

Steel Partners Holdings L.P. Files Lawsuit Against JPS Industries To Prevent The Expected Abuse Of The JPS Pension Plan's Voting Power By The Miller/Williams Group At The Upcoming 2015 Annual Meeting

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CEO Mikel Williams and Wm. Ellis Jackson Have the Ability to Control the Voting of the Nearly Two Million Shares of JPS (Approximately 19%) Held by the JPS Pension Plan

Steel Believes Messrs. Williams and Jackson Clearly Intend to Vote the Pension Plan's Shares to Entrench Themselves, to Give the Miller/Williams Group an Unfair Advantage at the 2015 Annual Meeting and to Facilitate Their Efforts to Take Control of JPS Without Paying For It

NEW YORK, Jan. 27, 2015 /PRNewswire/ -- Steel Partners Holdings L.P. (NYSE: SPLP) ("Steel"), a global diversified holding company, announced today that it has filed a complaint (the "Complaint" CA No. 10583) in the Court of Chancery of the State of Delaware against JPS Industries, Inc. (Pink Sheets: JPST) ("JPS" or the "Company"), the members of JPS' Special Committee, Robert J. Capozzi and Alan B. Howe, and two senior executives at JPS, Chief Executive Officer Mikel Williams and Wm. Ellis Jackson. Messrs. Williams and Jackson are the sole members of the JPS Investment Committee and have the power to vote the 1,925,685 shares, or approximately 19% of the Company's outstanding common stock, held by the JPS pension plan (the "Pension Shares"). The Complaint asks the Court to enjoin the voting of the Pension Shares by Mr. Williams and Mr. Jackson at the Company's 2015 Annual Meeting of Stockholders (the "2015 Annual Meeting"). Steel believes that Messrs. Williams and Jackson clearly intend to vote the Pension Shares to advance the self-interested agenda of the group led by Lloyd Miller and CEO Mikel Williams (the "Miller/Williams Group"), which is seeking control of JPS at the 2015 Annual Meeting without paying for it.

In the Complaint, Steel argues that allowing Mr. Williams and Mr. Jackson to vote the Pension Shares at the 2015 Annual Meeting would violate both Section 160(c) of the Delaware General Corporation Law, which prohibits a company from voting shares that "belong to" such company, and the officers' fiduciary duties to JPS stockholders, given that both Mr. Williams and Mr. Jackson have very strong incentives to vote for the Miller/Williams Group. Through this action, Steel seeks to enjoin the voting of the Pension Shares at the 2015 Annual Meeting and/or enjoin the seating of any directors elected at the 2015 Annual Meeting with the necessary votes of the Pension Shares. Alternatively, Steel proposes the appointment of an independent trustee to vote the Pension Shares or, if a trustee cannot be timely appointed, an order requiring the Pension Shares to be voted in the same manner and proportion as the voting by JPS' unaffiliated public stockholders.

Warren Lichtenstein, Chairman of the Board of Steel, commented, "We believe it's clear that JPS management intends to improperly vote the 19% block of JPS shares held by the JPS pension plan for the Miller/Williams Group in order to protect their own positions. This just shows the extreme lengths that the Miller/Williams Group will go to in order to gain an unfair advantage in seeking to take control of JPS for themselves without paying for it. We filed this Complaint in order to prevent such wrongful abuse of power and to allow JPS stockholders, as opposed to interested members of senior management under the influence of the Miller/Williams Group, to dictate the outcome of the very important 2015 Annual Meeting. We are confident that JPS' unaffiliated stockholders will vote for the Steel nominees who are offering them the opportunity for substantial value and immediate liquidity on their investment, rather than a group who has mismanaged the Company and who is seeking control without paying stockholders a dime. We call on JPS to immediately commit to leveling the playing field at the 2015 Annual Meeting by agreeing to vote the Pension Shares in the same manner and proportion as the shares held by the unaffiliated public stockholders. The Company's failure to commit to this simple and fair request would clearly show their intention to vote the Pension Shares to entrench themselves and essentially turn control of JPS over to the Miller/Williams Group."

Yesterday, Steel announced that it has commenced the mailing of proxy materials to JPS stockholders, including a **GREEN** proxy card and a letter to stockholders, to elect four director nominees at JPS' upcoming 2015 Annual Meeting. Steel has nominated Jack L. Howard, John J. Quicke, Jeffrey C. Levy and Gus Halas for election to JPS' Board of Directors. Subject to their fiduciary duties, if elected, these directors would immediately explore strategic alternatives for the Company at the highest bid, including the fully-financed tender offer by Handy & Harman Ltd. (NASDAQ: HNH) ("HNH"), a subsidiary of Steel.

