



PRESS RELEASE

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5N Plus Inc. Reports Financial Results for the Second Quarter Ended June 30, 2014

Montreal, Québec, August 7, 2014 – 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, 2014.

- Revenues for the second quarter of 2014 reached \$136.6 million, which corresponds to an increase of \$24.0 million or 21% compared to \$112.6 million for the second quarter of 2013.
- Adjusted EBITDA¹ for the second quarter of 2014 also reached its highest level in the last 8 quarters, attaining \$10.8 million up from \$6.5 million for the second quarter of 2013 with EBITDA^{1,2} lying at \$11.5 million also close to its highest level since the last 8 quarters when excluding the impact of the non-recurring gain recorded in the second quarter of 2013.
- Net earnings for the second quarter of 2014 reached \$4.4 million or \$0.05 per share compared to \$34.3 million or \$0.41 per share for the second quarter of 2013, positively impacted by the MCP litigation settlement of \$45.2 million or \$0.54 per share.
- Net debt¹ stood at \$70.4 million, up from March 31, 2014 but down from \$84.7 million as at June 30, 2013.
- Bookings¹ of \$99.6 million in the quarter, in line with the second quarter of 2013. Bookings for the six-month period ended June 30, 2014 increased by 19% and stood at \$259.3 million compared to \$218.5 million for the same period last year.
- 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”).
- 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 million of convertible unsecured subordinated debentures and that the underwriters had purchased an additional CA\$6 million.

¹ See Non-IFRS Measures

² The comparative periods have been restated to reflect a change in EBITDA¹ definition. See Selected Quarterly Financial Information

Jacques L'Ecuyer, President and Chief Executive Officer, said "We continued to improve profitability, reporting another strong quarter in terms of EBITDA supported by increasing demand, especially for our bismuth based products, and a more favorable sales mix and underlying commodity pricing trend. We continue our efforts aimed at improving efficiency, reducing costs and working capital throughout the group.

Mr. L'Ecuyer continued, "We made progress in the quarter towards executing on our growth plan by completing the acquisition of the remaining 33.33% ownership interest in our subsidiary, Sylarus Technologies LLC, a germanium substrate supplier, changing its name to 5N Plus Semiconductors LLC, and we acquired all the issued and outstanding shares in the capital of AM&M and its metal powder atomization technology for electronic packaging, solar modules and additive manufacturing applications."

Mr. L'Ecuyer concluded, "In order to support our operations and growth plan, we successfully completed the issuance of a convertible subordinated debenture for a total amount of CA\$66.0 million (\$60.8 million) before fees. Combined with the new credit facility announced today, this will further improve our financial flexibility and enable us to execute on several growth initiatives which we are currently working on."

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' 2013 MD&A dated February 25, 2014 and note 13 of the unaudited interim condensed consolidated financial statements for the three and six-month periods ended June 30, 2014 and 2013 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 –

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

(Figures in thousands of United States dollars)

	As at June 30, 2014	As at December 31, 2013
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	21,655	22,427
Temporary investments (restricted)	2,377	2,490
Accounts receivable	83,436	60,616
Inventories	183,932	174,374
Income tax receivable	4,733	8,455
Derivative financial assets	373	955
Other current assets	2,231	2,290
Total current assets	298,737	271,607
Property, plant and equipment	63,061	59,614
Intangible assets	14,826	13,143
Deferred tax asset	12,189	13,387
Investments accounted for using the equity method	347	444
Other assets	5,706	7,045
Total non-current assets	96,129	93,633
Total assets	394,866	365,240
LIABILITIES AND EQUITY		
Current		
Bank indebtedness	8,937	10,462
Trade and accrued liabilities	55,142	65,016
Income tax payable	5,972	3,660
Derivative financial liabilities	1,940	3,284
Long-term debt due within one year	845	4,439
Total current liabilities	72,836	86,861
Long-term debt	35,339	68,346
Convertible debentures	49,309	-
Deferred tax liability	1,439	1,600
Retirement benefit obligation	16,669	15,887
Derivative financial liabilities	9,478	953
Other liabilities	13,491	1,064
Total non-current liabilities	125,725	87,850
Total liabilities	198,561	174,711
Shareholders' equity	196,306	190,052
Non-controlling interest	(1)	477
Total equity	196,305	190,529
Total liabilities and equity	394,866	365,240

