



## PRESS RELEASE

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### **5N Plus Inc. Reports Results for Quarter and Fiscal Year Ended December 31, 2015**

**Montreal, Québec, February 23, 2016** – 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, 2015. All amounts are expressed in U.S. dollars.

#### **Financial Results**

The Company operated throughout the year in a challenging global environment where its key underlying commodities underwent a dramatic decrease in prices, dropping on average by over 60%. Despite these unfavorable market conditions, the Company managed to substantially reduce its overall debt levels.

- Revenues for 2015 reached \$311.0 million down from \$508.2 million in fiscal year 2014. Revenues for the fourth quarter of 2015 reached \$59.4 million, down from \$114.8 million for the fourth quarter of 2014. Backlog<sup>1</sup> as at December 31, 2015 reached a level of 158 days of sales outstanding up by 36 days over the backlog as at December 31, 2014. Bookings<sup>1</sup> for the fourth quarter of 2015, reached 95 days which compares to 104 days in the fourth quarter of 2014.
- Adjusted EBITDA<sup>1</sup> and EBITDA<sup>1</sup> reached positive \$4.0 million and negative \$54.7 million in 2015 compared to \$35.0 million and \$39.4 million in 2014, with the EBITDA impacted by important inventory impairment charges totalling \$58.3 million in 2015. Adjusted EBITDA and EBITDA were \$0.7 million and negative \$26.0 million respectively in the fourth quarter of 2015 compared to \$5.7 million and \$4.0 million for the fourth quarter of 2014.
- The Company incurred a net loss of \$97.2 million in 2015 and \$42.6 million in the fourth quarter of 2015. This compares to net earnings of \$10.7 million in 2014 and a net loss of \$2.5 million in the fourth quarter of 2014.
- Net debt<sup>1</sup> was reduced by \$49.1 million during the year standing at \$34.9 million as at December 31, 2015 down from \$84.0 million one year earlier, positively impacted by working capital management, the lowest level for the Company since the acquisition of MCP Group.

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

## Management Changes

- On December 10, 2015, the Company announced the appointment of its new President and Chief Executive, Mr. Arjang Roshan, effective February 15, 2016.
- The Company also announced soon after the year-end the appointment of Mr. Luc Bertrand as its new Chairman of the Board, effective January 11, 2016. He succeeds Mr. Jean-Marie Bourassa, who continues to serve on the Board and as Chair of the Audit & Risk Management Committee, a position he already holds.
- On February 23, 2016, Mr. Arjang Roshan has been appointed as a member of the Board effective today in replacement of Mr. Jacques L'Ecuyer who has resigned from the Board of Directors.

Arjang Roshan, President and Chief Executive Officer, said "Following a record year in 2014, fiscal year 2015 was a difficult year for the Company. The Company's performance was negatively impacted by significant and drastic decreases in the price of the commodities utilized across the various products and segments. Despite the difficult environment, the Company exercised discipline to sustainably secure future sales, generated significant cash-flow and showed rigor in substantially reducing debt levels by over 60% to \$34.9 million down from \$84 million at the beginning of the year. Sales of our key products including bismuth and CdTe for solar cell applications remained close to record levels, while we continued to make progress in our growth segments."

Mr. Roshan continued, "Given the significant losses stemming, primarily from inventory impairment charges and accelerated amortization on selected assets, the Company's financial performance of 2015 was far from expectations, reinforcing the need to take appropriate actions to mitigate the impact of negative market volatility. Moving forward, while the metal markets will continue to influence our performance, we will become more focused on improving our performance relative to the factors which we control. I am excited about the challenge and look forward to working closely with the management team and our people at 5N Plus to reposition the Company for the future."

