



PRESS RELEASE

RELEASE DATE: March 12, 2012

5N Plus Inc. Reports Results for Quarter and Fiscal Year Ended December 31, 2011 and Enters into New Supply Agreement with First Solar

Montreal, Québec, March 12, 2012 – 5N Plus Inc. (TSX:VNP), a leading producer of specialty metal and chemical products, today reported financial results for the quarter and fiscal year ended December 31, 2011. Due to a change in fiscal year end from May 31 to December 31, 5N Plus' fiscal year ended December 31, 2011 is comprised of seven months. All dollar amounts in this press release are in U.S. dollars.

The company incurred impairment charges of \$45.6 million in the quarter and \$46.9 million for the seven-month period ended December 31, 2011 resulting mainly from the current turmoil in the solar market and the corresponding impact on the selling price of solar-related products and the value of fixed assets used to manufacture or develop such products. More specifically, these impairment charges include the write-off of fixed and intangible assets amounting to \$12.2 million and write-downs of inventories of \$33.4 million in the quarter and \$34.8 million for the seven-month period ended December, 2011. Financial results are presented including such impairment charges as well as on an adjusted basis in order to reflect the performance of the company prior to such impairment charges.

Revenues for the quarter ended December 31, 2011 reached \$149.4 million, an increase of 674% over revenues of \$19.3 million for the quarter ended November 30, 2010. Revenues for the seven-month fiscal year ended December 31, 2011 reached a record level of \$391.7 million with a backlog of orders expected to translate into sales over the next twelve months of \$223.2 million as at December 31, 2011. This compares to revenues of \$180 million for the twelve-month fiscal year ended May 31, 2011 and a corresponding backlog of orders of \$263.7 million.

Net losses attributable to equity holders of 5N Plus for the quarter and seven-month fiscal year ended December 31, 2011 were \$37.2 million or \$0.52 per share, and \$21.6 million or \$0.31 per share respectively. This compares to net earnings of \$6.5 million or \$0.14 per share for the quarter ended November 30, 2010 and \$21.9 million or \$0.45 per share for the year ended May 31, 2011. Adjusted net earnings (loss), that is before impairment charges, for the current periods were (\$0.1) million or (\$0.01) per share and \$16.5 million or \$0.23 per share respectively.

EBITDA for the quarter and fiscal year ended December 31, 2011 amounted to a loss of \$26.1 million and a gain of \$3.4 million respectively. This compares to EBITDA of \$5.8 million for the quarter ended November 30, 2010 and \$28.7 million for the year ended May 31, 2011. Adjusted EBITDA, that is before impairment charges, for the current periods were \$7.3 million and \$38.2 million respectively.

Funds from operations, which are defined as the amount of cash generated from operating activities before changes in non-cash working capital, amounted to \$10.3 million for the quarter and \$27.3 million for the fiscal year ended December 31, 2011. This compares to \$6.1 million for the quarter ended November 30, 2010 and \$26.8 million for the fiscal year ended May 31, 2011.

Shareholders' equity amounted to \$339.7 million as at December 31, 2011, compared to \$364.0 million as at May 31, 2011.

5N Plus also announced today that it has entered into a new Cadmium Telluride (CdTe) Supply Agreement with First Solar, Inc., which enters into effect on April 1, 2012 and replaces three existing Supply Agreements between 5N Plus and First Solar. The new Supply Agreement, which is evergreen in nature, provides that 5N Plus will supply substantially all of the CdTe required by First Solar in its manufacturing of photovoltaic modules on a worldwide basis. Pricing in the new Supply Agreement has been adjusted downwards from the three existing agreements in line with more competitive environments in both the solar and material-feedstock markets. Either party can terminate the new Supply Agreement by providing two-year advance notice, which in the case of First Solar will be effective only once a minimum quantity of CdTe has been purchased from 5N Plus.

During the last quarter, 5N Plus acquired the outstanding 40 percent ownership interest in the joint venture company Laos Industrial Resources Co Ltd. 5N Plus also announced today that it has chosen to downsize its credit facility to \$200 million from \$250 million to better match its actual cash requirements. 5N Plus has also idled its solar module recycling facility in Wisconsin until further notice.

