FORM 10-K

Annual report pursuant to section 13 and 15(d)

Filing Date: **1999-03-26** | Period of Report: **1998-12-26**
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FILER

JPS AUTOMOTIVE L P CIK:**924902**| IRS No.: **133770905** | State of Incorp.:**DE** | Fiscal Year End: **1229** Type: **10-K** | Act: **34** | File No.: **033-75510-01** | Film No.: **99574541** SIC: **3714** Motor vehicle parts & accessories	Mailing Address *701 MCCULLOUGH DR* *CHARLOTTE NC 28262*	Business Address *701 MCCLULLOGH DR* *CHARLOTTE NC 28262* *6108593000*
JPS AUTOMOTIVE PRODUCTS CORP CIK:**919233**| IRS No.: **570993690** | State of Incorp.:**DE** | Fiscal Year End: **1231** Type: **10-K** | Act: **34** | File No.: **001-12944** | Film No.: **99574542** SIC: **3714** Motor vehicle parts & accessories	Mailing Address *29 STEVENS ST* *GREENVILLE SC 29602*	Business Address *701 MCCULLOUGH DR* *CHARLOTTE, NC 28262* *6108593000*

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 26, 1998
Commission file numbers: 33-75510-01; 1-12944

JPS AUTOMOTIVE L.P.
JPS AUTOMOTIVE PRODUCTS CORP.

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	57-1060375
DELAWARE	57-0993690
(State or other Jurisdiction of incorporation or Organization)	(I.R.S. Employer Identification Number)
701 MCCULLOUGH DRIVE, CHARLOTTE, NC	28262
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (704) 547-8500

Securities registered pursuant to Section 12(b) of the Act: 11-1/8% SENIOR NOTES DUE 2001, WHICH ARE TRADED ON THE NEW YORK STOCK EXCHANGE

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter periods that the registrant was required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. YES [X] NO (See Note in the Index hereto)

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

None of the voting securities of JPS Automotive L.P. or JPS Automotive Products Corp. is held by non-affiliates.

As of March 25, 1999, there were 100 shares of JPS Automotive Products Corp. common stock outstanding.

JPS Automotive L.P. and JPS Automotive Products Corp. meet the conditions set forth in General Instruction (I)(1)(a) and (b) of Form 10-K and are therefore filing this form with the reduced disclosure format.

DOCUMENTS INCORPORATED BY REFERENCE
NONE

JPS AUTOMOTIVE L.P.

JPS AUTOMOTIVE PRODUCTS CORP.

FORM 10-K
FOR THE FISCAL YEAR ENDED DECEMBER 26, 1998

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(A) Omitted or amended as all of the equity securities of the Registrants are owned indirectly by Collins & Aikman Corporation and the Registrants therefore meet the Conditions set forth in General Instructions I(1)(a) and (b) of Form 10-K and are filing this Form with reduced disclosure format.

The Registrants will furnish a copy of any exhibit to this Form 10-K upon the request in writing of any holder of 11-1/8% Senior Notes due 2001 and upon the payment of a fee equal to the Registrants' reasonable expenses in furnishing such exhibit.

PART I

ITEM 1. BUSINESS

Response to Item 1 of Form 10-K is in accordance with General Instruction I(2)(d) to Form 10-K.

GENERAL

JPS Automotive ("JPS Automotive") produces and supplies a complete line of automotive textile and specialty textile products to North American automobile and light truck manufacturers. JPS Automotive's products include molded floor carpet systems, seating upholstery fabric ("bodycloth"), headliner fabric, and luggage compartment trim. JPS Automotive's customers include domestic original equipment manufacturers, such as General Motors ("GM"), DaimlerChrysler, and Ford, as well as the domestic operations of certain foreign OEMs ("Transplant OEMs" and collectively with domestic OEMs, "OEMs"), including Honda, Mazda, Mitsubishi, Nissan, NuMMI (a joint venture between GM and Toyota), Subaru and Toyota. JPS Automotive Products Corp. ("Products Corp.") is a wholly owned subsidiary of JPS Automotive.

On December 11, 1996, Collins & Aikman Corporation ("C&A"), through its subsidiaries, acquired JPS Automotive from Foamex International Inc. ("Foamex") pursuant to an Equity Purchase Agreement dated August 28, 1996, as amended December 11, 1996 (the "1996 Acquisition"). In the 1996 Acquisition, Collins & Aikman Products Co. ("C&A Products"), a wholly owned subsidiary of C&A, acquired a .9999% limited partnership interest in JPS Automotive from Foamex and a 99% limited partnership interest in JPS Automotive from Foamex-JPS Automotive L.P. ("FJPS"). PACJ, Inc., a wholly owned subsidiary of C&A Products, acquired a .0001% general partnership interest in JPS Automotive from JPSGP Inc. ("JSGP"). Accordingly, 100% of the partnership interests in JPS Automotive are owned by PACJ, Inc. and C&A Products, which are, respectively, indirect and direct wholly-owned subsidiaries of C&A. Additionally, on December 11, 1996, C&A Products also acquired from Seiren Co. Ltd. and its affiliates a minority interest in Cramerton Automotive Products, L.P. and Cramerton Management Corporation, which were JPS Automotive subsidiaries. In December 1997, Cramerton Automotive Products, L.P. was merged into Cramerton Management Corporation and the surviving entity was renamed Cramerton Automotive Products, Inc. ("Cramerton"). JPS Automotive subsequently acquired the minority interest held by C&A Products and now owns 100% of Cramerton.

On July 24, 1997, JPS Automotive completed the sale of its Air Restraint and Technical Products Division ("Airbag"), an airbag and industrial fabric business, to Safety Components International, Inc. for a sales price of approximately $56 million. No gain or loss was recorded on the sale since the sales price approximated the fair value and book value of Airbag.

In September 1998, JPS Automotive distributed its 50% ownership interest in Industrias Enjema S.A. de C.V. ("Enjema"), a carpet systems manufacturer located in Mexico, to C&A Products. C&A Products acquired, from a third party, the other 50% interest in Enjema in August 1998 for approximately $1 million.

The principal executive offices of JPS Automotive are located at 701 McCullough Drive, Charlotte, North Carolina, 28262 and its telephone number is (704) 547-8500.

References in this report to JPS Automotive means JPS Automotive L.P. and, where relevant, its subsidiaries.

PRODUCTS AND OPERATING SEGMENTS

JPS Automotive has two operating segments: Automotive Carpet and Automotive Fabric.

AUTOMOTIVE CARPET

JPS Automotive's automotive carpet operations produce complete molded floor carpet and luggage comparment trim. Prior to 1998, JPS Automotive manufactured rolled carpet goods for use in its own products and for sale to other automotive suppliers. In the second quarter of 1998, JPS Automotive closed its

facility which manufactured roll goods and initiated a contract manufacturing arrangement with C&A Products to supply its future roll goods requirements. See Note 12 to JPS Automotive Consolidated Financial Statements.

Molded floor carpets include polyethylene, barrier-backed and molded urethane underlay carpet. Luggage compartment trim includes one-piece molded trunk systems and assemblies, wheelhouse covers and center pan mats, seatbacks, tireboard covers and other trunk trim products.

AUTOMOTIVE FABRIC

JPS Automotive sells bodycloth and headliner fabric to other automotive suppliers. JPS Automotive's bodycloth fabric is typically specified by the OEM, though the product normally is shipped and billed directly to other OEM suppliers. Contract terms often parallel the terms between the OEM and the primary supplier with respect to timing, product specifications and quantity. JPS Automotive's principal upholstery fabric customers, other automotive suppliers, demand high quality automotive fabric products with respect to construction, weight and styling. OEMs typically do not specify a certain company's headliner fabric, but rather specify fabric type or construction when awarding purchase contracts. In 1998, JPS Automotive relocated its bodycloth manufacturing operations to a C&A Products facility, and entered into a contract manufacturing arrangement with C&A Products. See Notes 7 and 12 to the JPS Automotive Consolidated Financial Statements.

MARKETING AND SALES

In conjunction with the elimination of certain redundant sales and administrative functions following the 1996 Acquisition, C&A Products performs substantially all of the sales and marketing functions for JPS Automotive. This allows JPS Automotive to continue to provide integrated product systems and design and engineering support which management believes reduces costs and enhances value. See Notes 7 and 12 to the JPS Automotive Consolidated Financial Statements.

MANUFACTURING AND RAW MATERIALS

Manufacturing operations are currently conducted at two facilities with a total of approximately 1.2 million square feet. In connection with the 1996 Acquisition, JPS closed one manufacturing facility in 1997, a second facility in January 1998, and a third facility in June 1998. In addition, JPS Automotive is in the process of constructing additional space at a C&A Products facility where bodycloth is being produced by C&A Products for JPS Automotive in conjunction with a contract manufacturing arrangement. See Notes 7 and 12 to the JPS Automotive Consolidated Financial statements. JPS Automotive believes its facilities, taking into account its arrangements with C&A, are adequate to meet its current production requirements.

The principal raw materials used by JPS Automotive are carpet fibers (nylon, polyester and polypropylene), primary carpet backing and extrusion coating materials and other nylon and polyester fibers for knitting. Many of JPS Automotive's products contain branded raw materials specified by the customer and any substitution of such raw materials would have to be made in consultation with the customer. JPS Automotive purchases its raw materials from a few large suppliers; however, JPS Automotive believes there are readily available substitute sources of supply for its raw materials should the need for alternate sources arise. The price of man-made fibers, such as nylon and polyester, is influenced by demand, manufacturing capacity and polymer and petroleum prices.

EMPLOYEES

As of December 26, 1998, JPS Automotive employed approximately 1,500 persons. JPS Automotive considers relations with its employees to be generally good.

COMPETITION

The market for JPS Automotive's products is highly competitive and is concentrated among a small number of North American based companies. Competition is based primarily on price, quality of products and service. Certain of JPS Automotive's competitors are larger and have substantially greater financial resources.

TRANSACTIONS AND ARRANGEMENTS WITH AFFILIATES

For a discussion of certain transactions and arrangements between C&A Products and JPS Automotive, see Note 12 to JPS Automotive Consolidated Financial Statements.

YEAR 2000 ISSUES

For a discussion of the impact of Year 2000 compliance issues, see "ITEM 7, MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Impact of Year 2000 Compliance".

ITEM 2. PROPERTIES

Response to Item 2 of Form 10-K is in accordance with General Instruction I(2)(d) to Form 10-K. JPS Automotive conducts its operations in two manufacturing facilities, both of which are owned. Floor space at the two facilities, which are located in North Carolina and South Carolina, totals approximately 1.2 million square feet. JPS Automotive is in the process of constructing additional space at an existing C&A Products facility, where C&A Products is producing bodycloth for JPS Automotive on a subcontract basis.

ITEM 3. LEGAL PROCEEDINGS

From time to time, JPS Automotive is involved in various legal proceedings. Management believes that such proceedings are routine in nature and incidental to the conduct of its business, and that none of such proceedings, if determined adversely to JPS Automotive, would have a material adverse effect on the consolidated financial condition or results of operations of JPS Automotive.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Omitted pursuant to General Instruction I(2)(c) to Form 10-K.

PART II

ITEM 5. MARKET FOR REGISTRANTS' COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

JPS Automotive does not have an established public trading market for its equity securities. The equity securities are held by two wholly-owned subsidiaries of C&A. Products Corp. is a wholly-owned subsidiary of JPS Automotive L.P.

The indenture governing JPS Automotive's 11-1/8% Senior Notes due 2001 (the "Senior Notes") generally prohibits JPS Automotive from making certain restricted payments and investments (generally, dividends and distributions on its equity interests; purchases or redemptions of its equity interests; purchases of any indebtedness subordinated to Senior Notes and investments other than as permitted) ("Restricted Payments") unless (i) there is no default under the Senior Notes indenture, (ii) after giving pro forma effect to the Restricted Payment, JPS Automotive would be permitted to incur at least $1.00 of additional indebtedness under the indenture's general test for the incurrence of indebtedness which is a specified ratio (currently 2.5 to 1.0) of cash flow to interest expense and (iii) the aggregate of all Restricted Payments from the issue date is less than a specified threshold (based, generally, on 50% of cumulative consolidated net income since the issue date plus 100% of the aggregate net cash proceeds of the issuance by JPS Automotive of certain equity and convertible debt securities and cash contributions to JPS Automotive) (the "Restricted Payments Tests"). These conditions were satisfied as of December 26, 1998. The Restricted Payments Tests are subject to a number of significant exceptions.

During fiscal year 1998, JPS Automotive made distributions to C&A Products totaling $10.0 million. During fiscal 1997, JPS Automotive made distributions to C&A Products totaling $44.6 million, which included a $35 million distribution of a portion of the proceeds received from the sale of Airbag.

