



## PRESS RELEASE

RELEASE DATE: May 3, 2016

### **5N Plus Reports Financial Results for the First Quarter Ended March 31, 2016**

**Montreal, Québec, May 3, 2016** – 5N Plus Inc. (TSX:VNP), the leading producer of specialty metal and chemical products, today reported financial results for the first quarter ended March 31, 2016. All amounts are expressed in U.S. dollars.

The Company completed a quarter characterized by healthy demand for its products in an environment of relative stability with respect to most commodity prices resulting in Adjusted EBITDA<sup>1</sup> and EBITDA<sup>1</sup> to recover from 2015 levels. In addition, the Company continued to manage cash diligently, operating expenses judiciously and adapted a more selective approach toward market opportunities; all of which positively contributed to improvement in bottom-line performance and further enabled the Company to reduce its overall debt level.

- Adjusted EBITDA and EBITDA reached positive \$4.3 million and \$2.9 million in Q1 2016 compared to \$0.3 million and \$3.4 million in Q1 2015. The Adjusted EBITDA recovered from the last four quarters accommodated by relatively stable commodity prices and reduced operating expenses.
- Net debt<sup>1</sup> was reduced by \$7.3 million during the quarter standing at \$27.5 million as at March 31, 2016 down from \$74.9 million one year earlier, following reduction of working capital requirements.
- Revenues for Q1 2016 reached \$63.9 million compared to \$95.7 million for the same quarter of 2015, impacted by important decrease of underlying commodity pricing over the last 12 months.
- Similarly the Backlog<sup>1</sup> and Bookings<sup>1</sup> were negatively impacted by decreases in underlying commodity pricing when expressed in dollars, however Backlog reaching as at March 31, 2016 a level of 145 days of sales outstanding down by 13 days over the backlog as at December 31, 2015. Bookings for the first quarter of 2016, reached 89 days which compares to 95 days in the fourth quarter of 2015.

---

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

Arjang Roshan, President and Chief Executive Officer, said “Following a difficult year in 2015, we are reporting an improvement in profitability which is fostered by relative stability in commodity prices, favorable sales mix supported in part by selective approach toward market opportunities and positive outcome from efforts and initiatives aimed at improving efficiency, reducing costs, and managing working capital.”

Mr. Roshan continued, “In addition, we have begun to actively engage select suppliers and implement mutually acceptable agreements which realign the nature of the relationship with the realities of the market. Moreover, we have been engaging various business partners to seek alternative business models in order to accommodate the future needs of all parties involved.”

Mr. Roshan concluded, “In February, shortly after I joined the group as its new President and Chief Executive Officer, we announced our intention to articulate the highlights of our strategic plan by early this fall. We continue to make progress toward this target and have begun a comprehensive process examining our core business. We are also closely evaluating growth opportunities in order to develop a range of options and compatibility with our future trajectory.”

### **Webcast Information**

5N Plus will host a conference call on Wednesday, May 4, 2016 at 8:00 am ET with financial analysts and institutional investors to discuss results of the quarter ended March 31, 2016. 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 May 11, 2016.

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 2916696.

### **Non-IFRS Measures**

EBITDA means net earnings (loss) before interest expenses (income), income taxes, depreciation and amortization. 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, allowance for doubtful of a receivable from a related party, litigation and restructuring costs, gain on disposal of property, plant and equipment, change in fair value of debenture conversion option, foreign exchange and derivatives loss (gain). 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. 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.

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 twelve 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 “Risk and Uncertainties” of 5N Plus’ 2015 MD&A dated February 23, 2016 and notes 11 and 12 of the unaudited condensed interim consolidated financial statements for the three-month periods ended March 31, 2016 and 2015, 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.

– 30 –

#### **Contact:**

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

**5N PLUS INC.**Condensed Interim Consolidated Statements of Financial Position  
(in thousands of United States dollars) (unaudited)

	March 31, 2016	December 31, 2015
	\$	\$
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	14,851	8,816
Accounts receivable	40,899	37,325
Inventories	81,306	89,052
Income tax receivable	2,880	2,632
Other current assets	1,724	1,820
<b>Total current assets</b>	<b>141,660</b>	<b>139,645</b>
Property, plant and equipment	65,938	67,646
Intangible assets	8,166	7,315
Deferred tax assets	4,533	3,478
Investment accounted for using the equity method	526	310
Derivative financial assets	1,430	-
Other assets	1,464	2,343
<b>Total non-current assets</b>	<b>82,057</b>	<b>81,092</b>
<b>Total assets</b>	<b>223,717</b>	<b>220,737</b>
<b>Liabilities</b>		
<b>Current</b>		
Trade and accrued liabilities	42,167	38,744
Income tax payable	6,656	6,598
Current portion of long-term debt	456	435
<b>Total current liabilities</b>	<b>49,279</b>	<b>45,777</b>
Long-term debt	32	1,512
Convertible debentures	43,342	40,288
Deferred tax liabilities	743	668
Employee benefit plan obligation	15,315	13,934
Derivative financial liabilities	401	1,530
Other liabilities	20,240	20,403
<b>Total non-current liabilities</b>	<b>80,073</b>	<b>78,335</b>
<b>Total liabilities</b>	<b>129,352</b>	<b>124,112</b>
<b>Equity</b>		
Equity holders of 5N Plus Inc.	94,374	96,632
Non-controlling interests	(9)	(7)
<b>Total equity</b>	<b>94,365</b>	<b>96,625</b>
<b>Total liabilities and equity</b>	<b>223,717</b>	<b>220,737</b>

