FORM 10-QSB
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

(Mark One)

[x] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended November 26, 1999

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _______ to _______

Commission File No. 1-10655

ENVIRONMENTAL TECTONICS CORPORATION
(Exact name of registrant as specified in its charter)

Pennsylvania	23-1714256
(State or other jurisdiction of incorporation or organization	(IRS Employer Identification No.)

COUNTY LINE INDUSTRIAL PARK
SOUTHAMPTON, PENNSYLVANIA 18966
(Address of principal executive offices)
(Zip Code)

(215) 355-9100
(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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for at least the past 90 days.

Yes x No

The number of shares outstanding of the registrant's common stock as of December 31, 1999 is: 6,854,978

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Environmental Tectonics Corporation
Consolidated Income Statements
(unaudited)

	Three months ended:		Nine months ended:	
	November 26, 1999	November 27, 1998	November 26, 1999	November 27, 1998
	(thousands, except share and per share information)			
Net Sales	$ 9,107	$ 7,475	$25,681	$20,931
Cost of goods sold	5,726	4,827	16,203	13,251
Gross profit	3,381	2,648	9,478	7,680

Operating expenses:				
Selling and administrative	1,819	1,573	5,277	4 ,554
Research and development	161	72	658	295
	1,980	1,645	5,935	4,849
Operating income	1,401	1,003	3,543	2,831
Other expenses:				
Interest expense	191	368	534	966
Other, net	23	38	69	115
	214	406	603	1,081
Income before income taxes	1,187	597	2,940	1,750
Provision for income taxes	415	208	1,029	604
Income before minority interest	722	389	1,911	1,146
Income (loss) attributable to minority interest	8	(10)	(58)	51
Net income	$ 763	$ 399	$ 1,969	$ 1,095
Per share information:				
Income available to common shareholders	$ 763	$ 321	$ 1,803	$ 857
Income per share: basic	$ 0.11	$ 0.05	$ 0.27	$ 0.15
Income per share: diluted	$ 0.10	$ 0.05	$ 0.24	$ 0.14
Number of shares: basic	6,855,000	6,155,000	6,728,000	5,826,000
Number of shares: diluted	7,489,000	6,574,000	7,370,000	6,268,000

The accompanying notes are an integral part of the consolidated financial statements.

Environmental Tectonics Corporation
Consolidated Balance Sheets
(unaudited)

	November 26, 1999	February 26, 1999
	(amounts in thousands, except share and per share information)	
Assets		
Current assets:		
Cash and cash equivalents	$ 1,174	$ 5,344
Cash equivalents restricted for letters of credit	65	7
Accounts receivable, net	11,691	9,656
Costs and estimated earnings in excess of billings on uncompleted long-term contracts	7,995	10,416
Inventories	5,076	3,118
Deferred tax asset	1,136	1,136
Prepaid expenses and other current assets	692	787
	27,829	30,504
Property, plant and equipment, at cost, net of accumulated depreciation of $7,920 at November 26, 1999 and $7,527 at Feb 26, 1999	2,922	2,842
Software development costs, net of accumulated amortization of $5,141 at November 26, 1999 and $4,619 at February 26, 1999	852	1,137
Other assets	1,142	965
Total assets	$32,745	$35,448
Liabilities and Stockholders' Equity		
Liabilities		
Current liabilities:		
Current portion of long-term debt	$ 107	$ 121
Accounts payable - trade	1,485	1,554
Billings in excess of costs and estimated earnings on uncompleted long-term contracts	3,403	6,775
Customer deposits	4,767	5,696
Accrued income taxes	825	920
Accrued liabilities	1,566	1,683
Total current liabilities	12,153	16,749
Long-term debt, less current portion:		
Credit facility payable to banks	0	0
Subordinated debt	4,158	4,124
Other	14	95
	4,172	4,219

Deferred income taxes	702	702
Total liabilities	17,027	21,670
Redeemable cumulative preferred stock, $100 par and redemption value; 25,000 shares authorized, issued and outstanding at February 26, 1999	0	2,372
Minority interest	317	376
Stockholders' Equity		
Common stock; $.05 par value; 20,000,000 shares authorized; 6,854,978 and 3,083,206 issued and outstanding at November 26, 1999 and February 26, 1999, respectively	343	308
Capital contributed in excess of par value of common stock	5,795	3,240
Foreign currency exchange adjustment	(1)	21
Retained earnings	9,264	7,461
Total stockholders' equity	15,401	11,030
Total liabilities and stockholders' equity	$32,745	$35,448

The accompanying notes are an integral part of the consolidated financial statements.

