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

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 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 number 0-19983

SYBRON CHEMICALS INC.
(Exact name of registrant as specified in its charter)

DELAWARE	51-0301280
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Birmingham Rd., P.O. Box 66, Birmingham New Jersey	08011
(Address of principal executive offices)	(zip code)

Registrant's telephone number, including area code (609) 893-1100

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 shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes X No _______.

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

Class	Outstanding at September 30, 1999
Common stock, $.01 par value	5,730,942

SYBRON CHEMICALS INC.

SAFE HARBOR FOR FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. This Form 10-Q Report contains information that is forward-looking, such as information relating to future capital expenditures and liquidity. Such forward-looking information involves important risks and uncertainties that could significantly affect expected results in the future 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, uncertainties relating to economic conditions, fluctuations in exchange rates of various foreign currencies, and other risks associated with foreign operations, changes in governmental and regulatory policies including environmental regulations, the pricing of raw materials, the ability of the Company to make and successfully integrate corporate acquisitions, technological developments, the impact of Year 2000 issues on the Company and changes in the competitive environment in which the Company operates.

INDEX

		Page No.
Part I	Financial information	
	Item 1 - Financial Statements	
	Consolidated Balance Sheet - September 30, 1999 and December 31, 1998	1
	Consolidated Statement of Operations - nine months ended September 30, 1999 and 1998	2
	Consolidated Statement of Operations - three months ended September 30, 1999 and 1998	3
	Consolidated Statement of Cash Flows - nine months ended September 30, 1999 and 1998	4
	Notes to Consolidated Financial Statements	5 - 10
	Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations	11 - 15
Part II	Other information	
	Item 1 Legal Proceedings	16
	Exhibit Index	16
	Signature	17

PART I - FINANCIAL INFORMATION
SYBRON CHEMICALS INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(in thousands except share and per share data)

ASSETS

	Unaudited Sept. 30, 1999	Audited Dec. 31, 1998
Current assets:		
Cash and cash equivalents	$ 18,634	$ 14,966
Accounts receivable, net	50,552	46,089
Inventories, net	35,751	36,466
Prepaid and other current assets	4,337	5,690
Total current assets	109,274	103,211
Property, plant and equipment, net	76,212	80,175
Intangible assets, net	80,984	81,967
Other assets	6,068	4,931
	$272,538	$270,284

LIABILITIES AND SHAREHOLDERS' EQUITY

	Unaudited Sept. 30, 1999	Audited Dec. 31, 1998
Current liabilities:		
Notes payable	$	$ 2,093
Current portion of long-term debt	15,833	9,285
Accounts payable	25,144	23,642
Accrued liabilities	16,209	16,237
Total current liabilities	57,186	51,257
Long-term debt	124,104	136,008
Deferred income taxes	4,939	3,904
Postretirement benefits	3,649	3,739
Other liabilities	4,318	2,728
Total liabilities	194,196	197,636
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, $.01 par value - 500,000 shares authorized; none issued		
Common stock - $.01 par value - 20,000,000 shares authorized; issued 5,941,165 and 5,938,050 shares	59	59
Additional paid-in capital	24,231	24,151
Retained earnings	67,795	60,414
Accumulated other comprehensive losses	(9,538)	(7,610)
Treasury stock, at cost - 210,223 and 218,299 shares	(4,205)	(4,366)
Total shareholders' equity	78,342	72,648
	$272,538	$270,284

The accompanying notes are an integral part of the financial statements

SYBRON CHEMICALS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited in thousands except per share amounts)

	Nine months ended September 30, 1999	Nine months ended September 30, 1998
Net sales	$199,738	$156,389
Cost of sales	131,524	98,702
Selling, general and administrative	42,426	38,440
Research and development	3,892	3,124
	177,842	140,266
Operating income	21,896	16,123
Other expense		
Interest expense	8,270	3,048
Other - net	1,115	545
	9,385	3,593
Income before income taxes and extraordinary item	12,511	12,530
Provision for income taxes	5,130	5,137
Income before extraordinary item	7,381	7,393
Extraordinary item - net of taxes		313
Net income	$ 7,381	$ 7,080
Income per share before extraordinary item:		
Basic	$ 1.29	$ 1.30
Diluted	$ 1.28	$ 1.26
Loss per share extraordinary item:		
Basic		$ (.06)
Diluted		$ (.05)
Net income per share:		
Basic	$ 1.29	$ 1.24
Diluted	$ 1.28	$ 1.21
Weighted average shares outstanding:		
Basic	5,726,706	5,692,650
Diluted	5,765,377	5,872,036

