N.A. ("JPMC"), individually, successor by merger to Bank One, NA, Main Office Columbus ("Bank One") (PNC, Fifth Third and Bank One or JPMC, and their respective predecessors, successors and assigns, collectively, the "Banks").

BACKGROUND

A. PNC (then as Agent) the Banks and the Borrowers are parties to a Credit Agreement dated as of December 7, 1999 ("Credit Agreement") as amended by Amendment to Credit Agreement, dated as of March 28, 2000, by Second Amendment to Credit Agreement dated as of November 10, 2000, by Third Amendment to Credit Agreement dated as of March 30, 2001, by Fourth Amendment to Credit Agreement dated as of August 20, 2001, by Fifth Amendment to Credit Agreement dated as of March 27, 2002, by Sixth Amendment to Credit Agreement dated as of May 14, 2002, by Seventh Amendment to Credit Agreement dated as of November 13, 2002 and by Eighth Amendment to Credit Agreement dated as of November 13, 2003.

B. The Banks by separate Intercreditor Agreement, dated as of November 13, 2003 ("Intercreditor Agreement"), agreed to modify their positions so that from and after that date Fifth Third was solely responsible for the Revolving Credit Commitment and had no interest in the Term Loans (then and now, only Term Loan A) and PNC and Bank One, NA owned, on an equal basis, the Term Loan and Fifth Third Bank became Agent for all purposes under the Credit Agreement, except for being the mortgagee, pledgee or secured party under existing mortgages, pledges or security agreements, given to secure the Loans made pursuant to the Amended Credit Agreement, for which purpose PNC remains agent for the Banks.

C. Fifth Third (as Agent), the Banks and Borrowers further amended the Credit Agreement by Ninth Amendment to Credit Agreement dated as of June 29, 2004, by Tenth Amendment to Credit Agreement dated as of November 10, 2004 and by Eleventh Amendment to Credit Agreement dated as of December 31, 2004 (the Credit Agreement as amended as set forth in Recital A and this Recital C, the "Amended Credit Agreement").

D. JPMC has become successor by merger to Bank One, NA.

E. Borrowers have requested that Fifth Third increase the amount of the Letter of Credit Subfacility within the Revolving Credit Commitment as provided for in Section 2.4 of the Credit Agreement to \$4,000,000 so that Fifth Third can issue a Letter of Credit for the benefit of one or more of Borrowers on even date herewith in the amount of \$3,400,000. (the “**Subject Letter of Credit**”).

F. Borrowers and Guarantors wish to amend the Amended Credit Agreement on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and for good and valuable consideration, the legality and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Amended Credit Agreement.

2. Amendments to Credit Agreement.

(a) Beginning at the date of this Amendment and ending on the date when the Subject Letter of Credit terminates without being drawn upon and all charges with respect thereto are paid in full to Fifth Third or, if drawn upon, when the amounts drawn, and all interest and other charges with respect thereto are paid in full to Fifth Third:

(1) Section 2.4(a)(i) of the Credit Agreement shall be revised as follows:

(i) the aggregate undrawn face amount of the Letters of Credit issued pursuant to Section 2.4 exceed, at any one time, \$4,000,000;

(2) So long as the Guaranty of Phillip DeZwirek which is provided for in paragraph 6(a)(ii) below continues in effect and Phillip DeZwirek is not in default thereunder and the Subject Letter of Credit is in effect and there is no default with respect to Borrowers’ obligations thereunder, for purposes of calculating the maximum amount of Revolving Credit Loans available to Borrowers under Section 2.1 of the Credit Agreement, the amount of the Guaranty of Phillip DeZwirek provided for in paragraph 6(a)(ii) below shall be added to the result of the calculation in Section 2.1(a)(y) of the Credit Agreement. Upon termination of the Phillip DeZwirek Guaranty or default thereunder or termination of the April 2, 2005 Letter of Credit or default thereunder, the foregoing sentence shall no longer be effective.

(b) Section 2.4(b) of the Credit Agreement is modified to provide that the Letter of Credit Fee for the Subject Letter of Credit only is three percent (3.0%) per annum of the face amount of the Subject Letter of Credit.

(c) If the Revolving Credit Loans are paid and terminated prior to the Termination Date, but any Letters of Credit remain outstanding at the time, or if Fifth Third issues Letters of Credit which have expiration dates which occur after the Termination Date and the Termination Date is not extended beyond any of the expiration dates of such Letters of Credit, for any reason, at or before the earlier of the termination of the Revolving Credit Loans or the Termination Date, Borrowers shall be required to provide to Fifth Third one or more letters of credit on terms acceptable to Fifth Third and/or deposit with Fifth Third sufficient cash to cover all obligations and expenses of Fifth Third with respect to any such outstanding Letters of Credit.

3. Amendment to the Loan Documents. All references to the Credit Agreement in the Loan Documents and in any documents executed in connection therewith shall be deemed to refer to the Credit Agreement as amended by this Amendment and all prior amendments to the Credit Agreement.

4. Ratification of the Loan Documents. Notwithstanding anything to the contrary herein contained or any claims of the parties to the contrary, the Agent, the Banks and the Borrowers agree that the Loan Documents and each of the documents executed in connection therewith are in full force and effect and each such document shall remain in full force and effect, as further amended by this Amendment, and each of the Borrowers hereby ratifies and confirms its obligations thereunder.

