



PRESS RELEASE

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5N Plus Inc. Reports Results for the Third Quarter Ended September 30, 2012

Montreal, Québec, November 7, 2012 – 5N Plus Inc. (TSX:VNP), the leading producer of specialty metal and chemical products, today reported financial results for the third quarter ended September 30, 2012.

These financial results include 5N Plus and former MCP Group for the entire YTD 2012, whereas less than six months of former MCP Group were included in the ten-month period ended September 30, 2011.

- Adjusted EBITDA¹ for the third quarter 2012 was \$9.0 million compared to \$30.3 million for the four-month period ended September 30, 2011. Adjusted EBITDA for the nine-month period ended September 30, 2012 was \$31.5 million compared to \$56.3 million for the ten-month period ended September 30, 2011. Excluding inventory impairment charges and reversals, EBITDA¹ was \$9.0 million for the third quarter 2012 and \$5.4 million for the nine-month period ended September 30, 2012 compared to \$28.9 million and \$54.9 million for the four and ten-month periods ended September 30, 2011 respectively.
- Net debt¹ amounted to \$140.2 million on September 30, 2012 compared to \$260.6 million on December 31, 2011 and decreased by \$35.5 million in the third quarter 2012 and by \$120.3 million in the nine-month period 2012. Total debt amounted to \$149.8 million at September 30, 2012 compared to \$341.9 million at December 31, 2011 and decreased by \$37.8 million in the third quarter 2012 and by \$192.1 million in the nine-month period 2012.
- Revenues for the third quarter 2012 were \$120.7 million compared to \$242.3 million for the four-month period ended September 30, 2011. Revenues for the nine-month period ended September 30, 2012 increased by 9.9% to \$423.1 million compared to \$384.9 million for the ten-month period ended September 30, 2011.
- Net earnings (loss) for the third quarter 2012 was \$1.3 million or \$0.02 per share and (\$15.9) million or (\$0.21) per share for the nine-month period 2012 resulting from impairment charges of \$26.1 million booked in the second quarter 2012. Net earnings was \$14.9 million or \$0.21 per share and \$28.7 million or \$0.48 per share for the four and ten-month periods ended September 30, 2011 respectively. Excluding impairment charges and reversals, restructuring costs and acquisition costs net of the related income tax, adjusted net earnings¹ were \$0.6 million or \$0.01 per share for the third quarter 2012 and \$4.0 million or \$0.05 per share for the nine-month period 2012.
- As at September 30, 2012, the backlog¹ of orders expected to translate into sales over the following twelve months stood at \$162.3 million compared to \$212.3 million as at September 30, 2011 and \$189.0 million as at June 30, 2012.

¹ See Non-IFRS Measures

Jacques L'Ecuyer, President and Chief Executive Officer, said "Despite a very challenging business environment we managed to return to positive earnings in the quarter and generate strong cash flow which enabled us to further reduce debt levels and improve financial flexibility. In our Electronic Materials business unit, demand for our solar products remained relatively strong and we expect this to continue in the fourth quarter. We also reached technical and commercial milestones at our germanium substrate subsidiary, Sylarus, which was awarded a second government contract this year. Demand was somewhat softer for most of our other products including those of our Eco-Friendly Materials business unit, our customers remaining cautious in their procurement plans in view of continuing concerns over European demand and the slowdown in the global economy."

Mr. L'Ecuyer continued, "Revenues, backlog and profitability were negatively impacted in the quarter by low underlying commodity prices. Our stocks remain somewhat close to their net realizable value, preventing us from capturing our full margins. We expect this situation to gradually correct itself over the next quarters as we replenish our stocks and take advantage of what we believe will be a more favourable underlying commodity pricing environment."

Mr. L'Ecuyer added, "We continue to focus on improving financial and operational efficiency and at reducing costs. Financial efficiency gains were made through a further reduction of \$33.7 million in working capital and \$35.5 million in net debt. On the operational side, we were successful in the quarter in consolidating our gallium production activities previously carried out in Fairfield into our manufacturing facility in DeForest, Wisconsin. We are also strengthening our presence in Asia and intend to fully leverage our developing footprint there, including our plant in Vientiane, Laos which has now been in operation for close to one year, as well as our new plant in Kulim, Malaysia which is ready to begin operations, together with our international platform."

Mr. L'Ecuyer concluded, "We remain cautiously optimistic about the coming quarters. Although challenging market conditions may well continue to prevail, leading to volatility in our financial performance, our continuing focus on improving efficiency throughout the organization will enable us to remain well positioned to take advantage of future growth opportunities and deliver increasing shareholder value. Many thanks therefore to our employees for enabling us to do so."

Webcast Information

5N Plus will host a conference call on Thursday, November 8, 2012 at 8:00 am ET with financial analysts to discuss results of the third quarter ended September 30, 2012. All interested parties are invited to participate in the live broadcast on the Company's Web site at www.5nplus.com. A replay of the webcast and a recording of the Q&A will be available until November 30, 2012.

To participate in the conference call:

- Montreal area: 514-807-9895
- Toronto area: 647-427-7450
- Toll-Free : 1- 888-231-8191

Enter access code 63948066.

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, restructuring charges 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, restructuring charges 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 property plant and equipment, restructuring costs and acquisition-related costs. 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.

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.

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.

