

**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 SEPTEMBER 30, 2004**

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 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 November 12, 2004 - 9,991,678

[Table of Contents](#)

CECO ENVIRONMENTAL CORP.

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
SEPTEMBER 30, 2004

INDEX

Part I - Financial Information:

Item 1.	Condensed consolidated balance sheets as of September 30, 2004 and December 31, 2003	2
	Condensed consolidated statements of operations for the three-month and nine-month periods ended September 30, 2004 and 2003	3
	Condensed consolidated statements of cash flows for the nine-month periods ended September 30, 2004 and 2003	4
	Notes to condensed consolidated financial statements	5
Item 2.	Management's discussion and analysis of financial condition and results of operations	11
Item 3.	Quantitative and Qualitative Disclosure about Market Risk	17
Item 4.	Controls and Procedures	18

[Part II - Other Information](#)

Item 4.	Submission of Matters to a Vote of Security Holders	19
Item 5.	Other Information	19
Item 6.	Exhibits and reports on Form 8-K	20

Signature	21
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Certifications

CECO ENVIRONMENTAL CORP.

CONDENSED CONSOLIDATED BALANCE SHEETS

Dollars in thousands, except share data

	SEPTEMBER 30, 2004	DECEMBER 31, 2003
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 204	\$ 136
Accounts receivable, net	13,027	11,398
Costs and estimated earnings in excess of billings on uncompleted contracts	6,513	5,309
Inventories	2,025	1,575
Prepaid expenses and other current assets	2,676	1,983
	<hr/>	<hr/>
Total current assets	24,445	20,401
Property and equipment, net	9,467	9,987
Goodwill	9,527	9,527
Intangible assets – finite life, net	756	816
Intangible assets – indefinite life	1,395	1,395
Deferred charges and other assets	706	997
	<hr/>	<hr/>
	\$ 46,296	\$ 43,123
	<hr/>	<hr/>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of debt	\$ 4,712	\$ 2,094
Accounts payable and accrued expenses	13,449	11,309
Billings in excess of costs and estimated earnings on uncompleted contracts	2,554	1,320
	<hr/>	<hr/>
Total current liabilities	20,715	14,723
Other liabilities	2,192	2,591
Debt, less current portion	5,696	7,863
Deferred income tax liability	3,185	3,185
Subordinated notes (including, related party - \$5,287 and \$5,093, respectively)	5,741	5,525
	<hr/>	<hr/>
Total liabilities	37,529	33,887
	<hr/>	<hr/>
Shareholders' equity:		
Common stock, \$0.01 par value; 100,000,000 shares authorized, 10,792,898 shares issued at September 30, 2004 and 10,786,194 shares issued at December 31, 2003	104	104
Capital in excess of par value	16,343	16,333
Accumulated deficit	(4,982)	(4,503)
Accumulated other comprehensive loss	(894)	(894)
	<hr/>	<hr/>
	10,571	11,040
Less treasury stock, at cost, 801,220 shares in 2004 and 2003	(1,804)	(1,804)
	<hr/>	<hr/>
Total shareholders' equity	8,767	9,236
	<hr/>	<hr/>
	\$ 46,296	\$ 43,123
	<hr/>	<hr/>

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

CECO ENVIRONMENTAL CORP.CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

Dollars in thousands, except per share data

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2004	2003	2004	2003
Net sales	\$ 18,378	\$ 17,039	\$ 47,530	\$ 49,994
Costs and expenses:				
Cost of sales, exclusive of items shown separately below	15,035	13,543	38,248	40,267
Selling and administration	2,473	2,443	7,833	7,531
Depreciation and amortization	424	392	1,256	1,191
	17,932	16,378	47,337	48,989
Income from operations before other income and interest expense	446	661	193	1,005
Other income	19	17	55	239
Interest expense (including related party interest of \$219 and \$199, and \$654 and \$597, respectively)	(567)	(554)	(1,622)	(1,742)
Income (loss) from operations before income taxes	(102)	124	(1,374)	(498)
Income tax benefit	(322)	(113)	(895)	(404)
Net income (loss)	\$ 220	\$ 237	\$ (479)	\$ (94)
Per share data:				
Basic net income (loss)	\$.02	\$.02	\$ (.05)	\$ (.01)
Diluted net income (loss)	\$.02	\$.02	\$ (.05)	\$ (.01)
Weighted average number of common shares outstanding:				
Basic	9,991,678	9,978,835	9,988,840	9,808,574
Diluted	10,015,537	10,021,741	9,988,840	9,808,574

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

	NINE MONTHS ENDED SEPTEMBER 30,	
	2004	2003
Cash flows from operating activities:		
Net loss	\$ (479)	\$ (94)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	1,256	1,191
Other non cash gains included in net loss	—	239
Changes in operating assets and liabilities:		
Accounts receivable	(1,629)	(1,606)
Inventories	(450)	226
Costs and estimated earnings in excess of billings on uncompleted contracts	(1,204)	682
Prepaid expenses and other current assets	(788)	(222)
Accounts payable and accrued expenses	2,140	(1,217)
Billings in excess of costs and estimated earnings on uncompleted contracts	1,234	1,613
Other	(192)	(438)
Net cash (used in) provided by operating activities	(112)	374
Cash flows from investing activities:		
Acquisitions of equipment	(281)	(88)
Proceeds from sale of property	—	1,568
Net cash (used in) provided by investing activities	(281)	1,480
Cash flows from financing activities:		
Proceeds from employee stock purchase plan	10	11
Proceeds from subordinated debt	—	1,200
Net borrowings (repayments) on revolving credit line and (repayments) of debt	451	(3,178)
Net cash provided by (used in) financing activities	461	(1,967)
Net increase (decrease) in cash	68	(113)
Cash and cash equivalents at beginning of the period	136	194
Cash and cash equivalents at end of the period	\$ 204	\$ 81

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid (refunded) during the period for:		
Interest	\$ 906	\$ 1,124
Income taxes	\$ (13)	\$ (156)

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.

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 September 30, 2004 and December 31, 2003 and the results of operations for the three-month and nine-month periods ended September 30, 2004 and 2003 and of cash flows for the nine-month periods ended September 30, 2004 and 2003. The results of operations for the three-month period and nine-month period ended September 30, 2004 are not necessarily indicative of the results to be expected for the full year.

