SELAS CORP OF AMERICA
Form 10-K/A
May 24, 2002

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)
(X) ANNUAL REPORT PURSUANT TO SECTION 13 or 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2001
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 1-5005

SELAS CORPORATION OF AMERICA
(Exact name of registrant as specified in its charter)

Pennsylvania	23-1069060
(State or other jurisdiction of Incorporation or organization)	(IRS Employer Identification No.)
Dresher, Pennsylvania	19025
(Address of principal executive office)	(Zip Code)

Registrant's telephone number, including area code (215) 646-6600

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Shares, $1 par value per share	American Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

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 the past 90 days. Yes X No __

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. (X)

The aggregate market value, as of April 12, 2002, of the voting stock held by non-affiliates of the registrant was approximately $12,798,035 (Aggregate market value is estimated solely for the purposes of this report and shall not be construed as an admission for the purposes of determining affiliate status.)

At April 12, 2002, there were 5,119,214 of the Company's common shares outstanding (exclusive of treasury shares).

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Company's 2001 annual report to shareholders are incorporated by reference into Part II of this report. Portions of the Company's proxy statement for the 2002 annual meeting of shareholders are incorporated by reference into Part III of this report. Except for the parts of such documents that have been specifically incorporated herein by reference, such documents shall not be deemed "filed" for the purposes of this report.

PART I

We are filing this amendment to our annual report on Form 10-K for the year ended December 31, 2001 because we have learned that the original report truncated the dollar amounts in certain financial information. This was the result of a formatting error that occurred when we prepared the report for filing in the EDGAR system. The changes made by this amendment do not reflect any revision to the report as we intended to file it, or to the financial information contained in the paper versions, already distributed and otherwise made public, of our annual report to shareholders and Form 10-K.

ITEM 1. Business

Selas Corporation of America (together with its subsidiaries, unless the context otherwise requires, referred to herein as the "Company",) was incorporated in Pennsylvania in 1930. The Company is a diversified firm with international operations and sales that engages in a range of products. The Company, headquartered in Dresher, Pennsylvania with subsidiaries in Minnesota, Ohio, California, England, France, Germany, Italy, Japan, Portugal and Singapore, operates directly or through subsidiaries in three business segments.

Under the Selas TM name, the Heat Technology segment designs and manufactures specialized industrial heat technology systems and equipment for steel, glass and other manufacturers worldwide. The Company's Precision Miniature Medical and Electronic Products segment designs and manufactures microminiature components, systems and molded plastic parts primarily for the hearing instrument manufacturing industry and also for the electronics, telecommunications, computer and medical equipment industries. The Company's Tire Holders, Lifts and Related Products segment manufactures products, primarily based on cable winch designs, for use as original equipment by the pick-up truck and minivan segment of the automotive industry.

Financial data relating to industry segments, geographical summary of assets and operations, export sales and major customers are set forth in Note 5 of the Company's consolidated financial statements.

In the fourth quarter of 2001, the Company initiated its plan to dispose of the Companys primary large custom-engineered furnace business, Selas SAS (Paris), along with two other closely related subsidiaries, Selas Italiana, S.r.L. (Milan) and Selas U.K. (Derbyshire). These subsidiaries form the Companys large custom-engineered furnaces division whose products are used primarily in the steel and glass industries worldwide. The furnaces engineered by this division are custom-engineered to meet customer specific requirements. These subsidiaries generated approximately $15.6 million and $27.3 million of revenue and a loss from discontinued operations of $5.3 million and $69,000 in 2001 and 2000, respectively. The Company has accounted for the plan to dispose of the subsidiaries as a discontinued operation and, accordingly, has reclassified the historical financial data of these subsidiaries. See further information in note 2 to the consolidated financial statements.

HEAT TECHNOLOGY

The Company specializes in the controlled application of heat to achieve precise process and temperature control. The Company's principal heat technology equipment and systems are smaller standard-engineered systems, burners and combustion control equipment, (continuing operations) and large custom-engineered furnaces (discontinued operations).

CONTINUING OPERATIONS

STANDARD-ENGINEERED SYSTEMS, BURNERS AND COMBUSTION CONTROL EQUIPMENT.

Standard Engineered Systems. The Company engineers and fabricates a variety of small heat treating furnaces and heat processing equipment. This standard equipment and small-furnace business is conducted principally by its wholly-owned subsidiaries in Europe, CFR (Paris), Ermat S.A. (Lyon) and CFR Portugal (Leiria). These companies typically engineer and design atmosphere-controlled batch and continuous furnaces that are used for heat treating both ferrous and non-ferrous metals and glassware. Its continuous heat treating systems include not only the hardening and tempering furnaces central to the systems, but also the ancillary loading, quenching and washing equipment.

The Company also manufactures non-atmosphere-controlled batch-type furnaces in a variety of designs. These batch furnaces are supplied to customers with a need for the precise, accurately controlled application of heat to their products.

The Companys standard systems also include automatic brazing and soldering systems used in the assembly of radiators, air conditioner coils and electrical appliances. The precise application of heat in these systems improves a customers product quality and uniformity while reducing production costs. The Company also produces the fuel mixing and monitoring systems, burners and product handling equipment necessary for these systems.

The Company also produces custom designed barrel furnaces used primarily to heat treat long metal parts, and also products specialized glass lehrs for heating glass products. Other furnaces are designed to harden and etch glass and ceramic tableware.

Burners and Combustion Control Equipment. At its Dresher, Pennsylvania facility and through its subsidiaries in Europe, Selas Waermetechnik (Ratingen) and Japan, Nippon Selas (Tokyo), the Company designs, manufactures and sells an array of original equipment and replacement gas-fired industrial burners for many applications.

The Company is a producer of burners used in fluid processing furnaces serving the petrochemical industry. One type of fluid processing burner is capable of minimizing the emission of oxides of nitrogen as combustion products. As many jurisdictions reduce the permissible level of emissions of these compounds, the Company believes that the demand for low Nox burners will increase. The Company also produces burners suitable for creating a high temperature furnace environment desirable in steel and glass heat treating furnaces. The Companys burners accommodate a wide variety of fuel types, environmental constraints and customer production requirements.

The Company furnishes many industries with gas combustion control equipment sold both as component parts and as systems that have been engineered to meet a particular customers needs. This equipment is provided with the Company's original custom-engineered and standard heat treating equipment, as replacement or additional components for existing furnaces being refurbished or upgraded, and as original components for heat treating equipment manufactured by others. The components of the combustion control systems include mixing valves capable of mixing gas and air and controlling the air/gas ratio, pressure and total flow of the mixed gases. The Company also produces its Qual-O-RimeterTM automated monitoring and control device used in conjunction with its mixing valves to maintain precise, uniform heat release and flame shape, despite fluctuations in fuel mix and quality, air temperature and humidity.