**5N PLUS INC.**

Condensed Interim Consolidated Statements of Loss

For the three-month periods ended March 31

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

	2016	2015
	\$	\$
<b>Revenue</b>	<b>63,868</b>	95,663
Cost of sales	<b>53,739</b>	89,922
Selling, general and administrative expenses	<b>6,378</b>	7,024
Other expenses	<b>3,050</b>	1,195
Share of (gain) loss from joint ventures	<b>(113)</b>	78
	<b>63,054</b>	98,219
<b>Operating earnings (loss)</b>	<b>814</b>	(2,556)
<b>Finance expense (revenue)</b>		
Interest on long-term debt	<b>880</b>	1,190
Imputed interest and other interest expense	<b>1,819</b>	893
Changes in fair value of debenture conversion option	<b>309</b>	(713)
Foreign exchange and derivative loss (gain)	<b>27</b>	(2,423)
	<b>3,035</b>	(1,053)
<b>Loss before income taxes</b>	<b>(2,221)</b>	(1,503)
Income tax expense (recovery)		
Current	<b>699</b>	(288)
Deferred	<b>(1,011)</b>	736
	<b>(312)</b>	448
<b>Net loss</b>	<b>(1,909)</b>	(1,951)
<b>Attributable to:</b>		
Equity holders of 5N Plus Inc.	<b>(1,907)</b>	(1,949)
Non-controlling interests	<b>(2)</b>	(2)
	<b>(1,909)</b>	(1,951)
<b>Loss per share attributable to equity holders of 5N Plus Inc.</b>	<b>(0.02)</b>	(0.02)
<b>Basic loss per share</b>	<b>(0.02)</b>	(0.02)
<b>Diluted loss per share</b>	<b>(0.02)</b>	(0.05)

**5N PLUS INC.**

(Figures in thousands of United States dollars)

**Funds from Operations**

	Q1 2016	Q1 2015
	\$	\$
<b>Funds from (used in) operations<sup>1</sup></b>	<b>2,471</b>	<b>(2,015)</b>
Net acquisition of PPE and intangible assets	(1,904)	(6,254)
Working capital changes	7,014	14,657
Others	(268)	2,731
	<b>4,842</b>	<b>11,134</b>
<b>Total movement in net debt<sup>1</sup></b>	<b>7,313</b>	<b>9,119</b>
Net debt <sup>1</sup> , beginning of period	(34,862)	(84,007)
<b>Net debt<sup>1</sup>, end of period</b>	<b>(27,549)</b>	<b>(74,888)</b>

**Revenues by Segment**

	Q1 2016	Q1 2015
	\$	\$
Electronic Materials	19,568	29,640
Eco-Friendly Materials	44,300	66,023
<b>Total revenues</b>	<b>63,868</b>	<b>95,663</b>

**EBITDA and Adjusted EBITDA**

	Q1 2016	Q1 2015
	\$	\$
Revenues	63,868	95,663
Operating expenses*	(59,618)	(95,393)
Adjusted EBITDA <sup>1</sup>	4,250	270
Litigation and restructuring costs	(1,030)	-
Change in fair value of debenture conversion option	(309)	713
Foreign exchange and derivative (loss) gain	(27)	2,423
EBITDA <sup>1</sup>	2,884	3,406

\*Excluding litigation and restructuring costs and depreciation and amortization.

**Backlog and Bookings**

	BACKLOG <sup>1</sup>			BOOKINGS <sup>1</sup>		
	Q1 2016	Q4 2015	Q1 2015	Q1 2016	Q4 2015	Q1 2015
	\$	\$	\$	\$	\$	\$
Electronic Materials	48,481	47,225	81,066	20,824	11,093	27,030
Eco-Friendly Materials	53,192	55,714	67,696	41,778	50,645	64,236
<b>Total</b>	<b>101,673</b>	<b>102,939</b>	<b>148,762</b>	<b>62,602</b>	<b>61,738</b>	<b>91,266</b>

*(number of days based on annualized revenues)\**

	BACKLOG <sup>1</sup>			BOOKINGS <sup>1</sup>		
	Q1 2016	Q4 2015	Q1 2015	Q1 2016	Q4 2015	Q1 2015
Electronic Materials	226	229	250	97	54	83
Eco-Friendly Materials	110	125	94	86	114	89
Weighted average	145	158	142	89	95	87

\*Bookings and backlog are also presented in number of days to normalize the impact of commodity prices.

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