These financial statements should be read in conjunction with the audited financial statements and notes thereto in our 2003 Annual Report on Form 10-K filed with the Securities and Exchange Commission, from which the accompanying December 31, 2003 financial information was derived.

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 2004 or 2003 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 2004 and 2003 as reported to the pro forma results, considering both options and warrants discussed in Note 11 in our 2003 Annual Report filed on Form 10-K, had we adopted the expense recognition provision of SFAS No. 123:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Net income (loss) as reported	\$ 220	\$ 237	\$ (479)	\$ (94)
Deduct: compensation cost based on fair value recognition, net of tax	(6)	(82)	(18)	(246)
Pro forma net income (loss) under SFAS No. 123	\$ 214	\$ 155	\$ (497)	\$ (340)
Net income (loss) loss per share:				
Basic as reported	\$.02	\$.02	\$ (.05)	\$ (.01)
Basic pro forma under SFAS No. 123	\$.02	\$.02	\$ (.05)	\$ (.03)
Diluted as reported	\$.02	\$.02	\$ (.05)	\$ (.01)
Diluted pro forma under SFAS No. 123	\$.02	\$.02	\$ (.05)	\$ (.03)

CECO ENVIRONMENTAL CORP.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

2. New Accounting Standards

In December 2002, the FASB issued Statement No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure" which we adopted in 2003. The Statement provides alternative methods of transition for a voluntary change to the fair value method of accounting for stock options. We did not make any voluntary changes to our method of accounting for stock options.

On April 30, 2003, the FASB issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." This statement amends and clarifies accounting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities under SFAS No. 133. This statement is effective for contracts entered into or modified after June 30, 2003, for hedging relationships designated after June 30, 2003, and to certain pre-existing contracts. We adopted SFAS No. 149 on a prospective basis at its effective date on July 1, 2003. The adoption of this statement did not have a material impact on our financial condition or results of operations.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity." This statement establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. This statement was effective for financial instruments entered into or modified after May 31, 2003 and pre-existing instruments as of the beginning of the first interim period that commences after June 15, 2003, except for mandatorily redeemable financial instruments. Mandatorily redeemable financial instruments are subject to the provisions of this statement beginning on January 1, 2004. We have not entered into or modified any financial instruments subsequent to May 31, 2003 affected by this statement nor do we have any mandatorily redeemable financial instruments. The adoption of this statement did not have a material impact on our financial condition or results of operations.

In January 2003, the FASB issued Interpretation No. 46 ("FIN 46") "Consolidation of Variable Interest Entities". FIN 46 requires a variable interest entity to be consolidated by a company if that company is subject to a majority of the risk of loss from the variable interest entity's activities or entitled to receive a majority of the entity's residual returns. FIN 46 applies to variable interest entities created after January 31, 2003, and to variable interest entities in which an enterprise obtains an interest in after that date. The adoption of this interpretation on January 1, 2004 did not affect our financial condition or results of operations, as we do not have any variable interest entities.

In November 2002, the FASB's Emerging Issues Task Force ("EITF") reached a consensus on EITF Issue No. 00-21, "Revenue Arrangements with Multiple Deliverables". EITF No. 00-21 provides guidance for revenue arrangements that involve the delivery or performance of multiple products or services where performance may occur at different points or over different periods of time. EITF No. 00-21 is effective for revenue arrangements entered into in fiscal periods beginning after June 15, 2003 (i.e., our fiscal 2004). The adoption of this interpretation on January 1, 2004 did not affect our financial condition or results of operations, as we do not have any revenue arrangements with multiple deliverables.

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

In December 2003, the FASB issued FASB Statement No. 132 (Revised 2003), "Employers' Disclosures about Pensions and Other Postretirement Benefits". The statement increases the existing disclosure requirements by requiring more details about pension plan assets, benefit obligations, cash flows, benefit costs and related information. We are required to segregate plan assets by category, such as debt, equity and real estate, and to provide certain expected rates of return and other informational disclosures. We have adopted the disclosure requirement of SFAS No. 132-R for our December 31, 2003 financial statements, as well as disclosure requirements for various elements of pension and postretirement benefit costs in interim period financial statements beginning with our first quarter ended March 31, 2004.

3. Inventories

Inventories consist of the following:

	<u>September 30, 2004</u>	<u>December 31, 2003</u>
Raw materials and subassemblies	\$ 1,204	\$ 816
Finished goods	192	213
Parts for resale	629	546
	<u>\$ 2,025</u>	<u>\$ 1,575</u>

4. Goodwill and Intangible Assets

	<u>September 30, 2004</u>	<u>December 31, 2003</u>
Goodwill	\$ 9,527	\$ 9,527
Intangible assets - finite life	\$ 1,446	\$ 1,446
Less accumulated amortization	(690)	(630)
	<u>\$ 756</u>	<u>\$ 816</u>
Intangible assets - indefinite life	<u>\$ 1,395</u>	<u>\$ 1,395</u>

Amortization expense was \$20 for the third quarters of 2004 and 2003, and \$60 and \$59 for the first nine months of 2004 and 2003, respectively. Amortization of finite life intangible assets over the next five years is \$79 for 2005, \$78 in 2006 and 2007, and \$77 in 2008 and 2009.

5. 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.

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

6. Earnings Per Share

The following table reconciles basic weighted average shares outstanding to diluted weighted average shares outstanding for the three months ended September 30, 2004 and 2003. There were no adjustments to net income for the basic or diluted earnings per share (EPS) computations.

	Three Months ended September 30,	
	2004	2003
Basic weighted average number of common shares outstanding	9,991,678	9,978,835
Effect of dilutive securities	23,859	42,906
Diluted weighted average number of common shares outstanding	10,015,537	10,021,741

For the nine months ended September 30, both basic and diluted weighted average common shares outstanding were 9,988,840 in 2004 and 9,808,574 in 2003. We consider outstanding options and warrants in computing diluted net loss per share only when they are dilutive. Options and warrants to purchase 3,503,700 and 3,446,000 shares for the nine-month periods ended September 30, 2004 and 2003, respectively, were not included in the computation of diluted earnings per share due to their having an anti-dilutive effect. Options and warrants to purchase 2,453,700 and 2,446,000 shares for the three-month periods ended September 30, 2004 and 2003, respectively, were not included in the computation of diluted earnings per share because their exercise prices were greater than the average market price of the common shares. There were no adjustments to net loss for the basic or diluted earnings per share computations.