The accompanying notes are an integral part of the financial statements

SYBRON CHEMICALS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited in thousands except per share amounts)

	Three months ended September 30, 1999	1998
Net sales	$ 66,079	$ 58,834
Cost of sales	44,323	39,948
Selling, general and administrative	14,534	13,298
Research and development	1,227	1,138
	60,084	54,384
Operating income	5,995	4,450
Other expense		
Interest expense	2,750	2,210
Other - net	279	378
	3,029	2,588
Income before income taxes and extraordinary item	2,966	1,862
Provision for income taxes	1,217	744
Income before extraordinary item	1,749	1,118
Extraordinary item		313
Net income	$ 1,749	$ 805
Income per share before extraordinary item:		
Basic	$ .31	$ .20
Diluted	$ .30	$ .19
Loss per share extraordinary item:		
Basic		$ (.06)
Diluted		$ (.05)
Net income per share:		
Basic	$ .31	$ .14
Diluted	$ .30	$ .14
Weighted average shares outstanding:		
Basic	5,729,936	5,710,599
Diluted	5,788,588	5,849,973

The accompanying notes are an integral part of the financial statements

SYBRON CHEMICALS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited in thousands)

	Nine months ended Sept. 30, 1999	1998
Cash flows from operating activities:		
Net income	$ 7,381	$ 7,080
Adjustments to reconcile net income to net cash provided by operating activities:		
Extraordinary item		313
Depreciation and amortization	10,109	5,986
Provision for losses on accounts receivable	668	436
Changes in assets and liabilities:		
Accounts receivable	(6,204)	(1,078)
Inventory	128	886
Other current assets	691	(54)
Accounts payable and accrued expenses	2,596	(8,001)
Income taxes payable	1,581	(2,677)
Other assets and liabilities - net	337	615
Net cash provided by operating activities	17,287	3,506
Cash flows from investing activities:		
Capital expenditures	(4,023)	(7,792)
Purchase of business assets	(1,611)	(6,817)
Acquisition (net of cash acquired)		(110,616)
Other	(200)	
Net cash used by investing activities	(5,834)	(125,225)
Cash flows from financing activities:		
Net repayments under revolving credit facilities	(1,867)	(17,148)
Loan proceeds	495	145,000
Repayment of debt	(5,605)	(12,643)
Direct costs of financing	(287)	(2,710)
Proceeds from exercise of stock options	31	351
Net cash (used) provided by financing activities	(7,233)	112,850
Effect of exchange rate changes on cash	(552)	26
Net increase (decrease) in cash and cash equivalents	3,668	(8,843)
Cash and cash equivalents at beginning of period	14,966	26,592
Cash and cash equivalents at end of period	$18,634	$17,749

The accompanying notes are an integral part of the financial statements

SYBRON CHEMICALS INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited in thousands)

NOTE 1 - ACCOUNTING POLICIES:

The accompanying consolidated financial statements are unaudited and have been prepared by management pursuant to the rules and regulations of the Securities and Exchange Commission. In the opinion of management, these consolidated financial statements contain all of the adjustments, consisting only of normal recurring adjustments, necessary to present fairly, in summarized form, the financial position of the Company at September 30, 1999 and the results of its operations and changes in its cash flows for the nine months ended September 30, 1999 and 1998.

The Company presumes that users of this Quarterly Report on Form 10-Q have read or have access to the audited financial statements for the year ended December 31, 1998 contained in the Company's Form 10-K which was filed with the Securities and Exchange Commission on March 31, 1999. Accordingly, footnote disclosures which would substantially duplicate the disclosures contained therein have been omitted.