ITEM 6. SELECTED FINANCIAL DATA

Omitted pursuant to General Instruction I(2)(a) to Form 10-K.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Pursuant to General Instruction I(2)(a) to Form 10-K, the following discussion is management's narrative analysis of the results of operations explaining the reasons for material changes in the amount of revenue and expense items between the most recent fiscal year presented and the fiscal year immediately preceding it.

JPS Automotive produces and supplies textiles and specialty textile products for automobile and light truck production in North America. On December 11, 1996, C&A, through its subsidiaries, acquired JPS Automotive from Foamex International in the 1996 Acquisition. The following discussion should be read in conjunction with the consolidated financial statements and related notes thereto of JPS Automotive and Products Corp. included in this report.

1998 COMPARED TO 1997

OPERATING SEGMENTS:

JPS Automotive has two operating segments: Automotive Carpet and Automotive Fabric.

AUTOMOTIVE CARPET

NET SALES: Automotive Carpet sales increased 6.7% to $168.9 million in 1998, up $10.6 million from 1997. Due to the closure of C&A Products' Salisbury, North Carolina facility and the transfer of programs between C&A Products and JPS Automotive, automotive carpet products sales to C&A Products increased by approximately $6.7 million over the comparable 1997 period. In addition, revenues increased due to strong sales on the Mercedes M-class and the GM Alero/Grand Am. This increase was offset by a 54 day GM strike, which reduced sales by approximately $8.3 million.

OPERATING INCOME: Operating income decreased 39.9% to $9.5 million in 1998 from $15.9 million in 1997. This decrease is due to inefficiencies associated with the relocation of certain carpet manufacturing operations from a C&A Products facility to a JPS Automotive facility. Also, in 1998, operating income was negatively impacted by the General Motors strike by approximately $1.8 million. JPS Automotive experienced sales volume losses to General Motors during the strike and also incurred a number of cost increases as production was resumed following the strike.

AUTOMOTIVE FABRIC

NET SALES: Automotive Fabric sales decreased 22.4% to $67.8 million in 1998, down $19.6 million from 1997. Sales were adversely impacted by an increased demand for leather seating applications, which management expects to continue at its current level for the foreseeable future, an unfavorable mix on several models, and weak sales on the Toyota Camry.

OPERATING INCOME (LOSS): Automotive Fabric operating income (loss) decreased 139% to ($1.7) million in 1998 from $4.3 million in 1997. The Automotive Fabric segment experienced unfavorable manufacturing variances resulting from lower volume and an unfavorable product mix and also incurred charges related to idle equipment.

JPS AUTOMOTIVE AS A WHOLE

NET SALES: Net sales for JPS Automotive were $255.6 million in 1998 as compared to $247.3 million in the comparable 1997 period. This increase is primarily due to the factors discussed above.

GROSS PROFIT: Gross profit as a percentage of sales decreased to 11.1% in 1998 from 15.0% in 1997. The decrease in gross profit is due in part to lower volume and unfavorable product mix in automotive fabric and inefficiencies associated with the relocation and closing of certain manufacturing facilities. In addition, during the fourth quarter of 1998, JPS Automotive's fabric segment recorded a $1.0 million charge for idle equipment. These decreases were partially offset by $3.7 million of income recognized by the Automotive Carpet segment for a reversal of previously established warranty reserves originally recorded for estimated costs to repair or replace products no longer manufactured. The warranty claims for these items have been significantly below expected amounts and the remaining reserve was deemed unnecessary by management.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES: Selling, general, and administrative expenses decreased 21.7% to $12.1 million in 1998 from $15.5 million in 1997. This decrease is due primarily to JPS Automotive recognizing a $4.2 million reduction of expense related to the collection of an accounts receivable balance due from Enjema, which had previously been written off. Although there has been an elimination of certain redundant sales and administrative functions in connection with the 1996 Acquisition, selling, general and administrative expenses remained consistent with 1997 amounts due to an allocation from C&A Products for such services. See Note 12 to the JPS Automotive Consolidated Financial Statements.

INTEREST EXPENSE: Interest expense, net of interest income, decreased to $8.2 million in 1998 from $9.5 million in the comparable 1997 period primarily due to lower overall debt levels following the 1996 Acquisition. From the first quarter of 1997 through the fourth quarter of 1998, $25.9 million principal amount of Senior Notes were repurchased, on the open market or otherwise, by JPS Automotive and retired. During the second quarter of 1997, C&A Products and JPS Automotive entered into reciprocal revolving credit arrangements whereby JPS Automotive may borrow up to $5 million from C&A Products, and C&A Products may borrow up to $5 million from JPS Automotive, at interest rates equal to those charged to C&A Products under its revolving credit facility with The Chase Manhattan Bank. During 1998, $0.3 million in net interest was charged to C&A Products in connection with these revolving credit arrangements. See Note 12 to the JPS Automotive Consolidated Financial Statements.

OTHER INCOME: Other income for 1998 and 1997 related to the sales of fixed assets.

INCOME TAXES: The income tax provision in 1998 decreased to $3.6 million from $5.2 million in 1997.

INCOME FROM DISCONTINUED OPERATIONS: Income from Airbag was $1.7 million in 1997. Airbag was sold in July 1997.

EXTRAORDINARY LOSS: JPS Automotive recognized an extraordinary loss of $132 thousand, net of income taxes of $90 thousand, relating to the repurchase by JPS Automotive of $2.6 million principal amount of Senior Notes at prices in excess of carrying values during 1998. The extraordinary loss of $0.7 million, net of income taxes of $0.4 million, in the comparable period of 1997 relates to the repurchase of $19.4 million principal amount of Senior Notes at prices in excess of carrying values.

NET INCOME: Net income decreased to $4.9 million in 1998 from $8.0 million in 1997 primarily due to the reasons cited above.

LIQUIDITY AND CAPITAL RESOURCES

JPS Automotive's operating cash requirements consist principally of working capital requirements, scheduled payments of principal and interest on its outstanding indebtedness and capital expenditures. JPS Automotive believes the cash flow from operating activities, cash on hand and periodic capital contributions and borrowings will be adequate to meet operating cash requirements. For a discussion of certain transactions and arrangements and proposed transactions and arrangements between C&A Products and JPS Automotive, see Note 12 to the JPS Automotive Consolidated Financial Statements.

IMPACT OF YEAR 2000 COMPLIANCE

In accordance with arrangements between JPS Automotive and C&A Products, C&A Products provides administrative and management services to JPS Automotive. See Note 12 to the JPS Automotive Consolidated Financial Statements. These services include business planning and management information systems services for JPS Automotive. Accordingly, JPS Automotive is part of C&A Products' comprehensive plan intended to address Year 2000 issues. C&A Products has selected a team of managers and outside consultants to identify, evaluate and implement a time-table aimed at bringing critical business systems and applications into Year 2000 compliance prior to December 31, 1999. The plan addresses JPS Automotive's information technology and non-information technology and categorizes them into the following areas which are vulnerable to Year 2000 risk: (i) business computer systems, including financial, human resources, purchasing, manufacturing and sales and marketing systems; (ii) manufacturing, warehousing and servicing equipment, including shop floor controls; (iii) technical infrastructure, including local area networks, mainframes and communication systems; (iv) end-user computing, including personal computers; (v) suppliers, agents and service providers, including systems which interface with customers; (vi) environmental operations, including fire, security, emission and waste controls and elevators; and (vii) dedicated research and development facilities, including CAD/CAE/CAM systems and product testing systems.

JPS Automotive has evaluated the state of readiness of each area vulnerable to Year 2000 risk using the following definitions:

Inventory	-	Systems are being surveyed and documented regarding compliance
Remediation	-	Strategies are being implemented to modify or replace

		affected hardware and software
Testing	-	Systems are being tested by C&A Products employees or third party consultants
Complete	-	Systems are Year 2000 compliant

Currently, JPS Automotive estimates that it is in the Testing phase for most areas of Year 2000 risk and currently expects its systems to become Year 2000 compliant during 1999.

JPS Automotive is in the process of finalizing formal contingency plans. These contingency plans include, among other things, the following: (i) establishing back-up production capacities with other C&A Products facilities to shift the manufacturing of similar products between plants if a JPS Automotive plant should be unable to complete its scheduled production requirements; (ii) carrying extra inventory of raw materials and finished goods to cover production requirements if critical suppliers indicate that they will not be Year 2000 compliant in a timely manner; and (iii) maintaining offline documentation of production schedules, releases, and inventory levels. JPS Automotive has not quantified the costs associated with these contingency plans.

JPS Automotive has coordinated its Year 2000 compliance efforts with a plan to make its computer systems consistent with other operations of C&A Products. As a result, the majority of the Year 2000 compliance work for JPS Automotive is being performed by employees of other C&A Products divisions or subsidiaries and is included in the amounts charged to JPS Automotive for administrative and other services in accordance with the arrangements between JPS Automotive and C&A Products. See Note 12 to the JPS Automotive Consolidated Financial Statements. The additional cost to be borne by JPS Automotive for its efforts to address the Year 2000 issue is anticipated to be approximately $374 thousand. Included in this estimate is $180 thousand of salaries and other payroll costs of employees to the extent that they have devoted a majority of their time to the project. Approximately $162 thousand of these costs have been incurred through December 26, 1998, including $136 thousand of salaries and other payroll costs. JPS Automotive is funding the expenditures related to the Year 2000 plan with cash flows from operations.

Due to the general uncertainty inherent in the Year 2000 process at this stage, it is difficult to determine a reasonably likely Year 2000 worst case scenario. One possible scenario would be the failure of JPS Automotive's key suppliers to become compliant. To address this possible scenario, JPS Automotive is in the process of assessing responses to questionnaires previously issued to its suppliers and visiting certain of these suppliers to assess their Year 2000 readiness. This process is expected to continue over the next several months. JPS Automotive is incorporating the responses received from the suppliers in formulating contingency

plans. Due to the number of suppliers that JPS Automotive deals with, JPS Automotive is unable to make a meaningful estimate of the revenue that would be lost in the event such a scenario was realized.

C&A Products' and JPS Automotive's Year 2000 efforts are ongoing and their overall plan, as well as the consideration of contingency plans, will continue to evolve as new information becomes available. JPS Automotive currently anticipates that, with the modifications discussed above, the Year 2000 issue should not pose significant operational problems for JPS Automotive. However, if such modifications are not made, or are not completed timely, or contingency plans fail, the Year 2000 issue could have a material adverse impact on the operations of JPS Automotive. Success of the Year 2000 plan may to some extent depend on the availability of outside consultants. Further, there is no guarantee that the systems of other companies on which JPS Automotive's systems rely will be timely converted and would not have an adverse effect on JPS Automotive's systems.

The cost to JPS Automotive of its Year 2000 efforts and the dates by which JPS Automotive believes it will be Year 2000 compliant are based on management's current best estimates, which were derived based on numerous assumptions of future events, some of which are beyond the control of JPS Automotive, including the continued availability of certain resources, third party modification plans and other factors. There can be no guarantee, however, that these estimates will be achieved, and actual results could differ materially from those anticipated.

SAFE HARBOR STATEMENT

This Form 10-K contains statements which, to the extent they are not historical fact, constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (the "Safe Harbor Acts"). All forward-looking statements involve risks and uncertainties. The forward-looking statements in this Form 10-K are intended to be subject to the safe harbor protection provided by the Safe Harbor Acts.

Risks and uncertainties that could cause actual results to vary materially from those anticipated in the forward-looking statements included in this Form 10-K include industry-based factors such as possible declines in the North American automobile and light truck build, labor strikes at JPS Automotive's major customers, changes in consumer preferences, dependence on significant automotive customers, changes in the popularity of particular car models or particular interior trim packages, the loss of programs on particular car models, the level of competition in the automotive supply industry, pricing pressure from automotive customers, and Year 2000 compliance issues, as well as factors more specific to JPS Automotive, such as the substantial leverage of JPS Automotive and limitations imposed by the Senior Notes. For a discussion of certain of these and other important factors which may affect the operations, products and markets of JPS Automotive, see "ITEM 1. BUSINESS" and the above discussion in this "ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS," and Notes to JPS Automotive Consolidated Financial Statements and see also JPS Automotive's other filings with the Securities and Exchange Commission.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Omitted pursuant to General Instruction I(2)(a) to Form 10-K.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See the Consolidated Financial Statements of JPS Automotive and subsidiaries and Products Corp. included herein and listed on the indices to the Consolidated Financial Statements and Financial Statement Schedule as set forth in Item 14 of this Form 10-K.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANTS

Omitted pursuant to General Instruction I(2)(c) to Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

Omitted pursuant to General Instruction I(2)(c) to Form 10-K.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Omitted pursuant to General Instruction I(2)(c) to Form 10-K.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Omitted pursuant to General Instruction I(2)(c) to Form 10-K.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K.