Environmental Tectonics Corporation
Consolidated Statements of Cash Flows
(unaudited)

	Nine months ended November 26, 1999	Nine months ended November 27, 1998
	(amounts in thousands)	
Cash flows from operating activities:		
Net income	$ 1,969	$ 1,095
Adjustments to reconcile net income to net cash (used) provided by operating activities:		
Depreciation and amortization	1,208	1,067
Provision for losses on accounts receivable and inventories	70	(189)
Minority interest	(59)	51
Changes in operating assets and liabilities:		
Accounts receivable	(2,035)	(563)
Costs and estimated earnings in excess of billings on uncompleted long-term contracts	2,421	(5,689)
Inventories	(2,344)	263
Prepaid expenses and other assets	(50)	(229)
Other assets	(208)	(435)
Accounts payable	(69)	462
Billings in excess of costs and estimated earnings on uncompleted long-term contracts	(3,372)	108
Customer deposits	(929)	(609)
Accrued income taxes	(95)	(559)
Other accrued liabilities	(10)	643
Payments under settlement agreements	(90)	(90)
Net cash used in operating activities	(3,593)	(4,674)
Cash flows from investing activities:		
Acquisition of equipment	(257)	(350)
Capitalized software development costs	(237)	(257)
Purchase of subsidiary, net	0	60
Net cash used in investing activities	(494)	(547)
Cash flows from financing activities:		
Net borrowings under credit facility	0	6,166
Payment of dividends on preferred stock	(38)	(207)
Increase in cash equivalents restricted for letters of credit	(18)	(10)
Decrease in notes payable - related party	0	(500)
Proceeds from issuance of common stock/warrants	90	68
Capital leases/other	(95)	(58)
Net cash (used) provided by financing activities	(61)	5,459
Effect of exchange rate changes on cash	(22)	7
Net (decrease) increase in cash and cash equivalents	(4,170)	245
Cash and cash equivalents at beginning of period	5,344	225
Cash and cash equivalents at end of period	$ 1,174	$ 470
Supplemental schedule of cash flow information:		
Interest paid	240	592
Income taxes paid	636	1,096

Supplemental information on noncash operating and investing activities:
During the nine month period ended November 26,1999, the Company transferred a net of $216 from inventory to property, plant and equipment.
During the nine month period ended November 27,1998, the Company transferred $36 of other assets to property, plant and equipment.
In connection with an acquisition in April 1998, the Company issued 55,000 shares of its common stock and a three-year interest-only note for $350.

The accompanying notes are an integral part of the consolidated financial statements.

Environmental Tectonics Corporation
Notes to Consolidated Financial Statements
(amounts in thousands, except share and per share information)

1. Basis of Presentation

The accompanying consolidated financial statements include the accounts of Environmental Tectonics Corporation ("ETC" or the "Company"), its wholly-owned subsidiaries ETC International Corporation and Entertainment Technology Corporation, and its majority-owned subsidiary ETC-PZL Aerospace Industries, Ltd. ("ETC-PZL").

The accompanying consolidated financial statements have been prepared by Environmental Tectonics Corporation, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission, and reflect all adjustments which, in the opinion of management, are necessary for a fair statement of the results for the interim periods presented. All such adjustments are of a normal recurring nature.

Certain information in footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles has been condensed or omitted pursuant to such rules and regulations, although the Company believes the disclosures are adequate to make the information presented not misleading. These financial statements should be read in conjunction with the financial statements and the notes thereto included in the Company's Annual Report on Form 10-KSB for the year ended February 26, 1999. Certain reclassifications have been made to the 1998 financial statements to conform with the 1999 presentation.

