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FOR IMMEDIATE RELEASE

STATES INDUSTRIES INC.

STATES INDUSTRIES INC., operating within the provisions of its Chapter 11 case filed on August 24, 2010, has announced today that it will complete the sale to Renwood States Lending LLC, subject to final approval by the Court, which is expected on October 20, 2010.

States expects the transition process to begin immediately, and Renwood has indicated that it plans to have the States businesses continue to improve and to grow here in Lane County under its ownership.

States has operated for approximately 50 days under the Chapter 11 process and has met or exceeded budget objectives set in its original filings with the Court. "The confirmation of the sale to Renwood today, subject to the Court's approval next week, reflects the ongoing support of States' management, customers, employees and suppliers, and the strong commitment of Renwood to the future growth of the business", reported John Davidson, Chief Restructuring Officer of States.

States currently employs about 230 people at its Eugene, Oregon location.

Additional information following the sale closing will be forthcoming from the Company.

States provides information through its Chapter 11 website at:

<http://www.invernessgroupllc.net/StatesIndustries-Ch11.html>

For Additional Information, Contact:

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