7. Debt

Total bank and related debt was \$10,408 at September 30, 2004 and \$9,957 at December 31, 2003. Unused credit availability under our \$8 million revolving line of credit at September 30, 2004 was \$2,304.

During November 2004, the revolving line of credit portion of the bank credit facility was amended by extending the termination date to January 2006. As a result, the amount outstanding under this line of \$5,696 as of September 30, 2004 was reported as long-term debt in the accompanying balance sheet. In addition, the revolving line of credit was amended whereby the maximum amount available that could be borrowed under the line was increased by \$2,000 to \$10,000 as of November 2004 subject to the borrowing base formula contained in the credit agreement. No extinguishment loss was recognized as a result of this amendment. The amendment also waived minimum coverage requirements under several financial covenants as of September 30, 2004. The bank credit facility was also amended during August 2004 by extending the term loan to July 2005 and by waiving the leverage financial covenant as of June 30, 2004.

CECO ENVIRONMENTAL CORP.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

We are continuing to evaluate, in light of the current market conditions and company performance, our options and alternative financing. Our refinancing strategy for bank credit facility was to extend the maturities and increase our cash flow by lowering the scheduled principal amortization on term debt for our machinery, equipment and real estate, and reducing interest cost. We have extended the maturity on the term loan through July 2005 and the revolving line of credit to January 2006. While we have not yet lowered the scheduled amortization on term debt, we will continue to evaluate our options in this regard. However, there can be no assurance that we will be able to do so.

In addition to pursuing opportunities where we have been historically successful, we are evaluating new markets and exploring opportunities internationally. We have also identified and implemented various cost containment and reduction initiatives through better utilization of our manufacturing capacity, utilizing lower labor costs and making more efficient use of our central services and design/drafting staff. These efforts are expected to provide approximately \$1.3 million in annualized savings, which began during the third quarter of 2004. We expect to be able to achieve these initiatives without disrupting services to current customers. We believe that the successful achievement of the refinancing and cost reduction initiatives should provide us with sufficient resources to meet our near term cash requirements.

In November 2003, we accepted an offer to sell our Cincinnati property with a contemplated closing date of May 1, 2004 subject to various contingencies. The agreement was terminated due to the purchaser failing to close in accordance with the terms of the agreement. In August 2004, the agreement was amended providing an opportunity to the potential purchaser to acquire the property until the end of November 2004 in exchange for which an escrow deposit of \$100 was made. The escrow deposit reverted to us without any further obligation as of September 30, 2004 and was recognized in selling and administration expense as an offset to various costs incurred in connection with the proposed transaction.

8. 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. Retirement and health care plan expense is

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

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 September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Retirement plan:				
Service cost	\$ 30	\$ 25	\$ 90	\$ 75
Interest cost	71	70	213	210
Expected return on plan assets	(63)	(53)	(189)	(159)
Amortization of prior service cost	2	2	6	6
Amortization of net actuarial (gain)/loss	26	26	78	78
Net periodic benefit cost	\$ 66	\$ 70	\$ 198	\$ 210
Health care plan:				
Interest cost	\$ 7	\$ 8	\$ 21	\$ 24

Accumulated other comprehensive loss of \$894 at September 30, 2004 and December 31, 2003 results from recording minimum pension liability net of intangible asset and deferred tax assets.

We previously disclosed in our financial statements for the year ended December 31, 2003 that we expected to make \$854 in contributions to the Pension Plan during the year ending December 31, 2004. As of September 30, 2004, \$522 has been contributed to the Pension Plan and we anticipate making an additional \$58 during the remainder of Fiscal Year 2004 for a revised total of \$580. Legislation enacted in 2004 resulted in our total contribution for the year being less than we previously anticipated

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

Our Critical Accounting Policies are discussed in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations to our Annual Report on Form 10-K for the year ended December 31, 2003.

Results of Operations

Our condensed consolidated statements of operations for the three-month and nine-month periods ended September 30, 2004 and 2003 reflect our operations consolidated with the operations of our subsidiaries.

(\$'s in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Sales	\$ 18.4	\$ 17.0	\$ 47.5	\$ 50.0
Cost of sales	15.0	13.5	38.2	40.3
Gross profit (excluding depreciation)	\$ 3.4	\$ 3.5	\$ 9.3	\$ 9.7
Percent of sales	18.2%	20.5%	19.5%	19.5%
Selling and administrative expenses	\$ 2.5	\$ 2.4	\$ 7.8	\$ 7.5
Percent of sales	13.5%	14.3%	16.5%	15.1%
Operating (loss) income	\$.4	\$.7	\$.2	\$ 1.0
Percent of sales	2.4%	3.9%	.4%	2.0%

Consolidated net sales for the third quarter were \$18,378,000, an increase of \$1,339,000 compared to the same quarter in 2003. Consolidated net sales for the first nine months of 2004 were \$47,530,000, a decrease of \$2,464,000, compared to the same period in 2003. For the quarter, we reported sales increases from our component parts and duct product lines as well as higher construction revenue (principally from automotive and steel related projects which began in 2004) offset by lower Busch revenue. Nine-month revenue declined due to lower construction revenue during the first half and lower Busch revenue offset by increased sales of our component parts and duct product lines. The completion of two steel rolling mill projects in 2003 was the primary reason for lower revenue from Busch.

Bookings during the third quarter of 2004 and for the first nine months of 2004 increased substantially as third quarter orders were \$26,884,000, a \$10,400,000 or 63% increase over the same period in 2003, while nine month orders totaled \$57,785,000, a 21% increase over the comparable period in 2003. Orders booked for large projects during the quarter covered a diverse industry group (including automotive, ethanol, foundry and steel). A significant portion of the project revenue should be recognized in the fourth quarter of 2004. Smaller orders booked during the quarter and nine-months continued to be strong relative to 2003.

CECO ENVIRONMENTAL CORP.