Additional combustion control products include Flo-ScopeTM flow meters, which measure the rate of flow of gases, and automatic fire checks and automatic blowouts, which arrest flame and pressure resulting from backfire from the burners into the pipe line.

Marketing and Competition. The Company markets its standard-engineered systems products on a global basis through its sales and marketing personnel located in Dresher, Pennsylvania, and also sells these products through licensees and agents located in various parts of the world. Although the Company competes for orders for such products with many other manufacturers, some of which are larger and have greater financial resources, the Company believes that its reputation and its high standard for quality allow it to compete effectively with other manufacturers.

Operations. At its CFR and Ermat businesses in France and Portugal, the Company employs approximately 103 people of whom 14 are administrative personnel, 27 are fabrication and 62 are sales, engineering and operations personnel. Its Selas Waermetechnik subsidiary in Germany employs 6 people of whom 1 is administrative personnel and 5 are sales and engineering. At its Dresher facility, the Company employs approximately 52 persons, of whom 13 are executive and administrative personnel, 12 are sales and engineering personnel and 27 are personnel engaged in manufacturing. The hourly personnel are represented by a union, and the current union contract expires May, 2004. The Company considers its relations with its employees to be satisfactory.

In April, 2001, the Company sold a minority interest of Nippon Selas to three directors of Nippon Selas. Its Tokyo facility employs 13 people; 4 administrative and 9 sales and engineering.

The principal components used in the Company's heat processing equipment and other products are steel, special castings (including high-alloy materials), electrical and electronic controls and materials handling equipment. These items are available from a wide range of independent suppliers.

Research and Development. The Company conducts research and development activities at its Dresher facility to support its heat processing services and products. The Company's research efforts are designed to develop new products and technology as well as to improve existing products and technology. The Company also conducts research on behalf of particular customers in connection with customers' unusual process needs. Research and development expenditures for heat processing aggregated $33,000, $31,000 and $38,000 in 2001, 2000 and 1999, respectively.

It is the Company's policy to apply for domestic and foreign patents on those inventions and improvements which it considers significant and which are likely to be incorporated in its products. It owns a number of United States and foreign patents. It is licensed under patents owned by others and has granted licenses to others on a fee basis. The Company believes that, although these patents collectively are valuable, no one patent or group of patents is of material importance to its business as a whole.

DISCONTINUED OPERATIONS

LARGE CUSTOM-ENGINEERED FURNACES

Products and Industries Served. The Company designs specialized furnaces for use primarily in the steel and glass industries worldwide. The furnaces are engineered to subject a customer's products to carefully controlled heating and cooling processes in order to improve the physical characteristics of those products. Each furnace is custom-engineered by the Company to meet customer's specific requirements. The Company believes that the Selas TM name, its reputation for quality and its leadership in the design and engineering of direct gas-fired heat processing furnaces are important factors in its business. The Company also offers gas-fired radiant tube and electric heating technology for heat processing furnaces.

The Company's custom-engineered systems for the steel industry include continuous annealing furnaces and continuous galvanizing furnaces. Continuous annealing furnaces are used to heat-treat semi-finished steel sheet and strip to soften it to improve the ductility of the steel, thereby making it suitable for use in the manufacture of automobiles, appliances and other items. Continuous galvanizing furnaces consist of continuous annealing furnaces plus the components used to apply a zinc coating to steel strip to improve its resistance to corrosion.

The Company's furnaces for the glass industry are used for the tempering, bending and etching of glass. The glass tempering process toughens glass plate through a controlled process of heating and cooling. Glass manufacturers use the Company's glass bending furnaces to heat and bend plate glass for automotive and architectural uses.

From time to time, the Company also designs various other specialized furnaces for use by manufacturers in a variety of industries to suit particular process requirements. For example, over the years the Company has engineered large barrel line furnaces used for the continuous heat treatment of steel pipe, tube or bar.

Marketing and Competition. The Company markets its custom-engineered furnaces on a global basis. Marketing personnel are located at the Company's offices in Paris, Derbyshire and Milan. Over the years, the Company has installed custom-engineered systems in Europe, North America, South America, Asia, Australia and Africa. In a particular period, a single contract may account for a large percentage of sales, but the Company is not dependent on any custom-engineered systems customer on an ongoing basis.

Company engineering and marketing personnel maintain contact with potential major steel and glass customers to determine their needs for new furnaces, typically for expansion or new technology. The Company's furnaces have long useful lives, and replacement business is not a major factor in sales of custom-engineered systems. The Company has and continues to perform modifications to older existing furnaces to improve production quantities, along with quality of the end product.

The Company also markets its products and services through agents and licensees located in various parts of the world. Typically, the Company's license agreements provide that the licensee will act as the Company's sales agent in a particular territory, is granted a license to utilize the Company's heat processing technology in that territory, and is granted the right to utilize technical services provided by the Company. In exchange, the Company receives certain fees when the licensee sells the Company's products or services in the territory.

Over the years, Japanese steel producers have aligned themselves in semi-exclusive relationships with furnace manufacturers. For a number of years, the Company has licensed direct fired furnace technology to NKK Corporation, the second largest steel producer in Japan.

Furnaces for continuous galvanizing and annealing lines generally utilize either direct fired or radiant tube technology. The Company is the market leader for furnaces based on direct fired technology, and also sells furnaces of the radiant tube design utilized primarily by its competitors. Some of the Company's competitors are larger and have greater financial resources. In recent years, the Company has faced increased competition from competitors supplying smaller, less sophisticated steel lines. These competitors do not generally offer custom engineering on a par with the Company, but have been willing to offer a more standardized and less sophisticated furnace for a lower price.

Operations. The Company's large custom-engineered furnace business is conducted principally by its wholly-owned subsidiaries, Selas (SAS) (Paris), Selas Italiana, S.r.L. (Milan) and Selas U.K. (Derbyshire). These subsidiaries currently employ approximately 68 persons, of whom 11 are administrative personnel, and 57 are sales, engineering and operations personnel.

On large-scale projects, such as a continuous steel strip annealing or galvanizing line, the customer frequently contracts for the entire line on a turnkey basis with an engineering and construction firm specializing in line terminal equipment, and the Company acts as a subcontractor for the design, engineering, supply of material and installation of the furnace portion of the line, or, alternatively, as a subcontractor only for design and engineering. When the Company provides only design and engineering services, the prime contractor handles the fabrication and erection of the furnace. With the exception of certain proprietary parts, the Company does not manufacture the components used in such systems.

The Company's large custom-engineered furnace business is historically cyclical in nature.