2. Earnings per Share

Basic earnings per share excludes dilution and is computed by dividing income available to common shareholders by the weighted average common shares outstanding for the period. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised and converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the entity. The following table demonstrates the components of basic and diluted earning per share for the three and nine month periods ended November 26, 1999 and November 27, 1998. All earnings per share and share amounts have been restated to reflect a 2 for 1 stock split effective May 28, 1999.

	(amounts in thousands, except share and per share information)			
	Three months ended:		Nine months ended:	
	November 26,	November 27,	November 26,	November 27,

	1999	1998	1999	1998
Net income	$763	$399	$1,969	$1,095
Less preferred stock dividends	0	(68)	(38)	(207)
Less accretion of preferred stock	0	(10)	(128)	(31)
Income available to common stockholders	$763	$321	$1,803	$857
Basic earnings per share:				
Weighted average shares	6,855,000	6,155,000	6,728,000	5,826,000
Per share amount	$0.11	$0.05	$0.27	$0.15
Diluted earnings per share:				
Weighted average shares	6,855,000	6,155,000	6,728,000	5,826,000
Effect of dilutive securities:				
Stock options	159,000	29,000	166,000	42,000
Stock warrants	475,000	390,000	476,000	400,000
	7,489,000	6,574,000	7,370,000	6,268,000
Per share amount	$0.10	$0.05	$0.24	$0.14

As of November 27, 1998, there were 358,000 shares of common stock issuable pursuant to the conversion provisions of convertible subordinated debt and preferred stock which were not included in the computation of diluted earnings per share because the effect of the assumed conversion was anti-dilutive.

3. Accounts Receivable

The components of accounts receivable are as follows:

	November 26, 1999	February 26, 1999
	(amounts in thousands)	
U.S. Government receivables billed and unbilled contract costs subject to negotiation	$ 5,019	$ 4,529
U.S. commercial receivables billed	1,764	598
International receivables billed and unbilled contract costs subject to negotiation	5,275	4,914
	12,058	10,041
Less allowance for doubtful accounts	(367)	(385)
	$11,691	$ 9,656

U.S. Government receivables billed and unbilled contract costs subject to negotiation:

Unbilled contract costs subject to negotiation represent claims made or to be made against the U.S. Government under a contract for a centrifuge. These costs were recorded during fiscal years 1994, 1995 and 1998. The Company has recorded claims, amounting to $2,750, to the extent of contract costs incurred, and accounts receivable of $1,700, representing the balance due under the contract. Claim costs have been incurred in connection with U.S. Government caused delays, errors in specifications and designs, and other unanticipated causes and may not be received in full during fiscal 2000. In accordance with generally accepted accounting principles, revenue recorded by the Company from a claim does not exceed the incurred contract costs related to the claim. The Company currently has approximately $12,000 in claims filed with the U.S. Government (including the aforementioned recorded claim and accounts receivable balances), which are subject to negotiation and audit by the U.S. Government. The U.S. Government has responded to the claims with either denials or deemed denials that the Company has appealed. In February 1999, the U.S. Government made an unsolicitated offer for settlement which the Company deemed inadequate.

International receivables and unbilled contract costs subject to negotiation

International receivables billed includes $900 related to a certain contract with the Royal Thai Air Force.

In October 1993, the Company was notified by the Royal Thai Air Force ("RTAF") that the RTAF was terminating a certain $4,600 simulator contract with the Company. Although the Company had performed in excess of 90% of the contract, the RTAF alleged a failure to completely perform. In connection with this termination, the RTAF made a call on a $229 performance bond, as well as a draw on an approximately $1,100 advance payment letter of credit. Work under this contract had stopped while under arbitration, but on October 1, 1996, the Thai Trade Arbitration Counsel rendered its decision under which the contract was reinstated in full and the Company was given a period of nine months to complete the remainder of the work. Except as noted in the award, the rights and obligations of the parties remained as per the original contract including the potential invoking of penalties or termination of the contract for delay. On December 22, 1997, the Company successfully performed acceptance testing and the unit passed with no discrepancy reports. Although the contract was not completed in the time allotted, the Company has requested an extension on the completion time due to various extenuating circumstances, including allowable "force majeure" events. Of the open balance at August 27, 1999, approximately $229 representing the performance bond is expected to be paid by February 2000. The balance due on the contract is still under review and at this point the Company is not able to determine what, if any, impact the extended completion period will have upon the receipt of final payment. However, the Company has recently been invited by the RTAF to participate in bids for additional projects including maintenance contracts for these simulators.