5. Representations and Warranties.

(a) Each Borrower hereby certifies that (i) the representations and warranties of such Borrower in the Credit Agreement as previously amended and as amended herein, are true and correct in all material respects as of the date hereof, as if made on the date hereof, provided that, for purposes of this Amendment, only: (x) the representations and warranties made in Section 3.1(a) and (b) and 3.21 of the Amended Credit Agreement shall relate to the most recent financial statements of the type referred to therein which have been given by the Borrowers to the Banks (but the foregoing shall not be a waiver of any Default or Event of Default based on any representation or warranty made by the Borrowers in the Credit Agreement or any amendment thereof, prior to this Amendment, being untrue at the time made, or for any breach of any covenant contained in the Credit Agreement, as amended prior to the date of this Amendment); (y) the representations and warranties made in Section 3.1(c) of the Amended Credit Agreement shall be made as of the date of this Amendment and not as of the Closing Date; and (z) the representations and warranties made in Section 3.2 of the Amended Credit Agreement shall refer to Material Adverse Effect since the last audited consolidated financial statements of the Borrowers provided to the Banks by the Borrowers, instead of since September 30, 1999 (but the foregoing shall not be a waiver of any Default or Event of Default based on any representation or warranty made by the Borrowers in the Credit Agreement or any amendment thereof, prior to this Amendment, being untrue at the time made, or for any breach of any covenant contained in the Credit Agreement, as amended prior to the date of this Amendment); and (ii) no Event of Default and no event which could become an Event of Default with the passage of time or the giving of notice, or both, under the Credit Agreement or the other Loan Documents exists on the date hereof.

(b) Each Borrower further represents that it has all the requisite power and authority to enter into and to perform its obligations under this Amendment, and that the execution, delivery and performance of this Amendment have been duly authorized by all requisite action and will not violate or constitute a default under any provision of any applicable law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect or of the Articles of Incorporation or by-laws of such Borrower, or of any indenture, note, loan or credit agreement, license or any other agreement, lease or instrument to which such Borrower is a party or by which such Borrower or any of its properties are bound.

(c) Each Borrower also further represents that its obligation to repay the Loans, together with all interest accrued thereon, is absolute and unconditional, and there exists no right of set off or recoupment, counterclaim or defense of any nature whatsoever to payment of the Loans, and each Borrower further represents that the Agents and Banks have fully performed all of their respective obligations under the Loan Documents through the date of this Amendment.

(d) Each Borrower also further represents that there have been no changes to the Articles of Incorporation, by-laws or other organizational documents of each such Borrower since the most recent date true and correct copies thereof were delivered to the Agent.

6. Conditions Precedent. The effectiveness of the amendments and waivers set forth herein are subject to the fulfillment, to the satisfaction of the Banks and their counsel, of the following conditions precedent:

(a) The Borrowers shall have delivered to the Banks the following, all of which shall be in form and substance satisfactory to the Banks and shall be duly completed and executed:

(i) This Amendment and the consents of the Guarantor and the Subordinated Creditors as attached hereto;

(ii) The Guaranty of Phillip DeZwirek in the form attached hereto; and

(iii) Such additional documents, certificates and information as the Banks may require pursuant to the terms hereof or otherwise reasonably request.

(b) After giving effect to the amendments contained herein, the representations and warranties set forth in the Amended Credit Agreement shall be true and correct on and as of the date hereof.

(c) After giving effect to the amendments contained herein, no Event of Default hereunder, and no event which, with the passage of time or the giving of notice, or both, would become such an Event of Default shall have occurred and be continuing as of the date hereof.

(d) The Borrowers shall have paid the reasonable fees and disbursements of the Banks' counsel incurred in connection with this Amendment.

7. No Waiver. This Amendment and anything contained herein or provided for herein does not and shall not be deemed to constitute a waiver by the Agent or the Banks of any Event of Default, or of any event which with the passage of time or the giving of notice or both would constitute an Event of Default, nor does it obligate the Agent or the Banks to agree to any further modifications to the Amended Credit Agreement or any other Loan Document or constitute a waiver of any of the Agent's or the Banks' other rights or remedies.

8. Waiver and Release. The Borrowers each on behalf of themselves, their agents, employees, officers, directors, successors and assigns, do hereby waive and release Agent and Banks, their agents, employees, officers, directors, affiliates, parents, successors and assigns, from any claims arising from or related to administration of the Amended Credit Agreement and the Loan Documents and any course of dealing among the parties not in compliance with those agreements from the inception of the Credit Agreement whether known or unknown through the date of execution and delivery of this Amendment.

9. Effective Date. The parties hereto agree that this Amendment shall for all purposes be deemed to be effective as of the date set forth in the first paragraph of this Amendment (the "effective date") and for all purposes the Amended Credit Agreement shall be deemed to have been amended as of such date to reflect the amendments to the Credit Agreement set forth in herein, even though this Amendment is executed after such date.

[The Balance of this Page is Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

CECO GROUP, INC.

By: /s/ Dennis W. Blazer

Name: Dennis W. Blazer

Title: CFO

CECO FILTERS, INC.

By: /s/ Dennis W. Blazer

Name: Dennis W. Blazer

Title: Treasurer

AIR PURATOR CORPORATION

By: /s/ Dennis W. Blazer

Name: Dennis W. Blazer

Title: Treasurer

NEW BUSCH CO., INC.

By: /s/ Dennis W. Blazer

Name: Dennis W. Blazer

Title: Treasurer

THE KIRK & BLUM MANUFACTURING COMPANY

By: /s/ Dennis W. Blazer

Name: Dennis W. Blazer

Title: Treasurer

KBD/TECHNIC, INC.

By: /s/ Dennis W. Blazer

Name: Dennis W. Blazer

Title: Treasurer

CECO ABATEMENT SYSTEMS, INC.

