

Steel Partners Holdings Expresses Willingness to Acquire JPS Industries For \$8.00 Per Share in Cash

September 21, 2011, at 10:27 AM EDT

Encourages JPS Board to Commence a Sale Process for the Purpose of Selling JPS to the Highest Bidder

Intends to Commence a Consent Solicitation to Replace a Majority of the Members of the JPS Board

NEW YORK, Sept. 21, 2011 /PRNewswire/ -- Steel Partners Holdings L.P. announced today that it has delivered a letter to JPS Industries, Inc. (OTC: JPST) expressing its willingness to acquire JPS for \$8.00 per share in cash, representing a significant 120% premium to the closing price of the JPS shares on September 21, 2011, without any financing contingency and subject to customary due diligence and other conditions. In its letter, Steel encouraged the JPS Board to immediately commence a sale process overseen by a nationally recognized investment banking firm for the purpose of selling JPS, in whole or in parts, to the highest bidder. Steel would expect to participate in the sale process as a bidder and would support any sale of JPS to the highest bidder. Steel also stated that it intends to commence a consent solicitation of JPS stockholders for the purpose of removing and replacing a majority of the members of the JPS Board. Steel is the largest stockholder of JPS, owning approximately 39% of the outstanding shares.

The full text of the letter follows:

September 21, 2011
Mr. Michael L. Fulbright
Chairman, President and Chief Executive Officer
JPS Industries, Inc.
55 Beattie Place, Suite 1510
Greenville, South Carolina 29601

cc: Corporate Secretary

Dear Michael:

We hereby express our willingness to acquire JPS Industries, Inc. (the "Company") for a purchase price of \$8.00 per share in cash, representing a significant 120% premium to the closing price of the shares on the date hereof, without any financing contingency and subject to customary due diligence and other conditions. In the next few days, we intend to commence a consent solicitation of the stockholders of the Company for the purpose of removing and replacing three of the five current members of the Company's Board of Directors (the "Board"). We are seeking to replace a majority of the members of the Board because we believe the Company should be sold as soon as possible. As you know, on numerous occasions over the past several years we have attempted to work with you and the other members of the Board and senior management in an effort to maximize value for stockholders through a sale of the Company to Steel Partners Holdings L.P. or one of its affiliates. We have made compelling proposals to acquire the Company, each at a significant premium to the then current market price of the Company's shares and without a financing contingency. Despite our exhaustive efforts to convince you of the clear benefits to all constituents of a sale of the Company on the terms proposed by us, we have been unable to reach an agreement with the Board.

We would like the Company to immediately commence a sale process overseen by a nationally recognized investment banking firm for the purpose of selling the Company, in whole or in parts, to the highest bidder. We would expect to participate in the sale process as a bidder and would support any sale of the Company to the highest bidder. We would consider suspending our consent solicitation if the Company agrees to commence a sale process on the terms described above and agrees to a mutual reconstitution of the Board. Of course, the Company would also need to agree not to take any action that would frustrate our ability to conduct our consent solicitation or to implement the proposals set forth in our consent statement. We are willing to participate in a sale process but reiterate our strong desire to acquire the Company.

Our sole objective is to maximize stockholder value, and we would strongly prefer to work constructively with the current Board to achieve this end. We look forward to hearing from you.

Very truly yours,

STEEL PARTNERS HOLDINGS L.P.

By:

Steel Partners Holdings GP Inc.

General Partner

By:

/s/ Jack L. Howard

Jack L. Howard

President

About Steel Partners Holdings L.P.

Steel Partners Holdings L.P. ("Steel") is a global diversified holding company that owns and operates businesses in a variety of industries, including diversified industrial products, defense, banking, insurance, and food products and services companies.

Other Information

This communication does not constitute an offer to buy or solicitation of an offer to sell any securities of JPS Industries, Inc. (the "Company"). Steel intends to disseminate a consent statement in connection with a solicitation of consents from stockholders of the Company for the purpose of removing and replacing a majority of the members of the Board of Directors of the Company. Steel strongly advises all stockholders of the Company to read the consent statement when it becomes available. Steel will provide copies of the consent statement without charge upon request. Requests for copies of the consent statement should be directed to Steel.

SOURCE Steel Partners Holdings L.P.