NOTE 2 - COMPREHENSIVE INCOME:

The Company has adopted the Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income", which establishes standards for the reporting and display of comprehensive income and its components in general-purpose financial statements.

The tables below set forth "comprehensive income" for the three and nine months ended September 30. There are no related tax effects for the three and nine month periods presented.

Statement of Comprehensive Income
Three Months Ended September 30,

	1999	1998
Net income	$ 1,749	$ 805
Other comprehensive income, net of tax:		
Foreign currency translation adjustments	1,334	1,815
Comprehensive income	$ 3,083	$ 2,620

NOTE 2 - COMPREHENSIVE INCOME: (Cont'd.)

Statement of Comprehensive Income
Nine Months Ended September 30,

	1999	1998
Net income	$ 7,381	$ 7,080
Other comprehensive income, net of tax:		
Foreign currency translation adjustments	(1,928)	834
Comprehensive income	$ 5,453	$ 7,914

The following table illustrates the components of accumulated other comprehensive income and their associated changes for the nine month period ending September 30, 1999:

Accumulated Other
Comprehensive Income Balances
Nine Months Ending September 30, 1999

	Beginning Balance	Current Period Change	Ending Balance
Foreign currency translation adjustments	$(7,253)	$(1,928)	$(9,181)
Minimum pension liability adjustment	(357)	--	(357)
Accumulated other comprehensive losses	$(7,610)	$(1,928)	$(9,538)

NOTE 3 - ACCOUNTING PRONOUNCEMENTS:

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" which establishes accounting and reporting standards for derivative instruments and hedging activities. SFAS No. 133 requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. SFAS No. 133 is effective for all fiscal quarters of fiscal years beginning after June 15, 2000. The Company does not believe that the adoption of SFAS No. 133 will have a material effect on its consolidated financial statements.

NOTE 4 - INVENTORIES:

Inventories are stated at the lower of cost or market. For U.S. operations, except for Ruco, cost is determined using the last-in, first-out (LIFO) method. For all other operations, cost is determined using the first-in, first-out (FIFO) method.

NOTE 4 - INVENTORIES: (Cont'd.)

The components of inventories are:

	Sept. 30, 1999	Dec. 31, 1998
Finished goods	$28,641	$28,871
Raw materials	9,859	9,632
	38,500	38,503
Less reserves	2,749	2,037
	$35,751	$36,466

NOTE 5 - ACQUISITIONS:

On July 31, 1998, the Company acquired all of the outstanding capital stock of Ruco Polymer Corporation and all of the outstanding membership interests of Ruco Polymer Company of Georgia, LLC (collectively "Ruco"). The aggregate purchase price for the acquisition was $110 million, including the repayment of bank debt owed by Ruco.

In April 1998, the Company acquired certain operating assets, not including manufacturing facilities, of the garment processing specialty chemicals businesses of Ocean Wash Inc. and Ocean Wash de Mexico de C.V., (collectively "Ocean Wash"), for $6.75 million. The acquired garment processing chemicals businesses have been merged into the Company's corresponding business sector.

The above described acquisitions have been accounted for as purchases and, accordingly, the operating results of the acquired businesses have been included in the Company's consolidated financial statements since the date of acquisition.

The Ocean Wash acquisition did not have a material effect on 1998 operating results. The following unaudited pro forma consolidated results of operations for the nine months ended September 30, 1998 assume the Ruco acquisition occurred on January 1, 1998:

	1998
Net sales	$204,011
Income before extraordinary item	6,704
Net income	$ 6,391
Income per share before extraordinary item:	
Basic	$ 1.18
Diluted	$ 1.14
Net income per share:	
Basic	$ 1.12
Diluted	$ 1.09

NOTE 6 - SEGMENT INFORMATION:

The following schedules illustrate certain financial information about the Company's three business segments for the nine and three months ended September 30.

For 1999 the results of the Toners Strategic Business Unit, which was formerly a part of the Environmental Products and Services segment, is now included in the new Polymer Intermediate segment. This realignment coincided with the shift in management responsibility which was implemented in 1999 to help facilitate the planned growth in the solid polymer business.

