SELAS CORP OF AMERICA
Form 10-K/A
October 29, 2001

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

(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, 2000
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 (Address of principal executive office)	19025 (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 Securites 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 March 14, 2001, of the voting stock held by non-affiliates of the registrant was approximately $17,814,865 (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 March 14, 2001, 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 2000 annual report to shareholders are incorporated by reference into Part II of this report. Portions of the Company's proxy statement for the 2001 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

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 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 4 of the Company's 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 large custom-engineered furnaces and smaller standard-engineered systems, burners and combustion control equipment.

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. Other furnaces are designed to harden and etch glass and ceramic tableware.

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 Dresher, Paris, Ratingen, Derbyshire, Milan, Leiria, Lyon, and Japan. 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 standarized and less sophisticated furnace for a lower price.

Operations. The Company's custom-engineered furnace business is conducted principally by its wholly-owned subsidiaries, Selas (SAS) (Paris), CFR (Paris), Ermat S.A. (Lyon), Selas Waermetechnik (Ratingen), Selas Italiana, S.r.L. (Milan), Selas U.K. (Derbyshire) and CFR Portugal (Leiria). These subsidiaries currently employ approximately 172 persons, of whom 26 are administrative personnel, 27 are fabrication and assembly personnel, and 119 are sales, engineering and operations personnel. A small number of engineering and marketing management personnel located at the Company's Dresher, Pennsylvania headquarters facility are also involved from time to time in the custom-engineered furnace business.

On large-scale projects, such as a continuous steel strip annealing or galvanizing line, the customer frequently contracts for the entire line on the 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 custom-engineered furnace business is historically cyclical in nature.

On January 12, 2000, the Company's wholly-owned subsidiary, Selas (SAS), acquired the stock of Ermat S.A., a Lyon, France firm engaged in the engineered industrial furnace business. This acquisition was made to complement the Company's existing heat technology operations in Europe, particularly the custom-engineered furnace business. Ermat engineers and designs batch and continuous furnaces that are used for heat treating both ferrous and non-ferrous metals. The Company believes that Ermat enjoys a good reputation in the French market for engineered industrial furnaces. Ermat does have several European competitors for the products offered and some of its competitors are larger and have greater financial resources. Certain information regarding the acquisition of the Ermat business is set forth in note 2 of the Company's consolidated financial statements.

STANDARD-ENGINEERED SYSTEMS, BURNERS AND COMBUSTION CONTROL EQUIPMENT

Standard-Engineered Systems. At its Dresher, Pennsylvania facility, the Company engineers and fabricates a variety of smaller furnaces and heat processing equipment. Although these systems are based on standard designs, the Company often adapts or re-engineers them to meet particular customer needs. These smaller systems are generally used by manufacturers in sophisticated applications for the heat treatment of finished and semi-finished parts.

The Company's standard-engineered systems include atmosphere-controlled furnaces for heat treating finished metal parts. Its continuous heat treating systems include not only the hardening and tempering furnaces central to the system, but also the ancillary loading, quenching and washing equipment.

The Company also manufacturers large non-atmosphere-controlled batch-type furnaces in a variety of designs. The Company's carbottom furnaces enable its customers to remove the furnace hearth, running on tracks similar to a railroad car, from the stationary furnace for loading and unloading. Carbottom and hood furnaces are used to heat treat large, usually semi-finished, metal parts of a variety of shapes and sizes. Clamshell furnaces designed by the Company open and close around steel rolls to produce

a gradation of metal characteristics due to the differential heating of the steel roll. The Company's standard batch furnaces are supplied to customers with a need for the precise, accurately controlled application of heat to their products.

The Company's 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 customer's 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 produces specialized glass lehrs for heating glass products.

Burners and Combustion Control Equipment. 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 permissable 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 Company's 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 custom-engineered to meet a particular customer's 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 Dresher facility, the Company employs approximately 62 persons, of whom 17 are executive and administrative personnel, 14 are sales and engineering personnel and 31 are personnel engaged in manufacturing. The hourly personnel are represented by a union, and the current union contract expires May 16, 2001. The Company considers its relations with its employees

to be satisfactory.