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

Third quarter 2004 gross profit was \$3,343,000 (18.2%). This compares to gross profit of \$3,496,000 (20.5%) during the same period in 2003. Gross margin was lower by 2.3 percentage points principally due to decreased construction margins slightly offset by reduced factory overhead spending. Gross profit was \$9,282,000 for the first nine months of 2004, a decrease of \$445,000 compared to the same period in 2003. Gross margin held firm for the first nine months of 2004 and 2003 at 19.5% as reduced overhead spending was offset by slightly lower pricing due to competitive market conditions.

Selling and administrative expenses increased by \$30,000 or 1.2% to \$2,473,000 during the third quarter of 2004 from \$2,443,000 in the same period of 2003. Selling and administrative expenses increased by \$302,000 or 4.0% to \$7,833,000 during the first nine months of 2004 from \$7,531,000 in the same period of 2003. Cost reduction initiatives in 2003 were offset by increased healthcare and compensation costs in the third quarter and first nine months of 2004. In light of the current level of revenue, during 2004, we implemented additional cost reduction initiatives, which are expected to provide annualized savings of \$1.3 million, beginning in the third quarter of 2004. As discussed in our Overview of Cash Flows and Liquidity section, a \$100,000 escrow deposit reverted to us without any further obligation as of September 30, 2004 and was recognized in selling and administration expense as an offset to various costs incurred in connection with the proposed transaction.

Depreciation and amortization increased by \$32,000 to \$424,000 during the third quarter of 2004 from \$392,000 in the same period of 2003. Depreciation and amortization increased by \$65,000 to \$1,256,000 in the first nine months of 2004 from \$1,191,000 in the same period of 2003.

Other income was \$19,000 in the third quarter of 2004 compared to \$17,000 in the third quarter of 2003. Other income for the first nine months of 2004 was \$55,000 compared to \$239,000 during the same period in 2003. The other income during 2004 is the amortization of the deferred gain recognized from the sale and leaseback of our Conshohocken, Pennsylvania property. The other income during 2003 is the result of the gain recognized from the sale and leaseback of this property during the second quarter of 2003 of \$222,000. A deferred gain of \$218,000 is being recognized over the ensuing three-year leaseback period.

Operating income was \$446,000 in the third quarter of 2004 compared to operating income of \$661,000 during the same quarter of 2003. Operating income for the first nine months of 2004 was \$193,000 compared to operating income of \$1,005,000 during the same period of 2003. The impact on operating income from lower sales along with increases in selling and administrative expenses and depreciation and amortization, only partially offset by reduced factory overhead spending, were the primary factors for the decrease in operating income.

Interest expense increased by \$13,000 to \$567,000 from \$554,000 during the third quarter of 2004. Interest expense decreased by \$120,000 to \$1,622,000 from \$1,742,000 during the first nine months of 2004. The year-to-date decrease was due to lower debt balances during the nine months that was partially offset by higher interest rates during the third quarter.

Federal and state income tax benefit was \$322,000 during the third quarter of 2004 compared to \$113,000 during the third quarter of 2003. Federal and state income tax benefit was \$895,000 for

CECO ENVIRONMENTAL CORP.

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

the first nine months of 2004, an increase \$491,000 from the comparable period in 2003. The federal and state income tax benefit for the first nine months of 2004 was 65%, which reflects the estimated effective tax rate for 2004. Our effective income tax rate was adjusted in the third quarter from 45% to 65% to reflect the reduction in our estimated pretax income for the year. This adjustment had the affect of increasing the effective income tax rate for the 2004 third quarter to 316%. Our effective income tax rate is affected by certain permanent differences including non-deductible interest expense.

Net income for the quarter ended September 30, 2004 was \$220,000 compared with net income of \$237,000 for the same period in 2003. Net loss for the nine months ended September 30, 2004 was (\$479,000) compared with a net loss of (\$94,000) for the same period in 2003.

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 September 30, 2004 was \$17.5 million compared to \$7.3 million as of December 31, 2003. There can be no assurances that backlog will be replicated or increased or translated into higher revenues in the future. The success of our business depends on a multitude of factors that are out of our control. Our operating results can be affected by the introduction of new products, new manufacturing technologies, rapid change of the demand for our products, decrease in average selling prices over the life of the product as competition increases and our dependence to some degree on efforts of intermediaries to sell a portion of our product.

Financial Condition, Liquidity and Capital Resources

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

At September 30, 2004 and December 31, 2003, cash and cash equivalents totaled \$204,000 and \$136,000, 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 September 30, 2004 was \$10,408,000 and \$9,957,000 at December 31, 2003. Unused credit availability under our \$8.0 million revolving line of credit at September 30, 2004 was \$2,304,000.

During November 2004, the revolving line of credit portion of the bank credit facility was amended by extending the termination date to January 2006. As a result, the amount outstanding under this line of \$5,696,000 as of September 30, 2004 was reported as long-term debt in the accompanying balance sheet. In addition, the revolving line of credit was amended whereby the maximum amount available that could be borrowed under the line was increased by \$2,000,000 to \$10,000,000 as of

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

November 2004 subject to the borrowing base formula contained in the credit agreement. No extinguishment loss was recognized as a result of this amendment. The amendment also waived minimum coverage requirements under several financial covenants as of September 30, 2004. The bank credit facility was also amended during August 2004 by extending the term loan to July 2005 and by waiving the leverage financial covenant as of June 30, 2004.

We are continuing to evaluate, in light of the current market conditions and company performance, our options and alternative financing. Our refinancing strategy for bank credit facility was to extend the maturities and increase our cash flow by lowering the scheduled principal amortization on term debt for our machinery, equipment and real estate, and reducing interest cost. We have extended the maturity on the term loan through July 2005 and the revolving line of credit to January 2006. While we have not yet lowered the scheduled amortization on term debt, we will continue to evaluate our options in this regard. However, there can be no assurance that we will be able to do so.

In addition to pursuing opportunities where we have been historically successful, we are evaluating new markets and exploring opportunities internationally. We have also identified and implemented various cost containment and reduction initiatives through better utilization of our manufacturing capacity, utilizing lower labor costs and making more efficient use of our central services and design/drafting staff. These efforts are expected to provide approximately \$1.3 million in annualized savings, which began during the third quarter of 2004. We expect to be able to achieve these initiatives without disrupting services to current customers. We believe that the successful achievement of the refinancing and cost reduction initiatives should provide us with sufficient resources to meet our near term cash requirements.