NOTE 6 - SEGMENT INFORMATION: (Cont'd.)

Nine months ended September 30, 1999 compared to nine months ended September 30, 1998.

	Nine Months Ended Sept. 30,			
	1999		1998	
	Amount	% of Sales	Amount	% of Sales
	(in thousands except percentages)			
Sales				
Textile Chemical Specialties	$ 98,018	49.1%	$105,353	67.4%
Polymer Intermediates	64,107	32.1	13,903	8.9
Environmental Products and Services	37,613	18.8	37,133	23.7
Total	199,738	100.0	156,389	100.0
Cost of Sales				
Textile Chemical Specialties	56,627	57.8	62,723	59.5
Polymer Intermediates	50,800	79.2	11,594	83.4
Environmental Products and Services	24,097	64.1	24,385	65.7
Total	131,524	65.8	98,702	63.1
Gross Margin				
Textile Chemical Specialties	41,391	42.2	42,630	40.5
Polymer Intermediates	13,307	20.8	2,309	16.6
Environmental Products and Services	13,516	35.9	12,748	34.3
Total	68,214	34.2	57,687	36.9
Operating Expenses				
Textile Chemical Specialties	32,626	33.3	31,853	30.2
Polymer Intermediates	5,271	8.2	1,074	7.7
Environmental Products and Services	8,421	22.4	8,637	23.3
Total	46,318	23.2	41,564	26.6
Operating Income				
Textile Chemical Specialties	8,765	8.9	10,777	10.3
Polymer Intermediates	8,036	12.6	1,235	8.9
Environmental Products and Services	5,095	13.5	4,111	11.0
Total	21,896	11.0	16,123	10.3
Other Expense, Net	(9,385)	(4.7)	(3,593)	(2.3)
Income before income taxes and extraordinary item	12,511	6.3	12,530	8.0
Provision for income taxes	5,130	2.6	5,137	3.3
Income before extraordinary item	7,381	3.7	7,393	4.7
Extraordinary item, net of tax			313	0.2
Net Income	$ 7,381	3.7%	$ 7,080	4.5%

NOTE 6 - SEGMENT INFORMATION: (Cont'd.)

Three months ended September 30, 1999 compared to three months ended September 30, 1998.

	Three Months Ended Sept. 30,			
	1999		1998	
	Amount	% of Sales	Amount	% of Sales
	(in thousands except percentages)			
Sales				
Textile Chemical Specialties	$ 31,254	47.3%	$ 32,971	56.1%
Polymer Intermediates	21,208	32.1	13,903	23.6
Environmental Products and Services	13,617	20.6	11,960	20.3
Total	66,079	100.0	58,834	100.0
Cost of Sales				
Textile Chemical Specialties	18,190	58.2	20,402	61.9
Polymer Intermediates	16,875	79.6	11,594	83.4
Environmental Products and Services	9,258	68.0	7,952	66.5
Total	44,323	67.1	39,948	67.9
Gross Margin				
Textile Chemical Specialties	13,064	41.8	12,569	38.1
Polymer Intermediates	4,333	20.4	2,309	16.6
Environmental Products and Services	4,359	32.0	4,008	33.5
Total	21,756	32.9	18,886	32.1
Operating Expenses				
Textile Chemical Specialties	10,560	33.8	10,521	31.9
Polymer Intermediates	1,721	8.1	1,044	7.5
Environmental Products and Services	3,480	25.6	2,871	24.0
Total	15,761	23.8	14,436	24.5
Operating Income				
Textile Chemical Specialties	2,504	8.0	2,048	6.2
Polymer Intermediates	2,612	12.3	1,265	9.1
Environmental Products and Services	879	6.4	1,137	9.5
Total	5,995	9.1	4,450	7.6
Other Expense, Net	(3,029)	(4.6)	(2,588)	(4.4)
Income before income taxes and extraordinary item	2,966	4.5	1,862	3.2
Provision for income taxes	1,217	1.8	744	1.3
Income before extraordinary item	1,749	2.7	1,118	1.9
Extraordinary item, net of tax			313	0.5
Net Income	$ 1,749	2.7%	$ 805	1.4%