On June 6, 2000, the Company acquired the remaining 50% equity interest in Nippon Selas, a Japanese sales and engineering firm previously accounted for on the equity method. 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 $31,000, $38,000 and $77,000 in 2000, 1999 and 1998, 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.

PRECISION MINIATURE MEDICAL AND ELECTRONIC PRODUCTS

Resistance Technology, Inc. ("RTI"), a wholly-owned subsidiary, manufactures microminiature components 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 68% of 2000 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 8% of 2000 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 January, 2001, the Company acquired the stock of Lectret, a Singapore manufacturer of microphone capsules. In October, 1998, the Company acquired a product manufacturing line from Lectret which was newly formed as RTI Technologies PTE LTD. The acquisition expands 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 2 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 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 2000, these three customers accounted for approximately 24% 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.

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 240 people, of whom 37 are executive and administrative personnel and 203 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 42 people at its Singapore location.

At its facilities in Anaheim, California, RTIE employs 103 full-time employees, of which 6 are administrative and 97 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 $899,000, $964,000 and $1,290,000 in 2000, 1999 and 1998, 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 2000, 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 17 executive and administrative personnel and approximately 148 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, $258,000 and $239,000 in 2000, 1999 and 1998, 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

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 8 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 8, 17 and 18 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 8 of the Company's consolidated financial statements.

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 8 of the Company's consolidated financial statements.

Selas Italiana S.r.L., the Company's Italian subsidiary, Selas Waermetechnik GmbH, the Company's German subsidiary and Selas UK , the Company's United Kingdom subsidiary, lease facilities in Milan, Italy, Ratingen, Germany and Derbyshire, UK, respectively. The Milan and Derbyshire facilities are comprised of engineering, sales and administrative offices with the leases expiring in October, 2001 and a month to month basis, respectively. The Ratingen facilities are used for sales, administrative and engineering activities and assembly of small furnaces and furnace components, with the lease expiring October, 2001. Resistance Technology, GmbH, leases office space in Munich, Germany, on a year-to-year basis, for its sales personnel. Management expects to be able to extend these leases.

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, 2001, with a three-year renewal option.

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, 2001. CFR Portugal leases a building in Leiria, Portugal which houses its fabrication facilities and administrative offices. Management expects to be able to extend these leases.

ITEM 3. Legal Proceedings

The Company is a defendant along with a number of other parties in approximately 100 lawsuits as of December 31, 2000 (approximately 200 as of December 31, 1999) 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 to 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 Companys 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 24, 2001) of the Company's officers were as follows:

Name	Age	Office
Stephen F. Ryan	65	Chairman and Chief Executive Officer; Director of the Company
Mark S. Gorder	54	President and Chief Operating Officer and President of Resistance Technology, Inc.; Director of the Company
Christian Bailliart	52	Vice President and Chairman-Director Generale of Selas (SAS)
James C. Deuer	72	Vice President and President of Deuer Manufacturing, Inc.
Robert W. Ross	52	Vice President and Secretary and President Heat Technology Group
Francis A. Toczylowski	50	Vice President and Treasurer

Mr. Ryan joined the Company in May 1988, as President and Chief Executive Officer. In December, 1998, he was elected Chairman of the Board of Directors. 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. Upon Mr. Ryan's retirement in April, 2001, Mr. Gorder will assume 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. Ross joined the Company in October 1990 as Vice President - Treasurer, was appointed Chief Financial Officer January 1, 1994 and elected Secretary February 21, 1995. In December, 1998 he was appointed President of the Heat Technology Group of the Company. 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.

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

	2000		1999	
	Market Price Range		Market Price Range	
Quarter	High	Low	High	Low
First	6.750	4.875	8.375	4.875
Second	7.625	5.250	7.000	5.125
Third	7.500	4.625	7.000	4.500
Fourth	5.937	2.750	6.687	4.250

At February 7, 2001 the Company had 432 shareholders of record.