(a) Financial Statements
The financial statements listed in the accompanying Index to Consolidated Financial Statements are filed as part of this Report on Form 10-K.

(b) Reports on Form 8-K
During the last quarter of the period covered by this Report on Form 10-K, the Company filed no reports on Form 8-K.

(c) Exhibits

EXHIBIT NUMBER	DESCRIPTION
3.1	Certificate of Incorporation of Products Corp. is hereby incorporated by reference to Exhibit 3.1 of Products Corp.'s Registration Statement on Form S-1, Registration No. 33-75510.
3.2	By-laws of Products Corp. are hereby incorporated by reference to Exhibit 3.2 of Products Corp.'s Registration Statement on Form S-1, Registration No. 33-75510.
3.3	Certificate of Limited Partnership of JPS Automotive is hereby incorporated by reference to Exhibit 3.3 of Products Corp.'s Registration Statement on Form S-1, Registration No. 33-75510.
3.4	First Amended and Restated Agreement of Limited Partnership of JPS Automotive, dated as of June 27, 1994, is hereby incorporated by reference to Exhibit 3.4 of the Form 10-K of JPS Automotive and Products Corp. for fiscal 1994.
3.5	Certificate of Amendment of Certificate of Limited Partnership of JPS Automotive dated December 11, 1996 is hereby incorporated by reference to Exhibit 3.5 of the Form 10-K of JPS Automotive and Products Corp. for the transition period from January 1, 1996 to December 28, 1996.
3.6	First Amendment to First Amended and Restated Agreement of Limited Partnership of JPS Automotive dated as of December 11, 1996 is hereby incorporated by reference to Exhibit 3.6 of the Form 10-K of JPS Automotive and Products Corp. for the transition period from January 1, 1996 to December 28, 1996.

3.7	Second Amendment to First Amended and Restated Agreement of Limited Partnership of JPS Automotive dated as of December 11, 1996, is hereby incorporated by reference to Exhibit 3.7 of the Form 10-K of JPS Automotive and Products Corp. for the transition period from January 1, 1996 to December 28, 1996.
4.1	Indenture dated as of June 28, 1994, between Products Corp., as Issuer, JPS Automotive, as Guarantor, and Shawmut Bank Connecticut, N.A., as Trustee, relating to $180,000,000 principal amount of 11-1/8% Senior Notes due 2001 including form of the JPS Automotive Senior Note is hereby incorporated by reference to Exhibit 4.2 of Products Corp.'s Registration Statement on Form S-1, Registration No. 33-75510.
4.2	First Supplemental Indenture, dated as of October 5, 1994, between Products Corp. and JPS Automotive, as Co-Obligors, and Shawmut Bank Connecticut, N.A., as Trustee, relating to the JPS Automotive Senior Notes is hereby incorporated by reference to Exhibit 4.48A of Form 10-Q of JPS Automotive and Products Corp. for the fiscal quarter ended October 2, 1994.
	Certain instruments defining the rights of security holders have been excluded herefrom in accordance with Item 601(b)(4)(iii)(A) of Regulation S-K. The Registrants hereby agree to furnish a copy of any such instrument to the Commission upon request.
10.1	Services Agreement, by and between JPS Automotive and Foamex International is hereby incorporated by reference to Exhibit 10.2 of Products Corp.'s Registration Statement on Form S-1, Registration No. 33-75510.
10.2	Supply Agreement, by and among Foamex International and certain of its affiliates and JPS Automotive is incorporated by reference to Exhibit 10.8 of Products Corp.'s Registration Statement on Form S-1, Registration No. 33-75510.

10.3 Tax-sharing Agreement, by and among JPS Automotive and its partners is incorporated by reference to Exhibit 10.9 of Products Corp.'s Registration Statement on Form S-1, Registration No. 33-75510.

10.4 Assignment dated as of December 11, 1996, from Foamex International to C&A Products relating to Services Agreement, is hereby incorporated by reference to Exhibit 10.10 of the Form 10-K of JPS Automotive and Products Corp. for the transition period from January 1, 1996 to December 28, 1996.

10.5 Assignment dated as of December 11, 1996, from Foamex-JPS Automotive L.P. to C&A Products relating to Tax-Sharing Agreement, is hereby incorporated by reference to Exhibit 10.11 of the Form 10-K of JPS Automotive and Products Corp. for the transition period from January 1, 1996 to December 28, 1996.

10.6 Assignment dated as of December 11, 1996, from JPSGP, Inc. to C&A Products relating to Tax-Sharing Agreement, is hereby incorporated by reference to Exhibit 10.12 of the Form 10-K of JPS Automotive and Products Corp. for the transition period from January 1, 1996 to December 28, 1996.

10.7 Assignment dated as of December 11, 1996, from Foamex to C&A Products relating to Supply Agreement, is hereby incorporated by reference to Exhibit 10.13 of the Form 10-K of JPS Automotive and Products Corp. for the transition period from January 1, 1996 to December 28, 1996.

10.8 Equity Purchase Agreement by and among JPSGP, Inc., Foamex - JPS Automotive L.P. and Collins & Aikman Products Co. dated August 28, 1996, is hereby incorporated by reference to Exhibit 2.1 of Collins& Aikman Corporation's Report on Form 10-Q for the fiscal quarter ended July 27, 1996.

10.9 Amendment No. 1 to Equity Purchase Agreement by and among JPSGP, Inc., Foamex - JPS Automotive L.P., Foamex International Inc. and Collins & Aikman Products Co. dated as of December 11, 1996, is hereby incorporated by reference to Exhibit 2.2 of Collins & Aikman Corporation's Current Report on Form 8-K dated December 10, 1996.

10.10 Post 1996 Acquisition Arrangements Under JPS Automotive Services Agreement is hereby incorporated by reference to Exhibit 10.15 of the Form 10-K of JPS Automotive and Products Corp. for the fiscal year ended December 27, 1997.

10.11 Asset Purchase Agreement dated as of June 30, 1997 by and among JPS Automotive L.P. and Safety Components International, Inc. is hereby incorporated by reference to Exhibit 2.1 of the Current Report on Form 8-K of JPS Automotive and Products Corp. dated July 24, 1997.

10.12 Closing Agreement dated as of July 24, 1997 by and among JPS Automotive L.P., Safety Components International, Inc. and Safety Components Fabric Technologies, Inc. is hereby incorporated by reference to Exhibit 2.2 of the Current Report on Form 8-K of JPS Automotive and Products Corp. dated July 24, 1997.

27 Financial Data Schedules

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned, thereunto duly authorized on the 25th day of March, 1999.

JPS AUTOMOTIVE L.P.

By: PACJ, Inc.
General Partner

By: /s/ J. Michael Stepp
J. Michael Stepp
Executive Vice President and
Chief Financial Officer

JPS AUTOMOTIVE PRODUCTS CORP.

By: /s/ J. Michael Stepp
J. Michael Stepp
Executive Vice President and
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrants and in the capacities and on the dates indicated:

Signatures	Title	Date
/s/ Thomas E. Hannah Thomas E. Hannah	Director and Chief Executive Officer of PACJ, Inc. (Principal Executive Officer)	March 25, 1999
/s/ J. Michael Stepp J. Michael Stepp	Director and Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer) of JPS Automotive Products Corp, and PACJ, Inc.	March 25, 1999

JPS AUTOMOTIVE L.P.

JPS AUTOMOTIVE PRODUCTS CORP.

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Partners of JPS Automotive L.P.:

We have audited the accompanying consolidated balance sheets of JPS Automotive L.P. (a Delaware limited partnership and an indirect subsidiary of Collins & Aikman Corporation) and subsidiaries as of December 26, 1998, and December 27, 1997, and the related consolidated statements of operations, owners' equity, and cash flows for the years ended December 26, 1998, and December 27, 1997, the period from December 12, 1996 to December 28, 1996, and the period from January 1, 1996, to December 11, 1996. These consolidated financial statements and the schedule referred to below are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and schedule based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of JPS Automotive L.P. and subsidiaries as of December 26, 1998, and December 27, 1997, and the results of their operations and their cash flows for the years ended December 26, 1998, and December 27, 1997, the period from December 12, 1996 to December 28, 1996, and the period from January 1, 1996, to December 11, 1996, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. Schedule II is presented for purposes of complying with the Securities and Exchange Commission's rules and is not a required part of the basic financial statements. This 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 financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Charlotte, North Carolina,
February 22, 1999.

JPS AUTOMOTIVE L.P. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

<TABLE>

ASSETS	DECEMBER 26, 1998	DECEMBER 27, 1997
<S>	<C>	<C>
Current assets:		
Cash and cash equivalents..............................	$ 171	$ 9,271
Accounts receivable, net of allowance $2,254 and $6,018	36,139	37,038
Inventories..	11,308	19,275
Revolving loan due from C&A Products...................	1,500	4,500
Deferred tax assets....................................	3,203	5,369

Receivables from related parties	10,403	1,974
Other current assets	1,344	4,269
Total current assets	64,068	81,696
Property, plant and equipment:		
Land and land improvements	4,380	4,581
Buildings and leasehold improvements	17,292	12,412
Machinery, equipment and furnishings	43,988	43,433
Construction in progress	6,375	415
Total	72,035	60,841
Less - Accumulated depreciation and amortization	(10,903)	(5,371)
Property, plant and equipment, net	61,132	55,470
Goodwill, net	100,688	103,310
Demand receivable due from C&A for income taxes	6,887	6,548
Debt issuance costs, net	1,934	2,667
Other assets	3,222	916
	$237,931	$250,607
LIABILITIES AND OWNERS' EQUITY		
Current liabilities:		
Accounts payable	$ 10,795	$ 12,083
Accrued expenses	6,383	13,677
Total current liabilities	17,178	25,760
Long-term debt	88,247	91,843
Other liabilities	10,224	10,008
Commitments and contingencies		
Owners' equity:		
General partner	48,073	48,073
Limited partner	74,209	74,923
Total owners' equity	122,282	122,996
	$237,931	$250,607

</TABLE>

The Notes to Consolidated Financial Statements are an integral part of these consolidated financial statements.

<TABLE>

JPS AUTOMOTIVE L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS)

<S>	YEAR ENDED DECEMBER 26, 1998 <C>	YEAR ENDED DECEMBER 27, 1997 <C>	PERIOD FROM DECEMBER 12, 1996, TO DECEMBER 28, 1996 <C>	PREDECESSOR COMPANY PERIOD FROM JANUARY 1, 1996, TO DECEMBER 11, 1996 <C>
Net sales	$255,627	$247,271	$6,370	$219,039
Cost of goods sold	227,254	210,281	6,008	182,818
Gross profit	28,373	36,990	362	36,221

Selling, general and administrative expenses.......	12,122	15,478	885	18,740
Income (loss) from operations....	16,251	21,512	(523)	17,481
Interest expense, net of interest income of $969, $1,151, $19 and $114	(8,159)	(9,530)	(531)	(20,249)
Other income (expense), net......	616	313	2	(4,782)
Minority interest in consolidated subsidiary....................	-	-	-	551
Income (loss) before income taxes	8,708	12,295	(1,052)	(6,999)
Income tax provision (benefit)...	3,626	5,199	(388)	352
Income (loss) from continuing operations....................	5,082	7,096	(664)	(7,351)
Income from discontinued operations, net of income taxes of $0, $1,044, $11 and $0	-	1,662	18	3,615
Income (loss) before extraordinary loss.............	5,082	8,758	(646)	(3,736)
Extraordinary loss on extinguishment of debt, net of income taxes of $90 and $442..	132	721	-	-
Net income (loss)................	$ 4,950	$ 8,037	$ (646)	$ (3,736)

</TABLE>

The Notes to Consolidated Financial Statements are
an integral part of these consolidated financial statements.