Overview of Cash Flows and Liquidity

(\$'s in thousands)	For the nine months ended September 30,	
	2004	2003
Total operating cash flow (used)/provided	\$ (112)	\$ 374
Net cash (used in) provided by investing activities	(281)	1,480
Net cash provided by (used in) financing activities	461	(1,967)
Net increase (decrease)	\$ 68	\$ (113)

Cash provided by operating activities decreased in 2004 compared to 2003. Cash used in operating activities for the first nine months of 2004 was the result of an increase in the number of projects in process at quarter end and their relative early stage of completion. As a result, our investment in accounts receivable, costs and estimated earnings in excess of billings on uncompleted contracts and inventories increased \$1,629,000, \$1,204,000 and \$450,000, respectively. We were able to partially offset these uses of cash by increasing our accounts payable and billings in excess of costs and estimated earnings on uncompleted contracts by \$2,140,000 and \$1,234,000, respectively.

CECO ENVIRONMENTAL CORP.

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

Our net investment in working capital (excluding cash and cash equivalents and current portion of debt) at September 30, 2004 and December 31, 2003 was \$8,238,000 and \$7,636,000, respectively.

Net cash used in investing activities related to the acquisition of property and equipment was \$281,000 for the first nine months of 2004 compared with \$88,000 for the same period in 2003. We are managing our capital expenditure spending in light of the current level of sales. Should sales increase in 2004, we would anticipate increased capital spending. Additionally, capital expenditures may be incurred depending on the ultimate disposition of our Cincinnati property. Cash provided by investing activities of \$1,568,000 for the first nine months of 2003 relates to cash proceeds from the sale and leaseback of our Conshohocken, Pennsylvania property. A \$222,000 gain was recognized during the second quarter of 2003 from the sale of the Conshohocken property and a gain of \$218,000 was deferred, which will be recognized over the ensuing three-year leaseback period. Approximately, \$700,000 of the proceeds were used to reduce the revolving line of credit and the balance was used to reduce term debt.

Financing activities provided cash of \$461,000 during the first nine months of 2004 compared with cash used in financing activities of \$1,967,000 during the same period of 2003. Current year financing activities included net borrowings and issuance of common stock under our employee stock purchase plan, and 2003 financing activities included proceeds from issuance of subordinated debt totaling \$1,200,000 to our principle shareholder. These proceeds and those from the sale of our Conshohocken property were used to pay down amounts outstanding under our credit agreement. In November 2003, we accepted an offer to sell our Cincinnati property with a contemplated closing date of May 1, 2004 subject to various contingencies. The agreement was terminated due to the purchaser failing to close in accordance with the terms of the agreement. In August 2004, the agreement was amended providing an opportunity to the potential purchaser to acquire the property until the end of November 2004 in exchange for which an escrow deposit of \$100,000 was made. The escrow deposit reverted to us without any further obligation as of September 30, 2004 and was recognized in selling and administration expense as an offset to various costs incurred in connection with the proposed transaction.

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.

CECO ENVIRONMENTAL CORP.

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

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 2003 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

Within ninety days prior to the filing of this Report, the Company's Chief Executive Officer and Chief Financial Officer evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures, which are designed to ensure that the Company records, processes, summarizes and reports in a timely and effective manner the information required to be disclosed in the reports filed with or submitted to the Securities and Exchange Commission. Based upon this evaluation, they concluded that, as of the date of the evaluation, the Company's disclosure controls are effective. Since the date of this evaluation, there have been no significant changes in the Company's internal controls or in other factors that could significantly affect those controls.

CECO ENVIRONMENTAL CORP.

PART II -OTHER INFORMATION

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

At its Annual Meeting on October 14, 2004, the shareholders of CECO Environmental Corp. took the following actions:

1. Elected the following seven directors for terms to expire at the 2005 Annual Meeting of Shareholders, with votes as indicated opposite each director's name:

Director	Number of Shares	
	For	Against
Richard J. Blum	6,665,497	122,617
Phillip DeZwirek	6,665,229	122,885
Jason Louis DeZwirek	6,663,697	124,417
Thomas J. Flaherty	6,664,797	123,317
Josephine Grivas	6,664,897	123,217
Melvin F. Lazar	6,665,529	122,585
Donald A. Wright	6,665,997	122,117

2. Shareholders ratified the appointment of Deloitte & Touche LLP as the Company's independent auditors for the fiscal year ending December 31, 2004 as follows:

Votes For:	6,781,678
Votes Against:	3,832
Votes Abstained:	2,601

ITEM 5. OTHER INFORMATION

The Board of Directors adopted on September 28, 2004 the following procedures by which security holders may recommend nominees to the Board of Directors:

The independent Directors will consider director candidates recommended by stockholders for inclusion on the slate of directors recommended to the Board. Any stockholder may submit one candidate for consideration at each stockholder meeting at which directors are to be elected. Stockholders wishing to recommend a candidate must submit the recommendation no later than one hundred and twenty (120) days before the date of the Company's proxy statement released to stockholders in connection with the previous year's annual meeting of stockholders, provided, that if the Company did not hold any annual meeting in the previous year, or if the date of the next annual meeting has been changed by more than thirty (30) days from the date of the previous year's meeting, then the deadline will be a date that is a reasonable time before the Company begins to print and mail its proxy materials, but in no event less than ninety (90) days prior to such mailing.

CECO ENVIRONMENTAL CORP.

PART II -OTHER INFORMATION (continued)

Recommendations must be sent to the following address:

CECO Environmental Corp.
3120 Forrer Street
Cincinnati, OH 45209
Attention: Secretary

At the time the stockholder submits the recommendation for a director candidate, the stockholder must provide the following:

All information about the candidate that the Company would be required to disclose in a proxy statement in accordance with Exchange Act rules.

Certification from the candidate that he or she meets the requirements to be (a) independent under the Nasdaq standards, and (b) a non-management director under the Exchange Act.

Consent of the candidate to serve on the Board, if nominated and elected.

Agreement of the candidate to complete, upon request, questionnaire(s) customary for directors of the Company.