PRECISION MINIATURE MEDICAL AND ELECTRONIC PRODUCTS

Resistance Technology, Inc. ("RTI"), a wholly-owned subsidiary, manufactures microminiature components, systems and molded plastic parts for hearing instrument manufacturers and the medical equipment, electronics, telecommunications and computer industries. RTI Electronics, Inc. ("RTIE"), formed in 1997, has expanded RTI's microminiature components business through the manufacture of electrical resistors known as thermistors and film capacitors.

Products and Industries Serviced. RTI is a leading manufacturer and supplier of microminiature electromechanical components to hearing instrument manufacturers. These components consist of volume controls, trimmer potentiometers and switches. RTI also manufactures hybrid amplifiers and integrated circuit components ("hybrid amplifiers"), along with faceplates for in-the-ear and in-the-canal hearing instruments. Components are offered in a variety of sizes, colors and capacities in order to accommodate a hearing manufacturer's individualized specifications. Sales to hearing instrument manufacturers represented approximately 73% of 2001 annual net sales for the Company's precision miniature medical and electronic products business.

Hearing instruments, which fit behind or in a person's ear to amplify and process sound for a hearing impaired person, generally are composed of four basic parts and several supplemental components for control or fitting purposes. The four basic parts are microphones, amplifier circuits, miniature receivers/speakers and batteries. RTI's hybrid amplifiers are a type of amplifier circuit. Supplemental components include volume controls, trimmer potentiometers, which shape sound frequencies to respond to the particular nature of a person's hearing loss, and switches used to turn the instrument on and off and to go from telephone to normal speech modes. Faceplates and an ear shell molded to fit the user's ear often serve as a housing for hearing instruments.

The potential range of applications for RTI's molded plastic parts is broad. RTI has produced intravenous flow restrictors for a medical instruments manufacturer and cellular telephone battery sockets for a telecommunications equipment manufacturer.

Sales by RTI to industries other than the hearing instrument industry represented approximately 9% of 2001 annual net sales for the Company's precision miniature medical and electronic products business.

RTI manufactures its components on a short lead-time basis in order to supply "just-in-time" delivery to its customers. Due to the short lead-time, the Company does not include orders from RTI's customers in its published backlog figures.

RTIE manufactures and sells thermistors and thermistor assemblies, which are solid state devices that produce precise changes in electrical resistance as a function of any change in absolute body temperature. RTIE's Surge-Gard TM product line, an inrush current limiting device used primarily in computer power supplies represents approximately 50% of RTIE's sales. The balance of sales represent various industrial, commercial and military sales for thermistor and thermistor assemblies to domestic and international markets.

RTI's and RTIE's principal raw materials are plastics, polymers, metals, various metal oxide powders and silver paste, for which there are multiple sources of supply.

In order to enhance its product line offering, RTI made several strategic acquisitions in 1998. These acquisitions bolster RTI's and RTIE's precision miniature mechanical and electronic products.

On May 27, 1998, RTI Electronics acquired the stock of IMB Electronics Products, Inc., a manufacturer of film capacitors, which are energy storage devices used primarily to resist changes in voltage. The film capacitor business represents a product line addition for the power and computer industries which RTIE serves. Effective January 1, 1999, IMB Electronics Products, Inc. was merged into RTIE.

In October, 1998, the Company acquired a product manufacturing line from Lectret which was newly formed as RTI Technologies PTE LTD. In January, 2001, the Company acquired the stock of Lectret, a Singapore manufacturer of microphone capsules. The acquisitions expand RTI's product capability in the hearing health market by adding a microphone product line.

Certain information regarding the acquisition of RTI Technologies PTE LTD business is set forth in note 3 to the Company's Consolidated Financial Statements.

Marketing and Competition. RTI sells its hearing instrument components directly to domestic hearing instrument manufacturers through an internal sales force. Sales of microphone products and of molded plastic parts to industries other than hearing instrument manufacturers are made through a combination of independent sales representatives and internal sales force. In recent years, three companies have accounted for a substantial portion of the U.S. hearing instrument sales. In 2001, these three customers accounted for approximately 26% of RTI's net sales.

Internationally, sales representatives employed by Resistance Technology, GmbH ("RT, GmbH"), a German company 90% of whose capital is owned by RTI, solicit sales from European hearing instrument manufacturers and facilitate sales with Japanese and

Australian hearing instrument markets.

RTI believes that it is the largest supplier worldwide of microminiature electromechanical components to hearing instrument manufacturers and that its full product line and automated manufacturing process allow it to compete effectively with other manufacturers with respect to these products.

In the market of hybrid amplifiers and molded plastic faceplates, RTI's primary competition is from the hearing instrument manufacturers themselves. The hearing instrument manufacturers produce a substantial portion of their internal needs for these components.

RTI markets its microphone products to the radio communication and professional audio industries and has several competitors who are larger and have greater financial resources. RTI holds a small market share in the global market for microphone capsules and other related products.

RTIE sells its thermistors and film capacitors through a combination of independent sales representatives and internal sales force.

RTIE has many competitors, both domestic and foreign, that sell various thermistor and film capacitors and some of these competitors are larger and have greater financial resources. In addition, RTIE holds a relatively small market share in the world-market of thermistor and film capacitor products.

Operations. RTI currently employs 225 people, of whom 52 are executive and administrative personnel and 173 are sales, engineering and operations personnel at RTI's two facilities near Minneapolis, Minnesota. A small number of sales personnel employed by RT, GmbH are located in Munich, Germany and RTI Technologies employs 100 people at its Singapore location.

At its facilities in Anaheim, California, RTIE employs 88 full-time employees, of which 5 are administrative and 83 are sales and operations personnel.

As a supplier of parts for consumer and medical products, RTI is subject to claims for personal injuries allegedly caused by its products. The Company maintains what it believes to be adequate insurance coverage.

Research and Development. RTI and RTIE conduct research and development activities primarily to improve its existing products and technology. Their research and development expenditures were $1,237,000, $899,000 and $964,000 in 2001, 2000 and 1999, respectively.

RTI owns a number of United States patents which cover a number of product designs and processes. The Company believes that, although these patents collectively add some value to the Company, no one patent or group of patents is of material importance to its business as a whole.

TIRE HOLDERS, LIFTS AND RELATED PRODUCTS

Deuer Manufacturing, Inc. ("Deuer"), a wholly-owned subsidiary, manufactures tire holders, lifts, and other related products based principally on cable winch designs.

Products and Industries Served. Deuer is a leading supplier of spare tire holders used on light trucks and mini-vans manufactured by the major domestic automotive manufacturers. Deuer's spare tire holder holds the spare tire to the underbody of the vehicle by means of a steel cable running to the underside of the vehicle's frame. One end of the steel cable is attached to a hub placed through the center of the spare tire's rim, and the other end is attached to a hand-operated winch mounted at an accessible location on the vehicle. The spare tire holding system permits the spare tire to be stored in a remote location and to be easily removed without the need to crawl under the vehicle. During 2001, sales of spare tire holders accounted for approximately 93% of Deuers net sales.