JPS AUTOMOTIVE L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OWNERS' EQUITY
(IN THOUSANDS)

<TABLE>

<S>	LIMITED PARTNER <C>	GENERAL PARTNER <C>	TOTAL <C>
PREDECESSOR COMPANY:			
Balance, December 31, 1995......................	$105,054	$1,061	$106,115
Net loss..	(3,699)	(37)	(3,736)
Balance, December 11, 1996......................	101,355	1,024	102,379
Acquisition of JPS Automotive by Collins & Aikman Corporation.................................	(101,355)	(1,024)	(102,379)
	$ -	$ -	$ -
JPS AUTOMOTIVE:			
Pushdown of acquisition basis and initial contributions by partners............	$ 70,980	$48,074	$119,054
Cash contributions by partners..................	4,117	-	4,117
Net loss..	(645)	(1)	(646)
Balance, December 28, 1996......................	74,452	48,073	122,525
Contributions by partners-			
Cash..	32,369	-	32,369
Other (Note 12).............................	5,142	-	5,142
Distributions to partners.......................	(44,625)	-	(44,625)

True-up of pushdown acquisition basis...........	(452)	-	(452)
Net income....................................	8,037	-	8,037
Balance, December 27, 1997......................	74,923	48,073	122,996
Distributions to partners.......................	(10,000)	-	(10,000)
Contributions from partners - Other (Note 12)....	4,336	-	4,336
Net income....................................	4,950	-	4,950
Balance, December 26, 1998......................	$ 74,209	$48,073	$122,282

</TABLE>

The Notes to Consolidated Financial Statements are an integral part of these consolidated financial statements.

<TABLE>

JPS AUTOMOTIVE L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

				PREDECESSOR COMPANY
	YEAR ENDED DECEMBR 26, 1998	YEAR ENDED DECEMBER 27, 1997	PERIOD FROM DECEMBER 12, 1996, TO DECEMBER 28, 1996	PERIOD FROM JANUARY 1, 1996, TO DECEMBER 11, 1996
<S>	<C>	<C>	<C>	<C>
OPERATING ACTIVITIES:				
Income (loss) from continuing operations	$ 5,082	$ 7,096	$ (664)	$ (7,351)
Adjustments to derive cash flow from continuing operating activities:				
Deferred income tax expense........	6,307	11,190	(60)	-
Depreciation and amortization......	9,221	7,868	373	10,492
Interest accretion and debt issuance cost amortization...............	(217)	(322)	-	1,115
Other, net........................	(616)	215	(21)	3,898
Changes in operating assets and liabilities, net of acquisition:				
Accounts receivable...........	899	(10,414)	(102)	776
Inventories...................	7,967	(4,986)	596	40
Accounts payable..............	(1,288)	69	(2,846)	(3,483)
Other assets and liabilities...	(9,517)	(6,401)	(10,784)	7,781
Net cash provided by (used in) continuing operations..........	17,838	4,315	(13,508)	13,268
Net cash provided by (used in) discontinued operations, net.....	-	478	(1,777)	11,105
Net cash provided by (used in) operating activities...........	17,838	4,793	(15,285)	24,373
INVESTING ACTIVITIES:				
Capital expenditures, net...........	(12,007)	(3,692)	(435)	(4,438)
Proceeds from disposition of discontinued operations...........	-	55,900	-	-
Payment to related party for assumption of environmental liabilities.......	-	(4,136)	-	-
Other, net..........................	-	1,391	-	85
Net cash provided by (used in) investing activities...........	(12,007)	49,463	(435)	(4,353)

FINANCING ACTIVITIES:				
Net proceeds from (repayments and advances on) revolving loans.......	3,000	(4,500)	-	(9,563)
Repayment of long-term debt..........	(2,707)	(25,627)	(26,878)	(1,415)
Capital contributions from partners..	4,336	32,369	30,995	-
Distributions to C&A Products........	(10,000)	(44,625)	-	-
Changes in amounts due C&A Products, net	(9,406)	(2,800)	-	-
Distributions to minority interest...	-	-	-	(78)
Other................................	(154)	-	-	-
Net cash provided by (used in) financing activities...........	(14,931)	(45,183)	4,117	(11,056)
Net increase (decrease) in cash and cash equivalents..........................	(9,100)	9,073	(11,603)	8,964
Cash and cash equivalents at beginning of period.............................	9,271	198	11,801	2,837
Cash and cash equivalents at end of period	$ 171	$ 9,271	$ 198	$ 11,801

</TABLE>

The Notes to Consolidated Financial Statements are an integral part of these consolidated financial statements

JPS AUTOMOTIVE L.P. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND BASIS OF PRESENTATION:

JPS Automotive L.P. and subsidiaries ("JPS Automotive" or the "Company") operate in the automotive products segment in North America, including the design, production and sale of carpet components and interior fabrics for passenger cars and light trucks.

On December 11, 1996, Collins & Aikman Corporation ("C&A"), through its subsidiaries, acquired JPS Automotive from Foamex International Inc. ("Foamex") pursuant to an Equity Purchase Agreement dated August 28, 1996, as amended December 11, 1996 (the "1996 Acquisition"). In the 1996 Acquisition, Collins & Aikman Products Co. ("C&A Products"), a wholly owned subsidiary of C&A, acquired a .9999% limited partnership interest in JPS Automotive from Foamex and a 99% limited partnership interest in JPS Automotive from Foamex- JPS Automotive L.P. ("FJPS"). PACJ, Inc., a wholly owned subsidiary of C&A Products, acquired a .0001% general partnership interest in JPS Automotive from JPSGP Inc. ("JPSGP"). Accordingly, 100% of the partnership interests in JPS Automotive are owned by PACJ, Inc. and C&A Products, which are, respectively, indirect and direct wholly owned subsidiaries of C&A. Additionally, on December 11, 1996, C&A Products also acquired from Seiren Co. Ltd. and its affiliates a minority interest in Cramerton Automotive Products, L.P. and Cramerton Management Corporation, which are JPS Automotive subsidiaries that were merged in December 1997 under the name Cramerton Automotive Products, Inc. ("Cramerton"). JPS Automotive subsequently acquired the minority interest previously held by C&A Products and now owns 100% of Cramerton.

The consolidated balance sheets as of December 26, 1998, and December 27, 1997, and the consolidated statements of operations, cash flows and owners' equity for the years ended December 26, 1998 and December 27, 1997, and the period from December 12, 1996 to December 28, 1996, pertain to JPS Automotive. The consolidated statements of operations, cash flows and owners' equity for the period from January 1, 1996, to December 11, 1996 pertain to JPS Automotive under its prior ownership by Foamex ("the Predecessor Company")

2. JPS AUTOMOTIVE ACQUISITION:

As discussed in Note 1, on December 11, 1996, C&A, through its subsidiaries, acquired JPS Automotive from Foamex pursuant to an Equity Purchase Agreement dated August 28, 1996, as amended December 11, 1996. The purchase price for the 1996 Acquisition was an aggregate of approximately $220 million, consisting of approximately $195 million of indebtedness of JPS Automotive and

$25 million in cash paid to Foamex. During 1997, C&A finalized the purchase price and received approximately $11.2 million from the seller as a reduction of the purchase price.

In connection with the 1996 Acquisition, C&A, through its subsidiaries, acquired approximately $68 million of the Company's outstanding 11-1/8% Senior Notes due 2001 (the "Senior Notes"), which were subsequently retired by the Company. In addition, at the time of closing, approximately $15 million of the Company's outstanding debt was repaid. (See Note 6.) The Senior Notes formerly held by C&A and the funds used to repay the Company's outstanding bank indebtedness were recorded as capital contributions to the Company from C&A and its subsidiaries.

The aggregate investment of approximately $119 million in connection with the acquisition of JPS Automotive by C&A and its subsidiaries was funded by borrowings under C&A's credit facilities.

The 1996 Acquisition has been accounted for as a purchase and, pursuant to the provisions of Staff Accounting Bulletin No. 54 ("SAB No. 54") and the rules of pushdown accounting, the 1996 Acquisition gave rise to a new basis of accounting. The purchase price and related acquisition expenses exceeded the fair value of the net assets acquired. The purchase price in excess of the net assets acquired has been pushed down and recorded in the accompanying consolidated balance sheet as goodwill. The excess of the purchase price over the estimated fair value of the net assets acquired (goodwill) is being amortized over 40 years.

In addition to the pushdown of goodwill, adjustments to certain assets and liabilities of the Predecessor Company were recorded by the Company as a result of the 1996 Acquisition and the application of pushdown accounting. A comparison of the Company's assets and liabilities to those of the Predecessor Company is as follows (in thousands):

<TABLE>
<CAPTION>

	PREDECESSOR COMPANY DECEMBER 11, 1996	JPS AUTOMOTIVE DECEMBER 12, 1996
Current assets	$133,690	$111,409
Property, plant and equipment, net	85,080	59,366
Debt issuance costs, net	6,113	3,370
Goodwill	117,664	114,884
Other assets	1,146	7,180
Current liabilities	40,665	47,260
Long-term debt	190,608	117,170
Other liabilities	3,425	12,695
Minority interest	6,616	0

</TABLE>

The above December 12, 1996, balances, which were subject to postclosing adjustment, reflect the revaluation of the JPS Automotive assets and liabilities to their estimated fair values at the date of the 1996 Acquisition. The purchase price allocation related to the JPS Automotive acquisition established certain reserves related to management's plans to rationalize certain acquired manufacturing facilities. (See Note 7). During 1997, C&A finalized the purchase price and received approximately $11.2 million from the seller as a reduction of the purchase price. The impact of management's final plans, the settlement of the purchase price adjustment and certain other revisions to preliminary estimates resulted in a reduction of goodwill during fiscal 1997 of approximately $5.0 million.

Unaudited pro forma consolidated income from continuing operations of the Company for the period from January 1, 1996, to December 28, 1996, and for the year ended December 31, 1995, assuming that the 1996 Acquisition occurred at the beginning of each period, would have been approximately $0.4 million and $7.4 million, respectively. Unaudited pro forma consolidated net income for the same periods using the same assumptions would have been approximately $4.0 million and $13.5 million, respectively. The pro forma adjustments, which would not affect net sales, reflect primarily reduced depreciation, goodwill amortization and interest expense offset by the pro forma impact of income taxes.

Following the acquisition by C&A Products of JPS Automotive in December 1996, C&A Products began to develop plans to rationalize certain manufacturing locations as well as marketing and administrative functions. These transactions and arrangements and proposed transactions and arrangements were approved by the Board of Directors of PACJ, Inc., the general partner of JPS Automotive, and were reviewed by an investment banking firm of national standing, which issued an opinion confirming they are fair to JPS Automotive from a financial point of view. See Note 12 for further discussion.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

CONSOLIDATION - The consolidated financial statements include the accounts of JPS Automotive and all subsidiaries that JPS Automotive directly or indirectly controls, either through majority ownership or otherwise. Minority interest represents the minority partners' proportionate shares of the equity in Cramerton prior to the 1996 Acquisition. Intercompany accounts and transactions have been eliminated in consolidation. Investments in 20% to 50% controlled companies are accounted for on the equity method.

FISCAL YEAR - As a result of the 1996 Acquisition, JPS Automotive's fiscal year ends on the last Saturday of December.

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

CASH AND CASH EQUIVALENTS - The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

INVENTORIES - Inventories are stated at the lower of cost or market. The cost of the inventories is determined on a first-in, first-out basis.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are stated at cost and are depreciated using the straight-line method over the estimated useful lives of the assets. The range of useful lives estimated for buildings is generally 25 to 40 years and the range for machinery, equipment and furnishings is 3 to 15 years. Leasehold improvements are amortized over the shorter of the terms for the respective leases or the estimated lives of the leasehold improvements. For income tax purposes, the Company uses accelerated depreciation methods.

In connection with the 1996 Acquisition, the Company's property, plant and equipment was recorded at the appraised values reflecting the intended future use of the facilities and equipment. Reserves for facility shutdowns and other associated costs were provided for in the purchase accounting adjustments. (See Note 7.)

LONG-LIVED ASSETS - In 1996, the Predecessor Company adopted Statement of Financial Accounting Standard ("SFAS") No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of". SFAS No. 121 establishes accounting standards for the impairment of long-lived assets, certain identifiable intangibles and goodwill related to those assets to be held and used and for long-lived assets and certain identifiable intangibles to be disposed of. SFAS No. 121 requires that long-lived assets and certain identifiable intangibles to be held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable and that certain long-lived assets and identifiable intangibles to be disposed of be reported at the lower of carrying amount or fair value less cost to sell. The adoption of SFAS No. 121 did not have a material impact on the consolidated results of operations. During the period from January 1, 1996, to December 11, 1996, the continuing operations of the Predecessor Company recorded a charge of approximately $4.4 million for the write-down of certain machinery and equipment to their estimated realizable values as the assets were assessed by management to have no continuing use due primarily to the loss of certain programs and a loss of a headliner customer. The write-down of machinery and equipment is included in other income (expense), net, in the accompanying consolidated statement of operations.

DEBT ISSUANCE COSTS - Debt issuance costs consist of amounts incurred in obtaining long-term financing. These costs are amortized over the term of the related debt using the interest method. Accumulated amortization as of December 26, 1998, was approximately $1.4 million.

In connection with the 1996 Acquisition and the subsequent retirement of debt, $2.7 million of debt issuance costs were eliminated as a result of the application of pushdown accounting. (See Note 2.)