Unbilled contract costs subject to negotiation represent claims made or to be made against an international customer for three contracts covering 1994 to the present. Claims aggregating $1,500 were recorded in the current fiscal quarter. Claim costs have been incurred in connection with customer caused delays, errors in specifications and designs, and other out-of-scope items and may not be received in full during fiscal 2000. In accordance with generally accepted accounting principles, revenue recorded by the Company from a claim does not exceed the incurred contract costs related to the claim. The Company is currently updating and finalizing these claims and intends to begin legal proceedings against the customer in the near future. As a related item, during the current fiscal quarter the aforementioned international customer, citing failure to deliver product within contract terms, assessed liquidated damages totalling approximately $1,600 on two contracts currently in progress. The Company disputes the basis for these liquidated damages and plans to contest them vigorously. However, following generally accepted accounting principles, the Company has reduced contract values and corresponding revenues by approximately $1,200, of which approximately $1,000 was reflected in the current fiscal quarter.

4. Inventories

Inventories are valued at the lower of cost or market using the first-in, first out (FIFO) method and consist of the following (net of reserves):

	November 26, 1999	February 26, 1999
	(amounts in thousands)	
Raw materials	$ 281	$ 388
Work in Process	4,795	2,730
	$5,076	$3,118

5. Subordinated Debt and Preferred Stock

The components of the subordinated debt and preferred stock at November 26, 1999 and February 26,1999, were as follows:

	(amounts in thousands) November 26, 1999		(amounts in thousands) February 26,1999	
	Subordinated Debt	Preferred Stock	Subordinated Debt	Preferred Stock
Face value	$4,000	$0	$4,000	$2,500
Deferred financing costs	(311)	-	(311)	(208)
Amortization of finance costs	119	-	85	-
Accretion of preferred stock	-	-	-	80
	$3,808	$0	$3,774	$2,372
Debt issued for acquisition	350	-	350	-
Total	$4,158	$0	$4,124	$2,372

On February 26,1999, the Company issued a redemption notice to redeem the outstanding 25,000 shares of Series A Preferred Stock in their entirety. On March 25,1999, the Company received notice that Sirrom Capital Corporation had exercised its conversion privilege under the terms of the agreement to convert its 25,000 shares of Series A Preferred Stock into the Company's common shares. Consequently, on April 19, 1999, the Series A Preferred was retired and 666,666 shares of common stock were issued to Sirrom Capital. Concurrent with this transaction the Company in the three months ended May 28,1999 charged retained earnings for $128 representing the difference between book and face value of the Preferred Stock and then reclassed $2,500 of Preferred Stock value to common stock at par and additional paid in capital.

6. Stockholders' Equity

The components of stockholders' equity at February 26, 1999 and November 26, 1999 were as follows:

	(amounts in thousands, except share information)					
	Common Stock Shares	Amount	Additional Capital	Foreign Currency	Retained Earnings	Total
Balance, February 26, 1999	3,083,206	$308	$3,240	$ 21	$7,461	$11,030
Net income for nine month period ended November 26, 1999	-	-	-	-	1,969	1,969
Stock Split effective May 28, 1999	3,083,206					
Dividend on preferred stock	-	-	-	-	(38)	(38)
Accretion of preferred stock	-	-	-	-	(128)	(128)
Shares issued in connection with conver-						

sion of preferred stock	666,666	33	2,467			2,500
Shares issued in connection with employee stock purchase and stock option plans	21,900	2	88	-	-	90
Foreign currency exchange adjustments	-	-	-	(22)		(22)
Balance at November 26, 1999	6,854,978	$343	$5,795	$ (1)	$ 9,264	$15,401

