



PRESS RELEASE

RELEASE DATE: February 24, 2015

5N Plus Inc. Reports Results for Quarter and Fiscal Year Ended December 31, 2014

Montreal, Québec, February 24, 2015 – 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, 2014. All amounts are expressed in U.S. dollars.

- EBITDA¹ reached \$39.4 million during the year compared to \$63.9 million in 2013 (or \$18.7 million excluding the \$45.2 million gain realised following the MCP Group S.A. (“MCP”) litigation settlement). Adjusted EBITDA¹ increased to \$35.0 million in 2014 compared to \$30.4 million for 2013. EBITDA and Adjusted EBITDA were respectively of \$4.0 million and \$5.7 million in the fourth quarter of 2014 compared to \$6.8 million and \$7.9 million for the fourth quarter of 2013.
- Revenues for 2014 reached \$508.2 million up from \$459.0 million in 2013. Revenues for the fourth quarter of 2014 reached \$114.8 million, down from \$119.4 million for the fourth quarter of 2013.
- Net earnings for fiscal year 2014 were \$10.7 million compared to \$42.8 million in 2013 which included the positive impact of the MCP litigation settlement (or a loss of \$2.4 million excluding the \$45.2 million gain realised following the MCP litigation settlement). Net loss for the fourth quarter of 2014 reached \$2.5 million, compared to net earnings of \$1.6 million for the fourth quarter of 2013.
- Net debt¹ stood at \$84.0 million, up from September 30, 2014 and up from \$58.3 million as at December 31, 2013.
- Bookings¹ increased to \$130.8 million in the quarter up from \$101.3 million in the previous quarter. This compares with bookings of \$156.1 million in the fourth quarter of 2013. Backlog¹ as at December 31, 2014 stood at \$153.2 million, up from \$137.2 million in the previous quarter and down from \$170.1 million one year ago.
- On April 3, 2014, 5N Plus announced that it had acquired the remaining 33.33% ownership interest in its subsidiary Sylarus Technologies, LLC, located in St. George, Utah, and had changed its name to 5N Plus Semiconductors LLC.
- On May 5, 2014, 5N Plus announced that it had completed the acquisition of all of the issued and outstanding shares in the capital of AM&M Advanced Machine and Materials Inc. (“AM&M”).

¹ See Non-IFRS Measures

- On May 29, 2014, 5N Plus announced that it had entered into new supply agreements with First Solar, Inc., the world's leading thin-film solar module manufacturer, covering First Solar's compound semiconductor needs until March 31, 2019.
- On June 26, 2014, 5N Plus announced the closing of its offering of CA\$60.0 million of convertible unsecured subordinated debentures and that the underwriters had purchased an additional CA\$6.0 million.
- On August 7, 2014, 5N Plus announced the closing of a senior secured multi-currency revolving credit facility of \$125.0 million maturing in August 2018 (with an additional \$25.0 million accordion feature) to replace its existing \$100.0 million senior secured revolving facility.
- On November 13, 2014, 5N Plus was named for a fifth consecutive year as one of Canada's fastest growing technology companies in the Deloitte Technology Fast 50™ based on the percentage of revenue growth over five years. 5N Plus' increase in revenues of 581% from 2009 to 2013 resulted in a number 23 ranking. 5N Plus was also ranked 179 on Deloitte's Technology Fast 500™, a list of the 500 fastest growing technology, media, telecommunications, life sciences and clean technology companies in North America.

Jacques L'Ecuyer, President and Chief Executive Officer, said "Fiscal year 2014 was close to our highest level in terms of profitability as we reached record EBITDA (excluding the impact of the MCP litigation settlement realized in 2013), despite a relatively soft fourth quarter. The year was mainly characterized by strong demand for most of our products with bismuth sales reaching a record level for a second consecutive year. Demand for our solar products was also high as one of our main customers continues to make significant progress in terms of efficiency and costs demonstrating the overall competitiveness of the CdTe technology over other technologies and its ability to penetrate unsubsidized markets. This was recently highlighted by Apple's decision to enter into a 25-year commercial power purchase agreement, the largest of its kind, for 130 MW of electricity produced using CdTe solar cells. Sales of our other products were in line with expectations with important advances having been made during the year in our semiconductor substrate business where we are now fully qualified with both of the main US based suppliers of space solar cells."

Mr. L'Ecuyer continued, "We experienced however a relatively soft fourth quarter with demand being negatively impacted by significant underlying commodity price volatility. This is especially true for bismuth and gallium, the pricing of which has been under severe downward pressure following latest developments at the Fanya Metal Exchange which has forced us to record inventory impairment charges of \$5.3 million in the quarter. We expect demand to recover in the first quarter although pricing volatility may continue. Our bookings and backlog increases recorded in the fourth quarter reflect this to a large extent with lower dollar figures being essentially associated with decreases in selling prices, following latest trends in underlying commodity prices, but not sales volumes. Similarly, should such pricing trends continue, we expect inventory dollar figures to come down together with our debt level as average unit pricing decreases."

Mr. L'Ecuyer further continued, "We improved financial flexibility in 2014, through the issuance of a convertible debenture and the renewal of our credit facility, enabling us to continue making progress in several strategic initiatives aimed at strengthening our position throughout the entire value chain. This included, on one hand, additional investments in our Laos facility with the intent of expanding our primary refining capabilities and providing an efficient footprint for the treatment of the bismuth feedstock produced in Vietnam; and on the other, investments aimed at expanding our value-added product portfolio by fully leveraging our industrial and technological platform in the semiconductor

substrate business and by acquiring the AM&M business and technology as we intend to rapidly position ourselves in the metal powder business.”

