SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-QSB

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

For Quarter Ended JUNE 30, 1999 Commission file number 0-7099

CECO ENVIRONMENTAL CORP.

NEW YORK	13-2566064
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
505 UNIVERSITY AVENUE, SUITE 1400, TORONTO, ONTARIO, CANADA	M5G 1X3
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code 416-593-6543

Former name, former address and former fiscal year, if changed since last report.

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.

X Yes ___ No

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the close of the period covered by this report.

Class: COMMON, PAR VALUE $.01 PER SHARE
OUTSTANDING at June 30, 1999 8,388,816

CECO ENVIRONMENTAL CORP.

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
JUNE 30, 1999

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CECO ENVIRONMENTAL CORP.

CONDENSED CONSOLIDATED BALANCE SHEET
(unaudited)

	JUNE 30, 1999	DECEMBER 31, 1998
ASSETS		
Current assets:		
Cash	$ 203,582	$ 364,648
Marketable securities - trading	1,062,114	695,944
Accounts receivable	2,628,800	4,068,640
Inventories	838,986	541,315
Costs and estimated earnings in excess of billings on uncompleted contracts	337,587	226,504
Due from former owners of Busch Co.	243,212	147,939
Investment in sales-type lease	103,350	95,400
Prepaid expenses and other current assets	295,910	344,961
Prepaid income taxes	94,000	--
Deferred income taxes	84,500	84,500
Total current assets	5,892,041	6,569,851
Property and equipment, net	2,055,678	2,062,452
Goodwill, net	4,962,933	5,169,353
Other intangible assets, at cost, net	1,155,161	1,270,780
Investment in sales-type lease	286,200	333,900
Other assets	379,946	--
Deferred income taxes	136,200	68,500
	$14,868,159	$15,474,836
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term obligations	$ 2,100,000	$ 1,200,000
Current portion of long-term debt	345,074	385,149
Accounts payable and accrued expenses	2,610,395	3,107,227
Billings in excess of costs and estimated earnings on uncompleted contracts	728,012	1,174,427
Unearned income	69,300	78,000
Income taxes payable	13,040	253,100
Total current liabilities	5,865,821	6,197,903
Long-term debt, less current portion	1,212,943	1,569,713
Total liabilities	7,078,764	7,767,616
Minority interest	123,519	149,941
Shareholders' equity:		
Preferred stock, $.01 par value; 10,000,000 shares authorized and none issued	--	--
Common stock, $.01 par value; 100,000,000 shares authorized and 8,388,816 shares issued	83,888	83,888
Capital in excess of par value	10,139,013	10,139,013
Accumulated deficit	(2,208,356)	(2,316,953)
	8,014,545	7,905,948
Less treasury stock, at cost	(348,669)	(348,669)
Net shareholders' equity	7,665,876	7,557,279
	$14,868,159	$15,474,836

See accompanying notes to condensed consolidated financial statements.

CECO ENVIRONMENTAL CORP.

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(unaudited)

	THREE MONTHS ENDED JUNE 30, 1999	THREE MONTHS ENDED JUNE 30, 1998	SIX MONTHS ENDED JUNE 30, 1999	SIX MONTHS ENDED JUNE 30, 1998
Revenues:				
Net sales - products	$ 2,064,389	$ 1,775,781	$ 4,594,235	$ 4,190,770
Contract revenues	1,900,468	3,730,385	4,143,279	7,062,128
Total revenues	3,964,857	5,506,166	8,737,514	11,252,898
Costs and expenses:				
Cost of revenues - products	1,065,081	818,199	2,349,727	2,103,209
Cost of revenues - contracts	1,038,578	2,585,537	2,535,293	4,794,966
Selling and administrative	1,651,638	1,300,686	3,145,418	3,011,486
Depreciation and amortization	155,664	78,322	298,688	211,546
	3,910,961	4,782,744	8,329,126	10,121,207
Income from continuing operations before investment income and interest expense	53,896	723,422	408,388	1,131,691
Investment income	120,289	18,513	158,468	35,445
Interest expense	(64,013)	(62,022)	(139,511)	(108,720)
Income from continuing operations before provision for income taxes	110,172	679,913	427,345	1,058,416
Provision for income taxes	(35,840)	272,000	179,400	437,000
Income from continuing operations before minority interest	74,332	407,913	247,945	621,416
Minority interest	2,709	(28,911)	(5,621)	(59,003)
Income from continuing operations	77,041	379,002	242,324	562,413
Discontinued operations:				
Loss from operations of discontinued division, net of income tax benefit and minority interest	3,200	(172,960)	(121,245)	(220,535)
Loss from disposal of discontinued division	--	--	(12,482)	--
	3,200	(172,960)	(133,727)	(220,535)
Net income	$ 80,241	$ 206,042	$ 108,597	$ 341,878
Net income per share, basic and diluted	$ .01	$ .02	$ .01	$ .04
Weighted average number of common shares outstanding:				
Basic	8,250,896	8,250,896	8,250,896	8,203,935
Diluted	9,414,640	8,680,198	9,445,495	8,633,236