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Operations

Revenues, operating income and net income increased for the third quarter of 1999 versus the prior year's quarter. Earnings per share of 30 cents (fully diluted) were up 58% from the 19 cents per share (before an extraordinary item of 5 cents per share) recorded in the same period last year. Sales for the quarter were $66,079,000, a 12.3% increase over the same period last year. Operating income increased 34.7% to $5,995,000, while net income increased by 117.3% to $1,749,000 versus the $805,000 in the same quarter in 1998. The increases in sales and operating income were primarily a result of the inclusion of Ruco Polymer Corporation and Ruco Polymer Company of Georgia LLC which were acquired on July 31, 1998 ("Ruco"), for the full quarter in 1999.

For the nine months ended September 30, 1999, earnings per share (fully diluted) increased to $1.28 compared to $1.26 before the extraordinary item of 5 cents per share for the first nine months of 1998.

For the nine month period ended September 30, 1999, sales were $199,738,000 a 27.7% increase over the same period last year. The increase in sales was primarily the result of the acquisition of Ruco, which increased sales by $47,212,000 or 30.2%. Partially offsetting this increase was a reduction in North American sales of products for processing of textiles and garments, which resulted in a 5.8% reduction in sales. Operating income increased 35.8% to $21,896,000, primarily attributable to Ruco while net income increased 4.3% to $7,381,000 versus the $7,080,000 in the first nine months of 1998.

For the third quarter of 1999, sales in the Textile Chemical Specialties segment of $31,254,000 were $1,717,000 (5.2%) lower than the same period in 1998, while operating income of $2,504,000 was $456,000 above 1998, an increase of 22.3%. Continued softness in the garment processing markets in North America was responsible for an 11.2% reduction in sales. Also, sales in this quarter have been negatively impacted by the change in the Dutch Guilder vs. US Dollar exchange rate. Somewhat offsetting this decline was increased Textile Chemical sales in Latin America and Asia, reflecting the increased focus being placed on these markets. Sales of organic chemicals, included in this segment, also increased, due to new toll manufacturing business and greater sales of proprietary products. Gross profit of the segment increased by 3.7 percentage points, mainly as a result of cost control efforts in North America, reduced raw material costs and the increase in higher margin Organic sales. The increase in operating profit for this segment was primarily due to the above gross margin improvements and to continued cost control efforts in North America.

For the nine month period ending September 30, 1999, Textile Chemical sales were $7,335,000 (7.0%) below the same period last year reflecting the softness in the North American and European textile and garment markets. Operating income was $2,012,000 (18.7%) below the same period reflecting the lower sales and increased costs in Europe for the enterprise systems implementation and increased selling expenses in Asia and Latin America as those operations have expanded, consistent with the Company's regional growth plans. Reduced selling costs in North America partially offset these increases.

Sales for the third quarter in the Polymer Intermediates segment, formed by Ruco and the toner polymer business (which is reported in Environmental Products and Services for 1998), were $21,208,000 versus $13,903,000 in the third quarter of 1998. Ruco was acquired on July 31, 1998, therefore only 2 months of sales were included in that period. Unit sales of powder coating resins increased by 11.2% with dollar volume up by only 3.3% (on a proforma basis) due to price decreases, which were offset by raw material cost reductions. The segment contributed operating profit of $2,612,000 versus $1,265,000 in the same period last year.

For the nine month period ending September 30, 1999, Polymer Intermediate segment sales were $64,107,000 versus $13,903,000 in the same period last year. Operating profits of $8,036,000 are $6,801,000 greater than the same period last year when only two months of operations were included in the results.

Third quarter sales in the Environmental Products and Services segment were $13,617,000. The 13.9% increase from the same period last year results from increased sales of Biochemicals primarily from the acquisition of Green Releaf Bio Tech Inc. ("Green Releaf") and the introduction of new specialty chemical products. Ion exchange products physical volume increased by 10.8%, however, this was offset by price decreases resulting in a 1.7% increase in revenue. Sales of specialty polymers increased by $1,463,000, a 231.9% increase as a result of the introduction of new aziridine based products. Gross profit for the segment declined by 1.5 percentage points from the same quarter last year, mainly a result of ion exchange sales price declines which exceeded raw material savings and lower margins on the new aziridine resale products. Operating income in this segment was $879,000 for the quarter, a decline of 22.7% from the third quarter of 1998. The decline is attributed to the decline in ion exchange selling prices and increased selling expenses in the Biochemicals business.