By: /s/ Dennis W. Blazer

Name: Dennis W. Blazer

Title: Treasurer

PNC BANK, NATIONAL ASSOCIATION, as a Bank

By: /s/ William C. Miles

Name: William C. Miles

Title: Vice President

FIFTH THIRD BANK, as Agent and as a Bank

By: /s/ Donald K. Mitchell

Name: Donald K. Mitchell

Title: Vice President

JPMORGAN CHASE BANK, N. A., as a Bank

By: /s/ Jefferey C. Nicholson

Name: Jefferey C. Nicholson

Title: First Vice President

GUARANTOR'S CONSENT

By Corporate Guaranty, dated December 7, 1999 (the "Guaranty"), the undersigned (the "Guarantor") guaranteed to the Agent and the Banks, subject to the terms and conditions set forth therein, the prompt payment and performance of all of the Obligations (as defined therein). The Guarantor consents to the Borrowers' execution of the foregoing Twelfth Amendment to Credit Agreement and to all documents referred to therein. The Guarantor hereby acknowledges and agrees that the Guaranty remains unaltered and in full force and effect and is hereby ratified and confirmed in all respects.

CECO ENVIRONMENTAL CORP.

By: /s/ Phillip DeZwirek

Name: Phillip DeZwirek

Title: Chairman, CEO

SUBORDINATED CREDITOR'S CONSENT

The undersigned (the "Subordinated Creditor") is a party to the Subordination Agreement with the Agent and the Banks and other subordinated creditors, dated December 7, 1999 (the "Subordination Agreement"). The Subordinated Creditor consents to the Borrowers' execution of the foregoing Twelfth Amendment to Credit Agreement and to all documents referred to therein. The Subordinated Creditor hereby acknowledges and agrees that the Subordination Agreement remains unaltered and in full force and effect and is hereby ratified and confirmed in all respects.

GREEN DIAMOND OIL CORP.

By: /s/ Phillip DeZwirek

Name: Phillip DeZwirek

Title: President

SUBORDINATED CREDITOR'S CONSENT

The undersigned (the "Subordinated Creditor") is a party to the Subordination Agreement with the Agent and the Banks and other subordinated creditors, dated December 7, 1999 (the "Subordination Agreement"). The Subordinated Creditor consents to the Borrowers' execution of the foregoing Twelfth Amendment to Credit Agreement and to all documents referred to therein. The Subordinated Creditor hereby acknowledges and agrees that the Subordination Agreement remains unaltered and in full force and effect and is hereby ratified and confirmed in all respects.

ICS TRUSTEE SERVICES, LTD.

By: _____

Name:

Title

SUBORDINATED CREDITOR'S CONSENT

The undersigned (the "Subordinated Creditor") is a party to the Subordination Agreement with the Agent and the Banks and other subordinated creditors, dated December 7, 1999 (the "Subordination Agreement"). The Subordinated Creditor consents to the Borrowers' execution of the foregoing Twelfth Amendment to Credit Agreement and to all documents referred to therein. The Subordinated Creditor hereby acknowledges and agrees that the Subordination Agreement remains unaltered and in full force and effect and is hereby ratified and confirmed in all respects.

HARVEY SANDLER

Guaranty Agreement

THIS GUARANTY AGREEMENT (this "**Guaranty**") is made and entered into as of this 26th day of April, 2005, by **PHILLIP DEZWIREK** (the "**Guarantor**"), with an address at 3120 Forrer Street, Cincinnati, Ohio, 45209 in consideration of the extension of credit by **FIFTH THIRD BANK** (the "**Bank**"), with an address at Fifth Third Center, MD 109052, Cincinnati, Ohio 45263, by the issuance of a letter of credit in the amount of \$ _____ on even date herewith (the "**Letter of Credit**") under a certain Credit Agreement dated as of December 7, 1999, as subsequently amended, among **BANK** and **PNC BANK, NATIONAL ASSOCIATION** and **JPMORGAN CHASE BANK**, or their respective predecessors (collectively, the "**Banks**") and **CECO GROUP, INC., CECO FILTERS, INC., AIR PURATOR CORPORATION, NEW BUSH CO., INC., THE KIRK & BLUM MANUFACTURING COMPANY, KBD/TECHNIC, INC. and CECO ABATEMENT SYSTEMS, INC.** (the "**Borrower**", even though more than one) for the benefit of one or more of Borrower, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged.

1. Guaranty of Obligations. The Guarantor hereby unconditionally guarantees, as a primary obligor, the prompt payment and performance of all obligations of Borrower, or any of them, whether direct or indirect, absolute or contingent, joint or several, due or to become due, under the agreements pursuant to which the Letter of Credit is issued, as those obligations may subsequently be amended from time to time after the date hereof, and all costs and expenses of the Bank incurred in the documentation, negotiation, modification, enforcement, collection and otherwise in connection with the foregoing, including reasonable attorneys' fees and expenses (hereinafter referred to collectively as the "**Obligations**"). If the Borrower defaults under any such Obligations, the Guarantor will pay the amount due to the Bank.

2. Nature of Guaranty; Waivers. This is a guaranty of payment and not of collection and the Bank shall not be required or obligated, as a condition of the Guarantor's liability, to make any demand upon or to pursue any of its rights against the Borrower, or to pursue any rights which may be available to it with respect to any other person who may be liable for the payment of the Obligations.