Mr. L’Ecuyer concluded, “Current underlying commodity pricing volatility is likely to continue to weigh on our financial performance but we remain cautiously optimistic about future demand and our ability to grow as we execute our strategic plan. To our employees, I would like to thank you for your dedication and hard work in what has turned out to be a record year in many respects despite the competitive landscape we operate in. To our stakeholders and shareholders, thank you as well for your continuing confidence and support.”

Webcast Information

5N Plus will host a conference call on Wednesday, February 25, 2015 at 8:00 am ET with financial analysts to discuss results of the quarter and fiscal year ended December 31, 2014. 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 March 4, 2015.

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 89977726.

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, litigation and restructuring costs, gain related to the settlement of the purchase price of MCP, 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 and restricted cash. 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 restricted cash.

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’ 2014 MD&A dated February 24, 2015 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.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Figures in thousands of United States dollars)

	As at December 31, 2014	As at December 31, 2013
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	12,777	22,427
Restricted cash	2,115	2,490
Accounts receivable	72,391	60,616
Inventories	204,454	174,374
Income tax receivable	2,705	8,455
Derivative financial assets	147	955
Other current assets	2,965	2,290
Total current assets	297,554	271,607
Property, plant and equipment	68,261	59,614
Intangible assets	15,728	13,143
Deferred tax asset	11,037	13,387
Investment accounted for using the equity method	316	444
Other assets	6,635	7,045
Total non-current assets	101,977	93,633
Total assets	399,531	365,240
LIABILITIES AND EQUITY		
Current		
Bank indebtedness	975	10,462
Trade and accrued liabilities	60,286	65,016
Income tax payable	6,064	3,660
Derivative financial liabilities	-	3,284
Long-term debt due within one year	667	4,439
Total current liabilities	67,992	86,861
Long-term debt	51,156	68,346
Convertible debentures	46,101	-
Deferred tax liability	3,111	1,600
Retirement benefit obligation	16,928	15,887
Derivative financial liabilities	2,093	953
Other liabilities	15,711	1,064
Total non-current liabilities	135,100	87,850
Total liabilities	203,092	174,711
Shareholders' equity	196,443	190,052
Non-controlling interest	(4)	477
Total equity	196,439	190,529
Total liabilities and equity	399,531	365,240

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

For the fiscal years ended December 31

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

	December 31, 2014	December 31, 2013
	\$	\$
Revenues	508,195	459,012
Cost of sales	445,673	405,114
Selling, general and administrative expenses	36,922	36,066
Other expenses (income), net	8,778	(32,854)
Share of loss from joint ventures	128	59
	491,501	408,385
Operating earnings	16,694	50,627
Gain on disposal of property, plant and equipment	1,312	-
Financial expenses (revenues)		
Interest on long-term debt	5,465	5,935
Imputed interest and other interest expense	3,304	2,589
Changes in fair value of debenture conversion option	(7,179)	-
Foreign exchange and derivative gain	(3,111)	(2,590)
	(1,521)	5,934
Earnings before income tax	19,527	44,693
Income tax expense		
Current	4,875	4,338
Deferred	3,979	(2,425)
	8,854	1,913
Net earnings for the year	10,673	42,780
Attributable to:		
Equity holders of 5N Plus Inc.	10,812	42,661
Non-controlling interest	(139)	119
	10,673	42,780
Earnings per share attributable to equity holders of 5N Plus Inc.	0.13	0.51
Basic earnings per share	0.13	0.51
Diluted earnings per share	0.05	0.51

5N PLUS INC.

(Figures in thousands of United States dollars)

Cash Flows

	Q4 2014	Q4 2013	% Change	2014	2013	% Change
	\$	\$		\$	\$	
Funds from operations ¹	4,030	9,043	(55%)	17,592	20,033	(12%)
Net changes in non-cash working capital items	(8,019)	372	(2,256%)	(34,765)	27,930	(224%)
Operating activities	(3,989)	9,415	(142%)	(17,173)	47,963	(136%)
Investing activities	(4,529)	(3,755)	21%	(15,753)	(11,748)	34%
Financing activities	11,268	3,510	221%	24,121	(22,410)	(208%)
Effect of foreign exchange rate changes on cash and cash equivalents related to operations	(261)	(382)	(32%)	(845)	(913)	(7%)
Net increase (decrease) in cash and cash equivalents	2,489	8,788	(72%)	(9,650)	12,892	(175%)

Revenues by Segment

	Q4 2014	Q4 2013	% Change	2014	2013	% Change
	\$	\$		\$	\$	
Electronic Materials Segment	41,898	46,264	(9%)	169,367	179,368	(6%)
Eco-Friendly Materials Segment	72,883	73,152	-	338,828	279,644	21%
Total revenues	114,781	119,416	(4%)	508,195	459,012	11%

Adjusted EBITDA

	Q4 2014	Q4 2013	% Change	2014	2013	% Change
Electronic Materials	4,853	4,006	21%	23,642	22,466	5%
Eco-Friendly Materials	3,106	6,474	(52%)	22,167	16,285	36%
Corporate	(2,302)	(2,538)	(9%)	(10,764)	(8,376)	29%
Adjusted EBITDA¹	5,657	7,942	(29%)	35,045	30,375	15%

Backlog and Bookings

	BACKLOG ¹			BOOKINGS ¹		
	Q4 2014	Q3 2014	Q4 2013	Q4 2014	Q3 2014	Q4 2013
	\$	\$	\$	\$	\$	\$
Electronic Materials	83,676	79,753	80,382	45,821	37,259	54,337
Eco-Friendly Materials	69,483	57,430	89,691	84,936	63,999	101,800
Total	153,159	137,183	170,073	130,757	101,258	156,137

¹ See Non-IFRS Measures