



## PRESS RELEASE

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### 5N Plus Inc. Reports Results for Quarter and Fiscal Year Ended December 31, 2013

**Montreal, Québec, February 25, 2014** – 5N Plus Inc. (TSX:VNP), the leading producer of specialty metal and chemical products, today reported financial results for the quarter and fiscal year ended December 31, 2013.

- EBITDA<sup>1</sup> increased by \$26.1 million, from (\$18.1) million in Q4 2012 to \$7.9 million in Q4 2013 and by \$32.9 million, from (\$12.7) million in 2012 to \$20.2 million in 2013.
- Revenues decreased by \$9.2 million, or 7%, from \$128.6 million in Q4 2012 to \$119.4 million in Q4 2013 and by \$92.7 million, or 17%, from \$551.7 million in 2012 to \$459.0 million in 2013. These decreases are mainly due to lower commodity prices.
- Net debt<sup>1</sup> decreased by \$78.2 million, from \$136.5 million as at December 31, 2012 to \$58.3 million as at December 31, 2013. The Net debt<sup>1</sup> to adjusted EBITDA ratio improved in 2013, from 3.6 in 2012 to 1.9 in 2013.
- Net earnings of \$1.6 million and adjusted net earnings<sup>1</sup> of \$2.1 million in Q4 2013 compared to net losses of \$212.0 million and \$6.9 million in Q4 2012. Net earnings of \$42.8 million and adjusted net earnings of \$10.8 million in 2013 compared to net loss of \$227.9 million and adjusted net loss of \$2.9 million in 2012.
- Bookings<sup>1</sup> increased by 18% to \$156.1 million compared to \$132.1 million in the fourth quarter of last year. Backlog<sup>1</sup> as at December 31, 2013 stood at \$170.1 million which compares to backlog of \$165.8 million one year ago.
- On November 13, 2013, the Company was named for a fourth consecutive year as one of Canada's fastest growing technology companies in the Deloitte Technology Fast 50<sup>TM</sup> based on the percentage of revenue growth over five years. 5N Plus' increase in revenues of 1,681% from 2008 to 2012 resulted in a number 5 ranking. The Company was also ranked 101 on Deloitte's Technology Fast 500<sup>TM</sup>, a list of the 500 fastest growing technology, media, telecommunications, life sciences and clean technology companies in North America.
- On October 24, 2013, the Company announced that it had entered into an exclusive long-term off-take agreement of bismuth with Masan Resources, one of the largest private sector natural resources companies in Vietnam.
- On July 9, 2013, the Company announced that it had entered into an exclusive option to acquire all of the issued and outstanding shares in the capital of AM&M Advanced Machine and Materials Inc., a corporation specialized in the manufacturing of micron size metallic powders.

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<sup>1</sup> See Non-IFRS Measures

- On June 18, 2013, the Company announced that it had entered into a full and final settlement with former shareholders of MCP Group SA, in relation with the dispute previously announced by the Corporation on December 21, 2012.
- On June 11, 2013, the Company announced an investment in a new gallium chemicals facility located in South Korea and that it had entered into an agreement with a local chemical distributor for the supply of operating services and logistics of the new facility. This initiative was taken to meet the growing demand for gallium in LED manufacturing in North East Asia.

Jacques L'Ecuyer, President and Chief Executive Officer, said "We ended the year with a relatively strong quarter with EBITDA levels reaching close to \$8 million and quarterly revenues at their highest level since the beginning of the year, reflecting a more favorable business environment despite the typical year-end demand softness patterns. We were also able to continue our quarter-over-quarter reduction in net debt level which was cut by more than half during the year and now stands at less than \$60 million providing greater financial flexibility. Underlying commodity prices together with inventory levels are now more manageable enabling us to perform much more effectively than we have been able to ever since the transformational acquisition made in 2011. Combined with our efforts aimed at improving overall efficiency, instilling greater discipline and reducing costs, we were able to report positive net earnings for a fourth consecutive quarter and break the trend of impairment charges every alternating quarter. Although the latter remains somewhat dependent on underlying commodity pricing trends, and thus to some extent beyond our control, we believe that we are now much better positioned to anticipate and take advantage of these pricing trends in the future."

