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SL INDUSTRIES INC  
Form 11-K  
June 25, 2003

UNITED STATES  
SECURITIES & EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934 [FEE REQUIRED]

For the fiscal year ended December 31, 2002

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934 [ NO FEE REQUIRED]

COMMISSION FILE NUMBER 1-4987

SL INDUSTRIES, INC.  
SAVINGS AND PENSION PLAN

520 FELLOWSHIP ROAD, SUITE A-114  
MT. LAUREL, NJ 08054  
(Name & address of Principal Executive Offices  
of the issuer of the Securities)

21-0682685  
(I.R.S. Employer Identification No.)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934,  
the trustees (or other persons who administer the plan) have duly caused this  
annual report to be signed by the undersigned thereunto duly authorized.

SL INDUSTRIES, INC.  
Plan Administrator

By: /s/ David R. Nuzzo

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David R. Nuzzo  
Vice President, Finance & Administrator  
June 24, 2003

SL INDUSTRIES, INC. SAVINGS AND PENSION PLAN

INDEX TO FINANCIAL STATEMENTS AND SCHEDULE

Report of Independent Public Accountants  
for the year ended December 31, 2002

Financial Statements:

Statements of Net Assets Available for Benefits  
December 31, 2002 and December 31, 2001

Statement of Changes in Net Assets Available for Benefits  
for the year ended December 31, 2002

Notes to Financial Statements

Supplemental Schedule:

Schedule H, Line 4i - Schedule of Assets Held for  
Investment Purposes - December 31, 2002

Exhibit Index

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Plan Administrator  
SL Industries, Inc. Savings and Pension Plan:

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We have audited the accompanying statements of net assets available for benefits of the SL Industries, Inc. Savings and Pension Plan as of December 31, 2002 and 2001, and the related statement of changes in net assets available for benefits for the year ended December 31, 2002. These financial statements and the schedule referred to below are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits as of December 31, 2002 and 2001 and the changes in net assets available for benefits for the year ended December 31, 2002, in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule listed in the accompanying index is presented for purposes of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic statements taken as a whole.

/s/ Goldenberg Rosenthal, LLP  
Jenkintown, PA  
June 5, 2003

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SL INDUSTRIES, INC.  
SAVINGS AND PENSION PLAN  
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31	
	2002	2001
		(as adjusted)
INVESTMENTS	\$12,445,397	\$13,941,098

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RECEIVABLES

Employer contributions	260,967	310,274
Participant contributions	47,849	57,488
	-----	-----
TOTAL RECEIVABLES	308,816	367,762
	-----	-----
CASH	16,512	28,161
	-----	-----
NET ASSETS AVAILABLE FOR BENEFITS	\$12,770,725	\$14,337,021
	=====	=====

Note: The accompanying notes are an integral part of these financial statements.

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SL INDUSTRIES, INC.  
SAVINGS AND PENSION PLAN  
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Year Ended December 31, 2002
	-----
ADDITIONS (REDUCTIONS) TO NET ASSETS ATTRIBUTED TO:	
INVESTMENT INCOME:	
Net depreciation in fair value of investments	\$ (1,464,271)
Interest/dividends	345,365
Net realized loss on sales of investments	(88,057)
	-----
	(1,206,963)
	-----
CONTRIBUTIONS:	
Employer	558,155
Participant	872,037
Rollover	8,924
	-----
	1,439,116
	-----
TOTAL ADDITIONS	232,153
	-----
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:	
Benefits Paid to Participants	1,797,245
Administrative Expenses	1,204
	-----
TOTAL DEDUCTIONS	1,798,449
	-----
NET DECREASE	(1,566,296)

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NET ASSETS AVAILABLE FOR BENEFITS:

Beginning of Year	14,337,021
	-----
End of Year	\$ 12,770,725
	=====

Note: The accompanying notes are an integral part of these financial statements.

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SL INDUSTRIES, INC.  
SAVINGS AND PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF PLAN AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF PLAN

SL Industries, Inc. Savings and Pension Plan (the "Plan"), originally adopted May 1, 1976, is a defined contribution savings and pension plan covering substantially all U.S. non-union employees of SL Industries, Inc.'s Corporate Office, SL Surface Technologies Inc., Condor D.C. Power Supplies, Inc., SL Montevideo Technology, Inc., and SLW Holdings, Inc. (first month of the year in 2001). To become eligible for the plan, an individual would have to have attained the age of 18 on the first day of the month coinciding with or following the date of hire. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). Participants should refer to the Summary Plan Description for more complete information with respect to the provisions of the Plan.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. INVESTMENTS

As part of the Plan provisions, participants may invest in SL Industries, Inc. Common Stock ("Common Stock") and/or in various combinations of fourteen Fidelity Institutional Retirement Services Co., Inc. ("Fidelity") funds: Blended Income Fund, Puritan Fund, Growth and Income Portfolio, Low-Priced Stock Fund, Diversified International Fund, Mid-Cap Stock Fund, Freedom Income Fund, Freedom 2000 Fund, Freedom 2010 Fund, Freedom 2020 Fund, Freedom 2030 Fund, Spartan U.S. Equity Index Fund, U.S. Bond Index Fund and Money Market Fund. All income, gains or other amounts from any investment are reinvested in the same investment from which they are received. The amounts are then

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allocated, as appropriate, to each participant's account balance.