For the nine month period ended September 30, 1999, Environmental Products and Services segment sales were $480,000 (1.3%) above the same period last year reflecting the Green Releaf acquisition and the increased aziridine product sales offset by the exclusion of the Toner Polymer business. Operating income was $984,000 (23.9%) above the same period last year reflecting a $1,500,000 insurance settlement recorded in the first quarter of 1999, partially offset by reduced income from ion exchange products.

The overall gross margin for the third quarter of 1999 was 32.9% versus 32.1% in 1998. The increase is due to increased margins in the Textile Chemicals Specialty and Polymer Intermediates segments offset by lower margins in the Environmental Products and Services segment, as previously discussed.

The gross margin of the Polymer Intermediate segment was 20.4% for the third quarter of 1999, a 3.8 percentage point increase over 1998. The improvement results from reduced raw material costs partially offset by reduced sales prices.

For the nine month period ended September 30, 1999, the overall gross margin was 34.2% versus the margin of 36.9% in the same period in 1998. The decline is primarily the result of the inclusion of Ruco which has lower gross margins but lower operating costs. The gross margin in the Textile Chemical Specialties segment increased by 1.7 percentage points to 42.2% reflecting lower sales of lower gross margin garment products, the relatively larger high margin European sales and reduced raw material costs. Gross margin for Environmental Products and Services increased 1.6 percentage points to 35.9% primarily as a result of the acquisition of Green Releaf which has margins significantly above the average in this segment. Margins of 20.8% in the Polymer Intermediates segment are 4.2 percentage points above 1998 margins primarily as a result of reduced raw material costs.

Other expense of $3,029,000 for the quarter was $441,000 higher than the same period in 1998 primarily due to the increased interest costs relating to the Ruco acquisition.

For the nine month period ended September 30, 1999, Other Expense was $5,792,000 higher than the same period last year, primarily related to the additional interest expense associated with the Ruco acquisition.

Operating expenses as a percent of sales decreased .7 percentage points to 23.8% in the third quarter of 1999 because of the lower operating cost structure of the Polymer Intermediates segment. The acquisition of Ruco occurred on July 1, 1998 therefore, only two months' activity was recorded in 1998's third quarter. The Textile Chemical Specialties segment operating expenses increased 1.9 percentage points to 33.8% of sales primarily as a result of increased selling and administrative expenses in Latin America and Asia with the start-up of new operations in Columbia, Argentina and Hong Kong consistent with the Company's plans to grow the business in those geographic areas, as well as the decrease in sales in North America. The Environmental Products and Services segment operating expenses increased 1.6 percentage points to 25.6% primarily as a result of increased selling expenses associated with the Green Releaf business.

For the nine month period ended September 30, 1999, operating expenses as a percentage of sales were 23.2% versus 26.6% in the same period in 1998. Operating expenses as a percentage of sales decreased as a result of the lower cost structure in the Polymer Intermediates segment and in the Environmental Products and Services segment reflecting the first quarter 1999 insurance settlement. Operating expense increased in the Textile Chemical Specialties segment as a result of selling and administrative expense increases in Latin America and Asia due to the focus on expanding in these areas. Expenses increased in Europe as a result of the implementation of an enterprise computer system.

The Company's provision for income taxes was computed using applicable prevailing income tax rates. Sybron's effective tax rate was 41.0% for 1999 and 1998.

Liquidity and Capital Resources

Cash and cash equivalents of $18.6 million as of September 30, 1999 were $3.7 million above the balance as of December 31, 1998.