GOODWILL - As discussed in Note 2, the acquisition of JPS Automotive by C&A has been accounted for as a purchase and, pursuant to SAB No. 54 and the rules of pushdown accounting, gave rise to a new basis of accounting. As a result, the amount by which the purchase price and related acquisition expenses exceeded the fair value of the net assets acquired has been recorded by JPS Automotive as goodwill in the accompanying December 26, 1998, and December 27, 1997, consolidated balance sheet and is being amortized over a 40-year period. Accumulated amortization as of December 26, 1998, and December 27, 1997, was approximately $5.3 million and $2.6 million, respectively. The carrying value of goodwill will be reviewed periodically based on the undiscounted cash flows and pretax income over the remaining amortization period. Should this review indicate that the goodwill balance will not be recoverable, the Company's carrying value of goodwill will be reduced. At December 26, 1998, the Company believes the goodwill is fully recoverable.

ENVIRONMENTAL MATTERS - The Company records its best estimate when it believes it is probable that an environmental liability has been incurred and the amount of loss can be reasonably estimated. The Company also considers estimates of certain reasonably possible environmental liabilities in determining the aggregate amount of environmental reserves.

In December 1997, another subsidiary of C&A Products assumed substantially all of the environmental liabilities of JPS Automotive and its subsidiaries existing as of October 1, 1997 in exchange for a payment of approximately $4.1 million. As a result, environmental liabilities totaling $4.6 million have been excluded from the accompanying balance sheets and a gain of $0.5 million has been recorded as a 1997 capital contribution from C&A Products due to the related party nature of this transaction. JPS Automotive will remain contingently liable for these environmental liabilities.

REVENUE RECOGNITION - JPS Automotive recognizes revenue from product sales when it has shipped the goods or ownership has been transferred to the customer for goods to be held for future shipment at the customer's request. JPS Automotive generally allows its customers the right of return only in the case of defective products. JPS provides a reserve for estimated defective product costs at the time of the sale of the products.

INCOME TAXES - Income taxes for all periods are determined in accordance with SFAS No. 109, "Accounting for Income Taxes." SFAS No. 109 requires the use of the asset and liability method in which deferred income taxes are provided for temporary differences between the financial reporting and income tax basis of assets and liabilities using the income tax rates, under existing legislation, expected to be in effect at the date such temporary differences are expected to reverse.

Immediately prior to the 1996 Acquisition, JPS Automotive was converted from a Delaware limited partnership into an association which is taxable as a corporation for Federal, state and local income tax purposes. The Company is included in the consolidated Federal income tax return of C&A. Income taxes for periods subsequent to the 1996 Acquisition reflect the pushdown of JPS Automotive's impact on the consolidated tax position of C&A.

The Predecessor Company, as a limited partnership, was not subject to Federal income taxes and, therefore, no current or deferred income tax provision has been provided for such taxes prior to the 1996 Acquisition. However, the limited partnership had provided for the income taxes of certain states for which it is subject and Federal and state income taxes associated with the operations of Products Corp. The partners included their respective shares of income or loss of JPS Automotive on their Federal and applicable state income tax returns. JPS Automotive had a tax-sharing agreement that provided for payment to the partners of amounts that would be required to be paid if JPS Automotive were a corporation filing separate income tax returns. At the time of the 1996 Acquisition, Foamex assigned to C&A Products the tax-sharing agreement.

RECLASSIFICATIONS - Certain amounts in the fiscal 1997 financial statements have been reclassified to conform with the fiscal 1998 presentation.

NEWLY ISSUED ACCOUNTING STANDARDS - In March 1998, the American Institute of Certified Public Accountants ("AICPA") issued Statement of Position No. ("SOP") 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use". SOP 98-1 provides guidance on the accounting for the costs of computer software developed or obtained for internal use. SOP 98-1 is effective for financial statements for fiscal years beginning after December 15, 1998 and should be applied to internal use computer software costs incurred in those fiscal years for all projects, including those projects in progress upon initial application. The Company does not expect the adoption of this standard to have a material impact on its consolidated financial position or results of operations.

In April 1998, the AICPA issued SOP 98-5, "Reporting on the Costs of Start-up Activities". SOP 98-5 provides guidance on the financial reporting of start-up costs and organization costs and requires that all nongovernmental entities expense the costs of start-up activities as these costs are incurred instead of being capitalized and amortized. SOP 98-5 is effective for financial statements for fiscal years beginning after December 15, 1998, and the initial application of this pronouncement is to be reported as the cumulative effect of a change in accounting principle. JPS Automotive adopted SOP 98-5 on December 27, 1998. The impact of the adoption of SOP 98-5 at the beginning of fiscal 1999 was approximately $0.8 million, net of income taxes.

4. INVENTORIES:

The components of inventories consist of (in thousands):

	DECEMBER 26, 1998	DECEMBER 27, 1997
Raw materials and supplies.......	$4,359	$ 7,254
Work-in-process..................	5,183	8,407
Finished goods...................	1,766	3,614
	$ 11,308	$19,275

5. ACCRUED EXPENSES:

Accrued expenses are summarized below (in thousands):

	DECEMBER 26, 1998	DECEMBER 27, 1997
Payroll, severance and employee benefits......................	$ 4,258	$8,777
Other............................	2,125	4,900
	$ 6,383	$13,677

========= =======

6. LONG-TERM DEBT:

Long-term debt consists of (in thousands):

	DECEMBER 26, 1998	DECEMBER 27, 1997
11-1/8% senior notes due 2001.....	$86,043	$88,668
Premium on senior notes..........	2,204	3,175
	$88,247	$91,843

The Senior Notes were issued on June 28, 1994. Interest on the Senior Notes is payable semiannually on June 15 and December 15 of each year. The Senior Notes mature on June 15, 2001.

On the 1996 Acquisition date, $180 million principal amount of the Senior Notes were outstanding. Of this amount, approximately $68 million had been purchased by C&A prior to the 1996 Acquisition on the open market and were subsequently retired by JPS Automotive. The total capital contribution resulting in the retirement of these Senior Notes was approximately $70.2 million. In addition, in connection with the purchase accounting for the 1996 Acquisition, the remaining approximately $112 million in face value of Senior Notes were recorded at a market value of $117.2 million on the date of the 1996 Acquisition. The bond premium is being amortized as a reduction

of interest expense over the remaining term of the Senior Notes and will result in an effective interest rate of approximately 10% for periods after the 1996 Acquisition.

The Company is not required to make mandatory redemption or sinking fund payments except in the case of certain asset sales or a change of control (as defined in the indenture for the Senior Notes). In addition, the Senior Notes are not subject to optional redemption, except in connection with certain public offerings of common stock or following a change of control (as so defined). The 1996 Acquisition resulted in a change of control which, under the terms of the indenture for the Senior Notes, gave holders of the Senior Notes the right to put their notes to JPS Automotive at a price of 101% of their principal amount plus accrued interest. Approximately $3.9 million principal amount of Senior Notes were so put to the Company and then repurchased on March 10, 1997. In addition, JPS Automotive repurchased $23 thousand principal amount of Senior Notes in conjunction with an offer to purchase as a result of the 1997 sale of Airbag. (See Note 11.) In addition, during 1997, JPS Automotive repurchased $19.4 million of Senior Notes in the open market. These notes were subsequently retired. In conjunction with the 1997 repurchases, JPS Automotive recognized an extraordinary loss of $721 thousand, net of income taxes of $442 thousand. To fund these purchases (including premium and interest paid), C&A Products made capital contributions as well as loaned funds in accordance with the revolving credit arrangement discussed in Note 12. During 1998, JPS Automotive repurchased on the open market and retired $2.6 million principal amount of Senior Notes. In conjunction with the 1998 repurchases, JPS Automotive recognized an extraordinary loss of $132 thousand, net of income taxes of $90 thousand.

The indenture governing the Senior Notes generally prohibits JPS Automotive from making certain payments and investments (generally, dividends and distributions on its equity interests, purchases or redemptions of its equity interests, purchases of any indebtedness subordinated to the Senior Notes and investments other than as permitted) (the "Restricted Payments") unless (i) there is no default under the Senior Notes indenture; (ii) after giving pro forma effect to the Restricted Payment, JPS Automotive would be permitted to incur at least $1.00 of additional indebtedness under the indenture's general test for the incurrence of indebtedness which is a specified ratio (currently 2.5 to 1.0) of cashflow to interest expense, and (iii) the aggregate of all

Restricted Payments from the issue date is less than a specified threshold (based, generally, on 50% of JPS Automotive's cumulative consolidated net income, since the issue date plus 100% of the aggregate net cash proceeds of the issuance by JPS Automotive of certain equity and convertible debt securities and cash contributions to JPS Automotive) (the "Restricted Payments Tests"). These conditions were satisfied immediately following the 1996 Acquisition, and as of December 26, 1998. The Restricted Payments Test are subject to a number of significant exceptions. The indenture governing the Senior Notes also contains other restrictive covenants (including, among others, limitations on the incurrence of indebtedness and preferred stock, asset dispositions and transactions with affiliates including C&A and C&A Products) which are customary for such securities. These covenants are also subject to a number of significant exceptions.

The Senior Notes rank senior in right of payment to all existing or future subordinated indebtedness of JPS Automotive and on an equal basis in right of payment with all existing or future senior indebtedness of JPS Automotive.

Total interest paid by JPS Automotive on all indebtedness was $9.5 million, $10.9 million, $10.0 million and $11.6 million for the years ended December 26, 1998, December 27, 1997 and for the periods from December 12, 1996 to December 28, 1996, and from January 1, 1996 to December 11, 1996, respectively.

7. FACILITY CLOSING COSTS:

In connection with the 1996 Acquisition, JPS Automotive eliminated certain redundant sales and administrative functions and closed one manufacturing facility in 1997, a second facility in January 1998 and a third facility in June 1998. JPS Automotive is currently in the process of relocating certain manufacturing processes from a JPS Automotive facility to an existing facility of another Collins & Aikman subsidiary.

These actions affected approximately 640 employees. Total costs accrued for the shutdown of facilities and severance and other personnel costs were $2.7 million and $7.7 million, respectively.

The components of the reserves for the relocation and facility closures, which are expected to be completed in second quarter of fiscal 1999, are as follows (in thousands):
<TABLE>
<CAPTION>

<S>	ORIGINAL RESERVE <C>	CHANGES IN RESERVE <C>	REMAINING RESERVE DECEMBER 26, 1998 <C>
Anticipated expenditures to close and dispose of idled facilities	$2,746	$(2,327)	$ 419
Anticipated severance benefits...	7,655	(6,134)	1,521
	$10,401	$(8,461)	$ 1,940

</TABLE>

8. EMPLOYEE BENEFIT PLANS:

The 1996 Acquisition did not significantly affect the employee benefit plans offered to the employees of JPS Automotive. Effective January 1, 1998, the defined benefit, defined contribution and post-retirement medical plans of JPS Automotive were merged into the plans of C&A. Under the provisions of these plan mergers, the accounts established in the C&A plans for the active plan participants were credited for benefits earned in the JPS Automotive plans through December 31, 1997. These plan mergers did not significantly affect the benefits provided to retired, fully vested or active plan participants.

DEFINED PENSION AND POSTRETIREMENT BENEFIT PLANS - Effective January 1, 1995, the Predecessor Company adopted the Retirement Pension Plan for Employees of JPS Automotive L.P. (the "Plan") for salaried and certain hourly employees. Benefits are based on the employees' final average compensation, years of benefit service, the covered compensation in effect at retirement and the employees' ages when payment begins.

As part of the 1996 Acquisition, JPS Automotive recognized all prior service cost, net losses and minimum liabilities. Accordingly, the period from December 12, 1996, to December 28, 1996, does not reflect any net amortization or deferrals.

JPS Automotive's funding policy is to contribute annually an amount that both satisfies the minimum funding requirements of the Employee Retirement Income Security Act of 1974 and does not exceed the full funding limitations of the Internal Revenue Code of 1986, as amended. Plan investments consist primarily of equity and fixed income securities.

JPS Automotive also provides postretirement health care and life insurance benefits for eligible employees and retirees of the Company and retirees of the Predecessor Company. These plans are unfunded and JPS Automotive retains the right to modify or eliminate these benefits.

In December 1997, another subsidiary of C&A Products assumed the postretirement benefit liabilities of certain participants who, as of January 1, 1997, were either active and fully eligible or retired. As a result, postretirement benefit liabilities totaling $1.3 million and related deferred tax assets of $0.5 million have been excluded from the accompanying December 26, 1998 and December 27, 1997, balance sheets and recorded as a fiscal 1997 net capital contribution of $0.8 million from C&A Products due to the related party nature of this transaction. JPS Automotive will remain contingently liable for these postretirement liabilities.

