

Steel Partners Holdings L.P. Reports Full Year 2011 Financial Results

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NEW YORK, March 26, 2012 /PRNewswire/ -- Steel Partners Holdings L.P. (SPNHU.PK.) ("SPH" or the "Company") reported revenues of \$712.2 million for the year ended December 31, 2011 as compared to approximately \$424.7 million for the same period in 2010. Net income attributable to the Company's common unit holders for 2011 was \$35.5 million, or \$0.99 per diluted LP unit, as compared to \$31.7 million, or \$1.16 per diluted LP unit, for 2010.

"SPH had a very productive 2011," said Warren Lichtenstein, Chairman and CEO of Steel Partners Holdings GP Inc. "Our companies saw growth through both acquisitions and improved demand in core markets, while SPH worked to create a continuous improvement culture and implemented operational excellence programs. These gains put SPH in a strong position as we complete our transition into a global, publicly-traded diversified holding company."

Financial Summary (\$000s)				
		Year Ended December 31,		
		2011	2010	
Revenue		\$ 712,222	\$ 424,665	
Costs and Expenses		666,084	410,777	
Income before taxes and equity method		46,138	13,888	
Income tax benefit (provision)		63,965	(2,657)	
(Loss) income from equity method investments		(13,823)	10,305	
Loss from other investments - related party		(15,743)	(3,220)	
Income from continuing operations		80,537	18,316	
Income from discontinued operations		740	28,130	
Net income		81,277	46,446	
Income attributable to non-controlling interests		(45,808)	(14,699)	
Net income attributable to common unit holders		\$ 35,469	\$ 31,747	
Net income per common unit - basic		\$ 1.41	\$ 1.26	
Net income per common unit - diluted		\$ 0.99	\$ 1.16	
Total Partners' Capital, end of year		\$ 415,797	\$ 405,732	

Total revenue for 2011 includes \$700,969 for the Diversified Industrial segment, as compared to \$385,805 in the prior year period. This results from the consolidation of Handy & Harman Ltd. ("HNH") effective May 7, 2010, the acquisition of SWH, Inc. ("SWH") by BNS Holding, Inc. on February 2, 2011 and the acquisition of DGT Holdings Corp. on July 5, 2011. HNH's revenues of \$664,017 in 2011 increased 16.9% over the full year 2010, relating principally to higher silver prices and increased units sold. SWH owns Sun Well Services, Inc., ("Sun Well") a provider of premium well services to exploration and production companies. Revenues of Sun Well for the period February 2, 2011 through December 31, 2011 of \$32,984 grew by 26.8% as

compared to the full year ended December 31, 2010, resulting from an increase in the average number of rigs in operation and an increase in the revenue per rig hour.

Revenues for 2011 include \$14,921 for the Financial Services segment, a 38.1% increase over the 2010 period. Interest and no-interest income increased due primarily to a new lending program. The program began in the third quarter of 2010.

Income from continuing operations, net of tax, in 2011 includes a net tax benefit of approximately \$83,000 which was principally generated by a non-cash tax benefit related to the reversal of deferred tax valuation allowances. Of this amount, approximately \$73,000 was related to HNH and approximately \$9,000 was related to BNS. The recognition of this non-cash tax benefit follows an assessment of the profitability of the Company's domestic operations and the likelihood that the deferred tax assets will be realized.

(Loss) income from equity method investments primarily relates to net changes in the market value of the investments held by the Company in Steel Excel Inc. and API Group plc.

Loss from other investments – related party represents the changes in the market value of the investments held by the SPII Liquidating Series Trust, whose holdings include interests in Barbican Group Holdings Limited and Fox & Hound Restaurant Group, among other investments. The Company has a 43.75% interest in the SPII Liquidating Series Trust.

Non-controlling interests primarily represent the minority ownership's share of the net income relating to HNH. As of December 31, 2011, the Company owned 55.5% of HNH.

Liquidity

In addition to cash and cash equivalents, the Company considers investments at fair value included in its consolidated balance sheet as being generally available to meet its liquidity needs. Investments at fair value are not as liquid as cash and cash equivalents, but they are generally convertible into cash within a reasonable period of time. As of December 31, 2011, the Company had cash and cash equivalents of \$13,417 and investments at fair value of \$120,734. In addition, the Company had \$23,736 of restricted cash which serves as collateral with respect to foreign currency financial instruments. The Company is not able to use these funds for other purposes, and the Company does not consider this amount to be available to meet its liquidity needs.

Our Company

SPH is a global diversified holding company that engages in multiple businesses through consolidated subsidiaries, associated companies and other interests. We own and operate businesses and have significant interests in leading companies in various industries, including diversified industrial products, energy, defense, banking, insurance, food products and services, oilfield services, sports, training, education, and the entertainment and lifestyle industries.

For additional information, please refer to our Annual Report on Form 10-K which we filed with the Securities and Exchange Commission on March 26, 2012. This Form 10-K, current reports on Form 8-K, and all amendments to those reports, are available free of charge through our website www.steelpartners.com as soon as reasonably practicable after those materials have been electronically filed with, or furnished to, the Securities and Exchange Commission.

Forward-Looking Statements

This press release contains 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 SPH's current expectations and projections about its future results, performance, prospects and opportunities. SPH has tried to identify these forward-looking statements by using words such as "may", "should", "expect", "hope", "anticipate", "believe", "intend", "plan", "estimate" and similar expressions. These 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 2012 and beyond to differ materially from those expressed in, or implied by, these forward-

looking statements. These factors include, without limitation, SPH's need for additional financing and the terms and conditions of any financing that is consummated, customers' acceptance of its new and existing products, the risk that the Company will not be able to compete successfully, and the possible volatility of the Company's stock price and the potential fluctuation in its operating results. Although SPH believes that the expectations reflected in these forward-looking statements are reasonable and achievable, such statements involve significant risks and uncertainties and no assurance can be given that the actual results will be consistent with these 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, 2011 for information regarding risk factors that could affect the Company's results. Except as otherwise required by Federal securities laws, SPH 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.

Investor Contact:

Steel Partners Holdings GP Inc.
James F. McCabe, Jr.
Chief Financial Officer
212-520-2300