



PRESS RELEASE

RELEASE DATE: July 31, 2013

5N Plus Inc. Reports Net Earnings of \$34 million and \$0.41 per Share for the Second Quarter Ended June 30, 2013

Montreal, Québec, July 31, 2013 – 5N Plus Inc. (TSX:VNP), the leading producer of specialty metal and chemical products, today reported financial results for the second quarter ended June 30, 2013.

- Net earnings were \$34.3 million in the quarter or \$0.41 per share compared to (\$22.1) million or (\$0.30) per share in Q2 2012. The non-recurring gain recorded in Q2 2013 related to the settlement of the purchase price of MCP announced on June 18, 2013 was partially offset by an inventory impairment charge of \$10.2 million. Net earnings for YTD 2013 were \$39.8 million or \$0.47 per share compared to (\$17.2) or (\$0.24) per share for YTD 2012.
- Net debt¹ decreased to \$84.7 million down from \$136.5 million on December 31, 2012 and \$175.8 million on June 30, 2012. Total debt also decreased to \$102.5 million down from \$148.4 million on December 31, 2012 and \$187.6 million on June 30, 2012.
- Adjusted EBITDA¹ was \$6.5 million in the quarter and \$16.7 million for the six-month period ended June 30, 2013 which compares with \$5.6 million and \$22.5 million for the corresponding periods of the previous fiscal year.
- Revenues for the second quarter and the six-month period ending June 30, 2013 were \$112.6 million and \$231.0 million which compares with \$140.1 million and \$302.3 million for the corresponding periods of the previous fiscal year following a trend of decreasing underlying commodity pricing.
- The backlog¹ decreased to \$153.3 million as at June 30, 2013 compared to \$189.0 million one year ago also following a trend of decreasing underlying commodity pricing.
- On June 11, 2013, 5N Plus announced that it will invest in a new gallium chemicals facility to be located in South Korea, one of the fastest growing regions for electronics manufacturing in the world. This initiative is being taken to meet the growing demand for gallium in LED manufacturing in North East Asia.
- On July 9, 2013, 5N Plus announced that it had signed an exclusive option to acquire all of the issued and outstanding shares in the capital of AM&M Advanced Machine and Materials Inc., an Ontario based corporation specialized in the manufacturing of micron size metallic powders which can be used in a variety of electronic markets, including solder powders for increasingly demanding applications, silver-based powders for high thermal conductivity interfaces, and CIGS powders for thin film solar panels.

¹ See Non-IFRS Measures

Jacques L'Ecuyer, President and Chief Executive Officer, said "The quarter was decisive for 5N Plus as we reached a settlement with the former shareholders of MCP leading to a \$45.2 million gain related to the settlement of the purchase price of MCP which partially offset the impairment charges recorded in the last quarter of 2012. This puts an end to what has been a very difficult period for many of our employees and stakeholders that we wish to thank for their support. We can now move on and focus on our main objective which is of increasing shareholder value".

Mr. L'Ecuyer continued, "In much the same way as in the previous quarter, demand remained healthy for most products but backlog, revenues and margins were negatively impacted by depressed underlying commodity prices. Our markets continue to be extremely competitive for both ourselves and our customers alike resulting in deflationary pricing. In our Electronic Materials business unit, both the solar and LED markets are adversely affected with overcapacity and aggressive pricing strategies which are compressing margins throughout the value chain. In our Eco-Friendly Materials business unit, decreases in bismuth and selenium prices negatively impacted margins in the quarter and also forced us to record additional inventory write-downs of \$10.1 million to net realizable value in accordance with IFRS accounting requirements. "

Mr. L'Ecuyer concluded, "In this context we continue to focus on improving efficiency and further reducing costs and working capital in an effort to strengthen margins and cash flow. We are also making progress towards our stated objectives of increasing value-added opportunities, with the planned acquisition of AM&M and their unique technology for making metal powders, and increasing our business activities in Asia, with the announcement of our new production activities and partnership in Korea. We are confident that such initiatives and our focus on cost reductions and efficiency improvements will ensure the long term profitability of our Company and an increase in shareholder value. "

Webcast Information

5N Plus will host a conference call on Wednesday, July 31, 2013 at 10:00 am ET with financial analysts to discuss results of the second quarter ended June 30, 2013. 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 August 7, 2013.

To participate in the conference call:

- Montreal area: 514-225-6995
- Toronto area: 416-764-8688
- Toll-Free : 1-888-390-0546

Enter access code 25979614.

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. 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’ 2012 MD&A dated March 28, 2013 and Note 13 of the unaudited interim condensed consolidated financial statements for three and six-month periods ended June 30, 2013 and 2012 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.