For the nine month period ended September 30, 1999, operating activities generated $17.3 million versus a generation of $3.5 million in the same period in 1998. Non cash expenses of $10.8 million were $4.4 million above the 1998 period primarily as a result of the amortization and depreciation expense related to the Ruco assets acquired. The 1998 period reflected a utilization of cash of $8.0 million for substantial reductions in accounts payable and accrued liabilities. Cash utilized from investing activities was $5.8 million in 1999 versus $125.2 million in 1998. The 1999 period reflects capital expenditures of $4.0 million and the purchase of Green Releaf. The 1998 period reflects capital expenditures of $7.8 million, the purchase of Ocean Wash for $6.8 million and the acquisition of Ruco for $110.0 million.

Cash utilized for financing activities for the nine month period in 1999 was $7.2 million versus generation of $112.9 million, in 1998. The repayment of long-term debt of $5.6 million and repayment of $1.9 million of short-term debt were the primary uses of funds in 1999. In 1998, $145.0 million was generated from long-term borrowing related to the Ruco and Ocean Wash acquisitions offset by loan repayments of $29.8 million.

In the third quarter 1999, the long-term loan agreement was amended to extend the then existing leverage ratio until the fourth quarter 1999. Management believes that its capital expenditures for existing operations can be funded from operating cash flow. Management also believes that cash flow from operations and available credit will be sufficient to finance its operations and debt service requirements for the foreseeable future.

Year 2000 Readiness Disclosure

Many currently installed computer systems are not capable of distinguishing 21st century dates from 20th century dates. As a result, in less than three months, computer systems and/or software used by many companies in a wide variety of applications will experience operating difficulties unless they are modified or upgraded to adequately process information involving, related to or dependent upon the century change. Significant uncertainty exists concerning the scope and magnitude of problems associated with the century change.

The Company recognizes the need to ensure its operations will not be adversely impacted by Year 2000 software failures and a project team has been working for almost two years to address Year 2000 risks. The project team has and will continue to coordinate the identification of and implementation of changes to computer hardware and software applications that will attempt to ensure availability and integrity of the Company's information systems and the reliability of its operational systems and manufacturing processes. The Company is also assessing the potential overall impact of the impending century change on its business, results of operations and financial position.

The Company has reviewed its information and operational systems and manufacturing and laboratory processes in order to identify those services or systems that were not Year 2000 compliant. As a result of this review, the Company has modified or replaced certain information and operational systems so they will be Year 2000 compliant. The total cost of these Year 2000 compliance activities, estimated at less than $500,000, has not been material to the Company's financial position or its results of operations. Based on available information, the Company does not believe any material exposure to significant business interruption exist as a result of Year 2000 compliance issues. However, the Company continues to evaluate a contingency plan in the event unforeseen events occur when the Year 2000 arrives. These costs of completion of its Year 2000 modification and testing processes are based on management's best estimates. However, there can be no assurance that the Company will timely identify and remediate all significant Year 2000 problems, that unforeseen remedial efforts will not involve significant time and expense, or that such problems will not have a material adverse effect on the Company's business, results of operations or financial position.

The Company also faces risk to the extent that suppliers of products, services and systems and others with whom the Company transacts business on a worldwide basis do not comply with Year 2000 requirements. The Company has had formal communications with significant suppliers and customers to determine the extent the Company is vulnerable to these third parties failure to remediate their own Year 2000 issues. In the event any such third parties cannot provide the Company with products, services, or systems that meet the year 2000 requirements on a timely basis, or in the event Year 2000 issues prevent such third parties from timely delivery of products or services required by the Company, and the duration of such failure, the Company's results of operations could be materially adversely affected. To the extent Year 2000 issues cause significant delays in, or cancellation of, orders for the company's products or services, the Company's business, results of operations and financial position could be materially adversely affected.

PART II - OTHER INFORMATION

Item 1.   Legal Proceedings

There have been no material developments in connection with any pending legal proceedings as reported in the Registrant's Form 10-K Annual Report which was filed with the Securities and Exchange Commission on March 31, 1999.

EXHIBIT INDEX

Exhibit	
27	Financial Data Schedule, filed electronically herewith.

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.

SYBRON CHEMICALS INC.

/s/ Steven F. Ladin
Steven F. Ladin
Vice President, Finance and
Chief Financial Officer

Date: November 9, 1999