	2000	1999	1998
Dividends per share:			
First Quarter	$.045	$.045	$.045
Second Quarter	.045	.045	.045
Third Quarter	.045	.045	.045
Fourth Quarter	.045	.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 Company's 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 2000 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 10 of the Company's 2000 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 heat technology business, which has contributed substantially to the Company's consolidated results, is affected by, among other things, the capital expenditures of steel and glass manufacturers and processors, industries that are highly cyclical in nature. It is difficult to predict demand for the Company's heat technology products, and the financial results of the Company's heat technology 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 benefitted 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, 2000 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 $27,000 at December 31, 2000. The fair value of the Company's variable rate debt is not significantly different from its recorded amount.

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.

ITEM 8. Financial Statements and Supplementary Data

The Company's consolidated balance sheets as of December 31, 2000 and 1999, 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, 2000, and the report of independent auditors thereon and the quarterly results of operations (unaudited) for the two-year period ended December 31, 2000 are incorporated by reference to pages 11 to 39 of the Company's 2000 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 2001 Annual Meeting of shareholders which the Company filed on March 23, 2001. However, the portions of such proxy statement constituting the reports of the Audit Committee and Compensation Committee 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 11 through 39 of the Company's 2000 annual report to shareholders.

Consolidated Balance Sheets at December 31, 2000 and 1999.

Consolidated Statements of Operations for the years ended December 31, 2000, 1999 and 1998.

Consolidated Statements of Cash Flows for the years ended December 31, 2000, 1999 and 1998.

Consolidated Statements of Shareholders' Equity for the years ended December 31, 2000, 1999 and 1998.

Notes to Consolidated Financial Statements.

Report of Independent Auditors.

Financial statements for 50% or less owned companies which are accounted for by the equity method have been omitted because they do not, considered individually or in the aggregate, constitute significant subsidiaries.

2. Financial Statement Schedules

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 hereby incorporated herein by reference.

3B. The Company's By-Laws as amended.

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 hereby 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 hereby 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 hereby 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.

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

10G. 2001 Stock Option Plan.

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 hereby incorporated by reference.

10I. Management Employment Agreement dated October 20, 1993 between Resistance Technology, Inc. and Mark S. Gorder. Exhibit 10I to the Company's report on Form 10-K for the year ended December 31, 1995 is hereby incorporated by reference.

10J. 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 hereby incorporated by reference.

10K. Non-Employee Directors' Stock Option Plan and Form of Stock Option Agreements under such Plan. Exhibit 10K to the Company's Registration Statement on Form S-8 filed on October 30, 1998 is hereby incorporated herein by reference.

10L. 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.

13. "Selas Corporation of America Five-Year Summary of Operations" contained on Page 4 of the Company's 2000 annual report to shareholders; "Other Financial Highlights" contained on page 5 of the Company's 2000 annual report to shareholders; "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained on pages 6-10 of the Company's 2000 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 11-39 of the Company's 2000 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, 2000.

Report of Independent Auditors on Financial Statement Schedules

The Board of Directors and Shareholders
Selas Corporation of America:

Under date of February 19, 2001, we reported on the consolidated balance sheets of Selas Corporation of America and subsidiaries as of December 31, 2000 and 1999 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, 2000, as contained in the 2000 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 2000. 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.

/s/ KPMG LLP

Philadelphia, Pennsylvania
February 19, 2001

SCHEDULE I

SELAS CORPORATION OF AMERICA AND SUBSIDIARY COMPANIES

Condensed Financial Information of Registrant

Balance Sheets
December 31, 2000 and 1999

ASSETS	2000	1999
Current assets:		
Cash	$ 572,232	$ 138,392
Accounts receivable (including $3,903,483 and $4,450,272 due from subsidiaries in 2000 and 1999, respectively, eliminated in consolidation), less allowance for doubtful accounts of $10,000 in both years	7,827,465	5,572,399
Inventories, at cost	2,785,884	2,838,870
Prepaid expenses and other current assets	871,692	843,583
Total current assets	12,057,273	9,393,244
Investment in wholly-owned subsidiaries	60,731,876	56,453,522
Property and equipment, at cost	5,939,988	5,895,517
Less: accumulated depreciation	(4,983,785)	(4,861,481)
	956,203	1,034,036
Other assets and investment in unconsolidated affiliate	2,344,813	2,633,198
Total Assets	$76,090,165	$69,514,000