Deuer also produces a variety of hand-operated hoist-pullers, using primarily a cable winch design, sold under the Mini-MuleTM brand name. These products, which retail from $30 to $60, are portable hand winches designed for a variety of uses, such as pulling objects, rigging loads and installing fencing. Deuer furnishes these hoist-pullers in a variety of sizes and capacities. It also manufactures accessories for use with the products, including slings, clamps, blocks and gantries.

Deuer manufactures products on a short lead time basis in order to furnish "just-in-time" delivery to its automotive customers. Because of the substantial variances between manufacturers' estimated and actual requirements, the Company does not include blanket order commitments from automotive manufacturers in its published backlog figures.

Marketing and Competition. Deuer sells its spare tire holders directly to domestic automotive manufacturers. Deuer's spare tire holders are sold to Chrysler Corporation, General Motors, Toyota, Ford Motor Company, New United Motor Manufacturing, Inc. and Mobile Home Manufactures. The design and quality of Deuer's spare tire holders have been recognized by its major customers. The Company sells its hoist-pullers through a network of distributors as well as directly to some large retail outlets.

Deuer is one of several suppliers of spare tire holders to domestic mini-van and light truck manufacturers. Some of Deuer's competitors are larger and have greater financial resources. The Company believes that price and Deuer's reputation for quality and reliability of delivery are important factors in competition for business from the domestic automotive manufacturers. A number of other domestic and foreign manufacturers sell hoist-pullers to the retail market, and Deuer's share of this market is relatively small.

Operations. At its Dayton facility, Deuer employs 15 executive and administrative personnel and approximately 140 manufacturing employees. Some of the manufacturing employees are represented by a union, and the current union contract expires in October, 2002. Deuer considers its relations with its employees to be satisfactory.

Deuer's principal raw material is coil rolled steel and metal cable which is widely available. Deuer also conducts research and development activities which consist of the development of new products and technology and the modification of existing products. Deuer's research and development expenditures aggregated $252,000, $252,000 and $258,000 in 2001, 2000 and 1999, respectively.

As a consumer products manufacturer, Deuer is subject to claims for personal injuries allegedly caused by its products. The Company maintains what it believes to be adequate insurance coverage.

ITEM 2. Properties

Continuing Operations

The Company owns the manufacturing facility in Dresher, Pennsylvania in which its standard-engineered systems, burners and combustion control equipment are produced. The Company's headquarters are located on the same 17 acre site. The 136,000 square foot Dresher facility has more space than is currently needed for the Company's operations and headquarters, and the Company is seeking to lease all or a portion of the excess office and manufacturing space to a suitable tenant. This property is subject to a mortgage. See note 9 of the Company's consolidated financial statements.

RTI leases a 47,000 sq. ft. manufacturing facility in Arden Hills, Minnesota from a partnership consisting of two former officers of RTI and Mark S. Gorder who serves as an officer of the Company and RTI and on the Company's Board of Directors. At this facility, RTI manufactures all of its products other than plastic component parts. The lease expires in October, 2003, with two successive 5-year renewal options.

In addition, RTI owns, subject to a mortgage from a third party lender, a 34,000 sq. ft. building in Vadnais Heights, Minnesota at which RTI produces plastic component parts. (See notes 9, 18 and 19 of the Company's consolidated financial statements.)

RTIE leases a building in Anaheim, California, which contains its manufacturing facilities and offices and consists of a total of 50,000 square feet. The lease expires September, 2008.

Deuer owns its 92,000 square foot manufacturing facility located on 6.5 acres in Dayton, Ohio, where it produces its spare tire holders and hoist-pullers. The facility is furnished with a variety of steel fabrication equipment, including punch presses, drill presses, screw machines, grinders, borers, lathes and welders. This property is subject to a mortgage. See note 9 of the Company's consolidated financial statements.

Selas Waermetechnik GmbH, the Companys German subsidiary, leases facilities in Ratingen, Germany which are used for sales, administrative and engineering activities and assembly of small furnaces and furnace components, with the lease expiring October, 2008. Resistance Technology, GmbH, leases office space in Munich, Germany which are used for sales, administrative and engineering activities and assembly of small furnaces and furnace components, with the lease expiring October, 2008. Resistance Technology, GmbH, leases office space in Munich, Germany for its sales personnel with the lease expiring in July, 2007.

CFR leases facilities in Paris and Maisse, both in France. The facilities in Paris house engineering, sales and administrative operations and has 10,000 square feet. The Maisse facility is 40,000 square feet and houses CFR's fabrication and assembly operations. The Paris lease expires January, 2003 and the Maisse lease expires February, 2004, each with three-year optional renewal terms. Ermat leases a building in Lyon, France with sales and administrative facilities which expires June, 2007. CFR Portugal leases a building in Leiria, Portugal which houses its fabrication facilities and administrative offices. The lease expires in 2003.

RTI Technologies PTE LTD leases a building in Singapore which houses its production facilities and administrative offices. The building contains 6,000 square feet and its lease expires June, 2004, with a three-year renewal option. Nippon Selas leases office space in Tokyo, Japan for its sales and administrative facilities. The lease expires in June, 2002 and the Company expects to be able to renew the lease.

Discontinued Operations

Selas (SAS) owns the land and building which houses its engineering, sales and administrative operations in Gennevilliers, France (outside of Paris). The land under the building is owned by Selas (SAS) and the property outside of the building is jointly owned by the building owners in the office complex. The building has 22,000 square feet. This property is subject to a mortgage. See note 9 of the Company's consolidated financial statements.

Selas Italiana S.r.L., the Company's Italian subsidiary and Selas UK, the Company's United Kingdom subsidiary, lease facilities in Milan, Italy and Derbyshire, UK, respectively. The Milan and Derbyshire facilities are comprised of engineering, sales and administrative offices with the leases expiring in February, 2007 and a month to month basis, respectively.

ITEM 3. Legal Proceedings

The Company is a defendant along with a number of other parties in approximately 253 lawsuits as of December 31, 2001 (approximately 100 as of December 31, 2000) alleging that plaintiffs have or may have contracted asbestos-related diseases as a result of exposure to asbestos products or equipment containing asbestos sold by one or more named defendants. Due to the noninformative nature of the complaints, the Company does not know whether any of the complaints state valid claims against the Company. The lead insurance carrier has informed the Company that the primary policy for the period July 1, 1972 July 1, 1975 has been exhausted and that the lead carrier will no longer provide a defense under that policy. The Company has requested that the lead carrier substantiate this situation. The Company has contacted representatives of the Companys excess insurance carrier for some or all of this period. The Company does not believe that the asserted exhaustion of the primary insurance coverage for this period will have a material adverse effect on the financial condition, liquidity, or results of operations of the Company. Management is of the opinion that the number of insurance carriers involved in the defense of the suits and the significant number of policy years and policy limits to which these insurance carriers are insuring the Company make the ultimate disposition of these lawsuits not material to the Company's consolidated financial position or results of operations.