The following tables provide a reconciliation of the projected benefit obligation, a reconciliation of plan assets, the funded status of the plans, and amounts recognized in the JPS Automotive's consolidated balance sheets, at December 26, 1998 and December 27, 1997 (in thousands).

<TABLE>
<CAPTION>

	PENSION BENEFITS FISCAL YEAR ENDED		POSTRETIREMENT BENEFITS FISCAL YEAR ENDED	
	DECEMBER 26, 1998	DECEMBER 27, 1997	DECEMBER 26, 1998	DECEMBER 27, 1997
<S>	<C>	<C>	<C>	<C>
CHANGE IN BENEFIT OBLIGATION:				
Benefit obligation at beginning of year	$ 3,697	$ 2,666	$ 1,980	$ 3,269
Service cost	1,300	901	218	194
Interest cost	266	267	139	236
Actuarial gain	(1,041)	-	(784)	(135)
Transfer of benefit liabilities	-	-	--	(1,329)
Benefits paid	(434)	(137)	(6)	(255)
	------	------	------	------
Benefit obligation at end of year .	$ 3,788	$ 3,697	$ 1,547	$ 1,980
	=======	=======	=======	=======
CHANGE IN PLAN ASSETS:				
Fair value of plan assets at beginning of year	$ 2,377	$ 1,323	$ --	$ --
Actual return on plan assets	435	141	--	--
Employer contributions	237	1,050	6	255
Benefits paid	(434)	(137)	(6)	(255)
	-------	-------	---	---
Fair value of plan assets at end of year	$ 2,615	$ 2,377	$ --	$ --

FUNDED STATUS:				
Funded status	$(1,173)	$(1,320)	$(1,547)	$(1,980)
Unrecognized net loss (gain)	(1,221)	29	(919)	(135)
Accrued benefit liability	$(2,394)	$(1,291)	$(2,466)	$(2,115)

</TABLE>

The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for the pension plans with accumulated benefit obligations in excess of plan assets were $3.8 million, $3.5 million, and $2.6 million, respectively, as of December 26, 1998 and $3.7 million, $2.5 million and $2.4 million respectively, as of December 27, 1997.

The net periodic benefit cost of continuing operations for 1998, 1997, and 1996 includes the following components (in thousands):
<TABLE>
<CAPTION>

	PENSION BENEFITS			POSTRETIREMENT BENEFITS		
	FISCAL YEAR ENDED		PERIOD FROM DECEMBER 12, 1996 TO DECEMBER 28,	FISCAL YEAR ENDED		PERIOD FROM DECEMBER 12, 1996 TO DECEMBER 28,
	1998	1997	1996	1998	1997	1996
<S>	<C>	<C>	<C>	<C>	<C>	<C>
COMPONENTS OF NET PERIODIC BENEFIT COST:						
Service cost...........................	$ 1,300	$901	$ 37	$ 218	$ 194	$ (1)
Interest cost..........................	266	267	5	139	236	4
Expected return on plan assets..........	(225)	(65)	(2)	-	-	-
Net periodic benefit cost..............	$ 1,341	$ 1,103	$ 40	$ 357	$ 430	$ 3

</TABLE>

Information pertaining to the Predecessor Company for the period from January 1, 1996 to December 11, 1996 has not been provided due to lack of availability and meaningfulness.

Weighted average assumptions used in the above actuarial computations are summarized as follows:
<TABLE>
<CAPTION>

	PENSION BENEFITS		POSTRETIREMENT BENEFITS	
<S>	<C> 1998	<C> 1997	<C> 1998	<C> 1997
WEIGHTED-AVERAGE ASSUMPTIONS AS OF DECEMBER:				
Discount rate	6.8%	7.0%	6.8%	7.0%
Expected return on plan assets	9.0%	9.0%		
Rate of compensation increase	4.5%	4.5%		

</TABLE>

Since JPS Automotive has capped its annual liability per person and all future cost increases will be passed on to retirees, the annual rate of increase in health care costs does not affect the postretirement benefit obligation.

DEFINED CONTRIBUTION PLAN - JPS Automotive participates in the C&A Products defined contribution plan qualified under Section 401(k) of the Internal Revenue Code that covers eligible nonunion employees. Employee contributions are voluntary and subject to certain limitations as imposed by the Internal Revenue Code. For salaried employees, JPS Automotive makes a matching contribution of 50% of each employee's contribution with a maximum matching contribution of 1-1/2% of each employee's base compensation. The Predecessor Company also provided an additional 25% match of each employee's contribution to a fund which invested in Foamex common stock with a maximum contribution of 3% of each employee's base compensation. JPS Automotive's contributions were approximately $0.1 million for the year ended December 26, 1998, and $0.3 million for the year ended December 27, 1997, and $25 thousand for the period from December 12, 1996 to December 28, 1996; the Predecessor Company's contributions were approximately $0.4 million for the period from January 1, 1996, to December 11, 1996. Additionally, all employees participate in C&A Products Profit Sharing Account Plan which typically provides a 2% company contribution for all employees.

9. INCOME TAXES:

Immediately prior to the 1996 Acquisition, JPS Automotive was converted from a Delaware limited partnership into an association which is taxable as a corporation for federal, state and local income tax purposes. The purchase of the entire equity interest in JPS Automotive has been treated as a stock acquisition for federal, state and local income tax purposes. JPS Automotive remains a Delaware limited partnership for all purposes other than federal and state income taxes.

The acquisition of Cramerton resulted in a termination of the partnership's tax status, resulting in a step-up to fair market value for the underlying assets of Cramerton. Cramerton, a Delaware limited partnership, was recognized as a partnership for tax purposes subsequent to the acquisition. In December 1997, Cramerton was merged into its managing general partner and became taxable as a corporation.

The Company is included in the consolidated federal income tax return of C&A. Income taxes for periods subsequent to the 1996 Acquisition reflect the pushdown of JPS Automotive's impact on the consolidated tax position of C&A.

The provision (benefit) for income taxes of continuing operations includes the following (in thousands):

<TABLE>
<CAPTION>

				PREDECESSOR COMPANY
	FISCAL YEAR ENDED DECEMBER 26, 1998	FISCAL YEAR ENDED DECEMBER 27, 1997	PERIOD FROM DECEMBER 12, 1996, TO DECEMBER 28, 1996	PERIOD FROM JANUARY 1, 1996, TO DECEMBER 11, 1996
<S>	<C>	<C>	<C>	<C>
Federal-				
Current.................	$(2,860)	$(5,840)	$(328)	-
Deferred................	5,902	10,194	(49)	-
	3,042	4,354	(377)	-
State-				
Current.................	179	(151)	-	352

Deferred................	405	996	(11)	-
	584	845	(11)	352
	$3,626	$ 5,199	$(388)	$352

</TABLE>

For the periods prior to the 1996 Acquisition, no amounts were payable by JPS Automotive under the provisions of its tax-sharing agreement. For the periods subsequent to the 1996 Acquisition, no amounts were payable by or due to JPS Automotive under the terms of the tax-sharing agreement assumed by C&A Products in the 1996 Acquisition. However, as discussed in Note 12, C&A has agreed to reimburse JPS Automotive for tax benefits utilized in its consolidated tax return totaling $0.3 million for fiscal 1998 and $6.2 million for fiscal 1997.

A reconciliation of the statutory federal income taxes of continuing operations to the effective income tax is as follows (in thousands):
<TABLE>
<CAPTION>

				PREDECESSOR COMPANY
	FISCAL YEAR ENDED DECEMBER 26, 1998	FISCAL YEAR ENDED DECEMBER 27, 1997	PERIOD FROM DECEMBER 12, 1996, TO DECEMBER 28, 1996	PERIOD FROM JANUARY 1, 1996, TO DECEMBER 11, 1996
<S>	<C>	<C>	<C>	<C>
Statutory income tax.......	$3,048	$4,303	$(368)	$(2,445)
State income taxes, net of federal.................	380	549	(7)	352
Permanent difference on goodwill and partnership income..................	210	268	-	2,445
Other......................	(12)	79	(13)	-
	$3,626	$5,199	$(388)	$ 352

</TABLE>

As a result of the change in the Company's tax status that resulted from the 1996 Acquisition, deferred tax assets and liabilities of JPS Automotive and Cramerton are provided on the temporary differences between the financial reporting and tax bases of the Company's assets and liabilities. While the equity purchase of JPS Automotive results in carryover tax basis in the assets, such carryover basis reflects the fair market value as a result of the deemed taxable sale and revaluation to fair market value in the hands of the seller just prior to the purchase by C&A and its subsidiaries. The components of the net deferred tax assets as of December 26, 1998, and December 27, 1997, were as follows (in thousands):

<TABLE>
<CAPTION>

DECEMBER 26, DECEMBER 27,

	1998	1997
Deferred tax assets-		
Pension and postretirement benefits............	$ 1,513	$942
Other employee benefits........................	565	1,893
Premium on Senior Notes........................	1,297	2,534
Other liabilities and reserves.................	3,848	4,651
	7,223	10,020
Deferred tax liabilities-		
Goodwill amortization..........................	(2,638)	(1,396)
Fixed assets...................................	(6,720)	(5,173)
	(9,358)	(6,569)
Net deferred tax assets (liabilities).............	$(2,135)	$ 3,451

The above amounts have been classified in the consolidated December 26, 1998, and December 27, 1997, balance sheets as follows (in thousands):

	DECEMBER 26, 1998	DECEMBER 27, 1997
Deferred tax assets (liabilities)-		
Current.......................................	$ 3,203	$5,369
Noncurrent, included in other noncurrent liabilities................................	(5,338)	(1,918)
	$(2,135)	$3,451

No income taxes were paid for the years ended December 26, 1998, December 27, 1997 and for the periods from December 12, 1996 to December 28, 1996, and from January 1, 1996 to December 11, 1996.

10. COMMITMENTS AND CONTINGENCIES:

OPERATING LEASES - JPS Automotive is obligated under various noncancellable lease agreements for rental of facilities, machinery and computer equipment which remained outstanding following the 1996 Acquisition. Many of the leases contain renewal options with varying terms and escalation clauses that provide for increased rentals based upon increases in the Consumer Price Index, real estate taxes and lessors' operating expenses. Total minimum rental commitments required under operating leases at December 26, 1998, are (in thousands):

1999......................	$247
2000......................	167
2001......................	55
2002	2

	$471
	====

Rental expense charged to continuing operations under operating leases by the Company approximated $1.0 million for the year ended December 26, 1998, and $1.2 million for the year ended December 27, 1997, and $0.1 million for the period from December 12, 1996 to December 28, 1996, and by the Predecessor Company approximated $1.6 million for the period from January 1, 1996, to December 11, 1996. Rental expense includes the minimum rental payments under operating leases and other short-term rentals.

11. DISCONTINUED OPERATIONS:

On July 24, 1997, JPS Automotive completed the sale of Airbag to Safety Components International, Inc. for a purchase price of $56.3 million. No gain or loss was recorded on the sale since the sales price approximated the acquisition fair value of Airbag. Pursuant to the indenture governing the Senior Notes, in connection with the sale of Airbag, the Company caused JPS Automotive to make an offer to purchase (up to the amount of the net proceeds from the sale) the Senior Notes at 100% of their principal amount. Pursuant to such offer, JPS Automotive repurchased and retired $23 thousand principal amount of Senior Notes. During October 1997, the Company caused JPS Automotive to use a portion of the proceeds remaining from the sale of Airbag to make a distribution of $35.0 million to C&A Products, as permitted under the restricted payments provision of the Senior Notes indenture. (See Note 6.)

JPS Automotive has accounted for the financial results and net assets of Airbag as a discontinued operation. Net sales of Airbag prior to its sale were approximately $41.0 million for the year ended December 27, 1997, $2.1 million for the period from December 12, 1996 to December 28, 1996, and $62.8 million for the period from January 1, 1996 to December 11, 1996. Net income of Airbag for 1997, the period from December 12, 1996 to December 28, 1996, and for the period from January 1, 1996 to December 11, 1996 was $1.7 million, $18 thousand and $3.6 million, respectively.

12. RELATED-PARTY TRANSACTIONS AND ALLOCATIONS:

At December 26, 1998, C&A Products has pledged the ownership interests in its significant subsidiaries, including its partnership interests in the Company, as security for debt of C&A Products totaling $368.9 million.

Following the acquisition by C&A Products of JPS Automotive in December 1996, C&A Products began to develop plans to rationalize certain manufacturing locations as well as marketing and administrative functions. This rationalization involved transactions and arrangements between JPS Automotive and C&A Products, which were approved by the Board of Directors of PACJ, Inc., the general partner of JPS Automotive, and were reviewed by an investment banking firm of national standing, which rendered an opinion that they were fair to JPS Automotive from a financial point of view.