7. Acquisition of ETC-PZL Aerospace Industries, Ltd.

On April 21, 1998, ETC acquired 65% ownership of MP-PZL Aerospace Industries, Ltd. ("MP-PZL"), a simulation and advanced training device manufacturing company located in Warsaw, Poland for $375 in cash, an 8% interest-only three-year note payable for $350 and 55,000 shares of ETC's common stock. MP-PZL was subsequently renamed ETC-PZL Aerospace Industries, Ltd. ("ETC-PZL"). ETC's cost for this acquisition was $1,220 and has been recorded in the accompanying balance sheet under the purchase method of accounting for business combinations. In connection with the acquisition, the Company recorded goodwill of $662 and a minority interest of $300. Amortization expense was $8 and $25, respectively, for the three and nine month periods ending November 26, 1999 and $8 and $16, respectively, for the three and nine month periods ending November 27,1998. Additionally, accumulated amortization was $50 and $25 respectively at November 26, 1999 and February 26,1999.

ETC-PZL's fiscal period ends December 31, 1999. The results of ETC-PZL for the three and nine month periods ended September 30, 1999 have been included in ETC's results of operations for the three and nine month periods ended November 26, 1999, respectively. The results of ETC-PZL for the three and six month period ending September 30, 1998, have been included in ETC's results of operation for the three and nine month periods ended November 27, 1998. On a pro-forma basis, had the Company in the prior fiscal period consolidated the results of ETC-PZL for the three month period ended March 31, 1998, sales would have been $21,307, gross profit would have been $7,790, operating income would have been $2,750, net income would have been $1,014, basic earnings per share would have been $.13, and diluted earnings per share would have been $.12 for the nine month period ended November 27,1998.

8. Reporting Comprehensive Income

In June 1997, the FASB issued SFAS No. 130, "Reporting Comprehensive Income." SFAS No. 130 establishes standards to provide prominent disclosure of comprehensive income items. Comprehensive income is the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. SFAS No. 130 is effective for all periods beginning after December 15, 1997. Effective February 28, 1998, the Company adopted SFAS No. 130 which had no material impact on the Company's consolidated financial position or results of operation.

9. Business Segment Presentation:

In June 1997, the FASB issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information." SFAS No. 131 requires that public business enterprises report certain financial information about operating segments in the complete sets of financial statements of the enterprise and in condensed financial statements of interim periods issued to shareholders. It also requires that public business enterprises report certain information about their products and services, the geographic areas in which they operate and their major customers. SFAS No. 131 is effective for all periods beginning after December 15, 1997. Effective February 28, 1998, the Company adopted SFAS No. 131 which had no impact on the Company's consolidated financial position or results of operation.

10. Derivative Instruments and Hedging Activity

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 133, " Accounting and Derivative Instruments and Hedging Activity." SFAS No. 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments imbedded in other contracts and for Hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments as fair value. If certain conditions are met, a derivative may be specifically designated as a hedge. The accounting for changes in the fair value of a derivative (gains and losses) depends on the intended use of the derivative and resulting designation. SFAS No. 133 is effective for all fiscal quarters of fiscal years beginning after June 15, 1999. Earlier application is permitted only as of the beginning of any fiscal quarter. The Company is currently reviewing the provisions of SFAS No. 133.

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition
(amounts in thousands, except share and per share amounts)

Results of Operations
Three months ended November 26, 1999 compared to November 27, 1998.

The Company had net income of $763, or $.10 per share (diluted, post-split), versus net income of $399, or $.05 per share (diluted, post-split), for the corresponding third quarter of fiscal 1999. Sales for the quarter were $9,107, an increase of $1,632, or 21.8%, over the corresponding prior period. The primary contributor to the sales increase was contracts for the Company's Aircrew Training Systems, including entertainment, although an increase was also seen for environmental products. Overall, domestic sales were up $496, or 34.7% over the prior period, and represented 21.1% of the Company's total sales, up from 19.1% a year ago. International sales were up $1,016, or 17.4%, and represented 75.3% of total sales, down from 78.1% in the prior period. The Company's Aircrew Training Systems increased $1,468 , or 21.3%.