Mr. L'Ecuyer continued, "In our respective markets, bismuth sales volumes reached a record level in both the quarter and the year reflecting growing demand and increases in market share. Demand for solar products also remained healthy, despite some year-end decreases resulting from unusual customer buying patterns, with a relatively bullish outlook for 2014 as the solar industry gradually recovers and demonstrates its overall competitiveness in a number of unsubsidized markets. Combined sales of electronic metals, namely gallium, indium and germanium, also increased primarily as a result of higher sales of gallium and related chemicals for the LED market, a market which is expected to continue to grow in the future as the use of LEDs for general lighting applications expands. As for our germanium substrate business, we made great progress during the year and are now fully qualified with both of the main US based suppliers of space solar cells. Overall, this relatively bright outlook in terms of markets is further confirmed by the bookings recorded in the quarter which reached their highest levels since the last two years enabling the backlog to increase back to its June 2012 level despite lower average underlying commodity prices."

Mr. L'Ecuyer pursued, "We continue to execute our strategic plan which aims to increase value added activities, broaden our footprint in Asia and expand our recycling business leveraging our international platform. As a result, we announced during the year commissioning of our new facility in Korea, our plans to enter the ultrafine metal powder business through the acquisition of AM&M and its breakthrough atomization technology, and our exclusive long-term bismuth off-take agreement with Masan Resources. We also intend to develop, manufacture and market selenium based chemicals for the animal feed, fertilizer, glass and metallurgical industry. Related investments at our Lao facility are underway and we intend to produce and sell such products before year-end."

Mr. L'Ecuyer concluded, "To our employees, we would like to thank you for your dedication and hard work in what was a very challenging year. Fortunately through our combined efforts, we were able to make tremendous progress and now have every reason to be optimistic on our ability to increase shareholder value in the future. To our stakeholders and shareholders, thank you as well for your confidence and support."

**Webcast Information**

5N Plus will host a conference call on Wednesday, February 26, 2014 at 8:00 am ET with financial analysts to discuss results of the quarter and fiscal year ended December 31, 2013. All interested parties are invited to participate in the live broadcast on the Company's Web site at [www.5nplus.com](http://www.5nplus.com). A replay of the webcast and a recording of the Q&A will be available until March 5, 2014.

To participate in the conference call:

- Montreal area: 514-807-9895
- Toll-Free : 1-888-231-8191

Enter access code 2074852.

### **Non-IFRS Measures**

Adjusted net earnings means the net earnings (loss) before the effect of charge and reversal of impairment related to inventory, PPE and intangible assets, impairment of goodwill, litigation and restructuring costs, settlement of purchase price and acquisitions costs net of the related income tax. We use adjusted net earnings (loss) because we believe it is a meaningful measure of the operating performance of our ongoing business without the effects of unusual inventory write-downs and property plant and equipment and intangible asset impairment charges, litigation and restructuring costs, the settlement of purchase price and acquisition costs. The definition of this non-IFRS measure used by the Company may differ from that used by other companies.

EBITDA means net earnings (loss) before financial expenses (income), income taxes, depreciation and amortization, impairment or reversal of impairment of PPE and intangible assets, impairment of goodwill, litigation and restructuring costs, acquisition-related costs and the settlement of purchase price of MCP. We use EBITDA because we believe it is a meaningful measure of the operating performance of our ongoing business without the effects of certain expenses. The definition of this non-IFRS measure used by the Company may differ from that used by other companies.

Adjusted EBITDA means EBITDA as defined above before impairment of inventories. We use adjusted EBITDA because we believe it is a meaningful measure of the operating performance of our ongoing business without the effects of inventory write-downs. The definition of this non-IFRS measure used by the Company may differ from that used by other companies.

Backlog represents the expected value of orders we have received but have not yet executed and that are expected to translate into sales within the next 12 months. Bookings represents the value of orders received during the period considered and is calculated by adding revenues to the increase or decrease in backlog for the period considered. We use backlog to provide an indication of expected future revenues, and bookings to determine our ability to sustain and increase our revenues.

Net debt or net cash is a measure we use to monitor how much debt we have after taking into account cash and cash equivalents and temporary investments. We use it as an indicator of our overall financial position, and calculate it by taking our total debt, including the current portion, and subtracting cash and cash equivalents and temporary investments.