The Company is also involved in other lawsuits arising in the normal course of business. While it is not possible to predict with certainty the outcome of these matters, management is of the opinion that the disposition of these lawsuits and claims will not materially affect the Companys consolidated financial position, liquidity, or results of operations.

ITEM 4. Submission of Matters to a Vote of Security Holders

None

ITEM 4A. Executive Officers of the Company

The names, ages and offices (as of February 25, 2002) of the Company's officers were as follows:

Name	Age	Office
Mark S. Gorder	55	President and Chief Executive Officer and President of Resistance Technology, Inc.; Director of the Company
Christian Bailliart	53	Vice President and Chairman-Director Generale of Selas (SAS)
James C. Deuer	73	Vice President and President of Deuer Manufacturing, Inc.
Francis A. Toczylowski	51	Vice President, Treasurer and Secretary

Mr. Gorder joined the Company October 20, 1993 when Resistance Technology, Inc. (RTI) was acquired. Prior to the acquisition, Mr. Gorder was President and one of the founders of RTI, which began operations in 1977. Mr. Gorder was promoted to Vice President of the Company and elected to the Board of Directors in 1996. In 2000 he was elected President and Chief Operating Officer and in April, 2001, Mr. Gorder assumed the role of Chief Executive Officer. Mr. Bailliart joined Selas (SAS) in 1974 and in 1989 he was promoted to Chairman-Director Generale of Selas (SAS) from Vice President, Treasurer. On January 1, 1993, he was elected Vice President of the Company. Mr. Deuer joined the Company as President of Deuer Manufacturing when it was acquired in May, 1986 and was promoted to Vice President of the Company and President of Deuer Manufacturing in December, 1990. From 1965 to 1986 he was President of Deuer Manufacturing. Mr. Toczylowski joined the Company in 1981 and has held several positions in the accounting and finance area, most recently as Corporate Controller. In December, 1998, he was elected Vice President and Treasurer and in November, 2001 was elected Secretary of the Company.

PART II

ITEM 5. Market for Registrant's Common Equity and Related Stockholder Matters

The Company's common shares are listed on the American Stock Exchange. The high and low sale prices during each quarterly period during the past two years were as follows:

Market and Dividend Information

	2001 Market Price Range		2000 Market Price Range	
Quarter	High	Low	High	Low
First	$4.000	$3.100	$6.750	$4.875
Second	4.750	3.300	7.625	5.250
Third	4.500	2.850	7.500	4.625
Fourth	3.600	2.000	5.937	2.750

At February 7, 2002 the Company had 413 shareholders of record.

	2001	2000	1999
Dividends per share:			
First Quarter . . .	$.045	$.045	$.045
Second Quarter. . .	.045	.045	.045
Third Quarter . . .	.045	.045	.045
Fourth Quarter. . .	.000	.045	.045

The payment of any future dividends is subject to the discretion of the Board of Directors and is dependent on a number of factors, including the Companys capital requirements, financial condition, financial covenants and cash availability.

ITEM 6. Selected Financial Data

Certain selected financial data is incorporated by reference to "Selas Corporation of America Five-Year Summary of Operations", page 4, and "Other Financial Highlights", page 5, of the Company's 2001 annual report to shareholders.

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's Discussion and analysis is incorporated by reference to page 6 through 12 of the Company's 2001 annual report to shareholders.

Forward-Looking and Cautionary Statements. Certain statements herein that include forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "estimate", "plan" or "continue" or the negative thereof or other variations thereon are, or could be deemed to be, "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of

1934, as amended. These forward-looking statements are affected by known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to differ materially from the results, performance and achievements expressed or implied in the Company's forward-looking statements. These risks, uncertainties and factors include competition by competitors with more resources than the Company, foreign currency risks arising from the Company's foreign operations, and the cyclical nature of the market for large heat technology contracts.

The Company's standard engineered systems business, which has contributed substantially to the Company's consolidated results, is affected by, among other things, the capital expenditures of steel, aluminum and glass manufacturers and processors, industries that are cyclical in nature. It is difficult to predict demand for the Company's standard engineered system products, and the financial results of the Company's standard engineered system business have fluctuated, and may continue to fluctuate, materially from year to year.

Several of the Company's competitors have been able to offer more standardized and less technologically advanced heat technology systems and equipment at lower prices. Although the Company believes that it has produced higher quality systems and equipment than these lower priced competitors, in certain instances price competition has had an adverse effect on the Company's sales and margins. There can be no assurance that the Company will be able to maintain or enhance its technical capabilities or compete successfully with its existing and future competitors.

There can be no assurance that the Company will remain a competitive supplier to the automobile and truck industry in view of, among other things, the general trend in recent years in that industry toward a reduction in the number of third-party suppliers and toward more integrated component suppliers.

The Company's precision miniature medical and electronics business has benefited from its ability to automate and keep costs and prices low. There can be no assurance that the Company will be able to continue to achieve such automation and its historical profit margins particularly as the technology of hearing instruments changes and as the business expands into other product lines. The precision miniature medical and electronics business has also been affected by unfavorable conditions in the hearing health market and the impact of the Asian economic situation. The Company is unable to predict with any certainty when these conditions will improve.

The Company has international operations, as a result, the Company's performance may be materially affected by foreign economies and currency movements.

The Company cautions that the foregoing list of important factors is not intended to be, and is not, exhaustive. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.

ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk

The Company's consolidated cash flows and earnings are subject to fluctuations due to changes in foreign currency exchange rates. The Company attempts to limit its exposure to changing foreign currency exchange rates through operational and financial market actions. The Company does not hold derivatives for trading purposes.

The Company manufactures and sells its products in a number of locations around the world, resulting in a diversified revenue and cost base that is exposed to fluctuations in European and Asian currencies. This diverse base of foreign currency revenues and costs serves to create a hedge that limits the Company's net exposure to fluctuations in these foreign currencies.

Short-term exposures to changing foreign currency exchange rates are occasionally managed by financial market transactions, principally through the purchase of forward foreign exchange contracts (with maturities of six months or less) to offset the earnings and cash flow impact of the nonfunctional currency denominated receivables and payables relating to select custom engineered heat technology segment contracts. The decision by management to hedge any such transaction is made on a case-by-case basis. Foreign exchange forward contracts are denominated in the same currency as the receivable or payable being covered, and the term and amount of the forward foreign exchange contract substantially mirrors the term and amount of the underlying receivable or payable. The receivables and payables being covered arise from trade and intercompany transactions of and among the Company's foreign subsidiaries. At December 31, 2001 the Company did not have any forward foreign exchange contracts outstanding.