The Blended Income Fund represents a deposit contract with Fidelity's Managed Income Portfolio. Contributions are maintained in pooled accounts. The account is credited with earnings on the underlying investments at various rates and charged for Plan withdrawals. The financial statements reflect the contract/market values as reported by Fidelity as of the Plan year-end.

Employer matching contributions are invested solely in Common Stock of SL Industries, Inc. Until a participant is fully vested, the employer matching contribution credited to the participant's account cannot be liquidated.

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SL INDUSTRIES, INC.  
SAVINGS AND PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS

2. INVESTMENTS (continued)

The remaining funds are Fidelity separate investment accounts and are carried at market value as reported by Fidelity as of the Plan year-end. The fair value of the SL Industries, Inc. Common Stock is based on the market price as quoted on the New York Stock Exchange.

The Plan presents in the statement of changes in net assets available for benefits the net depreciation in investments, which consists of the realized gains or losses and the unrealized appreciation or depreciation of those investments.

Interest and dividend income are recorded as earned on an accrual basis.

During 2002, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value by \$1,552,328 as follows:

Mutual funds	\$	1,435,589
Common Stock		116,739
		-----
	\$	1,552,328
		-----

The following table represents investments that represent 5% or more of the Plan's net assets:

	December 31	
	2002	2001
	-----	-----
Blended Income Fund	\$3,539,701	\$3,294,441
SL Industries, Inc. Common Stock*	1,238,843	1,313,922
Fidelity Growth and Income Portfolio	1,094,635	1,408,216

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Fidelity Low Priced Stock Fund	1,284,594	1,549,482
Fidelity Mid-Cap Stock Fund	998,387	1,570,482
Spartan U.S. Equity Index Fund	860,151	1,059,777

\* Participant-directed and nonparticipant-directed.

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### SL INDUSTRIES, INC. SAVINGS AND PENSION PLAN NOTES TO FINANCIAL STATEMENTS

#### 2. INVESTMENTS (continued)

Information about the significant components of the changes in net assets relating to the SL Industries, Inc. Common Stock, which is both a participant-directed and a nonparticipant-directed investment option, is as follows for the years ended December 31, 2002 and 2001:

	December 31	
	2002	2001
Changes in net assets		
Contributions	\$ 651,127	\$ 1,131,975
Dividends	39	1,301
Net depreciation	(116,739)	(1,222,581)
Benefits paid to participants	(205,900)	(234,938)
Transfer/loan activity	(403,606)	(901,177)
Net changes	\$ (75,079)	\$ (1,225,420)

#### CONTRIBUTIONS

##### ELECTIVE CONTRIBUTIONS

Employees' contributions are based upon authorized payroll withholdings. Participants may make elective deferrals of up to an annual maximum of the lesser of 20% of their annual compensation, as defined by the Plan, or \$11,000 in the calendar year of 2002, and thereafter as adjusted by the Secretary of the Treasury. Additionally, eligible participants may elect to defer "catch-up" contributions.

##### MATCHING EMPLOYER CONTRIBUTIONS

The employer's match is fifty percent (50%) of the participant's elective deferrals, not to exceed six percent (6%) of the participant's compensation. Matching employer contributions have been invested solely in the Common Stock of SL Industries, Inc.

##### PROFIT SHARING CONTRIBUTIONS

A profit sharing contribution can be made annually to all Plan participants who have earned at least 1,000 hours of service during the

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Plan year, with the exception of participants who are disabled, die or retire. This is a discretionary contribution determined by resolution of the Board of Directors. Profit sharing contributions are invested in accordance with the election of each participant.

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### SL INDUSTRIES, INC. SAVINGS AND PENSION PLAN NOTES TO FINANCIAL STATEMENTS

#### 2. INVESTMENTS (continued)

##### BENEFITS

At the time of separation, the vested portion of a participant's account represents the participant's accumulated benefit. If a participant's account balance is less than \$5,000, a lump sum distribution will be made regardless of whether the participant requests a distribution. A participant who has an account balance of \$5,000 or greater may elect to: (1) continue to invest their accumulated benefit in the Plan until their normal retirement date; (2) purchase a qualified joint and survivor annuity; (3) receive payment in one lump sum; or (4) have any portion paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

At the retirement date, a participant may elect to receive their retirement benefit in one lump sum payment, in various types of installments, or in the form of a qualified joint and survivor annuity. The amount of the benefit payment depends on the value of the participant's account and the retirement benefit option the participant elects.