SCHEDULE I

SELAS CORPORATION OF AMERICA AND SUBSIDIARY COMPANIES

Condensed Financial Information of Registrant
Balance Sheets
December 31, 2000 and 1999

LIABILITIES AND SHAREHOLDERS' EQUITY	2000	1999
Current liabilities:		
Notes payable and current maturities of long-term debt	$ 6,082,000	$ 5,119,933
Accounts payable (including $15,897,018 and $14,478,429 due to subsidiaries in 2000 and 1999, respectively, eliminated in		

consolidation)	17,981,384	15,216,623
Accrued expenses	3,821,744	1,596,112
Total current liabilities	27,885,128	21,932,668
Long-term debt	116,667	816,667
Other postretirement benefit obligations	3,482,508	3,561,574
Deferred income taxes	172,338	180,167
Contingencies and commitments		
Shareholders' equity		
Common stock	5,634,968	5,634,968
Retained earnings and other equity	40,063,634	38,590,726
Less: 514,254 and 504,854 common shares held in treasury at cost	(1,265,078)	(1,202,770)
Total shareholders' equity	44,433,524	43,022,924
Total Liabilities and Shareholder's Equity	$76,090,165	$69,514,000

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, 2000, 1999 and 1998

	2000	1999	1998
Sales, net	$11,654,081	$ 7,640,167	$13,431,912
Add back: license fees and corporate charges paid by subsidiaries, eliminated in consolidation	400,000	1,013,208	805,796
	12,054,081	8,653,375	14,237,708
Costs and expenses:			
Cost of goods sold	8,805,571	4,805,422	9,582,358

Selling, general and administrative expenses	3,390,804	4,413,178	3,761,810
Rent and depreciation	290,134	372,942	360,801
	12,486,509	9,591,542	13,704,969
Income (loss) before income taxes (benefits)and equity in net income of subsidiaries	(432,428)	(938,167)	532,739
Provision for income taxes (benefits)	(152,964)	(241,315)	(753,789)
Income (loss) before equity in net income of subsidiaries	(279,464)	(696,852)	1,286,528
Equity in net income of subsidiaries	3,215,250	2,426,012	2,322,994
Net income	$ 2,935,786	$ 1,729,160	$ 3,609,522

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, 2000, 1999 and 1998

	2000	1999	1998
Operating Activities			
Net income	2,935,786	$ 1,729,160	$ 3,609,522
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	183,717	228,979	259,716
Other adjustments	(3,226,289)	(1,900,383)	(3,050,628)
Net changes in operating assets and liabilities	2,385,559	3,479,413	57,727

Net cash provided by oper. activities	2,278,773	3,537,169	876,337
Investing Activities			
Dividend from unconconsolidated affiliate		14,476	
Purchase of property, plant and equipment	(98,336)	(70,377)	(93,415)
Additional investment in subsidiary co.	1,024,304)	(1,067,140)	
Net cash (used) by investing activities	(1,122,640)	(1,123,041)	(93,415)
Financing Activities			
Proceeds from exercise of stock options		83,540	10,196
Proceeds from short-term borrowings	1,389,000	1,901,446	2,091,554
Payment of dividends	(922,052)	(934,302)	(941,954)
Repayments of long-term debt	(1,126,933)	(2,576,424)	(2,350,000)
Purchase of treasury stock	(62,308)	(820,833)	
Net cash (used) by financing activities	(722,293)	(2,346,573)	(1,190,204)
Increase (decrease) in cash and cash equivalents	433,840	67,555	(407,282)
Cash and cash equivalents, beginning of year	138,392	70,837	478,119
Cash and equivalents, end of year	$ 572,232	$ 138,392	$ 70,837

See accompanying notes to the consolidated financial statements.