This is an absolute, unconditional, irrevocable and continuing guaranty and will remain in full force and effect until all of the Obligations have been indefeasibly paid in full, and the Bank has terminated this Guaranty. This Guaranty will not be affected by any surrender, exchange, acceptance, compromise or release by the Bank of any other party, or any other guaranty or any security held by it for any of the Obligations, by any failure of the Bank to take any steps to perfect or maintain its lien or security interest in or to preserve its rights to any security or other collateral for any of the Obligations or any guaranty, or by any irregularity, unenforceability or invalidity of any of the Obligations or any part thereof or any security or other guaranty thereof. The Guarantor's obligations hereunder shall not be affected, modified or impaired by any counterclaim, set-off recoupment, deduction or defense based upon any claim the Guarantor may have (directly or indirectly) against the Borrower or the Bank, except payment or performance of the Obligations.

Notice of acceptance of this Guaranty, notice of extensions of credit to the Borrower from time to time, notice of default, diligence, presentment, notice of dishonor, protest, demand for payment, and any defense based upon the Bank's failure to comply with the notice requirements under Sections 9-611 and 9-612 of the Uniform Commercial Code as in effect from time to time are hereby waived. The Guarantor waives all defenses based on suretyship or impairment of collateral.

The Bank at any time and from time to time, without notice to or the consent of the Guarantor, and without impairing or releasing, discharging or modifying the Guarantor's liabilities hereunder, may (a) change the manner, place, time or terms of payment or performance of or the charges or interest rates on, or other terms relating to, any of the Obligations; (b) renew, substitute, modify, amend or alter, or grant consents or waivers relating to any of the Obligations, any other guaranties, or any security for any Obligations or guaranties; (c) apply any and all payments by whomever paid or however realized including any proceeds of any collateral, to any Obligations of the Borrower in such order, manner and amount as the Bank may determine in its sole discretion; (d) settle, compromise or deal with any other person, including any of the Borrower or the Guarantor, with respect to any Obligations in such manner as the Bank deems appropriate in its sole discretion; (e) substitute, exchange or release any security or guaranty; or (f) take such actions and exercise such remedies hereunder as provided herein.

3. Repayments or Recovery from the Bank. If any demand is made at any time upon the Bank for the repayment or recovery of any amount received by it in payment or on account of any of the Obligations and if the Bank repays all or any part of such amount by reason of any judgment, decree or order of any court or administrative body or by reason of any settlement or compromise of any such demand, the Guarantor will be and remain liable hereunder for the amount so repaid or recovered to the same extent as if such amount had never been received originally by the Bank. The provisions of this section will be and remain effective notwithstanding any contrary action which may have been taken by the Guarantor in reliance upon such payment, and any such contrary action so taken will be without prejudice to the Bank's rights hereunder and will be deemed to have been conditioned upon such payment having become final and irrevocable.

4. Financial Statements. Unless compliance is waived in writing by the Bank or until all of the Obligations have been paid in full, the Guarantor will promptly submit to the Bank such information relating to the Guarantor's affairs (including but not limited to annual financial statements and tax returns for the Guarantor) or any security for the Guaranty as the Bank may reasonably request.

5. Enforceability of Obligations. No modification, limitation or discharge of the Obligations arising out of or by virtue of any bankruptcy, reorganization or similar proceeding for relief of debtors under federal or state law will affect, modify, limit or discharge the Guarantor's liability in any manner whatsoever and this Guaranty will remain and continue in full force and effect and will be enforceable against the Guarantor to the same extent and with the same force and effect as if any such proceeding had not been instituted. The Guarantor waives all rights and benefits which might accrue to it by reason of any such proceeding and will be liable to the full extent hereunder, irrespective of any modification, limitation or discharge of the liability of the Borrower that may result from any such proceeding.

6. Events of Default. The occurrence of any of the following shall be an "Event of Default": (i) any Event of Default (as defined in any of the Obligations); (ii) any default under any of the Obligations that does not have a defined set of "Events of Default" and the lapse of any notice or cure period provided in such Obligations with respect to such default; (iii) demand by the Bank under any of the Obligations that have a demand feature; (iv) the Guarantor's failure to perform any of its obligations hereunder; (v) the falsity, inaccuracy or material breach by the Guarantor of any written warranty, representation or statement made or furnished to the Bank by or on behalf of the Guarantor; or (vi) the termination or attempted termination of this Guaranty. Upon the occurrence of any Event of Default, (a)

the Guarantor shall pay to the Bank the amount of the Obligations; or (b) on demand of the Bank, the Guarantor shall immediately deposit with the Bank, in U.S. dollars, all amounts due or to become due under the Obligations, and the Bank may at any time use such funds to repay the Obligations; or (c) the Bank in its discretion may exercise with respect to any collateral any one or more of the rights and remedies provided a secured party under the applicable version of the Uniform Commercial Code; or (d) the Bank in its discretion may exercise from time to time any other rights and remedies available to it at law, in equity or otherwise.

7. Right of Setoff. In addition to all liens upon and rights of setoff against the Guarantor's money, securities or other property given to the Bank by law, the Bank shall have, with respect to the Guarantor's obligations to the Bank under this Guaranty and to the extent permitted by law, a contractual possessory security interest in and a contractual right of setoff against, and the Guarantor hereby grants Bank a security interest in, and hereby assigns, conveys, delivers, pledges and transfers to the Bank all of the Guarantor's right, title and interest in and to, all of the Guarantor's deposits, moneys, securities and other property now or hereafter in the possession of or on deposit with, or in transit to, the Bank or any other direct or indirect subsidiary of the Bank or any parent of the Bank, whether held in a general or special account or deposit, whether held jointly with someone else, or whether held for safekeeping or otherwise, excluding, however, all IRA, Keogh, and trust accounts. Every such security interest and right of setoff may be exercised without demand upon or notice to the Guarantor. Every such right of setoff shall be deemed to have been exercised immediately upon the occurrence of an Event of Default hereunder without any action of the Bank, although the Bank may enter such setoff on its books and records at a later time.