To manage exposure to interest rate movements and to reduce its borrowing costs, the Company's French subsidiary, Selas (SAS), has entered into an interest rate swap agreement. Selas (SAS) is exposed to changes in interest rates primarily due to its borrowing activities which are related to long-term debt used to finance its office building. The swap agreement requires fixed interest payments based on an effective rate of 8.55% for the remaining term through May, 2006. A 100 (10% adverse change) basis point move in interest rates would affect the Company's floating and fixed rate instruments, including short and long-term debt and derivative instruments, by approximately $17,000 at December 31, 2001.

Swap and forward foreign exchange contracts are entered into for periods consistent with related underlying exposures. The Company does not enter into contracts for speculative purposes and does not use leveraged instruments.

The Company's consolidated balance sheets as of December 31, 2001 and 2000, and the related consolidated statements of operations, cash flows and shareholders' equity for each of the years in the three-year period ended December 31, 2001, and the report of independent auditors thereon and the quarterly results of operations (unaudited) for the two-year period ended December 31, 2001 are incorporated by reference to pages 13 to 42 of the Company's 2001 annual report to shareholders.

ITEM 9. Changes in and Disagreements With Accountants on

Accounting and Financial Disclosure

None

PART III

The information called for by Items 10, 11, 12 and 13 (except the information concerning executive officers included in Item 4A) is incorporated by reference to the Company's definitive proxy statement relating to its 2002 Annual Meeting of shareholders, which the Company will file in April, 2002. However, the portions of such proxy statement constituting the reports of the Audit Committee and Compensation Committees of the Board of Directors and the graph showing performance of the Company's common shares and certain share indices shall not be deemed to be incorporated herein or filed for purposes of the Securities Exchange Act of 1934.

PART IV

ITEM 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) The following documents are filed as a part of this report:

1. Financial Statements - The Company's consolidated financial statements, as described below, are incorporated by reference to pages 13 through 42 of the Company's 2001 annual report to shareholders.

   Consolidated Balance Sheets at December 31, 2001 and 2000.

   Consolidated Statements of Operations for the years ended December 31, 2001, 2000 and 1999.

   Consolidated Statements of Cash Flows for the years ended December 31, 2001, 2000 and 1999.

   Consolidated Statements of Shareholders' Equity for the years ended December 31, 2001, 2000 and 1999.

   Notes to Consolidated Financial Statements.

   Report of Independent Auditors.

2. Financial Statement Schedules

	Page
Report of Independent Auditors on Financial Statement Schedules	19
Schedule I - Condensed Financial Information of Registrant (Parent only)	20-23
Schedule II - Valuation and Qualifying Accounts	24-25

   All other schedules are omitted because they are not applicable, or because the required information is included in the consolidated financial statements or notes thereto.

3. Exhibits

3A. The Company's Articles of Incorporation as amended May 18, 1984 and April 25, 1991. Exhibit 3A to the Company's report on Form 10-K for the year ended December 31, 1984 and Exhibit 3A1 to the Company's report on Form 10-K for the year ended December 31, 1991 are incorporated by reference.

3B. The Company's By-Laws as amended. Exhibit 3B to the Companys report on Form 10-K for the year ended December 31, 2000 is incorporated by reference.

4A. Amended and Restated Credit Agreement dated July 31, 1998 among the Company, Deuer Manufacturing, Inc., Resistance Technology, Inc., RTI Export, Inc. and RTI Electronics, Inc. Exhibit 4A to the Company's report on Form 10-Q for the nine months ended September 30, 1998 is incorporated by reference.

4B. Amendment to Amended and Restated Credit Agreement dated June 30, 1999 among the Company, Deuer Manufacturing, Inc., Resistance Technology, Inc., RTI Export, Inc. and RTI Electronics, Inc. The Exhibit to the Company's report on Form 10-Q for the six months ended June 30, 1999 is incorporated by reference.

4C. Amended and Restated Revolving Credit Note, dated July 31, 1998, of the Company in favor of First Union National Bank. Exhibit 4B to the Company's report on Form 10-Q for the nine months ended September 30, 1999 is incorporated by reference.

4D. Guaranty dated February, 1998 of the Company in favor of First Union/First Fidelity, N.A. Pennsylvania. Exhibit 4H to the Company's report on Form 10-K for the year ended December 1997 is hereby incorporated by reference.

4E. Second Amendment to Amended and Restated Credit Agreement, dated as of July 7, 2000. Exhibit 4C to the Company's report on Form 10-Q for the period ended September 30, 2000 is incorporated by reference.

4F. Third Amendment to Amended and Restated Credit Agreement, dated as of January 19, 2001. Exhibit 4F to the Companys report on Form 10-K for the year ended December 31, 2001 is incorporated by reference.

4G. Waiver and Amendment Agreement dated November 20, 2001 among the Company, certain of its subsidiaries, and First Union National Bank.

4H. First Amendment to Waiver and Amendment Agreement dated February 28, 2002 among the Company, certain of its subsidiaries, and First Union National Bank.

4I. Second Amendment to Waiver and Amendment Agreement dated March 20, 2002 among the Company, certain of its subsidiaries, and First Union National Bank.

10A.Form of termination agreement between the Company and Messrs. Deuer and Toczylowski. Exhibit 10A to the Company's report on Form 10-K for the year ended December 31, 1996 is incorporated by reference.

10B.1985 Stock Option Plan, as amended. Exhibit 10C to the Company's Registration Statement on Form S-2 filed on June 15, 1990 (No. 33-35443) is incorporated by reference.

10C.Form of Stock Option Agreements granted under the 1985 Stock Option Plan. Exhibit 10D to the Company's Registration Statement on Form S-2 filed on June 15, 1990 (No. 33-35443) is incorporated by reference.

10D.Form of Amendments to Stock Option Agreements granted under the 1985 Stock Option Plan. Exhibit 10D to the Company's Registration Statement on Form S-2 filed on June 15, 1990 (No. 33-35443) is incorporated by reference.

10E.Amended and Restated 1994 Stock Option Plan. Exhibit 10E to the Company's report on Form 10-K for the year ended December 31, 1997 is incorporated by reference.

10F.Form of Stock Option Agreements granted under the Amended and Restated 1994 Stock Option Plan. Exhibit 10F to the Company's report on Form 10-K for the year ended December 31, 1995 is incorporated by reference.