##### VESTING

Participants become immediately vested in their elective deferral contributions plus actual earnings and their employer's profit sharing contributions. Employer matching contributions become vested as follows:

Years of Service	Percentage Vested
Five years or more	100%
Four years or more, but less than five years	80%
Three years or more, but less than four years	60%
Two years or more, but less than three years	40%
One year or more, but less than two years	20%
Less than one year	0%

In determining years of service for vesting, the Plan considers service from the participant's date of hire. Only whole years of service will be counted for vesting purposes. The nonvested portion of a participant's account, if any, will be forfeited in accordance with the provisions of the Plan. Forfeitures will be allocated to the remaining participants' accounts on a prorated basis as defined by the Plan.



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SL INDUSTRIES, INC.  
SAVINGS AND PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS

2. INVESTMENTS (continued)

PARTICIPANT LOANS

The Plan makes loans to a participant, using the participant's account balance as collateral. The minimum loan amount is \$1,000 and may not exceed the lesser of \$50,000 or one-half of the participant's vested account balance. Loans bear interest at an interest rate as determined by the Plan Administrator based upon the prevailing rates of interest charged by persons in the business of lending money. The interest rates on the participant loans receivable as of December 31, 2002 and December 31, 2001 range from 4.75% to 10.25% and 5.5% to 10.25%, respectively. The term of any loan to a participant shall be no greater than five years, except in the case of a loan to acquire a dwelling unit that is considered a principal residence, in which case the term is 10 years.

3. PLAN TERMINATION

While SL Industries, Inc. has not expressed any intent to do so, it may terminate the Plan at any time, subject to the penalties set forth in ERISA, as amended. In the event of such Plan termination, participants will become 100% vested in their accounts.

4. ADMINISTRATIVE EXPENSES

Administrative expenses of the Plan have been paid by SL Industries, Inc., with the exception of asset management fees, which have been paid by the Plan. Total asset management fees expensed in the fiscal years ended December 31, 2002 and December 31, 2001 were \$1,204 and \$1,973, respectively.

5. TAX STATUS

The Internal Revenue Service has issued a favorable determination letter stating that the Plan meets the requirements for qualification pursuant to Section 401(a) of the Internal Revenue Code (the "Code") and that the Plan is exempt from federal income taxes under Section 501(a) of the Code. Although the Plan has been amended since receiving the determination letter, management believes that they are operating the Plan in accordance with the Code. Accordingly, there is no provision for income taxes in the accompanying financial statements.

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SL INDUSTRIES, INC. SAVINGS AND PENSION PLAN  
FEIN: 21-0682685  
PLAN NUMBER 001  
FORM 5500, SCHEDULE H, LINE 4 i  
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR  
DECEMBER 31, 2002

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(a)	(b) Identity of Issuer	(c) Description of Investment
	Common Stock	
*	SL Industries, Inc.	Common Stock
	Common Trust Fund	
	Fidelity Institutional Retirement Services Co., Inc.	Blended Income Fund
	Fidelity Institutional Retirement Services Co., Inc.	Fidelity Puritan Fund
	Fidelity Institutional Retirement Services Co., Inc.	Fidelity Growth & Income Portfol
	Fidelity Institutional Retirement Services Co., Inc.	Fidelity Low-Priced Stock Fund
	Fidelity Institutional Retirement Services Co., Inc.	Fidelity Diversified Int'l Fund
	Fidelity Institutional Retirement Services Co., Inc.	Fidelity Mid-Cap Stock Fund
	Fidelity Institutional Retirement Services Co., Inc.	Fidelity Freedom Income Fund
	Fidelity Institutional Retirement Services Co., Inc.	Fidelity Freedom 2000 Fund
	Fidelity Institutional Retirement Services Co., Inc.	Fidelity Freedom 2010 Fund
	Fidelity Institutional Retirement Services Co., Inc.	Fidelity Freedom 2020 Fund
	Fidelity Institutional Retirement Services Co., Inc.	Fidelity Freedom 2030 Fund
	Fidelity Institutional Retirement Services Co., Inc.	Spartan U.S. Equity Index Fund
	Fidelity Institutional Retirement Services Co., Inc.	Fidelity U.S. Bond Index Fund
*	Participant Loans Receivable	Loans, ranging 1-10 years maturi with interest rates of 4.75%-10.
*	A party-in-interest as defined by ERISA.	

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Exhibit Index

Number	Description
23.1	Consent of Independent Accountants, Goldenberg Rosenthal, LLP for the year ended December 31, 2002