8. (Intentionally Omitted).

9. Costs. To the extent that the Bank incurs any costs or expenses in protecting or enforcing its rights under the Obligations or this Guaranty, including reasonable attorneys' fees and the costs and expenses of litigation, such costs and expenses will be due on demand, will be included in the Obligations and will bear interest from the incurring or payment thereof at the default rates as provided in the Obligations.

10. Postponement of Subrogation. Until the Obligations are indefeasibly paid in full, expire, are terminated and are not subject to any right of revocation or rescission, the Guarantor postpones and subordinates in favor of the Bank or its designee (and any assignee or potential assignee) any and all rights which the Guarantor may have to (a) assert any claim whatsoever against the Borrower based on subrogation, exoneration, reimbursement, or indemnity or any right of recourse to security for the Obligations with respect to payments made hereunder, and (b) any realization on any property of the Borrower, including participation in any marshalling of the Borrower's assets.

11. (Intentionally Omitted)

12. Notices. All notices, demands, requests, consents, approvals and other communications required or permitted hereunder ("**Notices**") must be in writing and will be effective upon receipt. Notices may be given in any manner to which the Bank and the Guarantor may separately agree, including electronic mail. Without limiting the foregoing, first-class mail, facsimile transmission and commercial courier service are hereby agreed to as acceptable methods for giving Notices. Regardless of the manner in which provided, Notices may be sent to addresses for the Bank and the Guarantor as set forth above or to such other address as either may give to the other for such purpose in accordance with this section.

13. Preservation of Rights. No delay or omission on the Bank's part to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any such right or power, nor will the Bank's action or inaction impair any such right or power. The Bank's rights and remedies hereunder are cumulative and not exclusive of any other rights or remedies which the Bank may have under other agreements, at law or in equity. The Bank may proceed in any order against the Borrower, the Guarantor or any obligor of, or collateral securing, the Obligations.

14. Illegality. If any provision contained in this Guaranty should be invalid, illegal or unenforceable in any respect, it shall not affect or impair the validity, legality and enforceability of the remaining provisions of this Guaranty.

15. Changes in Writing. No modification, amendment or waiver of, or consent to any departure by the Guarantor from, any provision of this Guaranty will be effective unless made in a writing signed by the Bank, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Guarantor will entitle the Guarantor to any other or further notice or demand in the same, similar or other circumstance.

16. Entire Agreement. This Guaranty (including the documents and instruments referred to herein) constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the Guarantor and the Bank with respect to the subject matter hereof; provided, however, that this Guaranty is in addition to, and not in substitution for, any other guarantees from the Guarantor to the Bank.

17. Successors and Assigns. This Guaranty will be binding upon and inure to the benefit of the Guarantor and the Bank and their respective heirs, executors, administrators, successors and assigns; provided, however, that the Guarantor may not assign this Guaranty in whole or in part without the Bank's prior written consent and the Bank at any time may assign this Guaranty in whole or in part.

18. Interpretation. In this Guaranty, unless the Bank and the Guarantor otherwise agree in writing, the singular includes the plural and the plural the singular; references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute referred to; the word "or" shall be deemed to include "and/or", the words "including", "includes" and "include" shall be deemed to be followed by the words "without limitation"; and references to sections or exhibits are to those of this Guaranty. Section headings in this Guaranty are included for convenience of reference only and shall not constitute a part of this Guaranty for any other purpose. If this Guaranty is executed by more than one party as Guarantor, the obligations of such persons or entities will be joint and several.

19. Indemnity. The Guarantor agrees to indemnify each of the Bank, each legal entity, if any, who controls the Bank and each of their respective directors, officers and employees (the "**Indemnified Parties**"), and to hold each Indemnified Party harmless from and against, any and all claims, damages, losses, liabilities and expenses (including all fees and charges of internal or external counsel with whom any Indemnified Party may consult and all expenses of litigation and preparation therefor) which any Indemnified Party may incur or which may be asserted against any Indemnified Party by any person, entity or governmental authority (including any person or entity claiming derivatively on behalf of the

Guarantor), in connection with or arising out of or relating to the matters referred to in this Guaranty, whether (a) arising from or incurred in connection with any breach of a representation, warranty or covenant by the Guarantor, or (b) arising out of or resulting from any suit, action, claim, proceeding or governmental investigation, pending or threatened, whether based on statute, regulation or order, or tort, or contract or otherwise, before any court or governmental authority; provided, however, that the foregoing indemnity agreement shall not apply to any claims, damages, losses, liabilities and expenses solely attributable to an Indemnified Party's gross negligence or willful misconduct. The indemnity agreement contained in this Section shall survive the termination of this Guaranty and assignment of any rights hereunder. The Guarantor may participate at its expense in the defense of any such claim.

20. Governing Law and Jurisdiction. This Guaranty has been delivered to and accepted by the Bank and will be deemed to be made in the State where the Bank's office indicated above is located. **THIS GUARANTY WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE BANK AND THE GUARANTOR DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE WHERE THE BANK'S OFFICE INDICATED ABOVE IS LOCATED, EXCLUDING ITS CONFLICT OF LAWS RULES.** The Guarantor hereby irrevocably consents to the exclusive jurisdiction of any state or federal court in the county or judicial district where the Bank's office indicated above is located; provided that nothing contained in this Guaranty will prevent the Bank from bringing any action, enforcing any award or judgment or exercising any rights against the Guarantor individually, against any security or against any property of the Guarantor within any other county, state or other foreign or domestic jurisdiction. The Guarantor acknowledges and agrees that the venue provided above is the most convenient forum for both the Bank and the Guarantor. The Guarantor waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Guaranty.