See accompanying notes to condensed consolidated financial statements.

CECO ENVIRONMENTAL CORP.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(unaudited)

	SIX MONTHS ENDED JUNE 30, 1999	1998
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash flows from operating activities:		
Net income	$ 108,597	$ 341,878
Adjustments to reconcile net income to net cash (used in) operating activities:		
Loss from discontinued operations	133,727	220,535
Depreciation and amortization	240,202	154,812
Deferred income taxes	(67,700)	-
Unearned income	(8,700)	-
Goodwill amortization - CECO Filters, Inc.	58,486	56,734
Minority interest	5,621	43,739
(Increase) decrease in operating assets:		
Accounts receivable	575,058	(579,997)
Inventories	(297,671)	59,972
Costs and estimated earnings in excess of billings on uncompleted contracts	(144,471)	(361,564)
Due from former owners of Busch Co.	(95,273)	-
Investment in sales-type lease	39,750	-
Prepaid expenses and other current assets	38,224	82,552
Prepaid and refundable income taxes	(94,000)	150,200
Other assets	(207,428)	-
Marketable securities - trading	(366,170)	7,928
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	96,352	694,865
Billings in excess of costs and estimated earnings on uncompleted contracts	(301,052)	(1,032,401)
Accrued income taxes	(240,060)	100,800
Net cash (used in) continuing operations	(526,508)	(59,947)
Net cash provided by discontinued operations	35,896	6,226
Net cash (used in) operating activities	(490,612)	(53,721)
Cash flows from investing activities:		
Additions to property and equipment and intangible assets	(113,071)	(21,665)
Capital expenditures of discontinued operations	(1,856)	(109,608)
Acquisition of additional shares of CECO Filters, Inc.	(55,459)	(97,932)
Acquisition of IFM, net of cash acquired, comprised of the following:		
Excess of current liabilities over current assets, net of cash acquired	-	169,756
Equipment	-	(125,132)
Goodwill	-	(152,533)
Net cash (used in) investing activities	(170,386)	(337,114)

CONTINUED ON NEXT PAGE

See accompanying notes to condensed consolidated financial statements.

CECO ENVIRONMENTAL CORP.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - CONTINUED
(unaudited)

	SIX MONTHS ENDED JUNE 30, 1999	SIX MONTHS ENDED JUNE 30, 1998
Cash flows from financing activities:		
Proceeds from short-term obligations	$2,286,014	$ --
Net borrowings (repayments) of short-term obligations	(1,386,014)	800,000
Proceeds from long-term debt	1,412,155	--
Repayments of long-term debt and capital lease obligation	(1,812,223)	(277,682)
Due to former owners of Busch Co.	--	(709,983)
Net cash provided by (used in) financing activities	499,932	(187,665)
Net (decrease) in cash	(161,066)	(578,500)
Cash at beginning of period	364,648	847,827
Cash at end of period	$ 203,582	$ 269,327

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

	1999	1998
Cash paid during the period for:		
Interest	$ 139,511	$ 137,752
Income taxes	$ 485,960	$ 53,100

SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES

On March 31, 1999, the Company sold the contracts and customer list of a division in exchange for a non-interest bearing promissory note with a present value of $174,493.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments necessary to present fairly the financial position as of June 30, 1999 and the results of operations for the three-month and six-month periods ended June 30, 1999 and 1998 and cash flows for the six-month periods ended June 30, 1999 and 1998. The results of operations for the three-month and six-month periods ended June 30, 1999 are not necessarily indicative of the results to be expected for the full year.

2. Discontinued Operations

On March 31, 1999, the Company's subsidiary, CECO Filters, Inc. ("CECO"), sold the contracts and customer list of a division for $250,000. The sales price was paid through a non-interest bearing promissory note from the purchaser. Monthly principal payments of $1,500 commence October 1, 1999 with a balloon payment for the balance due on April 1, 2007.