Gross profit increased $733, or 27.7%, reflecting higher sales at a higher gross margin rate. As a percentage of sales, gross profit was 37.1%, compared to 35.4% for the same period a year ago. The increase in rate between the periods reflected the higher mix of higher margin ATS products coupled with higher margins in the environmental line.

Selling and administrative expenses increased $246, or 15.6%, reflecting additional marketing and general support expenses in line with the sales growth. As a percentage of revenues, selling and administrative expenses reduced approximately one percentage point between the periods.

Research and development expenses were up from the prior period reflecting additional product development primarily in the Company's Turkish software branch.

Interest and other fees were down 47.3% from the prior period reflecting reduced interest charges on reduced cash borrowings.

The Company's tax rate approximates the statutory rate.

Results of Operations
Nine months ended November 26, 1999 compared to November 27, 1998.

The Company had net income of $1,969, or $.24 per share (diluted, post-split), versus net income of $1,095, or $.14 per share (diluted, post-split), for the corresponding period of fiscal 1999. Sales for the nine months were $25,681, an increase of $4,750 or 22.7% over the corresponding prior period. The primary contributor to the sales increase was increased contracts for the Company's Aircrew Training Systems, both domestic and international, increased sales in the environmental line, and an additional three months sales for the Company's Poland subsidiary.

Overall, domestic sales were up $2,896, or 71.6% over the prior period, and represented 27.0% of the Company's total sales, up from 19.3% a year ago. International sales were up $2,174, or 13.8% over the prior period, and represented 74.9% of total sales, approximately equal to the prior year.

The Company's Aircrew Training Systems sales increased $2,510, or 14.8%.

Gross profit increased $1,798, or 23.4%, reflecting higher sales at a slightly higher gross margin rate. As a percentage of sales, gross profit was 36.9%, compared to 36.7% for the same period a year ago.

Selling and administrative expenses increased $723, or 15.9%, reflecting additional marketing and general support expenses at the Company's headquarters and an additional three months expenses for the Company's Polish subsidiary acquired in April 1998. On a pro-forma basis, had the prior period included nine months expenses for the polish subsidiary, the increase would have been $532, or 11.2%. As a percentage of revenues, selling and administrative expenses reduced approximately one and one-third percentage points between the periods and was 20.5% for the current year.

Research and development expenses were up from the prior period reflecting additional product development primarily for entertainment products and software development.

Interest and other fees were down 44.2% from the prior period reflecting reduced interest charges on reduced cash borrowings.

The Company's tax rate approximates the statutory rate.

Liquidity and Capital Resources

During the nine month period ended November 26,1999, the Company used $3,593 for operating activities. This was primarily a result of an increase in accounts receivable and inventories and a decrease in billings in excess of costs and estimated earnings on uncompleted long-term contracts and customer deposits. The usage primarily reflected production costs for projects that had significant advance payments collected in prior periods. Partial offsets were net income, non-cash expenses of depreciation and amortization, and a decrease in costs and estimated earnings in excess of billings on uncompleted long-term contracts. Versus last year's corresponding period, net cash used in operating activities reflected an improvement of 23.1%.

Investment activities consisted of purchases for capital equipment and capitalized software

Financing activities consisted of dividend payments on preferred stock for a partial period and payments on capitalized leases partially offset by proceeds from the issuance of stock under employee stock options. On April 19,1999, the Series A Preferred Stock was converted into Common shares. Thus, dividend payments ceased as of that date.

The Company's sales backlog at August 27,1999, and February 26, 1999, for work to be performed and revenue to be recognized under written agreements after such dates was approximately $26,000 and $33,500 respectively.

Year 2000 Disclosures

As of January 1, 2000, the company experienced no major issues during the transition from 1999 to 2000.