21. Equal Credit Opportunity Act. If the Guarantor is not an "applicant for credit" under Section 202.2 (e) of the Equal Credit Opportunity Act of 1974 ("ECOA"), the Guarantor acknowledges that (i) this Guaranty has been executed to provide credit support for the Obligations, and (ii) the Guarantor was not required to execute this Guaranty in violation of Section 202.7(d) of the ECOA.

22. Authorization to Obtain Credit Reports. By signing below, each Guarantor who is an individual provides written authorization to the Bank or its designee (and any assignee or potential assignee) to obtain the Guarantor's personal credit profile from one or more national credit bureaus. Such authorization shall extend to obtaining a credit profile in considering this Guaranty and subsequently for the purposes of update, renewal or extension of such credit or additional credit and for reviewing or collecting the resulting account.

23. WAIVER OF JURY TRIAL. THE GUARANTOR IRREVOCABLY WAIVES ANY AND ALL RIGHT THE GUARANTOR MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS GUARANTY, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS GUARANTY OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE GUARANTOR ACKNOWLEDGES THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

The Guarantor acknowledges that it has read and understood all the provisions of this Guaranty, including the waiver of jury trial, and has been advised by counsel as necessary or appropriate.

WITNESS the due execution hereof as a document under seal, as of the date first written above, with the intent to be legally bound hereby.

/s/ Phillip DeZwirek

Phillip DeZwirek

THIRTEENTH AMENDMENT TO CREDIT AGREEMENT

This THIRTEENTH AMENDMENT TO CREDIT AGREEMENT (this "Amendment") is made as of the 31st day of March, 2005 by and among CECO GROUP, INC., CECO FILTERS, INC., AIR PURATOR CORPORATION, NEW BUSCH CO., INC., THE KIRK & BLUM MANUFACTURING COMPANY, KBD/TECHNIC, INC. and CECO ABATEMENT SYSTEMS, INC. (the "Borrowers"), and FIFTH THIRD BANK ("Fifth Third"), individually and as agent (in such capacity, the "Agent") and PNC BANK, NATIONAL ASSOCIATION ("PNC") individually, and JPMORGAN CHASE BANK, NA ("JPMC") individually, successor by merger to Bank One, NA, main office Columbus ("Bank One") (PNC, Fifth Third and Bank One or JPMC, and their respective successors and assigns, collectively, the "Banks").

BACKGROUND

A. PNC (then as Agent) the Banks and the Borrowers are parties to a Credit Agreement dated as of December 7, 1999 ("Credit Agreement") as amended by Amendment to Credit Agreement, dated as of March 28, 2000, by Second Amendment to Credit Agreement dated as of November 10, 2000, by Third Amendment to Credit Agreement dated as of March 30, 2001, by Fourth Amendment to Credit Agreement dated as of August 20, 2001, by Fifth Amendment to Credit Agreement dated as of March 27, 2002, by Sixth Amendment to Credit Agreement dated as of May 14, 2002, by Seventh Amendment to Credit Agreement dated as of November 13, 2002 and by Eighth Amendment to Credit Agreement dated as of November 13, 2003.

B. The Banks by separate Intercreditor Agreement, dated as of November 13, 2003 ("Intercreditor Agreement"), agreed to modify their positions so that from and after that date Fifth Third was solely responsible for the Revolving Credit Commitment and had no interest in the Term Loans (then and now, only Term Loan A) and PNC and Bank One owned, on an equal basis, the Term Loan and Fifth Third Bank became Agent for all purposes under the Credit Agreement, except for being the mortgagee, pledgee or secured party under existing mortgages, pledges or security agreements, given to secure the Loans made pursuant to the Amended Credit Agreement, for which purpose PNC remains agent for the Banks.

C. Fifth Third (as Agent), the Banks and Borrowers further amended the Credit Agreement by Ninth Amendment to Credit Agreement dated as of June 29, 2004, by Tenth Amendment to Credit Agreement dated as of November 10, 2004, by Eleventh Amendment to Credit Agreement dated as of December 31, 2004 and by Twelfth Amendment to Credit Agreement dated as of April 26, 2005 (the Credit Agreement as amended as set forth in Recital A and this Recital C and as herein amended, the "Amended Credit Agreement").

D. JPMC has become successor by merger to Bank One, NA.

E. Borrowers and Guarantors wish to amend the Amended Credit Agreement on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and for good and valuable consideration, the legality and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Amended Credit Agreement.

2. Waiver. The Banks hereby waive the requirement that the Borrowers comply with the Financial Covenants as provided in Section 6.1 of the Credit Agreement, as subsequently modified, as of the last day of March, 2005. The foregoing waiver shall not waive the Borrowers' obligations to comply with such Financial Covenants on any other date or any other obligation of Borrowers under the Amended Credit Agreement.

3. Amendment to the Loan Documents. All references to the Credit Agreement in the Loan Documents and in any documents executed in connection therewith shall be deemed to refer to the Credit Agreement as amended by this Amendment and all prior amendments to the Credit Agreement.

4. Ratification of the Loan Documents. Notwithstanding anything to the contrary herein contained or any claims of the parties to the contrary, the Agent, the Banks and the Borrowers agree that the Loan Documents and each of the documents executed in connection therewith are in full force and effect and each such document shall remain in full force and effect, as further amended by this Amendment, and each of the Borrowers hereby ratifies and confirms its obligations thereunder.