The following is a summary of operating activity for this discontinued division:

	SIX MONTHS ENDED JUNE 30, 1999	1998
Revenues	$387,656	$1,826,163
Cost of revenues	(493,439)	(1,748,486)
Selling and administrative	(128,651)	(464,940)
Depreciation and amortization	(7,998)	(12,029)
Interest expense	-	(4,069)
Operating loss	(242,432)	(403,361)
Income tax benefit	112,200	161,000
Minority interest	8,987	21,826
Loss from operations of discontinued division	($121,245)	($220,535)

The following is a summary of the loss recorded from the disposal of this division:

Net present value note receivable	$174,493
Impairment of goodwill	(166,932)
Disposition costs	(20,043)
Loss from disposal of discontinued division	($12,482)

The following is a summary of the balance sheet for this discontinued division:

	DECEMBER 31, 1998
Current assets	$1,332,463
Property and equipment, net	233,740
Other assets	166,932
Current liabilities	(992,384)
Net assets of discontinued operations	$ 740,751

3. Inventories consisted of the following:

	JUNE 30, 1999	DECEMBER 31, 1998
Raw materials	$449,174	$380,477
Finished goods	127,041	46,742
Parts for resale	262,771	114,096
	$838,986	$541,315

4. Investment in CECO Filters, Inc.

The Company acquired 65,800 shares of CECO's common stock on the open market for the amount of $55,459 during the six-month period ended June 30, 1999. As of June 30, 1999, the Company owned 93.8% of CECO's common stock.

Summarized financial information of CECO as of and for its six months ended June 30, 1999, is as follows:

Financial position:	
Working capital (deficiency)	($ 928,820)
Total assets	$9,900,922
Net shareholders' equity	$2,401,698
Results of operations:	
Continuing:	
Total revenues	$8,737,514
Income before income taxes	$ 153,963
Income from continuing operations	$ 89,363
Discontinued:	
Loss from discontinued operations	($ 142,714)
Net loss	($ 53,351)

5. Debt

On March 16, 1999, CECO entered into a formal financing arrangement with a bank which provides for a $5,000,000 line of credit, a $625,000 term loan, a $787,155 mortgage note payable and a $2,000,000 acquisition line of credit. A portion of the proceeds was used to repay the previous line of credit, term loan and mortgage note payable.

The $5,000,000 line of credit expires March 16, 2000. The term loan is payable in monthly installments of $20,833 plus interest through September 1, 2001. The mortgage note payable is due in monthly installments of $8,032 plus interest with a balloon payment on March 1, 2006. Interest is charged at prime less .25% or LIBOR plus 2.25%.

The bank financing is collateralized by CECO's receivables, intangibles, property and equipment. The bank debt is also subject to certain financial covenants.

6. Segment and Related Information

The Company has two reportable segments: Air Quality Improvement and Ventilation and Environmental Products. The Company provides standard and engineered systems and filter media for air quality improvement through its Air Quality Improvement segment. The Ventilation and Environmental Products segment assembles and manufactures ventilation, environmental and process-related products. The Interfacility Maintenance segment, which provided interfacility repair, preventative maintenance and inter-facility construction, was discontinued on March 31, 1999.

	AIR QUALITY IMPROVEMENT	VENTILATION AND ENVIRONMENTAL PRODUCTS	OTHER	ELIMINATION OF INTER-SEGMENT ACTIVITY	TOTAL CONSOLIDATED
Six Months ended June 30, 1999					
Revenues	$3,816,594	$5,126,189	$23,537	($228,806)	$ 8,737,514
Operating income	69,832	284,188	54,368		408,388
Six Months ended June 30, 1998					
Revenues	$4,281,970	$7,048,917	$13,211	$(91,200)	$11,252,898
Operating income (loss)	699,925	567,066	(135,300)		1,131,691

CECO ENVIRONMENTAL CORP.

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

Financial Condition, Liquidity and Capital Resources - The Company

The Company's consolidated cash and marketable securities position increased from $1,060,592 at December 31, 1998 to $1,265,696 at June 30, 1999. This increase of $205,104 is attributable to net cash provided by financing activities of $499,932, offset by cash used in operating activities of $124,442 (excluding activities relating to marketable securities), additions to property and equipment and intangible assets of $114,927, and the acquisition of additional shares of CECO of $55,459. The investment in marketable securities is primarily in high yield bonds and common stock of major U.S. corporations. CECO Filters, Inc. ("CECO") maintains a $5,000,000 line of credit with a commercial bank of which $2,100,000 was outstanding as of June 30, 1999.