The independent Directors will first evaluate candidates recommended by stockholders on the same basis as candidates recommended by other sources, including evaluating the candidate against the standards and qualifications set out in the Director Nomination Policy of the Company as well as any other criteria approved by the Board from time to time. The independent Directors will determine whether to interview any candidate.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a. Exhibits

Exhibit 10.52 Ninth Amendment to Credit Agreement dated as of June 29, 2004

Exhibit 10.53 Tenth Amendment to Credit Agreement dated November 10, 2004

Exhibit 10.54 Amended and Restated Revolving Credit Note dated November 10, 2004

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.C. Section 1350)

Exhibit 32.2 Certification of Chief Financial Officer (18 U.S.C. Section 1350)

b. Reports on Form 8-K

The Company did not file any Form 8-K during the third quarter of 2004.

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/ Marshall J. Morris

Marshall J. Morris
V.P. - Finance and Administration
and Chief Financial Officer

Date: November 15, 2004

NINTH AMENDMENT TO CREDIT AGREEMENT

This NINTH AMENDMENT TO CREDIT AGREEMENT (this "Amendment") is made as of the 29TH day of June, 2004 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 BANK ONE, NA ("Bank One"), individually (PNC, Fifth Third and Bank One, 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 (as amended, the "Amended Credit Agreement").

B. The Banks by separate Intercreditor Agreement, dated as of November 13, 2003, agreed to modify their positions so that from and after that date Fifth Third Bank 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. 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 Leverage Ratio as provided in Section 6.1(a) of the Credit Agreement, as modified in

paragraph 2(m) of the Third Amendment to Credit Agreement, paragraph 2(h) of the Fourth Amendment to Credit Agreement, paragraph 2(a) of the Fifth Amendment to Credit Agreement, paragraph 2(a) of the Sixth Amendment to Credit Agreement, paragraph 2(b) of the Seventh Amendment to Credit Agreement and paragraph 2(b) of the Eighth Amendment to Credit Agreement, as of the last day of June, 2004. The foregoing waiver shall not waive the Borrowers obligations to comply with such Leverage Ratio on any other date or any other obligation of Borrowers under the Amended Credit Agreement.

3. Term Loan Extension and Payments.

(a) The outstanding principal balance of Term Loan A on the date hereof is \$5,235,290. Subject to paragraph 3(b) below, the maturity date of Term Loan A is hereby extended to July 1, 2005. Principal payments on Term Loan A shall continue at \$523,530.00 per quarter due on August 31, 2004, November 30, 2004, February 28, 2005 and May 31, 2005. The final principal payment of \$3,141,170.00 shall be due on July 1, 2005.

(b) Provided that Borrowers satisfy both of the conditions in (i) and (ii) below before July 1, 2005 and no event of default under the Amended Credit Agreement exists on July 1, 2005, the maturity date of Term Loan A shall be automatically extended to January 1, 2006. If the maturity date is extended as herein provided, principal payments on Term Loan A shall continue at \$523,530.00 per quarter due on August 31, 2005 and November 30, 2005 and the final principal payment will be due on January 1, 2006. The two conditions for extension of the maturity date of Term Loan A to January 1, 2006, are:

(i) Extension by Fifth Third of the Termination Date for the Revolving Credit Loans under the Amended Credit Agreement to a date on or after January 1, 2006; and

(ii) Borrowers pay to Bank One and PNC \$2,800,000 as a principal payment on Term Loan A, in addition to the quarterly principal payments otherwise required to be paid by Borrower.

(c) Principal and interest payments with respect to Term Loan A shall continue to be divided equally between PNC and Bank One.

4. Interest Rates. Annex I to the Credit Agreement, as modified by paragraph 2(f) of the Third Amendment to Credit Agreement, paragraph 2(c) of the Fourth Amendment to Credit Agreement, paragraph 4 of the Sixth Amendment to Credit Agreement, paragraph 4 of the Seventh Amendment to Credit Agreement and paragraph 4 of the Eighth Amendment Credit Agreement, is hereby further modified to provide that from and after January 1, 2005 the interest rate on Term Loan A is Base Rate plus 6% per annum.

5. Extension Fee. Upon execution of this Amendment, Borrowers shall pay to: (i) Fifth Third, an Extension Fee in the amount of \$18,000; (ii) PNC, an Extension Fee in the amount of \$6,000; and (iii) Bank One, an Extension Fee in the amount of \$6,000. Provided that the equipment has not been refinanced and Bank One and PNC have not been paid at least \$2,800,000 from such refinancing prior to September 30, 2004, on September 30, 2004, Borrowers shall pay to: (i) Fifth Third, an additional Extension Fee of \$9,000; (ii) PNC; an additional Extension Fee in the amount of \$6,000; and (iii) Bank One, an additional Extension Fee in the amount of \$6,000. If the equipment has been refinanced and Bank One and PNC have been paid a total of at least \$2,800,000 from such refinancing prior to September 30, 2004, the additional Extension Fees shall not be payable to any of the Banks. If the equipment has not been refinanced and Bank One and PNC have not been paid at least \$2,800,000 from such refinancing prior to September 30, 2004, but, on September 30, 2004, Borrowers have such refinancing scheduled for a date shortly thereafter, Borrowers may request that the Banks extend the date by which such refinancing must be closed and such \$2,800,000 must be paid in order to waive the requirement for payment of the additional Extension Fees and the Banks in their sole and absolute discretion, without any obligation to do so, may extend such date, if the Banks agree unanimously to do so.

6. Equipment Appraisals. Banks shall engage appraisals of all equipment of the Borrowers located in Cincinnati, Ohio, by one or more appraisers who are acceptable to the Banks. The Borrowers shall cooperate fully with such appraisers so that such appraisals can be promptly performed. If, in the reasonable judgment of the Banks, Term Loan A will not be paid in full on or before December 31, 2004, the Banks may engage appraisals of the balance of the Borrower's equipment, wherever located, by one or more appraisers who are acceptable to the Banks. The Borrowers shall cooperate fully with such appraisers so that such appraisals can be promptly performed. All of the foregoing appraisals shall be paid for by the Borrowers.

7. 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.

8. 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.

9. 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.

10. Conditions Precedent. The effectiveness of the amendments 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; 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 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 portion of the Extension Fee which is due upon execution of this Amendment as provided in paragraph 5 above and the reasonable fees and disbursements of the Banks' counsel incurred in connection with this Amendment.

11. No Waiver. Except as expressly provided herein, this Amendment 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.