### **About 5N Plus Inc.**

5N Plus is the leading producer of specialty metal and chemical products. Fully integrated with closed-loop recycling facilities, the Company is headquartered in Montreal, Québec, Canada and operates manufacturing facilities and sales offices in several locations in Europe, the Americas and Asia. 5N Plus deploys a range of proprietary and proven technologies to produce products which are used in a number of advanced pharmaceutical, electronic and industrial applications. Typical products include purified metals such as bismuth, gallium, germanium, indium, selenium and tellurium, inorganic chemicals based on such metals and compound semiconductor wafers. Many of these are critical precursors and key enablers in markets such as solar, light-emitting diodes and eco-friendly materials.

**Forward-Looking Statements and Disclaimer**

This press release may contain forward-looking information within the meaning of applicable securities laws. All information and statements other than statements of historical facts contained in this press release are forward-looking information. Such statements and information may be identified by words such as “about”, “approximately”, “may”, “believes”, “expects”, “will”, “intends”, “should”, “plans”, “predicts”, “potential”, “projects”, “anticipates”, “estimates”, “continues” or similar words or the negative thereof or other comparable terminology. Forward-looking statements are based on the best estimates available to 5N Plus at this time and involve known and unknown risks, uncertainties and other factors that may cause 5N Plus’ actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. A description of the risks affecting 5N Plus’ business and activities appears under the heading “Risk and Uncertainties” of 5N Plus’ 2013 MD&A dated February 25, 2014 available on SEDAR at [www.sedar.com](http://www.sedar.com). No assurance can be given that any events anticipated by the forward-looking information in this press release will transpire or occur, or if any of them do so, what benefits that 5N Plus will derive therefrom. In particular, no assurance can be given as to the future financial performance of 5N Plus. The forward-looking information contained in this press release is made as of the date hereof and 5N Plus undertakes no obligation to publicly update such forward-looking information to reflect new information, subsequent or otherwise, unless required by applicable securities laws. The reader is warned against placing undue reliance on these forward-looking statements.

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**5N PLUS INC.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Figures in thousands of United States dollars)

	As at December 31, 2013	As at December 31, 2012
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	22,427	9,535
Temporary investments, restricted	2,490	2,357
Accounts receivable	60,616	87,807
Inventories	174,374	170,293
Income tax receivable	8,455	18,931
Derivative financial assets	955	-
Other current assets	2,290	2,514
<b>Total current assets</b>	<b>271,607</b>	<b>291,437</b>
Property, plant and equipment	59,614	55,548
Intangible assets	13,143	16,010
Deferred tax asset	13,387	12,650
Investments accounted for using the equity method	444	503
Other assets	7,045	9,248
<b>Total non-current assets</b>	<b>93,633</b>	<b>93,959</b>
<b>Total assets</b>	<b>365,240</b>	<b>385,396</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current</b>		
Bank indebtedness and short-term debt	10,462	8,014
Trade and accrued liabilities	65,016	62,214
Income tax payable	3,660	2,217
Derivative financial liabilities	3,284	2,817
Long-term debt due within one year	4,439	29,527
<b>Total current liabilities</b>	<b>86,861</b>	<b>104,789</b>
Long-term debt	68,346	110,898
Deferred tax liability	1,600	2,632
Retirement benefit obligation	15,887	16,667
Derivative financial liabilities	953	3,537
Other liabilities	1,064	1,560
<b>Total non-current liabilities</b>	<b>87,850</b>	<b>135,294</b>
<b>Total liabilities</b>	<b>174,711</b>	<b>240,083</b>
Shareholders' equity	190,052	144,955
Non-controlling interest	477	358
<b>Total equity</b>	<b>190,529</b>	<b>145,313</b>
<b>Total liabilities and equity</b>	<b>365,240</b>	<b>385,396</b>

**5N PLUS INC.****CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)****For the years ended December 31**

(Figures in thousands of United States dollars, except per share information)