5N PLUS INC.**UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF EARNINGS****For the three-month and six-month periods ended June 30, 2014 and 2013**

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

	Three months		Six months	
	2014	2013	2014	2013
	\$	\$	\$	\$
Revenues	136,597	112,637	278,976	231,026
Cost of sales	117,041	106,645	239,784	206,033
Selling, general and administrative expenses	10,041	10,150	19,803	19,777
Other expenses (income), net	1,425	(41,293)	4,179	(38,315)
Share of loss from joint ventures	120	117	97	253
	128,627	75,619	263,863	187,748
Operating income	7,970	37,018	15,113	43,278
Gain on disposal of property, plant and equipment	-	-	1,312	-
Financial expenses				
Interest on long-term debt	1,322	1,576	2,462	3,418
Imputed interest and other interest expense	409	245	685	1,715
Foreign exchange and derivative (gain) loss	(714)	1,308	(698)	(1,709)
	1,017	3,129	2,449	3,424
Earnings before income taxes	6,953	33,889	13,976	39,854
Income taxes expense (recovery)	2,517	(392)	5,021	35
Net earnings for the period	4,436	34,281	8,955	39,819
Attributable to:				
Equity holders of 5N Plus Inc.	4,436	34,185	9,091	39,556
Non-controlling interest	-	96	(136)	263
	4,436	34,281	8,955	39,819
Earnings per share attributable to equity holders of				
5N Plus Inc.	\$0.05	\$0.41	\$0.11	\$0.47
Basic earnings per share	\$0.05	\$0.41	\$0.11	\$0.47
Diluted earnings per share	\$0.05	\$0.41	\$0.11	\$0.47

5N PLUS INC.

(Figures in thousands of United States dollars)

Cash Flows

	Q2 2014	Q2 2013	% Change	YTD 2014	YTD 2013	% Change
	\$	\$		\$	\$	
Funds from operations ¹	5,774	1,560	270%	12,580	6,168	104%
Net change in non-cash working capital items	(16,665)	1,272	(1410%)	(26,218)	7,516	(449%)
Operating activities	(10,891)	2,832	(485%)	(13,638)	13,684	(200%)
Investing activities	(4,986)	(2,189)	128%	(5,318)	(4,775)	11%
Financing activities	20,594	2,939	601%	18,158	(3,101)	686%
Effect of foreign exchange rate changes on cash and cash equivalents related to operations	52	(315)	117%	26	145	(82%)
Net (decrease) increase in cash and cash equivalents	4,769	3,267	46%	(772)	5,953	(113%)

Revenues by Segment

	Q2 2014	Q2 2013	% Change	YTD 2014	YTD 2013	% Change
	\$	\$		\$	\$	
Electronic Materials Segment	44,544	42,788	4%	92,685	91,144	2%
Eco-Friendly Materials Segment	92,053	69,849	32%	186,291	139,882	33%
Total Revenues	136,597	112,637	21%	278,976	231,026	21%

Adjusted EBITDA

	Q2 2014	Q2 2013	% Change	YTD 2014	YTD 2013	% Change
	\$	\$		\$	\$	
Electronic Materials	7,157	5,602	28%	14,105	12,680	11%
Eco-Friendly Materials	6,241	2,958	111%	12,646	8,025	58%
Corporate	(2,582)	(2,017)	28%	(5,434)	(4,047)	34%
Adjusted EBITDA¹	10,816	6,543	65%	21,317	16,658	28%

Backlog and Bookings

	BACKLOG ¹			BOOKINGS ¹		
	Q2 2014	Q1 2014	Q2 2013	Q2 2014	Q1 2014	Q2 2013
	\$	\$	\$	\$	\$	\$
Electronic Materials	77,278	79,362	82,681	42,460	47,121	32,672
Eco-Friendly Materials	73,085	107,968	70,596	57,170	112,516	66,952
Total	150,363	187,330	153,277	99,630	159,637	99,624

¹ See Non-IFRS Measures