12. 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 Document 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.

13. 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/ Marshall J. Morris

Name: Marshall J. Morris
Title: Chief Financial Officer

CECO FILTERS, INC.

By: /s/ Marshall J. Morris

Name: Marshall J. Morris
Title: Treasurer

AIR PURATOR CORPORATION

By: /s/ Marshall J. Morris

Name: Marshall J. Morris
Title: President

NEW BUSCH CO., INC.

By: /s/ Marshall J. Morris

Name: Marshall J. Morris
Title: Treasurer

THE KIRK & BLUM MANUFACTURING
COMPANY

By: /s/ Marshall J. Morris

Name: Marshall J. Morris
Title: Treasurer

KBD/TECHNIC, INC.

By: /s/ Marshall J. Morris

Name: Marshall J. Morris

Title: Treasurer

CECO ABATEMENT SYSTEMS, INC.

By: /s/ Marshall J. Morris

Name: Marshall J. Morris

Title: Treasurer

PNC BANK, NATIONAL ASSOCIATION, as
Agent and as a Bank

By: /s/ William C. Miles

Name: William C. Miles
Title: Vice President

FIFTH THIRD BANK, as a Bank

By: /s/ David G. Fuller

Name: David G. Fuller
Title: Vice President

BANK ONE, NA, as a Bank

By: /s/ Jeffrey C. Nicholson

Name: Jeffrey C. Nicholson
Title: First Vice President

TENTH AMENDMENT TO CREDIT AGREEMENT

This TENTH AMENDMENT TO CREDIT AGREEMENT (this "Amendment") is made as of the 10th day of November, 2004 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 BANK ONE, NA ("Bank One"), individually (PNC, Fifth Third and Bank One, 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 (the Credit Agreement as amended as set forth in Recital A and this Recital C, the "Amended Credit Agreement").

D. 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 Leverage Ratio as provided in Section 6.1(a) of the Credit Agreement, as modified in paragraph 2(m) of the Third Amendment to Credit Agreement, paragraph 2(h) of the Fourth Amendment to Credit Agreement, paragraph 2(a) of the Fifth Amendment to Credit Agreement, paragraph 2(a) of the Sixth Amendment to Credit Agreement, paragraph 2(b) of the Seventh Amendment to Credit Agreement and paragraph 2(b) of the Eighth Amendment to Credit Agreement, as of the last day of September, 2004. The Banks hereby waive the requirement that the Borrowers comply with the Interest Coverage Ratio as provided in Section 6.1(c) of the Credit Agreement, as modified in paragraph 2(o) of the Third Amendment to Credit Agreement, paragraph 2(j) of the Fourth Amendment to Credit Agreement, paragraph 2(b) of the Fifth Amendment to Credit Agreement, paragraph 2(c) of the Sixth Amendment to Credit Agreement, paragraph 2(d) of the Seventh Amendment to Credit Agreement and paragraph 2(f) of the Eight Amendment to Credit Agreement, as of the last day of September, 2004. The foregoing waivers shall not waive the Borrowers obligations to comply with such Leverage Ratio and such Interest Coverage Ratio on any other date or any other obligation of Borrowers under the Amended Credit Agreement.

3. Amendments to Credit Agreement.

(a) The definition of "Revolving Credit Commitment" as set forth in Section 1.1 of the Credit Agreement and revised in paragraph 2(c) of the Third Amendment to Credit Agreement and paragraph 2(a) of the Fourth Amendment to Credit Agreement shall be deleted and shall be replaced with the following:

"Revolving Credit Commitment": means \$10,000,000, as reduced from time to time pursuant to Section 2.9.

(b) The definition of "Revolving Credit Note" as set forth in Section 1.1 of the Credit Agreement shall be deleted and shall be replaced with the following:

"Revolving Credit Note": means the Amended and Restated Revolving Credit Note in the form attached to the Tenth Amendment to Credit Agreement, as executed by the Borrowers, to replace the prior three Revolving Credit Notes, one each to each of the Banks in the maximum amount of \$3,333,333.00 each.

(c) The definition of "Termination Date" as set forth in Section 1.1 of the Credit Agreement as revised in paragraph 2(b) of the Fourth Amendment to Credit Agreement, paragraph 2(a) of the Seventh Amendment to Credit Agreement and paragraph 2(b) of the Eight Amendment to Credit Agreement shall be deleted and shall be replaced with the following:

"Termination Date": January 1, 2006.

4. Amended and Restated Revolving Credit Note. On even date herewith, Borrowers shall execute and deliver to Fifth Third, the Amended and Restated Revolving Credit Note in the form attached hereto (the "Replacement Note"). The parties hereto agree that the Replacement Note replaces and restates the original three Revolving Credit Notes, dated on or about December 7, 1999, each in the maximum amount of \$3,333,333.00, given by Borrowers (except CECO Abatement Systems, Inc. who became a Borrower under such Notes pursuant to the terms of the Fourth Amendment to Credit Agreement, dated as of August 20, 2001) to each of the Banks to evidence the Revolving Credit Loan pursuant to the Amended Credit Agreement and that the prior Revolving Credit Notes from Borrowers to PNC and Bank One were assigned by PNC and Bank One to Fifth Third pursuant to the Intercreditor Agreement, dated as of November 13, 2003. The parties hereto further agree that the Replacement Note shall be treated as the Revolving Credit Note(s) and shall evidence the Revolving Credit Loan(s) for all purposes of the Amended Credit Agreement and shall be entitled to all collateral and security afforded the prior Revolving Credit Notes for all purposes.

5. Consent of Banks. Bank One and PNC consent to the modifications in the Amended Credit Agreement set forth in paragraph 3 above. Fifth Third continues to be solely responsible for the Revolving Credit Commitment as provided in the Intercreditor Agreement.

6. Extension Fees. Upon execution of this Amendment, Borrowers shall pay to: (i) Fifth Third, a Waiver and Extension Fee in the amount of \$10,000; (ii) PNC, a Waiver Fee in the amount of \$2,500; and (iii) Bank One, a Wavier Fee in the amount of \$2,500.

7. 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.

8. 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.

9. 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.