5. Representations and Warranties.

(a) Each Borrower hereby certifies that (i) the representations and warranties of such Borrower in the Credit Agreement as previously amended and as amended herein, are true and correct in all material respects as of the date hereof, as if made on the date hereof, provided that, for purposes of this Amendment, only: (x) the representations and warranties made in Section 3.1(a) and (b) and 3.21 of the Amended Credit Agreement shall relate to the most recent financial statements of the type referred to therein which have been given by the Borrowers to the Banks (but the foregoing shall not be a waiver of any Default or Event of Default based on any representation or warranty made by the Borrowers in the Credit Agreement or any amendment thereof, prior to this Amendment, being untrue at the time made, or for any breach of any covenant contained in the Credit Agreement, as amended prior to the date of this Amendment); (y) the representations and warranties made in Section 3.1(c) of the Amended Credit Agreement shall be made as of the date of this Amendment and not as of the Closing Date; and (z) the representations and warranties made in Section 3.2 of the Amended Credit Agreement shall refer to Material Adverse Effect since the last audited consolidated financial

statements of the Borrowers provided to the Banks by the Borrowers, instead of since September 30, 1999 (but the foregoing shall not be a waiver of any Default or Event of Default based on any representation or warranty made by the Borrowers in the Credit Agreement or any amendment thereof, prior to this Amendment, being untrue at the time made, or for any breach of any covenant contained in the Credit Agreement, as amended prior to the date of this Amendment); and (ii) no Event of Default and no event which could become an Event of Default with the passage of time or the giving of notice, or both, under the Credit Agreement or the other Loan Documents exists on the date hereof.

(b) Each Borrower further represents that it has all the requisite power and authority to enter into and to perform its obligations under this Amendment, and that the execution, delivery and performance of this Amendment have been duly authorized by all requisite action and will not violate or constitute a default under any provision of any applicable law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect or of the Articles of Incorporation or by-laws of such Borrower, or of any indenture, note, loan or credit agreement, license or any other agreement, lease or instrument to which such Borrower is a party or by which such Borrower or any of its properties are bound.

(c) Each Borrower also further represents that its obligation to repay the Loans, together with all interest accrued thereon, is absolute and unconditional, and there exists no right of set off or recoupment, counterclaim or defense of any nature whatsoever to payment of the Loans, and each Borrower further represents that the Agents and Banks have fully performed all of their respective obligations under the Loan Documents through the date of this Amendment.

(d) Each Borrower also further represents that there have been no changes to the Articles of Incorporation, by-laws or other organizational documents of each such Borrower since the most recent date true and correct copies thereof were delivered to the Agent.

6. Conditions Precedent. The effectiveness of the waiver set forth herein is subject to the fulfillment, to the satisfaction of the Banks and their counsel, of the following conditions precedent:

(a) The Borrowers shall have delivered to the Banks the following, all of which shall be in form and substance satisfactory to the Banks and shall be duly completed and executed:

(i) This Amendment and the consents of the Guarantor and the Subordinated Creditors as attached hereto; and

(ii) Such additional documents, certificates and information as the Banks may require pursuant to the terms hereof or otherwise reasonably request.

(b) After giving effect to the waiver contained herein, the representations and warranties set forth in the Amended Credit Agreement shall be true and correct on and as of the date hereof.

(c) After giving effect to the waiver contained herein, no Event of Default hereunder, and no event which, with the passage of time or the giving of notice, or both, would become such an Event of Default shall have occurred and be continuing as of the date hereof.

(d) The Borrowers shall have paid the reasonable fees and disbursements of the Banks' counsel incurred in connection with this Amendment.

7. No Waiver. Except as expressly provided herein, this Amendment and anything contained herein or provided for herein does not and shall not be deemed to constitute a waiver by the Agent or the Banks of any Event of Default, or of any event which with the passage of time or the giving of notice or both would constitute an Event of Default, nor does it obligate the Agent or the Banks to agree to any further modifications to the Amended Credit Agreement or any other Loan Document or constitute a waiver of any of the Agent's or the Banks' other rights or remedies. Except for the waiver set forth in paragraph 2 above, all of the terms of the Credit Agreement as previously amended remain in full force and effect without any modification.

8. Waiver and Release. The Borrowers each on behalf of themselves, their agents, employees, officers, directors, successors and assigns, do hereby waive and release Agent and Banks, their agents, employees, officers, directors, affiliates, parents, successors and assigns, from any claims arising from or related to administration of the Amended Credit Agreement and the Loan Documents and any course of dealing among the parties not in compliance with those agreements from the inception of the Credit Agreement whether known or unknown through the date of execution and delivery of this Amendment.

9. Effective Date. The parties hereto agree that this Amendment shall for all purposes be deemed to be effective as of the date set forth in the first paragraph of this Amendment (the "effective date") and for all purposes the Amended Credit Agreement shall be deemed to have been amended as of such date to reflect the amendments to the Credit Agreement set forth in herein, even though this Amendment is executed after such date.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

CECO GROUP, INC.

By: /s/ Dennis W. Blazer

Name: Dennis W. Blazer

Title: CFO

CECO FILTERS, INC.

By: /s/ Dennis W. Blazer

Name: Dennis W. Blazer

Title: Treasurer

AIR PURATOR CORPORATION

By: /s/ Dennis W. Blazer

Name : Dennis W. Blazer

Title : Treasurer

NEW BUSCH CO., INC.

By: /s/ Dennis W. Blazer

Name: Dennis W. Blazer

Title: Treasurer

THE KIRK & BLUM MANUFACTURING COMPANY

By: /s/ Dennis W. Blazer

Name: Dennis W. Blazer

Title: Treasurer

KBD/TECHNIC, INC.

By: /s/ Dennis W. Blazer

Name: Dennis W. Blazer

Title: Treasurer

CECO ABATEMENT SYSTEMS, INC.