Management believes that the expected revenues from operations of CECO, supplemented by the available line of credit, will be sufficient to provide adequate cash to fund anticipated working capital and other cash needs during the remainder of the year.

Since January 1, 1994, the Company and CECO have been parties to a management and consulting agreement pursuant to which the Company has provided management and financial consulting services to CECO for a monthly fee of $20,000 through July, 1998 and $35,000 per month from August, 1998 through May, 1999 and $50,000 from June, 1999 thereafter. This agreement automatically renews at December 31 of each year for one-year terms unless cancelled by the Company.

The Company believes its consulting agreement with CECO and interest income from its investments in marketable securities, should provide sufficient revenue to meet its general and administrative expenses.

Results of Operations - The Company

The Company's consolidated statement of operations for the six-month periods ended June 30, 1999 and 1998 reflects the operations of the Company consolidated with the operations of CECO. At June 30, 1999, the Company owned 93.8% of CECO. Minority interest in the consolidated statement of operations has been presented as a reduction in net income.

The Company received $225,000 and $120,000 during the six-month periods ended June 30, 1999 and 1998, respectively, for management and financial consulting services provided to CECO. This amount is not reflected in the consolidated results of operations since it is eliminated in consolidation.

The Company has no income, revenues or expenses other than as a result of its investment in CECO, its consulting agreement with CECO, and its investment in marketable securities. The Company does not engage in operations other than through its operating subsidiary, CECO.

CECO is comprised of CECO Filters, Inc., Air Purator Corporation ("APC"), U.S. Facilities Management Company, Inc. ("USFM-Indiana") and New Busch Co., Inc. (collectively referred to as the CECO Group) which provide innovative solutions to air quality problems through particle and chemical control technologies and services.

CECO manufactures and markets filters known as fiber bed mist eliminators, designed to trap, collect and remove solid soluble and liquid particulate matter suspended in an air or other gas stream whether generated from a point source emission or otherwise. CECO offers innovative patented technologies, Catenary Grid(R) and Narrow Gap Venturi(TM) designed for use with heat and mass transfer operations and particulate control. APC designs and manufactures high performance filter media and bags for use in high temperature pulse-jet baghouses, the most effective type of baghouse for capturing submicron particulate from gas streams. USFM-Indiana provides facilities management, as well as outsourced plant-wide maintenance management to help customers achieve their performance goals. Busch is engaged in designing, manufacturing and supplying equipment used to control the environment in and around industrial plants with a variety of proprietary and patented technologies.

On March 31, 1999, CECO sold the contracts and customer list of a division for $250,000. The sales price was paid through a non-interest bearing promissory note from the purchaser. Monthly principal payments of $1,500 commence October 1, 1999 with a balloon payment for the balance due on April 1, 2007.

Results of Operations - CECO (Company's Subsidiary)

Comparison of Six Months Ended June 30, 1999 to Six Months Ended June 30, 1998

Revenues from continuing operations were approximately $8.7 million and $11.3 million for the six months ended June 30, 1999 and 1998, respectively, a decrease of 22%. The decrease in revenues from 1998 to 1999 resulted primarily from a decrease in sales orders, particularly new orders. The sales in CECO's Air Quality Improvement segment were approximately 11% lower ($3.8 million for the six months ended June 30, 1999 compared to $4.3 million for the six months ended June 30, 1998) and revenues in CECO's Ventilation and Environmental Product segment were approximately 27% lower ($5.1 million for the six months ended June 30, 1999 compared to $7.1 million for the six months ended June 30, 1998).

CECO's backlog of orders at June 30, 1999 was approximately $6.5 million as compared to approximately $10 million at June 30, 1998, a decrease of $3.5 million or 35%. There can be no assurance that order backlog will be replicated, or increased, or translate into higher revenues in the future. The success of CECO's business depends on a multitude of factors that are out of CECO's control. CECO's operating results can be significantly impacted by the introduction of new products, new manufacturing technologies, rapid change in the demand for its product, decrease in the average selling price over the life of a product as competition increases, and CECO's dependence on the efforts of middle men to sell a significant portion of its product.