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 “Risks and Uncertainties” in Management’s Discussion and Analysis for the fiscal year ended December 31, 2011 available on SEDAR at 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.

5N PLUS INC.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF EARNINGS**

For the periods of three and nine months ended September 30, 2012 with comparative figures for the periods of four and ten months ended September 30, 2011

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

(Unaudited)

	2012 (3 months)	2011 (4 months)	2012 (9 months)	2011 (10 months)
	\$	\$	\$	\$
Revenues	120,744	242,289	423,055	384,928
Cost of sales	102,846	199,432	386,028	308,966
Selling, general and administrative expenses	9,618	16,054	33,181	24,177
Other expenses, net	3,900	5,454	14,521	16,053
Share of loss (gain) from joint ventures	161	(221)	380	(418)
	116,525	220,719	434,110	348,778
Operating income (loss)	4,219	21,570	(11,055)	36,150
Financial expenses (income)				
Interest on long-term debt	1,706	2,889	6,483	3,716
Other interest expense	244	551	882	1,864
Foreign exchange loss (gain) and derivative	807	(1,760)	3,119	(8,252)
	2,757	1,680	10,484	(2,672)
Earnings (loss) before income tax	1,462	19,890	(21,539)	38,822
Income tax	187	4,957	(5,643)	10,164
Net earnings (loss) for the period	1,275	14,933	(15,896)	28,658
Attributable to:				
Equity holders of 5N Plus Inc.	1,218	15,565	(15,732)	29,640
Non-controlling interest	57	(632)	(164)	(982)
Net earnings (loss) for the period	1,275	14,933	(15,896)	28,658
Earnings (loss) per share attributable to equity holders of 5N Plus Inc.	0.01	0.22	(0.21)	0.49
Basic earnings (loss) per share	0.02	0.21	(0.21)	0.48
Diluted earnings (loss) per share	0.02	0.21	(0.21)	0.47

5N PLUS INC.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(All figures in thousands of United States dollars)

	As at September 30, 2012	As at December 31, 2011
	\$	\$
	(unaudited)	
ASSETS		
Current		
Cash and cash equivalents	7,328	29,449
Temporary investments (restricted)	2,207	51,882
Accounts receivable	76,215	76,641
Inventories	193,560	315,333
Income tax receivable	17,274	11,022
Other current assets	3,616	2,762
Total current assets	300,200	487,089
Property, plant and equipment	92,859	86,483
Intangible assets	59,296	68,148
Deferred tax asset	12,120	6,646
Goodwill	124,910	124,910
Investments accounted for using the equity method	1,133	1,513
Other assets	9,681	11,495
Total non-current assets	299,999	299,195
Total assets	600,199	786,284
LIABILITIES AND EQUITY		
Current		
Bank indebtedness and short-term debt	11,235	73,430
Trade and accrued liabilities	43,436	59,029
Income tax payable	1,894	354
Derivative financial liabilities	4,074	3,814
Long-term debt due within one year	31,122	14,757
Total current liabilities	91,761	151,384
Long-term debt	107,406	253,719
Deferred tax liability	24,204	23,083
Retirement benefit obligation	11,865	12,315
Derivative financial liabilities	3,420	1,902
Other liabilities	1,638	4,171
Total liabilities	240,294	446,574
Shareholders' equity	359,600	339,241
Non-controlling interest	305	469
Total equity	359,905	339,710
Total liabilities and equity	600,199	786,284

5N PLUS INC.

Cash Flows

(in thousands of United States dollars)	Q3 2012	Four-month period ended September 30, 2011	YTD 2012	Ten-month period ended September 30, 2011
	\$	\$	\$	\$
Funds from operations	10,320	17,119	21,149	33,423
Net changes in non-cash working capital items	29,700	(31,344)	73,734	(107,476)
Operating activities	40,020	(14,225)	94,883	(74,053)
Investing activities	(7,214)	(4,640)	37,983	(173,014)
Financing activities	(36,498)	19,843	(154,864)	220,506
Effect of foreign exchange rate changes on cash and cash equivalents related to operations	(826)	-	(123)	366
Net (decrease) increase in cash and cash equivalents	(4,518)	978	(22,121)	(26,195)

Electronic Materials Business Unit

(in thousands of United States dollars)	Q3 2012	Four-month period ended September 30, 2011	YTD 2012	Ten-month period ended September 30, 2011
	\$	\$	\$	\$
Revenues	49,724	116,255	177,852	201,145
Cost of goods & expenses, before amortization	(40,491)	(97,362)	(165,082)	(158,321)
EBITDA	9,233	18,893	12,770	42,824
Impairment of inventory	-	306	15,558	306
Adjusted EBITDA	9,233	19,199	28,328	43,130
Bookings	30,000	103,072	124,443	283,886

Eco-Friendly Material Business Unit

(in thousands of United States dollars)	Q3 2012	Four-month period ended September 30, 2011	YTD 2012	Ten-month period ended September 30, 2011
	\$	\$	\$	\$
Revenues	71,020	126,034	245,203	183,783
Cost of goods & expenses, before amortization	(68,721)	(112,826)	(241,840)	(165,787)
EBITDA	2,299	13,208	3,363	17,996
Impairment of inventory	-	1,070	10,510	1,070
Adjusted EBITDA	2,299	14,278	13,873	19,066
Bookings	64,094	87,599	237,757	252,140

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