The transactions and arrangements and proposed transactions and arrangements include the following: (i) the provision by C&A Products of additional administrative, management, marketing and program management services pursuant to a preexisting services agreement assigned to C&A Products by Foamex (the "Existing Services Agreement"), (ii) the purchase from and sale to C&A Products and its subsidiaries of certain manufacturing assets, (iii) the transfer of manufacturing responsibility for certain automotive programs, and for the manufacturing of automotive carpet roll goods, to C&A Products and its subsidiaries and from C&A Products to JPS Automotive, and (iv) the transfer of certain automotive programs from JPS Automotive to C&A Products and its subsidiaries and from C&A Products to JPS Automotive.

The compensation paid by JPS Automotive to C&A Products for the services provided by C&A Products under the Existing Services Agreement, including the additional services described above, includes all reasonable expenses of C&A Products employees assigned to perform the services, all reasonable out-of-pocket expenses incurred by C&A Products and an amount to cover C&A's Products' overhead, not to exceed the lesser of (x) C&A Products' budgeted estimate for such costs for 1998, as adjusted annually for changes in general producer price levels for the carpet industry and (y) the actual annual cost savings achieved from the elimination of managerial, marketing and program management functions at JPS Automotive. Assets sold by JPS Automotive to C&A Products in connection with the rationalization process are generally sold for a purchase price equal to the greater of the book value of the assets sold or their appraised fair market value. Assets sold by C&A Products to JPS Automotive are generally sold for a purchase price equal to the lesser of their book value or fair market value, as determined by an independent appraisal in the case of assets having book values in excess of $100,000 at the time of the sale. Where manufacturing responsibility for a program is transferred, the manufacturer receives a fee equal to its costs of production plus a 10% margin, provided that, where C&A Products manufactures products for JPS Automotive, JPS Automotive is not required to pay to C&A Products amounts greater than JPS Automotive's current costs that are eliminated by the transfer of manufacturing responsibility for the transferred program. In addition, a party for whom carpet roll goods are manufactured pays for the goods at the manufacturer's standard cost, subject to certain exceptions, including that in no event will JPS Automotive pay to C&A Products an amount greater than JPS Automotive's standard cost to produce carpet roll goods.

During the first quarter of 1998, pursuant to the rationalization process, JPS Automotive transferred to Collins & Aikman Canada Inc. ("C&A Canada") and C&A Products two programs for the production of automotive carpet products for aggregate consideration of $4.3 million. One of these contracts was manufactured by C&A Canada for JPS Automotive during a portion of 1997 on a royalty basis. Due to the related party nature of the transfer, the $4.3 million received by JPS Automotive, and the related tax provision of $1.6 million, was treated as a capital contribution from C&A Products in the accompanying financial statements. During 1998, C&A Products transferred to JPS Automotive as an equity contribution all but one of the automotive soft trim programs formerly produced by C&A Products at its Salisbury, North Carolina, facility. Twenty-seven programs relating to the closure of the Salisbury facility were transferred to JPS Automotive during the second quarter of 1998 in accordance with the arrangements between JPS Automotive and C&A Products. JPS Automotive did not pay any amounts to C&A Products for these contracts. No programs relating to the closure of the Salisbury facility were transferred to JPS Automotive during the third and fourth quarters of 1998. C&A Products also agreed to make additional cash equity contributions to JPS Automotive if JPS Automotive was unable to earn a specified level of operating profit on the contracts transferred from the Salisbury plant. JPS Automotive did not earn the specified level of operating profit and C&A Products made an additional equity

contribution of $1.4 million to JPS Automotive in the fourth quarter of 1998. At December 26, 1998, uncollected capital contributions are included in the balance of receivables from related parties.

JPS Automotive paid or accrued the following amounts in connection with the transactions described above and related transactions for the years ended December 26, 1998 and December 27, 1997, respectively: (i) $7.8 million and $5.5 million for administrative and other services, (ii) $62.5 million and $7.3 million for contract manufacturing services, (including the purchase of roll goods) provided to JPS Automotive by C&A Products and its subsidiaries, and (iii) $0.6 million and $0.2 million for the purchase of machinery and equipment from C&A Products. In addition, during 1998 and 1997, respectively, JPS Automotive recorded sales of $33.2 million and $7.9 million relating to contract manufacturing services (including the sale of roll goods) provided to C&A Products and its subsidiaries. In 1997, JPS Automotive recorded $81 thousand in royalty payments from C&A Canada.

During 1998, machinery and equipment was sold to C&A Products for an aggregate sales price of $0.9 million with the resulting gain of $244 thousand, net of income taxes of $145 thousand, recorded as a capital contribution from

C&A Products due to the related-party nature of the transactions. At December 26, 1998, uncollected capital contributions are included in the balance of receivables from related parties. Finally, during 1997, machinery and equipment was sold to C&A Products for an aggregate sales price of $6.0 million with the resulting gain of $3.8 million and the related income taxes recorded as a capital contribution from C&A Products due to the related-party nature of the transactions.

C&A Products and JPS Automotive entered into several additional arrangements during 1997 including, among others, those described below.

During the year ended December 27, 1997, C&A Products and JPS Automotive entered into reciprocal revolving credit arrangements whereby JPS Automotive may borrow up to $5 million from C&A Products and C&A Products may borrow up to $5 million from JPS Automotive. The borrower is charged interest on any outstanding balance at a rate equal to the rate charged to C&A Products under its revolving credit agreement. During the year ended December 26, 1998 C&A Products was charged $0.3 million in net interest, and during the year ended December 27, 1997, JPS Automotive was charged $0.1 million in net interest, related to these revolving credit arrangements, reflecting an average interest rate of 7.5% and 7.4% in 1998 and 1997, respectively. At December 26, 1998, there was an outstanding balance of $1.5 million owed to JPS Automotive under this arrangement.

In connection with certain manufacturing activities conducted by C&A Products for Cramerton during 1998, Cramerton resold to C&A Products at cost approximately $1.4 million in yarn that had been purchased by Cramerton for use in the manufacturing activities conducted for Cramerton. During 1998, Cramerton incurred costs of approximately $8.0 million related to the construction of additional space at a C&A Products facility for the production of bodycloth, where C&A Products is manufacturing bodycloth for JPS Automotive on a subcontract basis. In addition, in accordance with C&A Products' normal practice, C&A Products developed tooling for JPS Automotive, for which JPS Automotive reimbursed C&A Products its costs. The development of tooling was managed by JPS Automotive prior to the 1996 Acquisition.

During the third quarter of 1998, JPS Automotive and C&A Canada exchanged responsibility for the production of certain automotive carpet products. Due to the related party nature of this exchange, this transaction did not have an effect on the financial statements.

C&A Products and JPS Automotive are also parties to a tax sharing agreement (the "Tax Sharing Agreement") that was assigned to C&A Products by Foamex in connection with the 1996 Acquisition. The Tax Sharing Agreement provides that JPS Automotive will make certain payments to its partners (principally C&A Products) in amounts equal to the taxes JPS Automotive would be required to pay if it were separately taxed. JPS Automotive and C&A Products maintain the Tax Sharing Agreement in lieu of adding JPS Automotive as a party to C&A's tax sharing arrangement. As of December 26, 1998, no amounts were payable under the Tax Sharing Agreement. In addition, because JPS Automotive is part of

C&A's consolidated tax return, C&A effectively utilizes the tax benefits generated by JPS Automotive in its consolidated tax return resulting in benefits totaling $0.3 million for 1998 and $6.2 million for 1997 and $0.3 million for the period from December 12, 1996 to December 28, 1996. C&A Products has agreed to reimburse JPS Automotive for these benefits on demand by JPS Automotive.

In September 1998, JPS Automotive distributed its 50% ownership in Industrias Enjema S.A. de C.V. ("Enjema") to C&A Products. C&A Products acquired from a third party the other 50% interest in Enjema in August 1998 for approximately $1.0 million. No book value was assigned to JPS Automotive's 50% interest.

In addition, in September 1998, JPS Automotive received payment from Enjema for receivables generated when Enjema was managed by third parties. JPS Automotive had previously fully reserved these receivables. As a result of the payment, JPS Automotive reversed this reserve, resulting in a reduction of selling, general and administrative expenses of $4.2 million.

13. ENVIRONMENTAL:

JPS Automotive is subject to various federal, state and local environmental laws and regulations that (i) affect ongoing operations and may increase capital costs and operating expenses and (ii) impose liability for the costs of investigation and remediation and certain other damages related to on-site and off-site contamination. JPS Automotive believes it has obtained or applied for the material permits necessary to conduct its business. To date, compliance with applicable environmental laws has not had and, in the opinion of management, based on the facts presently known to it, is not expected to have a material adverse effect on JPS Automotive's consolidated financial condition or results of operations.

In December 1997, another subsidiary of C&A Products assumed substantially all of the environmental liabilities of JPS Automotive and its subsidiaries existing as of October 1, 1997 in exchange for a payment of approximately $4.1 million. As a result, environmental liabilities totaling $4.6 million have been excluded from the accompanying balance sheets and a gain of $0.5 million was recorded as a 1997 capital contribution from C&A Products due to the related party nature of this transaction. JPS Automotive will remain contingently liable for these environmental liabilities.

Although it is possible that new information or future events could require JPS Automotive to reassess its potential exposure relating to its exposure for environmental matters, management believes that, based on the facts presently known to it, the resolution of such environmental matters will not have a material adverse effect on JPS Automotive's consolidated financial position or results of operations. The possibility exists, however, that new environmental legislation may be passed or environmental regulations may be adopted, or other environmental conditions may be found to exist, that may require expenditures not currently anticipated which may be material, and there can be no assurance that JPS Automotive has identified or properly assessed all potential environmental liability arising from its activities or properties.

14. LITIGATION:

From time to time, JPS Automotive has been involved in various legal proceedings. Management believes that such litigation is routine in nature and incidental to the conduct of its business, and that none of such litigation, if determined adversely to JPS Automotive, would have a material adverse effect on the consolidated financial position or results of operations of JPS Automotive.

15. FINANCIAL INSTRUMENTS:

DISCLOSURE ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS - The following disclosures of the estimated fair value amounts have been determined based on JPS Automotive's assessment of available market information and appropriate valuation methodologies.

The estimated fair values of JPS Automotive's financial instruments are as follows (in thousands):

<TABLE>
<CAPTION>

	DECEMBER 26, 1998		DECEMBER 27, 1997	
	CARRYING AMOUNT OF LIABILITIES	FAIR VALUE OF LIABILITIES	CARRYING AMOUNT OF LIABILITIES	FAIR VALUE OF LIABILITIES
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Liabilities - Long-term debt	$88,247	$91,584	$91,843	$100,976

</TABLE>

Carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate fair value due to the short-term nature of these instruments.

The fair value of long-term debt is estimated using quoted market prices.

Fair value estimates are made at a specific point in time, based on relevant market information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

16. INFORMATION ABOUT THE COMPANY'S OPERATIONS:

JPS Automotive's customers operate primarily in the automotive industry. JPS Automotive performs periodic credit evaluations of its customers' financial condition and generally does not require collateral. Receivables generally are due within 45 days, and credit losses have consistently been within management's expectations and are provided for in the consolidated financial statements.

Direct and indirect sales to significant customers in excess of ten percent of consolidated net sales from continuing operations are as follows:

	YEAR ENDED DECEMBER 26, 1998	YEAR ENDED DECEMBER 27, 1997	PERIOD FROM DECEMBER 12, 1996 TO DECEMBER 28, 1996	PREDECESSOR COMPANY PERIOD FROM JANUARY 1, 1996 TO DECEMBER 11, 1996
General Motors	42%	46%	37%	34%
DaimlerChrysler	11%	10%	11%	17%
Toyota Tsusho	11%	16%	29%	14%

In June 1997, the FASB issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information". SFAS No. 131 requires that a public business enterprise report financial and descriptive information about its reportable operating segments. Generally, financial information is required to be reported on the basis that is used internally for evaluating segment performance. SFAS No. 131 also requires that a public business enterprise report descriptive information about the way that the operating segments were determined and the products and services provided by the operating segments. SFAS No. 131 is effective for financial statements beginning after December 15, 1997.

JPS Automotive's reportable segments are strategic business units. They are managed separately because each business requires different technology and focuses on specific vehicle interior systems. JPS Automotive has two reportable segments: Automotive Carpet and Automotive Fabric. The Automotive Carpet segment produces molded floor carpet and luggage compartment trim. The Automotive Fabric segment produces seating upholstery fabric ("bodycloth") and headliner fabric.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. JPS Automotive evaluates performance based on profit or loss from operations before interest expense, other income and expense, income taxes and before adjustments made pursuant to the transactions and arrangements made between C&A Products and JPS Automotive. (See Note 12).