SCHEDULE II

SELAS CORPORATION OF AMERICA AND SUBSIDIARY COMPANIES

Valuation and Qualifying Accounts
December 31, 2000, 1999 and 1998

Column A	Column B	Column C Additions	
Classification	Balance at Beginning of Period	Charged to Costs and Expenses	Other
Year ended December 31, 2000:			
Reserve deducted in the balance sheet from the asset to which it applies:			
Allowance for doubtful accounts	$ 977,557	$ 135,097	$ (62,660)(a)
Deferred tax asset valuation allowance	$ 1,464,907	$ (69,146)	
Reserve not shown elsewhere:			

Reserve for estimated future costs of service and guarantees	$ 1,483,624	$ 599,475	$ (93,746)(a)
Year ended December 31, 1999:			
Reserve deducted in the balance sheet from the asset to which it applies:			
Allowance for doubtful accts.	$1,993,733	$ 800,812	$ (217,768)(a)
Deferred tax asset valuation allowance	$1,620,162	$ (155,255)	
Reserve not shown elsewhere:			
Reserve for estimated future costs of service and guarantees	$2,294,889	$ (22,498)	$ (131,001)(a)
Year ended December 31, 1998:			
Reserve deducted in the balance sheet from the asset to which they apply:			
Allowance for doubtful accts.	$ 681,356	$ 1,324,093	$ 106,973 (a)
Deferred tax asset valuation allowance	$1,696,824	$ (76,662)	
Reserve not shown elsewhere:			
Reserve for estimated future costs of service and guarantees	$2,705,293	$ 355,013	$ 51,393 (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, 2000, 1999 and 1998

Column A	Column D	Column E
Classification	Deductions	Balance at End of Period
Year ended December 31, 2000:		
Reserve deducted in the balance sheet from the asset to which it applies:		
Allowance for doubtful accounts	$ 304,007(b)	$ 745,987
Deferred tax asset valuation allowance		$ 1,395,761
Reserve not shown elsewhere:		
Reserve for estimated future costs of		

service and guarantees	$ 1,031,613(c)	$ 957,740
Year ended December 31, 1999:		
Reserve deducted in the balance sheet from the asset to which it applies:		
Allowance for doubtful accounts	$ 1,599,220(b)	$ 977,557
Deferred tax asset valuation allowance		$ 1,464,907
Reserve not shown elsewhere:		
Reserve for estimated future costs of service and guarantees	$ 657,766(c)	$ 1,483,624
Year ended December 31, 1998:		
Reserve deducted in the balance sheet from the asset to which it applies:		
Allowance for doubtful accounts	$ 118,689(b)	$ 1,993,733
Deferred tax asset valuation allowance		$ 1,620,162
Reserve not shown elsewhere:		
Reserve for estimated future costs of service and guarantees	$ 816,810(c)	$ 2,294,889

(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 and Treasurer

Dated: March 30, 2001

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.

_____
Stephen F. Ryan
Attorney-In-Fact
March 30, 2001

_____
Stephen F. Ryan
Chairman and Chief Executive Officer and Director

March 30, 2001

_____*_____
Mark S. Gorder
President and Chief Operating Officer
March 30, 2001

_____
Francis A. Toczylowski
Vice President and Treasurer
March 30, 2001

_____*_____
+John H. Austin
Director
March 30, 2001

_____*_____
Frederick L. Bissinger
Director
March 30, 2001

_____*_____
Nicholas A. Giordano
Director
March 30, 2001

_____*_____
Michael J. McKenna
Director
March 30, 2001

EXHIBIT INDEX

EXHIBITS:

3B. The Company's By-Laws as amended.

4F. Third Amendment to Amended and Restated Credit Agreement, dated as of January, 2001

10G. 2001 Stock Option Plan.

13. "Selas Corporation of America Five-Year Summary of Operations" contained on Page 4 of the Company's 2000 annual report to shareholders; "Other Financial Highlights" contained on page 5 of the Company's 2000 annual report to shareholders; "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained on pages 6-10 of the Company's 2000 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 11-39 of the Company's 2000 annual report to shareholders.

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