HNH also announced yesterday that it has commenced the fully-financed tender offer, which it had previously announced on January 22, 2015, to purchase up to 10,028,724 shares, or approximately 96.5% of the outstanding shares, of common stock of JPS, at a price of \$10.00 per share in cash to all stockholders other than SPH Group Holdings LLC ("SPHG Holdings"), a subsidiary of Steel, and with respect to the shares owned by SPHG Holdings, in exchange for common stock of HNH. SPHG Holdings currently owns 4,021,580 shares, or approximately 38.7% of the outstanding shares, of the Company and has been a significant stockholder of JPS since 2001. The tender offer is scheduled to expire at 5:00 p.m., New York City time, on February 26, 2015, unless the offer is extended. The full terms, conditions and other details of the tender offer are set forth in the offering documents that HNH Group mailed to JPS stockholders.

About Steel Partners Holdings L.P.

Steel Partners Holdings L.P. is a global diversified holding company that engages in multiple businesses through consolidated subsidiaries, associated companies and other interests. It owns and operates businesses and has significant interests in leading companies in various industries, including diversified industrial products, energy, defense, supply chain management and logistics, banking, food products and services, oilfield services, sports, training, education, and the entertainment and lifestyle industries.

MacKenzie Partners, Inc. is the Solicitor for Steel in the Proxy Solicitation and is the Information Agent for Handy & Harman's tender offer. Any questions or requests for proxy materials, the Offer to Purchase or any related materials with respect to the proxy solicitation or the tender offer may be directed to MacKenzie Partners, Inc. by telephone at (800) 322-2885 or email at tenderoffer@mackenziepartners.com.

Notice to Investors

THIS PRESS RELEASE IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT AN OFFER TO BUY OR THE SOLICITATION OF AN OFFER TO SELL ANY SHARES. THE SOLICITATION AND THE OFFER TO BUY THE COMPANY'S COMMON STOCK IS ONLY BEING MADE PURSUANT TO AN OFFER TO PURCHASE AND RELATED MATERIALS THAT THE PURCHASER WILL MAIL TO REGISTERED HOLDERS OF THE COMPANY'S COMMON STOCK. SHAREHOLDERS SHOULD READ THESE MATERIALS CAREFULLY BECAUSE THEY CONTAIN IMPORTANT INFORMATION, INCLUDING THE TERMS AND CONDITIONS OF THE TENDER OFFER. SHAREHOLDERS WILL BE ABLE TO OBTAIN THE OFFER TO PURCHASE AND RELATED MATERIALS WITH RESPECT TO THE TENDER OFFER FREE BY CONTACTING MACKENZIE PARTNERS, INC. BY TELEPHONE AT (800) 322-2885 OR EMAIL AT TENDEROFFER@MACKENZIEPARTNERS.COM.

STOCKHOLDERS ARE ADVISED TO READ THE PROXY STATEMENT AND OTHER DOCUMENTS RELATED TO THE SOLICITATION OF PROXIES FROM THE STOCKHOLDERS OF JPS FOR USE AT THE 2015 ANNUAL MEETING BECAUSE THEY CONTAIN IMPORTANT INFORMATION, INCLUDING INFORMATION RELATING TO THE PARTICIPANTS AND NOMINEES IN SUCH PROXY SOLICITATION. A PROXY STATEMENT AND A FORM OF GREEN PROXY CARD HAVE BEEN MAILED TO STOCKHOLDERS OF JPS AND WILL ALSO BE AVAILABLE AT NO CHARGE AT www.stockholderdocs.com/JPST-SteelPartners

Forward-Looking Statements

This press release may contain certain "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, that reflect Steel's current expectations and projections about its future results, performance, prospects and opportunities. Forward-looking statements are based on information currently available to the Company and are subject to a number of risks, uncertainties and other factors that could cause its actual results, performance, prospects or opportunities in 2014 and beyond to differ materially from those expressed in, or implied by, these forward-looking statements. These factors include, without limitation, Steel's subsidiaries need for additional financing and the terms and conditions of any financing that is consummated, their customers' acceptance of its new and existing products, the risk that the Company and its subsidiaries will not be able to compete successfully, and the possible volatility of the Company's unit price and the potential fluctuation in its operating results. Although Steel believes that the expectations reflected in its forward-looking statements are reasonable and achievable, any such statements involve significant risks and uncertainties and no assurance can be given that the actual results will be consistent with the forward-looking statements.

Investors should read carefully the factors described in the "Risk Factors" section of the Company's filings with the SEC, including the Company's Form 10-K for the year ended December 31, 2013 for information regarding risk factors that could affect the Company's results. Except as otherwise required by federal securities laws, Steel undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason.

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