Information about JPS Automotive's reportable segments is presented below (in thousands).

	FISCAL YEAR ENDED DECEMBER 26, 1998			
	AUTOMOTIVE CARPET	AUTOMOTIVE FABRIC	OTHER (1)	TOTAL
External revenues	$ 168,945	$ 67,801	$18,881	$ 255,627
Depreciation and amortization	5,148	4,073	-	9,221
Operating income (loss)	9,531	(1,714)	8,434	16,251
Total assets	156,475	76,826	4,630	237,931
Capital expenditures, net	2,550	9,457	-	12,007

	FISCAL YEAR ENDED DECEMBER 27, 1997			
	AUTOMOTIVE CARPET	AUTOMOTIVE FABRIC	OTHER (1)	TOTAL
External revenues	$ 158,312	$ 87,356	$ 1,603	$ 247,271
Depreciation and amortization	4,460	3,408	-	7,868
Operating income	15,880	4,296	1,336	21,512
Total assets	168,456	77,747	4,404	250,607
Capital expenditures, net	(14)	3,706	-	3,692

	PERIOD FROM DECEMBER 12, 1996 TO DECEMBER 28, 1996			
	AUTOMOTIVE CARPET	AUTOMOTIVE FABRIC	OTHER(1)	TOTAL
External revenues	$ 4,175	$ 2,195	$ -	$ 6,370
Depreciation and amortization	170	203	-	373
Operating income (loss)	(537)	14	-	(523)
Total assets	228,832	57,516	-	286,348
Capital expenditures, net	262	173	-	435

(1) Other includes adjustments made pursuant to the transactions and arrangements between JPS Automotive and C&A Products. See Note 12.

Information pertaining to the Predecessor Company for the period from January 1, 1996 to December 11, 1996 has not been provided due to lack of availability and meaningfulness.

17. QUARTERLY FINANCIAL DATA (UNAUDITED):

The quarterly financial data of JPS Automotive is as follows (in thousands):

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
Fiscal 1998-				
Net sales	$71,309	$64,396	$51,103	$68,819
Gross profit	9,755	5,752	2,969	9,897
Income (loss) from continuing operations	2,115	(461)	573	2,855
Income (loss) before extraordinary item (1)	2,115	(461)	573	2,855
Net income (loss)	2,115	(547)	573	2,809
Fiscal 1997-				
Net sales	$58,024	$62,119	$59,430	$67,698
Gross profit (2)	7,518	10,252	7,679	11,541
Income (loss) from continuing operations	(117)	2,121	1,119	3,973
Income before extraordinary item (3)	554	3,034	1,197	3,973
Net income	554	2,313	1,197	3,973

(1) The repurchase of $2.6 million principal amount of Senior Notes at prices in excess of carrying value during 1998 resulted in an extraordinary loss of $132 thousand, net of income taxes of $90 thousand for the year ended December 26, 1998.

(2) Certain 1997 items have been reclassified to conform with the 1998 presentation.

(3) The repurchase of $19.4 million principal amount of Senior Notes at prices in excess of carrying value during 1997 resulted in an extraordinary loss of $0.7 million, net of income taxes of $0.4 million for the year ended December 27, 1997.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Stockholder of
JPS Automotive Products Corp.:

We have audited the accompanying balance sheets of JPS Automotive Products Corp. (a Delaware corporation and subsidiary of JPS Automotive L.P.) as of December 26, 1998, and December 27, 1997. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these balance sheets based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the balance sheet is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the balance sheet. 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 balance sheets referred to above present fairly, in all material respects, the financial position of JPS Automotive Products Corp. as of December 26, 1998, and December 27, 1997, in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN LLP

Charlotte, North Carolina,
February 22, 1999.

JPS AUTOMOTIVE PRODUCTS CORP.
BALANCE SHEETS
(DOLLARS IN THOUSANDS)

<TABLE>
<CAPTION>

ASSETS	DECEMBER 26, 1998	DECEMBER 27, 1997
<S>	<C>	<C>
Current assets - Cash	$1	$1
LIABILITIES AND SHAREHOLDER'S EQUITY		
Liabilities	$-	$-
Shareholder's equity:		
Common stock, par value $0.01 per share; 10,000,000 shares authorized, 100 shares issued and outstanding	-	-
Additional paid-in capital	1	1
Total shareholder's equity	1	1
	$1	$1

</TABLE>

The accompanying Notes to Financial Statements are an integral part of these balance sheets.

JPS AUTOMOTIVE PRODUCTS CORP.

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND BASIS OF PRESENTATION:

JPS Automotive Products Corp. ("Products Corp.") operates in the industrial fabrics and products segment, including the design, manufacture and sale of carpet components and interior fabrics for passenger cars and light trucks and other specialty industrial fabrics.

Products Corp., a newly formed entity, was acquired by JPS Automotive L.P. ("JPS Automotive"), a partnership in which Foamex-JPS Automotive L.P. ("FJPS") owned a 99% limited partnership interest and JPSGP Inc. owned a 1% general partnership, for nominal consideration on May 25, 1994. FJPS and JPSGP Inc. were wholly owned subsidiaries of Foamex International Inc. ("Foamex"). On June 28, 1994, FJPS and JPSGP Inc. invested $90.0 million in JPS Automotive which, in turn, invested a like amount in Products Corp.

On June 28, 1994, Products Corp. acquired the assets of the automotive products and industrial fabrics divisions of JPS Textile Group, Inc. Effective October 3, 1994, Products Corp. transferred and assigned substantially all of its assets, subject to substantially all of its liabilities, to JPS Automotive, which agreed to assume such liabilities. Subsequently, Products Corp. did not have any operations and, accordingly, no statement of operations or cash flows has been presented for 1998, 1997 or 1996.

Prior to October 3, 1994, Products Corp. was the beneficial owner of an 80% interest in Cramerton Automotive Products, L.P. Products Corp. owned a 79.5% limited partnership interest and, through Cramerton Management Corporation, beneficially owned a 0.5% general partnership interest. These interests were transferred to JPS Automotive on October 3, 1994.

On December 11, 1996, Collins & Aikman Corporation ("C&A"), through its subsidiaries, acquired JPS Automotive, including its ownership interest in Products Corp., from Foamex pursuant to an Equity Purchase Agreement dated August 28, 1996, as amended December 11, 1996 (the "1996 Acquisition"). The purchase price for the 1996 Acquisition was an aggregate of approximately $220 million, consisting of approximately $195 million of indebtedness of JPS Automotive and approximately $25 million in cash paid to Foamex. During 1997, C&A finalized the purchase price and received approximately $11.2 million from the seller as a reduction of the purchase price. The 1996 Acquisition has been accounted for as a purchase; however, adjustment was not required because the historical value of the assets and liabilities of Products Corp. reflected fair value at the time of the 1996 Acquisition.

As a result of the 1996 Acquisition, Products Corp.'s fiscal year ends on the last Saturday of December. Prior to that time, Products Corp.'s fiscal year ended on the Sunday closest to the thirty-first day of December.

2. COMMITMENTS AND CONTINGENCIES:

CO-OBLIGOR

Products Corp. is the co-obligor (and co-registrant) for the 11-1/8% Senior Notes due 2007 (the "Senior Notes") and borrowings under the JPS Automotive credit agreement. As a result of the 1996 Acquisition, the JPS Automotive credit agreement was repaid andterminated.

11-1/8% SENIOR NOTES DUE 2001 (SENIOR NOTES)

The Senior Notes were issued on June 28, 1994. Interest on the Senior Notes is payable semiannually on June 15 and December 15 of each year, commencing on December 15, 1994. The Senior Notes mature on June 15, 2001.

At the time of the 1996 Acquisition, $180 million principal amount of the Senior Notes were outstanding. Of this amount, $68 million had been purchased by C&A prior to the 1996 Acquisition on the open market and were subsequently retired. JPS Automotive is not required to make mandatory redemption or sinking fund payments except in the case of certain asset sales or a change of control (as defined in the indenture for the Senior Notes). In addition, the Senior Notes are not subject to optional redemption, except in connection with certain public offerings of common stock or following a change of control (as so defined). The 1996 Acquisition resulted in a change of control which, under the terms of the indenture for the Senior Notes, gave holders of the Senior Notes the right to put their notes to JPS Automotive at a price of 101% of their principal amount plus accrued interest. Approximately $3.9 million principal amount of Senior Notes were so put to JPS Automotive and then repurchased on March 10, 1997. In conjunction with an offer to purchase as a result of the 1997 sale of Airbag, JPS Automotive repurchased $23 thousand principal amount of Senior Notes. Additionally, for the twelve months ended December 27, 1997, and the twelve months ended December 26, 1998, JPS Automotive repurchased, in the open market, $19.4 million principal amount of Senior Notes and $2.6 million principal amount of Senior Notes, respectively. At December 26, 1998, approximately $88.2 million of Senior Notes (including a premium of $2.2 million) were outstanding.

The indenture governing restricted the Senior Notes generally prohibits JPS Automotive from making certain restricted payments and investments (generally, dividends and distributions on its equity interests, purchases or redemptions of its equity interests, purchases of any indebtedness subordinated to the Senior Notes and investments other than as permitted) (the "Restricted Payments") unless (i) there is no default under the Senior Notes indenture; (ii) after giving pro forma effect to the Restricted Payment, JPS Automotive would be permitted to incur at least $1.00 of additional indebtedness under the indenture's general test for the incurrence of indebtedness which is a specified ratio (currently 2.5 to 1.0) of cashflow to interest expense, and (iii) the aggregate of all Restricted Payments from the issue date is less than a specified threshold (based, generally, on 50% of JPS Automotive's cumulative consolidated net income, since the issue date plus 100% of the aggregate net cash proceeds of the issuance by JPS Automotive of certain equity and convertible debt securities and cash contributions to JPS Automotive) (the "Restricted Payments Tests"). These conditions were satisfied as of December 26, 1998. The Restricted Payments Tests are subject to a number of significant exceptions. The indenture governing the Senior Notes also contains other restrictive covenants (including, among others, limitations on the incurrence of indebtedness and preferred stock, asset dispositions and transactions with affiliates including C&A and C&A Products Co.) which are customary for such securities. These covenants are also subject to a number of significant exceptions.

The Senior Notes rank senior in right of payment to all existing or future subordinated indebtedness of JPS Automotive and on an equal basis in right of payment with all existing or future senior indebtedness of JPS Automotive.

JPS AUTOMOTIVE L.P.
JPS AUTOMOTIVE PRODUCTS CORP.
INDEX TO FINANCIAL STATEMENT SCHEDULE

All other schedules are omitted since the required information is not present or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements and notes thereto.

JPS AUTOMOTIVE L.P. AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS AND RESERVES (1)
(DOLLARS IN THOUSANDS)

<TABLE>
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	BALANCE AT	CHARGED TO	CHARGED TO		BALANCE

	BEGINNING OF PERIOD	COSTS AND EXPENSES	OTHER ACCOUNTS	DEDUCTIONS (3)	AT END OF PERIOD
FISCAL YEAR ENDED DECEMBER 26, 1998					
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Allowances for doubtful accounts.....	$ 6,018	$ (3,559)	($) -	$ (205)	$ 2,254
Reserve for facility closing costs...	$ 7,182	$ -	$ -	$ (5,242)	$ 1,940
FISCAL YEAR ENDED DECEMBER 27, 1997					
Allowances for doubtful accounts.....	$ 5,896	$ 156	$ -	$ (34)	$ 6,018
Reserve for facility closing costs...	$ 9,200	$ -	$ 1,201	$ (3,219)	$ 7,182
PERIOD FROM DECEMBER 12, 1996 TO DECEMBER 28, 1996					
Allowances for doubtful accounts.....	$ 5,749	$ 147	$ -	$ -	$ 5,896
Reserve for facility closing costs...	$ -	$ -	$ 9,200	$ -	$ 9,200
PERIOD FROM JANUARY 1, 1996, TO DECEMBER 11, 1996					
Allowances for doubtful accounts.....	$ 5,971	$ (205)	$ 0	$ (17)	$ 5,749

</TABLE>

(1) Amounts for all periods have been restated to exclude amounts related to the discontinued operations.
(2) Includes elimination of amounts included in the allowance for doubtful accounts for receivable from Enjema which was repaid during the third quarter of 1998.
(3) Uncollected receivables written off, net of recoveries, reclassifications to other accounts, and usage of restructuring reserves.

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