	<b>2013</b>	<b>2012</b>
	\$	\$
<b>Revenues</b>	459,012	551,675
Cost of sales	405,114	520,247
Selling, general and administrative expenses	36,066	45,742
Other expenses, net	(32,854)	225,836
Share of loss from joint ventures	59	333
	<b>408,385</b>	<b>792,158</b>
<b>Operating earnings (loss)</b>	50,627	(240,483)
<b>Financial expenses</b>		
Interest on long-term debt	5,935	8,012
Other interest expense	2,589	816
Foreign exchange and derivative loss (gain)	(2,590)	2,759
	<b>5,934</b>	<b>11,587</b>
<b>Earnings (loss) before income taxes</b>	44,693	(252,070)
Income taxes expense (recovery)	1,913	(24,221)
<b>Net earnings (loss) for the year</b>	<b>42,780</b>	<b>(227,849)</b>
<b>Attributable to:</b>		
Equity holders of 5N Plus Inc.	42,661	(227,738)
Non-controlling interest	119	(111)
	<b>42,780</b>	<b>(227,849)</b>
<b>Earnings (loss) per share attributable to equity holders of 5N Plus Inc.</b>	0.51	(2.91)
<b>Basic earnings (loss) per share</b>	0.51	(2.91)
<b>Diluted earnings (loss) per share</b>	0.51	(2.91)

**5N PLUS INC.**

(Figures in thousands of United States dollars)

**Cash Flows**

	Q4 2013	Q4 2012	2013	2012
	\$	\$	\$	\$
Funds from operations <sup>1</sup>	9,043	4,244	20,033	25,393
Net changes in non-cash working capital items	372	2,685	27,930	76,419
Operating activities	9,415	6,929	47,963	101,812
Investing activities	(3,755)	(4,346)	(11,748)	33,637
Financing activities	3,510	(100)	(22,410)	(154,964)
Effect of foreign exchange rate changes on cash and cash equivalents related to operations	(382)	(276)	(913)	(399)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>8,788</b>	<b>2,207</b>	<b>12,892</b>	<b>(19,914)</b>

**Revenues by Segment**

	Q4 2013	Q4 2012	% Change	2013	2012	% Change
	\$	\$		\$	\$	
Electronic Materials Segment	46,264	55,254	-15%	179,368	232,013	-23%
Eco-Friendly Materials Segment	73,152	73,366	-2%	279,644	319,662	-13%
<b>Total revenues</b>	<b>119,416</b>	<b>128,620</b>	<b>-7%</b>	<b>459,012</b>	<b>551,675</b>	<b>-17%</b>

**EBITDA and Adjusted EBITDA**

	Q4 2013	Q4 2012	2013	2012
	\$	\$	\$	\$
Electronic Materials	4,006	(1,733)	22,316	10,903
Eco-Friendly Materials	6,474	(11,700)	6,253	(8,203)
Corporate	(2,538)	(4,689)	(8,376)	(15,429)
<b>EBITDA<sup>1</sup></b>	<b>7,942</b>	<b>(18,122)</b>	<b>20,193</b>	<b>(12,729)</b>
Electronic Materials	-	8,226	150	23,750
Eco-Friendly Materials	-	16,291	10,032	26,835
<b>Inventory write-down</b>	<b>-</b>	<b>24,517</b>	<b>10,182</b>	<b>50,585</b>
Electronic Materials	4,006	6,493	22,466	34,653
Eco-Friendly Materials	6,474	4,591	16,285	18,632
Corporate	(2,538)	(4,689)	(8,376)	(15,429)
<b>Adjusted EBITDA<sup>1</sup></b>	<b>7,942</b>	<b>6,395</b>	<b>30,375</b>	<b>37,856</b>

**Bookings and Backlog**

	BACKLOG <sup>1</sup>			BOOKINGS <sup>1</sup>		
	Q4 2013	Q3 2013	Q4 2012	Q4 2013	Q3 2013	Q4 2012
	\$	\$	\$	\$	\$	\$
Electronic Materials	80,382	72,309	100,718	54,337	31,588	59,342
Eco-Friendly Materials	89,691	61,043	65,072	101,800	57,057	72,744
<b>Total</b>	<b>170,073</b>	<b>133,352</b>	<b>165,790</b>	<b>156,137</b>	<b>88,645</b>	<b>132,086</b>

<sup>1</sup> See Non-IFRS Measures