Jacques L'Ecuyer, President and Chief Executive Officer, said "This has been a difficult quarter for 5N Plus in many respects but also one of opportunities. While we did experience a significant softening in demand for most of our products, resulting partly from a greater year-end seasonality in the markets of the recently acquired MCP Group and to a larger extent from the impact of the general downturn in the economy, we were also able to take advantage of the current situation. In this respect, we are pleased to have strengthened our relationship with our main customer in the solar market, First Solar, in an extremely challenging environment. We expect our new Supply Agreement with First Solar to be in effect for a number of years and although we have had to adjust our terms and conditions to reflect the new market dynamics, we are confident that we are now better positioned than ever to take advantage of growth opportunities in the solar market."

Mr. L'Ecuyer continued, "Seasonality was most strongly felt in the Eco-Friendly business unit where we experienced a decrease in our sales. Demand also softened to a lesser extent in our Electronic Materials business unit as a result mainly of lower than anticipated sales of gallium-based products. We also incurred significant impairment costs in this business unit as we wrote-down our tellurium inventories by \$21.5 million and wrote-off our fixed assets in Wisconsin. We also chose to write-off our investment in Sylarus given the current conditions in the solar market. Such impairment charges, although required under IFRS accounting rules, could be partially or totally reversed in the following quarters if market conditions improve sufficiently, leading to a larger than normally expected variability in our financial performance."

Continuing, Mr. L'Ecuyer added, "Our integration of MCP activities is continuing as planned. Efforts are now largely aimed at improving overall operational efficiency and at reducing costs as we aim to right size our activities and eliminate redundancies. We have cut back on our work force and are implementing a number of cost-reduction initiatives and expect to continue doing so for most of the 2012 fiscal year. We believe that this effort, together with a number of investments that we recently announced, should enable us to be very well positioned for future growth."

Mr. L'Ecuyer also added, "Despite our latest quarter's results, we remain very confident of our ability to continue growing our company and increasing shareholder value. In this respect, preliminary results for the current quarter suggest that sales and earnings are reverting back to more standard levels when compared to the quarter ended December 31, 2011, further highlighting the detrimental impact of the year-end seasonality. We are also reducing our cash requirements and have correspondingly downsized our credit facility to better match such requirements."

Mr. L'Ecuyer concluded, "We would like to thank our employees for their efforts and hard work even though the quarter did not yield a satisfactory financial performance. We remain a well-diversified corporation with a large number of customers, a broad range of products and a very unique skillset and asset base."

The consolidated financial statements of 5N Plus, as well as the Management's Report for the second quarter and the fiscal year ended December 31, 2011, are available on the 5N Plus website, at www.5nplus.com and at www.sedar.com.

Conference Call Information

5N Plus will host a conference call with financial analysts to discuss the quarter and the seven-month period ended December 31, 2011. 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 31, 2012.

Date: Tuesday, March 13, 2012

Time: 10:00 ET

Call: (888) 231-8191

(514) 807-9895

(647) 427-7450

Conference number : 60950944

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, North and South America 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.**CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)**

For the period of seven months ended December 31, 2011 with comparative figures for the year ended May 31, 2011

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

	December 31, 2011 (7 months)	May 31, 2011 (12 months)
	\$	\$
Revenues	391,712	179,995
Cost of sales	357,530	131,282
Selling, general and administrative expenses	33,500	13,286
Other expenses, net	23,443	12,248
Share of profit from joint ventures	(429)	(197)
	414,044	156,619
Operating income (loss)	(22,332)	23,376
Financial expenses		
Interest on long-term debt	5,179	969
Other interest expense	308	991
Foreign exchange gain and derivative	(642)	(8,639)
	4,845	(6,679)
Earnings (loss) before income tax	(27,177)	30,055
Income tax	(4,713)	8,107
Net earnings (loss) for the period	(22,464)	21,948
Attributable to:		
Equity holders of 5N Plus Inc.	(21,641)	22,298
Non-controlling interest	(823)	(350)
	(22,464)	21,948
Earnings (loss) per share attributable to equity holders of 5N Plus Inc.	(0.31)	0.45
Basic earnings (loss) per share	(0.32)	0.45
Diluted earnings (loss) per share	(0.32)	0.44