By: /s/ Dennis W. Blazer

Name: Dennis W. Blazer

Title: Treasurer

PNC BANK, NATIONAL ASSOCIATION, as a Bank

By: /s/ William C. Miles

Name: William C. Miles

Title: Vice President

FIFTH THIRD BANK, as Agent and as a Bank

By: /s/ Donald K. Mitchell

Name: Donald K. Mitchell

Title: Vice President

JPMORGAN CHASE BANK, NA, as a Bank

By: /s/ Jefferey C. Nicholson

Name: Jefferey C. Nicholson

Title: First Vice President

GUARANTOR'S CONSENT

By Corporate Guaranty, dated December 7, 1999 (the "Guaranty"), the undersigned (the "Guarantor") guaranteed to the Agent and the Banks, subject to the terms and conditions set forth therein, the prompt payment and performance of all of the Obligations (as defined therein). The Guarantor consents to the Borrowers' execution of the foregoing Thirteenth Amendment to Credit Agreement and to all documents referred to therein. The Guarantor hereby acknowledges and agrees that the Guaranty remains unaltered and in full force and effect and is hereby ratified and confirmed in all respects.

CECO ENVIRONMENTAL CORP.

Name: Phillip DeZwirek

By:

 /s/ Phillip DeZwirek

Title: Chairman, CEO

GUARANTOR'S CONSENT

By Guaranty Agreement, dated April 26, 2005 (the "Guaranty"), the undersigned (the "Guarantor") guaranteed to Fifth Third, subject to the terms and conditions set forth therein, the prompt payment and performance of all of the Obligations (as defined therein). The Guarantor consents to the Borrowers' execution of the foregoing Thirteenth Amendment to Credit Agreement and to all documents referred to therein. The Guarantor hereby acknowledges and agrees that the Guaranty remains unaltered and in full force and effect and is hereby ratified and confirmed in all respects.

By: /s/ Phillip DeZwirek

Phillip DeZwirek

SUBORDINATED CREDITOR'S CONSENT

The undersigned (the "Subordinated Creditor") is a party to the Subordination Agreement with the Agent and the Banks and other subordinated creditors, dated December 7, 1999 (the "Subordination Agreement"). The Subordinated Creditor consents to the Borrowers' execution of the foregoing Thirteenth Amendment to Credit Agreement and to all documents referred to therein. The Subordinated Creditor hereby acknowledges and agrees that the Subordination Agreement remains unaltered and in full force and effect and is hereby ratified and confirmed in all respects.

GREEN DIAMOND OIL CORP.

By: /s/ Phillip DeZwirek

Name: Phillip DeZwirek

Title: President

SUBORDINATED CREDITOR'S CONSENT

The undersigned (the "Subordinated Creditor") is a party to the Subordination Agreement with the Agent and the Banks and other subordinated creditors, dated December 7, 1999 (the "Subordination Agreement"). The Subordinated Creditor consents to the Borrowers' execution of the foregoing Thirteenth Amendment to Credit Agreement and to all documents referred to therein. The Subordinated Creditor hereby acknowledges and agrees that the Subordination Agreement remains unaltered and in full force and effect and is hereby ratified and confirmed in all respects.

ICS TRUSTEE SERVICES, LTD.

By: _____

Name:

Title

SUBORDINATED CREDITOR'S CONSENT

The undersigned (the "Subordinated Creditor") is a party to the Subordination Agreement with the Agent and the Banks and other subordinated creditors, dated December 7, 1999 (the "Subordination Agreement"). The Subordinated Creditor consents to the Borrowers' execution of the foregoing Thirteenth Amendment to Credit Agreement and to all documents referred to therein. The Subordinated Creditor hereby acknowledges and agrees that the Subordination Agreement remains unaltered and in full force and effect and is hereby ratified and confirmed in all respects.

HARVEY SANDLER

Certification

I, Phillip DeZwirek, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CECO Environmental Corp.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this quarterly report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) Evaluated the effectiveness of our disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any changes to our internal control over financial reporting that occurred during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal controls over financial reporting, to our auditors and the audit committee of our board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect our ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in our internal control over financial reporting.

/s/ Phillip DeZwirek

Phillip DeZwirek
Chairman of the Board and
Chief Executive Officer

May 13, 2005

Certification

I, Dennis W. Blazer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CECO Environmental Corp.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this quarterly report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) Evaluated the effectiveness of our disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any changes to our internal control over financial reporting that occurred during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal controls over financial reporting, to our auditors and the audit committee of our board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect our ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in our internal control over financial reporting.

/s/ Dennis W. Blazer

Dennis W. Blazer
V.P. – Finance and Administration and
Chief Financial Officer

May 13, 2005

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of CECO Environmental Corp. (the "Company") on Form 10-Q for the period ending March 31, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Phillip DeZwirek, Chairman of the Board and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Phillip DeZwirek

Phillip DeZwirek
Chairman of the Board and
Chief Executive Officer

May 13, 2005

A signed original of this written statement required by Section 906 has been provided to CECO Environmental Corp. and will be retained by CECO Environmental Corp. and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of CECO Environmental Corp. (the "Company") on Form 10-Q for the period ending March 31, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Dennis W. Blazer, V.P. – Finance and Administration and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Dennis W. Blazer

Dennis W. Blazer
V.P. – Finance and Administration and
Chief Financial Officer

May 13, 2005

A signed original of this written statement required by Section 906 has been provided to CECO Environmental Corp. and will be retained by CECO Environmental Corp. and furnished to the Securities and Exchange Commission or its staff upon request.