10G.2001 Stock Option Plan. Exhibit 10G to the Company's report on Form 10-K for the year ended December 31, 2001 is incorporated by reference.

10H.Supplemental Retirement Plan (amended and restated effective January 1, 1995). Exhibit 10H. to the Company's report on Form 10-K for the year ended December 31, 1995 is incorporated by reference.

10I.Employment Agreement dated June 19, 2001 among the Company, Resistance Technology, Inc. and Mark S. Gorder. Exhibit 102 to the Company's report on Form 10-Q for the period ended June 30, 2001 is incorporated by reference.

10J.Amended and Restated Agreement on Termination Following Change of Control or Asset Sale, dated June 19, 2001, between the Company and Mark S. Gorder. Exhibit 10.1 to the Companys report on Form 10-Q for the period ended June 30, 2001 is incorporated by reference.

10K.Amended and Restated Office/Warehouse Lease, between Resistance Technology, Inc. and Arden Partners I. L.L.P. (of which Mark S. Gorder is one of the principal owners) dated November 1, 1996. Exhibit 10J to the Company's report on Form 10-K for the year ended December 31, 1996 is incorporated by reference.

10L. Amended and Restated Non-Employee Directors' Stock Option Plan.

10M. Retirement Agreement, Consulting Agreement and General Release, dated August 30, 2000, between the Company and Stephen F. Ryan. Exhibit 10 to the Company's report on Form 10-Q for the period ended September 30, 2000 is incorporated by reference.

10N. Separation Agreement dated November 30, 2001 between the Company and Robert W. Ross.

13. "Selas Corporation of America Five-Year Summary of Operations" contained on Page 4 of the Company's 2001 annual report to shareholders; "Other Financial Highlights" contained on page 5 of the Company's 2001 annual report to shareholders; "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained on pages 6-12 of the Company's 2001 annual report to shareholders; and the Company's consolidated financial statements, including the "Notes to Consolidated Financial Statements" and the "Report of Independent Auditors contained on pages 13-44 of the Company's 2001 annual report to shareholders.

21. List of significant subsidiaries of the Company.

23. Consent of Independent Auditors

24. Powers of Attorney.

(b) Reports on Form 8-K - There were no reports on Form 8-K filed during the three months ended December 31, 2001.

Report of Independent Auditors on Financial Statement Schedules

The Board of Directors and Shareholders
Selas Corporation of America:

Under date of April 15, 2002, we reported on the consolidated balance sheets of Selas Corporation of

America and subsidiaries as of December 31, 2001 and 2000 and the related consolidated statements of operations, shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2001, as contained in the 2001 annual report to shareholders. These consolidated financial statements and our report thereon are incorporated by reference in the annual report on Form 10-K for the year 2001. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related financial statement schedules as listed in the accompanying index (Item 14). These financial schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement schedules based on our audits.

In our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth herein.

As discussed in note 1 to the consolidated financial statements, the Company changed its method of accounting for derivative instruments and hedging activities in 2001.

/s/KPMG LLP
Philadelphia, Pennsylvania
April 15, 2002

SCHEDULE I

SELAS CORPORATION OF AMERICA AND SUBSIDIARY COMPANIES

Condensed Financial Information of Registrant
Balance Sheets
December 31, 2001 and 2000

ASSETS	2001	2000
Current assets:		
Cash	$ 153,122	$ 572,232
Accounts receivable (including $3,503,415 and $3,139,822 due from subsidiaries in 2001 and 2000, respectively, eliminated in consolidation), less allowance for doubtful accounts of $10,000 in Both years	4,837,871	7,063,803
Inventories, at cost	3,049,454	2,785,884

Prepaid expenses and other current assets	923,939	871,692
Total current assets	8,964,386	11,293,611
Investment in wholly-owned subsidiaries	59,088,668	59,483,530
Net assets of discontinued operations	6,636,127	1,676,929
Property and equipment, at cost	5,841,962	5,939,988
Less: accumulated depreciation	(4,992,755)	(4,983,785)
	849,207	956,203
Other assets	2,011,648	2,344,813
Total Assets	$77,550,036	$75,755,086

SCHEDULE I

SELAS CORPORATION OF AMERICA AND SUBSIDIARY COMPANIES

Condensed Financial Information of Registrant
Balance Sheets
December 31, 2001 and 2000

LIABILITIES AND SHAREHOLDERS' EQUITY	2001	2000
Current liabilities:		
Notes payable and current maturities of long-term debt	$ 9,150,520	$ 6,082,000
Accounts payable (including $19,820,408 and $15,897,018 due to subsidiaries in 2001 and 2000, respectively, eliminated in consolidation)	21,047,165	17,981,384
Accrued expenses	3,778,175	3,821,744
Total current liabilities	33,975,860	27,885,128
Long-term debt	1,389,812	116,667
Other postretirement benefit obligations	3,411,042	3,482,508
Deferred income taxes	168,705	172,338
Contingencies and commitments		
Shareholders' equity		
Common stock	5,634,968	5,634,968
Retained earnings and other equity	34,234,727	39,728,555

Less: 515,754 common shares held in treasury at cost	(1,265,078)	(1,265,078)
Total shareholders' equity	38,604,617	44,098,445
Total Liabilities and Shareholder's Equity	$77,550,036	$75,755,086

See accompanying notes to the consolidated financial statements.

SCHEDULE I

SELAS CORPORATION OF AMERICA AND SUBSIDIARY COMPANIES

Condensed Financial Information of Registrant
Statements of Operations
Years Ended December 31, 2001, 2000 and 1999

	2001	2000	1999
Sales, net	$13,830,478	$11,654,081	$ 7,640,167
Add back: license fees and corporate charges paid by subsidiaries, eliminated in consolidation	80,000	400,000	400,000
	13,910,478	12,054,081	8,040,167
Costs and expenses:			
Cost of goods sold	9,691,279	8,805,571	4,805,422
Selling, general and administrative Expenses	3,710,504	3,390,804	4,413,178
Rent and depreciation	330,592	290,134	372,942
	13,732,375	12,486,509	9,591,542
Income (loss) before income taxes (benefits)and equity in net income of subsidiaries	178,103	(432,428)	(1,551,375)
Provision for income taxes (benefits)	109,930	(152,964)	(486,598)
Income (loss) before equity in net income of subsidiaries	68,173	(279,464)	(1,064,777)
Equity in net income of subsidiaries	589,442	3,283,999	2,803,219

Income from continuing operations	657,615	3,004,535	1,738,442
(Loss) from discontinued operations	(5,274,930)	(68,749)	(9,282)
Net income	$(4,617,315)	$ 2,935,786	$1,729,160

See accompanying notes to the consolidated financial statements.