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

(All figures in thousands of United States dollars)

	December 31, 2011	May 31, 2011	June 1, 2010
	\$	\$	\$
ASSETS			
Current			
Cash and cash equivalents	29,449	28,050	63,077
Temporary investments (restricted)	51,882	51,121	1,911
Accounts receivable	80,329	117,153	4,584
Inventories	315,333	300,055	26,110
Derivative financial assets	-	331	1,303
Income tax receivable	11,022	2,479	443
Other current assets	2,762	1,337	1,026
Total current assets	490,777	500,526	98,454
Property, plant and equipment	86,483	97,024	27,235
Intangible assets	68,148	74,862	1,672
Deferred tax asset	6,646	5,988	1,484
Goodwill	124,910	123,916	4,200
Investments accounted for using the equity method	1,513	1,084	-
Other assets	7,807	4,157	43
Total non-current assets	295,507	307,031	34,634
Total assets	786,284	807,557	133,088
LIABILITIES AND EQUITY			
Current			
Bank indebtedness and short-term debt	73,430	174,703	-
Trade and accrued liabilities	59,029	69,758	4,449
Income tax payable	354	7,421	52
Derivative financial liabilities	3,814	456	-
Long-term debt due within one year	14,757	19,430	595
Total current liabilities	151,384	271,768	5,096
Long-term debt	253,719	126,248	4,012
Deferred tax liability	23,083	23,782	2,984
Retirement benefit obligation	12,315	13,481	-
Derivative financial liabilities	1,902	-	-
Other liabilities	4,171	8,288	618
Total liabilities	446,574	443,567	12,710
Shareholders' equity	339,241	362,698	120,378
Non-controlling interest	469	1,292	-
Total equity	339,710	363,990	120,378
Total liabilities and equity	786,284	807,557	133,088

5N PLUS INC.**Cash Flows**

(in thousands of United States dollars)

	Three months ended December 31, 2011	Three months ended November 30, 2010	Seven month ended December 31, 2011	Twelve months ended May 31, 2011
	\$	\$	\$	\$
Funds from operations	10,349	6,107	27,338	26,477
Net changes in non-cash working capital items	(9,284)	6,748	(38,253)	(88,267)
Operating activities	1,065	(641)	(10,915)	(61,790)
Investing activities	(9,027)	(5,190)	(12,321)	(174,593)
Financing activities	7,791	885	24,043	202,319
Effect of foreign exchange rate changes	592	-	592	(963)
Net increase (decrease) in cash and cash equivalents	421	(4,946)	1,399	(35,027)

Electronic Materials Division

(in thousands of United States dollars)

	Three months ended December 31, 2011	Three months ended November 30, 2010	Seven months ended December 31, 2011	Twelve months ended May 31, 2011
	\$	\$	\$	\$
Revenues	69,761	19,314	186,015	122,246
Cost of goods & expenses, before amortization	(89,368)	(13,097)	(186,348)	(95,361)
Segmented EBITDA	(19,607)	6,217	(333)	26,885
Impairment of inventory	30,658	-	30,964	-
Segmented adjusted EBITDA	11,051	6,217	30,631	26,885
Bookings	76,073	26,325	179,145	228,830

Eco-Friendly Material Division

(in thousands of United States dollars)

	Three months ended December 31, 2011	Three months ended November 30, 2010	Seven months ended December 31, 2011	Twelve months ended May 31, 2011
	\$	\$	\$	\$
Revenues	79,663	-	205,697	57,749
Cost of goods & expenses, before amortization	(77,890)	-	(191,097)	(53,108)
Segmented EBITDA	1,773	-	14,600	4,641
Impairment of inventory	2,755	-	3,826	-
Segmented adjusted EBITDA	4,528	-	18,426	4,641
Bookings	84,444	-	172,043	164,541

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