This report contains certain 'forward-looking statements' including, without limitation, statements containing the words "believes", "anticipates", intends", "expects", and words of similar import relating to the Company's operations. There are important factors that could cause actual results to differ materially from those indicated by such forward-looking statements including contract delays and cancellations, political unrest in customer countries, general economic conditions and the risk factors detailed from time to time in ETC's periodic reports and registration statements filed with the Securities and Exchange Commission, including, without limitation, ETC's Annual Report on Form 10-KSB for the fiscal year ended February 26, 1999.

Part II - OTHER INFORMATION

Item 1. Legal Proceedings

In June 1999, a lawsuit commenced against the Company in April, 1997, in the United States District Court for the District of Puerto Rico by an employee of a customer who claimed to have been injured as a result of an alleged malfunction of a sterilizer manufactured by the Company was settled with no material impact on the Company.

Item 2. Changes in Securities

The constituent instruments defining the rights of the holders of any class of securities were not modified nor were the rights evidenced by any class of registered securities materially limited or qualified during the period covered by this report.

Item 3. Defaults Upon Senior Securities

No defaults occurred during the period covered in this report.

Item 4. Submission of Matters to Vote of Security Holders

Al the Company's Annual Meeting of Stockholders held on September 9, 1999, the following proposals were adopted by the vote specified below. No other matters were submitted to a vote of security holders at the Annual Meeting.

Proposal One: To elect five directors to serve until successors have been elected and qualified.

Nominee	For	Withheld	Abstentions and Broker Nonvotes
Craig MacNab	4,482,793	178,800	828
Richard E. McAdams	4,482,793	178,800	828
William F. Mitchell	4,482,793	178,800	828
Pete L. Stephens	4,482,793	178,800	828
Phillip L. Wagner	4,482,793	178,800	828

Proposal Two: To consider and act upon a proposal to amend the Company's Articles of Incorporation to increase the number of authorized shares of Common Stock from 10,000,000 shares to 20,000,000 shares.

For	Against	Abstain	Broker Nonvotes
4,403,977	248,780	8,008	0

Item 5. Other Information

None

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:
Exhibit 27 - Financial Data Schedule

(b) Reports on Form 8-K
None

Signatures

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

Date: January 10, 2000 ENVIRONMENTAL TECTONICS CORPORATION

(Registrant)

By:/s/Duane Deaner
Duane Deaner,
Chief Financial Officer
(authorized officer and
principal financial officer)

EXHIBIT INDEX

3.1 Articles of Incorporation (Incorporated herein by reference to Exhibit 3.1 to the Registrant's Annual Report on Form 10-KSB for the fiscal year ended February 28, 1997).

3.2 Bylaws (Incorporated herein by reference to Exhibit 3(ii) to the Registrant's Annual Report on Form 10-K for the fiscal year ended February 25, 1994).

27 Financial Data Schedule

<ARTICLE> 5
<MULTIPLIER> 1,000

<PERIOD-TYPE>	3-MOS
<FISCAL-YEAR-END>	FEB-25-2000
<PERIOD-END>	NOV-26-1999
<CASH>	1,239
<SECURITIES>	0
<RECEIVABLES>	12,058
<ALLOWANCES>	367
<INVENTORY>	5,076
<CURRENT-ASSETS>	27,829
<PP&E>	10,842
<DEPRECIATION>	7,920
<TOTAL-ASSETS>	32,745
<CURRENT-LIABILITIES>	12,153
<BONDS>	0
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<COMMON>	6,138
<OTHER-SE>	9,263
<TOTAL-LIABILITY-AND-EQUITY>	32,745
<SALES>	25,681
<TOTAL-REVENUES>	25,681
<CGS>	16,203
<TOTAL-COSTS>	5,935
<OTHER-EXPENSES>	69
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	534
<INCOME-PRETAX>	2,940
<INCOME-TAX>	1,029
<INCOME-CONTINUING>	1,969
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	1,969
<EPS-BASIC>	0.27
<EPS-DILUTED>	0.24