SCHEDULE I

SELAS CORPORATION OF AMERICA AND SUBSIDIARY COMPANIES

CONDENSED FINANCIAL INFORMATION OF THE REGISTRANT
Statements of Cash Flows
Years Ended December 31, 2001, 2000 and 1999

	2001	2000	1999
Operating Activities			
Net income (loss)	$(4,617,315)	$ 2,935,786	$ 1,729,160
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	153,103	183,717	228,979
Other adjustments	1,588,168	(3,068,063)	(1,500,233)
Net changes in operating assets and Liabilities	3,989,174	2,385,559	3,479,413
Net cash provided by operating activities	1,113,130	2,436,999	3,937,319
Net cash provided (used) by discontinued Operations	3,071,679	(158,226)	(400,150)
Investing Activities			
Dividend from unconconsolidated affiliate			14,476
Purchase of property, plant and Equip.	(40,040)	(98,336)	(70,377)
Additional investment in subsidiary company		(1,024,304)	(1,067,140)
Net cash (used) by investing activities	(40,040)	(1,122,640)	(1,123,041)
Financing Activities			
Repayments of short term borrowings	(3,055,863)		
Proceeds from exercise of stock options			83,540
Proceeds from short-term borrowings		1,389,000	1,901,446
Payment of dividends	(691,349)	(922,052)	(934,302)

Repayments of long-term debt	(816,667)	(1,126,933)	(2,576,424)
Purchase of treasury stock		(62,308)	(820,833)
Net cash (used) by financing activities	(4,563,879)	(722,293)	(2,346,573)
Increase (decrease) in cash and cash Equivalents	(419,110)	433,840	67,555
Cash and cash equivalents, beginning of Year	572,232	138,392	70,837
Cash and equivalents, end of year	$ 153,122	$ 572,232	$ 138,392

See accompanying notes to the consolidated financial statements.

SCHEDULE I

SELAS CORPORATION OF AMERICA AND SUBSIDIARY COMPANIES

Condensed Financial Information of Registrant
Notes to Condensed Financial Statements

December 31, 2001 and 2000

1. The condensed financial statements include the accounts of Selas Corporation of America (the parent company). The Companys domestic and European financing agreements contain certain restrictive covenants regarding the payments of cash dividends, maintenance of working capital, net worth and shareholders equity, along with the maintenance of certain financial ratios. The amount of restricted net assets of consolidated subsidiaries is $21,019,000 which exceeds 25% of the consolidated net assets of the Company. See Note 9 to the Consolidated Financial Statements in Item 13 of Part IV.

SCHEDULE II

SELAS CORPORATION OF AMERICA AND SUBSIDIARY COMPANIES

Valuation and Qualifying Accounts
December 31, 2001, 2000 and 1999

Column A	Column B	Column C Additions	
Classification	Balance at Beginning Of Period	Charged to Costs and Expenses	Other
Year ended December 31, 2001:			
Reserve deducted in the balance sheet from the asset to which it applies:			
Allowance for doubtful accounts	$ 453,419	$ 251,108	$ (18,976)(a)
Deferred tax asset valuation			

Allowance	$ 1,085,716	$ 20,154	
Reserve not shown elsewhere:			
Reserve for estimated future costs of service and guarantees	$ 506,102	$ 558,963	$ (16,207)(a)
Year ended December 31, 2000:			
Reserve deducted in the balance sheet from the asset to which it applies:			
Allowance for doubtful accounts	$ 422,375	$ 135,097	$ (20,144)(a)
Deferred tax asset valuation Allowance	$ 1,101,378	$ (15,662)	
Reserve not shown elsewhere:			
Reserve for estimated future costs of service and guarantees	$ 534,646	$ 109,977	$ (19,272)(a)
Year ended December 31, 1999:			
Reserve deducted in the balance sheet from the asset to which they apply:			
Allowance for doubtful accounts	$ 497,884	$ 800,812	$ (55,053)(a)
Deferred tax asset valuation Allowance	$ 1,277,902	$ (176,524)	
Reserve not shown elsewhere:			
Reserve for estimated future costs of service and guarantees	$ 1,866,732	$(1,111,093)	$ (37,537)(a)

a) Represents difference between translation rates of foreign currency at beginning and end of year and average rate during year.

SCHEDULE II

SELAS CORPORATION OF AMERICA AND SUBSIDIARY COMPANIES

Valuation and Qualifying Accounts
December 31, 2001, 2000 and 1999

Column A	Column D	Column E
		Balance at End of Period
Classification	Deductions	

Year ended December 31, 2001:		
Reserve deducted in the balance sheet from the asset to which it applies:		
Allowance for doubtful accounts	$ 229,974(b)	$ 455,577
Deferred tax asset valuation allowance		$ 1,105,870
Reserve not shown elsewhere:		
Reserve for estimated future costs of service and guarantees	$ 169,906(c)	$ 878,952
Year ended December 31, 2000:		
Reserve deducted in the balance sheet from the asset to which it applies:		
Allowance for doubtful accounts	$ 83,909(b)	$ 453,419
Deferred tax asset valuation allowance		$ 1,085,716
Reserve not shown elsewhere:		
Reserve for estimated future costs of service and guarantees	$ 119,249(c)	$ 506,102
Year ended December 31, 1999:		
Reserve deducted in the balance sheet from the asset to which it applies:		
Allowance for doubtful accounts	$ 821,268(b)	$ 422,375
Deferred tax asset valuation allowance		$ 1,101,378
Reserve not shown elsewhere:		
Reserve for estimated future costs of service and guarantees	$ 183,456(c)	$ 534,646

(b) Uncollectible accounts charged off.

(c) "After job" costs charged to reserve.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

SELAS CORPORATION OF AMERICA
(Registrant)

By:

Francis A. Toczylowski
Vice President, Treasurer
and Secretary

Dated: April 15, 2002

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons (including a majority of members of the Board of Directors) on behalf of the registrant and in the capacities and on the dates indicated.

*By: Mark S. Gorder Attorney-In-Fact April 15, 2002	Mark S. Gorder President and Chief Executive Officer and Director April 15, 2002
* Frederick L. Bissinger Director April 15, 2002	Francis A. Toczylowski Vice President, Treasurer and Secretary April 15, 2002
* John H. Duerden Director April 15, 2002	
* Nicholas A. Giordano Director April 15, 2002	
* Robert Masucci Director April 15, 2002	
* Michael J. McKenna Director April 15, 2002	

EXHIBIT INDEX

EXHIBITS:

4G. Waiver and Amendment Agreement dated November 20, 2001 among the Company, certain of its subsidiaries, and First Union

National Bank.

4H. First Amendment to Waiver and Amendment Agreement dated February 28, 2002 among the Company, certain of its subsidiaries, and First Union National Bank.

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