– 30 –

Contact:

Jean Mayer
Vice President, Legal Affairs and Corporate Secretary
5N Plus Inc.
(514) 856-0644 x6178
invest@5nplus.com

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

For the periods of three and six months ended June 30, 2013 and 2012

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

	Q2		YTD	
	2013	2012	2013	2012
	\$	\$	\$	\$
Revenues	112,637	140,076	231,026	302,311
Cost of sales	106,645	150,935	206,033	283,182
Selling, general and administrative expenses	10,150	11,551	19,777	23,563
Other expenses (income) net	(41,293)	4,100	(38,315)	10,621
Share of loss from joint ventures	117	55	253	219
	75,619	166,641	187,748	317,585
Operating income (loss)	37,018	(26,565)	43,278	(15,274)
Financial expenses (income)				
Interest on long-term debt	1,576	2,391	3,418	4,777
Other interest expense	245	27	1,715	638
Foreign exchange and derivative loss (gain)	1,308	630	(1,709)	2,312
	3,129	3,048	3,424	7,727
Earnings (loss) before income tax	33,889	(29,613)	39,854	(23,001)
Income tax expense (recovery)	(392)	(7,551)	35	(5,830)
Net earnings (loss) for the period	34,281	(22,062)	39,819	(17,171)
Attributable to:				
Equity holders of 5N Plus Inc.	34,185	(21,922)	39,556	(16,950)
Non-controlling interest	96	(140)	263	(221)
	34,281	(22,062)	39,819	(17,171)
Earnings (loss) per share attributable to equity holders of 5N Plus Inc.	\$0.41	(\$0.29)	\$0.47	(\$0.23)
Basic earnings (loss) per share	\$0.41	(\$0.30)	\$0.47	(\$0.24)
Diluted earnings (loss) per share	\$0.41	(\$0.30)	\$0.47	(\$0.24)

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

(Figures in thousands of United States dollars)

	As at June 30, 2013	As at December 31, 2012
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	15,488	9,535
Temporary investments (restricted)	2,335	2,357
Accounts receivable	66,720	87,807
Inventories	178,106	170,293
Income tax receivable	11,234	18,931
Derivative financial assets	1,357	-
Other current assets	3,416	2,514
Total current assets	278,656	291,437
Property, plant and equipment	55,644	55,548
Intangible assets	14,612	16,010
Deferred tax asset	15,145	12,650
Investments accounted for using the equity method	250	503
Other assets	6,565	9,248
Total non-current assets	92,216	93,959
Total assets	370,872	385,396
LIABILITIES AND EQUITY		
Current		
Bank indebtedness and short-term debt	9,985	8,014
Trade and accrued liabilities	54,825	62,214
Income tax payable	2,683	2,217
Derivative financial liabilities	2,820	2,817
Long-term debt due within one year	4,257	29,527
Total current liabilities	74,570	104,789
Long-term debt	88,239	110,898
Deferred tax liability	2,114	2,632
Retirement benefit obligation	16,741	16,667
Derivative financial liabilities	1,597	3,537
Other liabilities	1,641	1,560
Total non-current liabilities	110,332	135,294
Total liabilities	184,902	240,083
Shareholders' equity	185,349	144,955
Non-controlling interest	621	358
Total equity	185,970	145,313
Total liabilities and equity	370,872	385,396

5N PLUS INC.

(Figures in thousands of United States dollars)

Cash Flows

	Q2 2013	Q2 2012	% Change	YTD 2013	YTD 2012	% Change
	\$	\$		\$	\$	
Funds from operations ¹	1,560	(407)	483%	6,168	10,829	-43%
Net changes in non-cash working capital items	1,272	17,063	-93%	7,516	44,034	-83%
Operating activities	2,832	16,656	-83%	13,684	54,863	-75%
Investing activities	(2,189)	31,910	-107%	(4,775)	45,197	-111%
Financing activities	2,939	(49,890)	106%	(3,101)	(118,366)	97%
Effect of foreign exchange rate changes on cash and cash equivalents related to operations	(315)	1,126	-128%	145	703	-79%
Net increase (decrease) in cash and cash equivalents	3,267	(198)	1,750%	5,953	(17,603)	134%

Revenues by Segment

	Q2 2013	Q2 2012	% Change	YTD 2013	YTD 2012	% Change
	\$	\$		\$	\$	
Electronic Materials Segment	42,788	54,763	-22%	91,144	128,128	-29%
Eco-Friendly Materials Segment	69,849	85,313	-18%	139,882	174,183	-20%
Total Revenues	112,637	140,076	-20%	231,026	302,311	-24%

EBITDA and Adjusted EBITDA

	Q2 2013	Q2 2012	% Change	YTD 2013	YTD 2012	% Change
	\$	\$		\$	\$	
Electronic Materials	5,452	(7,192)	176%	12,529	3,574	251%
Eco-Friendly Materials	(7,074)	(9,050)	22%	(2,006)	1,017	-297%
Corporate	(2,017)	(4,232)	52%	(4,047)	(8,198)	51%
EBITDA¹	(3,639)	(20,474)	82%	6,476	(3,607)	280%
Electronic Materials	150	15,558	-99%	150	15,558	-99%
Eco-Friendly Materials	10,032	10,510	-5%	10,032	10,510	-5%
Impairment of inventory	10,182	26,068	-61%	10,182	26,068	-61%
Electronic Materials	5,602	8,366	-33%	12,680	19,132	-34%
Eco-Friendly Materials	2,958	1,460	103%	8,025	11,527	-30%
Corporate	(2,017)	(4,232)	52%	(4,047)	(8,198)	51%
Adjusted EBITDA¹	6,543	5,594	17%	16,658	22,461	-26%

Bookings and Backlog

	BACKLOG			BOOKINGS		
	Q2 2013	Q1 2013	Q2 2012	Q2 2013	Q1 2013	Q2 2012
	\$	\$	\$	\$	\$	\$
Electronic Materials Segment	82,681	92,797	116,364	32,672	40,435	37,379
Eco-Friendly Materials Segment	70,596	73,493	72,618	66,952	78,455	76,090
Total	153,277	166,290	188,982	99,624	118,890	113,469

¹ See Non-IFRS Measures