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

CECO's overall cost of revenues from continuing operations decreased as a percentage of sales for the six months ended June 30, 1999 (56%) compared to the six months ended June 30, 1998 (61%). The decrease is attributed to lower material costs, as well as lower costs incurred to service CECO products. CECO continues to use the latest technology available in an effort to reduce both cost of revenues (and the maintenance of optimal inventory levels) and operating expenses, and ultimately increase overall company profits.

CECO's selling and administrative expenses from continuing operations amounted to $3,068,818 for the six-month period ended June 30, 1999 compared to $2,854,000 for the six-month period ended June 30, 1998, representing an increase of $214,818 or 7% predominately resulting from non-recurring costs incurred in 1999.

CECO incurred management fees to the Company of $225,000 and $120,000 during the six months ended June 30, 1999 and 1998, respectively.

Interest expense increased by $30,791, or 28%, during the six-month period ended June 30, 1999 when compared to the same period in 1998. The increase in interest expense can be attributed to an increased utilization of the bank line of credit from a new credit facility during the six months ended June 30, 1999, compared to the previous year.

CECO earned income from continuing operations, after taxes, of $89,363 for the six months ended June 30, 1999 as compared to $655,190 for the six months ended June 30, 1998. This change is attributed principally to the decrease in revenues and increase in selling and administrative expenses resulting from non-recurring costs for the six-month period ended June 30, 1999 compared to the same period in 1998.

The provision for federal and state income taxes for the six-month period ended June 30, 1999 amounted to $64,600 compared to $437,000 for the six-month period ended June 30, 1998 and reflects an effective income tax rate of approximately 42% and 40% for each respective period.

Comparison of Three Months Ended June 30, 1999 to Three Months Ended June 30, 1998

Sales were approximately $4.0 million and $5.5 million for the three-month periods ended June 30, 1999 and 1998, respectively. This represents a decrease of 28% compared to the three months ended June 30, 1998.

CECO's overall cost of revenues decreased as a percentage of revenues for the three months ended June 30, 1999 (53%) compared to the three months ended June 30, 1998 (62%). The decrease, compared to the prior year, is attributed to lower material costs, as well as lower costs incurred to service CECO's products. CECO continues to use the latest technology available in an effort to reduce both cost of revenue (and the maintenance of optimal inventory levels) and operating expenses, and ultimately increase overall company profits.

CECO's selling and administrative expenses amounted to $1,607,379 for the three-month period ended June 30, 1999 compared to $1,239,413 for the three-month period ended June 30, 1998, representing an increase of $367,966 or 30% predominately resulting from non-recurring costs incurred in the three-month period ended June 30, 1999.

Interest expense increased by $1,990, or 3%, during the three-month period ended June 30, 1999 when compared to the same period in 1998. The increase in interest expense can be attributed to an increased utilization of the bank line of credit during the three months ended June 30, 1999 compared to the previous year.

CECO incurred a pre-tax loss from continuing operations of $69,036 for the three-month period ended June 30, 1999 as compared to pre-tax earnings of $678,946 for the three-month period ended June 30, 1998. This change is attributed principally to the decrease in revenues and increase in selling and administrative expenses resulting from non-recurring costs for the three-month period ended June 30, 1999 compared to the same period in 1998.

Federal and state income taxes for the three-month period ended June 30, 1999 amounted to a recovery of $28,600 compared to a provision of $272,000 for the three-month period ended June 30, 1998 and reflects an effective income tax rate of approximately 41% and 40% for each respective period.

Other Matters

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. Certain information included in this document and other materials filed or to be filed with the Securities and Exchange Commission, as well as information included in oral or other written statements made or to be made by the Company, contains statements that are forward-looking. Such statements may relate to plans for future expansion, business development activities, other capital spending, financing, or other effects of regulation and competition. Such information involves important risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, such results may differ from those expressed in any forward-looking statements made by or on behalf of the Company. These risks and uncertainties include, but are not limited to, those relating to product and service development activities, dependence on existing management, global economic and market conditions, and changes in federal or state laws.

SIGNATURE
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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.

Phillip DeZwirek
Chief Financial Officer
Chief Executive Officer

Date: August 6, 1999

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF CECO ENVIRONMENTAL CORP. AND SUBSIDIARIES AS OF AND FOR THE SIX MONTHS ENDED JUNE 30, 1999 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

6-MOS
DEC-31-1999
JUN-30-1999
203,582
1,062,114
2,628,800
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838,986
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