10. 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 Amended and Restated Revolving Credit Note 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 and waivers 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 and waivers 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 Waiver and Extension Fees which are due upon execution of this Amendment as provided in paragraph 5 above and the reasonable fees and disbursements of the Banks' counsel incurred in connection with this Amendment.

11. 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.

12. 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.

13. 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/ Marshall J. Morris

Name: Marshall J. Morris
Title: Chief Financial Officer

CECO FILTERS, INC.

By: /s/ Marshall J. Morris

Name: Marshall J. Morris
Title: Treasurer

AIR PURATOR CORPORATION

By: /s/ Marshall J. Morris

Name: Marshall J. Morris
Title: President

NEW BUSCH CO., INC.

By: /s/ Marshall J. Morris

Name: Marshall J. Morris
Title: Treasurer

THE KIRK & BLUM MANUFACTURING
COMPANY

By: /s/ Marshall J. Morris

Name: Marshall J. Morris
Title: Treasurer

KBD/TECHNIC, INC.

By: /s/ Marshall J. Morris

Name: Marshall J. Morris

Title: Treasurer :

CECO ABATEMENT SYSTEMS, INC.

By: /s/ Marshall J. Morris

Name: Marshall J. Morris

Title: Treasurer

PNC BANK, NATIONAL ASSOCIATION, as
Agent and as a Bank

By: /s/ William C. Miles

Name: William C. Miles

Title: Vice President

FIFTH THIRD BANK, as a Bank

By: /s/ David G. Fuller

Name: David G. Fuller

Title: Vice President

BANK ONE, NA, as a Bank

By: /s/ Jeffrey C. Nicholson

Name: Jeffrey C. Nicholson

Title: First Vice President

AMENDED AND RESTATED REVOLVING CREDIT NOTE

\$10,000,000.00

Cincinnati, Ohio
November 10, 2004

FOR VALUE RECEIVED, the undersigned (collectively, the "Borrowers"), hereby promise, jointly and severally, to pay to the order of Fifth Third Bank (the "Bank"), at its office at Fifth Third Center, MD 109052, Cincinnati, Ohio 45263, on the Termination Date (as defined in the Agreement referred to below), the lesser of the principal sum of Ten Million Dollars (\$10,000,000.00) and the aggregate unpaid principal amount of the Revolving Credit Loan made by the Bank to the Borrowers pursuant to Section 2.1 of the Credit Agreement dated as of December 7, 1999, as subsequently amended, among the Borrowers and the banks party thereto (as amended, supplemented or otherwise modified from time to time (including hereafter modified), the "Agreement"), in lawful money of the United States of America in immediately available funds, and to pay interest from the date of disbursement thereof on such principal amount from time to time outstanding, in like funds, at said office, at a rate or rates per annum and payable on the dates determined pursuant to the Agreement.

The holder of this Note is authorized to endorse on a schedule attached hereto and made a part hereof or on a continuation thereof which shall be attached hereto and made a part hereof all borrowings evidenced by this Note, the length of each interest period with respect thereto and all payments and repayments of the principal hereof and interest hereon and the respective dates thereof, or to otherwise record such information in its internal records, and any such endorsement or recordation shall constitute *prima facie* evidence of the accuracy of the information so recorded; provided, however, that the failure of the holder hereof to make any such endorsement or recordation or any error in such endorsement or recordation shall not in any manner affect the obligations of the Borrowers to make payment of principal and interest in accordance with the terms of this Note and the Agreement.

This Amended and Restated Revolving Credit Note amends, consolidates, replaces and restates the three Revolving Credit Notes, each dated on or about December 7, 1999, and each in the original maximum amount of \$3,333,333.00 from Borrowers (except CECO Abatement Systems, Inc., who became one of Borrowers pursuant to the Fourth Amendment to Credit Agreement, dated as of August 20, 2001) to Bank, PNC Bank, National Association ("PNC") and Bank One, N.A. ("Bank One"). The Revolving Credit Notes from Borrowers to PNC and Bank One were previously assigned by PNC and Bank One to Bank pursuant to that certain Intercreditor Agreement dated as of November 13, 2003. For all purposes of the Agreement, this Note is the Revolving Credit Note(s) and the loan evidenced by this Note is the Revolving Credit Loan(s). This Note replaces the prior three Revolving Credit Notes and is entitled to all of the benefits of the prior three Revolving Credit Notes, all of the collateral therefore and all rights and benefits of the prior three Revolving Credit Notes under the Agreement (as previously amended and as hereinafter amended).

This Note is the Revolving Credit Note referred to in, evidences indebtedness incurred under, and is entitled to the benefits of the Agreement. The Agreement, among other things, contains provisions for the acceleration of the maturity hereof upon the happening of certain events, for a higher rate of interest on past due amounts and for the amendment or waiver of certain provisions of the Agreement, all upon the terms and conditions therein specified.

The Borrowers hereby waive diligence, presentment, demand, protest, and notice of any kind whatsoever. The nonexercise by the holder of any of its rights hereunder in any particular instance shall not constitute a waiver thereof in that or any subsequent instance.

This Note shall be construed and interpreted in accordance with and governed by the laws of the State of Ohio. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

CECO GROUP, INC.

By: /s/ Marshall J. Morris

Name: Marshall J. Morris
Title: Chief Financial Officer

CECO FILTERS, INC.

By: /s/ Marshall J. Morris

Name: Marshall J. Morris
Title: Treasurer

AIR PURATOR CORPORATION

By: /s/ Marshall J. Morris

Name: Marshall J. Morris
Title: President

NEW BUSCH CO., INC.

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By: /s/ Marshall J. Morris

Name: Marshall J. Morris
Title: Treasurer

KBD/TECHNIC, INC.

By: /s/ Marshall J. Morris

Name: Marshall J. Morris

Title: Treasurer :

CECO ABATEMENT SYSTEMS, INC.

By: /s/ Marshall J. Morris

Name: Marshall J. Morris

Title: Treasurer

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

November 15, 2004

Certification

I, Marshall J. Morris, 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;
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/ Marshall J. Morris

Marshall J. Morris
V.P. – Finance and Administration and
Chief Financial Officer

November 15, 2004

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 September 30, 2004 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

November 15, 2004

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 September 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Marshall J. Morris, 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/ Marshall J. Morris

Marshall J. Morris
V.P. – Finance and Administration and
Chief Financial Officer

November 15, 2004

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.