Mr. Roshan concluded, "I would like to take this opportunity to thank our founder and former President and Chief Executive Officer, Mr. Jacques L'Ecuyer who took the Company through many years of impressive growth. I would also like to thank our employees for their dedication, conviction and hard work as I will be counting on their engagement and support for the challenges and opportunities ahead of us. Our primary focus in this respect will be to improve financial performance and set solid basis for further growth. "

## Webcast Information

5N Plus will host a conference call on Wednesday, February 24, 2016 at 8:00 am ET with financial analysts to discuss results of the quarter and fiscal year ended December 31, 2015. 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 March 2, 2016.

To participate in the conference call:

- Montreal area: 514-807-9895
- Toronto area: 647-427-7451
- Toll-Free : 1-888-231-8192

Enter access code 54386583.

### **Non-IFRS Measures**

EBITDA means net earnings (loss) before interest expenses (revenues), 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 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 the cross-currency swap related to the convertible debenture, and subtracting cash and cash equivalents and restricted cash.

Backlog represents the expected orders we have received but have not yet executed and that are expected to translate into sales within the next twelve months expressed in number of days. Bookings represent orders received during the period considered, expressed in days, and is calculated by adding revenues to the increase or decrease in backlog for the period considered divided by annualized year revenues. We use backlog to provide an indication of expected future revenues in days, 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 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.

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**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.**  
**Consolidated Statements of Financial Position**

<i>(Figures in thousands of United States dollars)</i>	<b>December 31, 2015</b>	<b>December 31, 2014</b>
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	8,816	12,777
Restricted cash	-	2,115
Accounts receivable	37,325	72,391
Inventories	89,052	204,454
Income tax receivable	2,632	2,705
Derivative financial assets	-	147
Other current assets	1,820	2,965
<b>Total current assets</b>	<b>139,645</b>	<b>297,554</b>
Property, plant and equipment	67,646	68,261
Intangible assets	7,315	15,728
Deferred tax asset	3,478	11,037
Investments accounted for using the equity method	310	316
Other assets	2,343	6,635
<b>Total non-current assets</b>	<b>81,092</b>	<b>101,977</b>
<b>Total assets</b>	<b>220,737</b>	<b>399,531</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current</b>		
Bank indebtedness	-	975
Trade and accrued liabilities	38,744	60,286
Income tax payable	6,598	6,064
Long-term debt due within one year	435	667
<b>Total current liabilities</b>	<b>45,777</b>	<b>67,992</b>
Long-term debt	1,512	51,156
Convertible debentures	40,288	46,101
Deferred tax liability	668	3,111
Retirement benefit obligation	13,934	16,928
Derivative financial liabilities	1,530	2,093
Other liabilities	20,403	15,711
<b>Total non-current liabilities</b>	<b>78,335</b>	<b>135,100</b>
<b>Total liabilities</b>	<b>124,112</b>	<b>203,092</b>
Shareholders' equity	96,632	196,443
Non-controlling interest	(7)	(4)
<b>Total equity</b>	<b>96,625</b>	<b>196,439</b>
<b>Total liabilities and equity</b>	<b>220,737</b>	<b>399,531</b>

**5N PLUS INC.**  
**Consolidated Statements of (Loss) Earnings**

Years ended December 31

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

	<b>2015</b>	<b>2014</b>
	\$	\$
<b>Revenues</b>	311,012	508,195
Cost of sales	346,970	445,673
Selling, general and administrative expenses	28,494	36,922
Other expenses	23,210	8,778
Share of loss from joint ventures	316	128
	<b>398,990</b>	<b>491,501</b>
<b>Operating (loss) earnings</b>	<b>(87,978)</b>	<b>16,694</b>
<b>Gain on disposal of property, plant and equipment</b>	-	1,312
<b>Financial expenses (revenues)</b>		
Interest on long-term debt	4,617	5,465
Imputed interest and other interest expense	4,350	3,304
Changes in fair value of debenture conversion option	(1,840)	(7,179)
Foreign exchange and derivative gain	(4,276)	(3,111)
	<b>2,851</b>	<b>(1,521)</b>
<b>(Loss) earnings before income tax</b>	<b>(90,829)</b>	<b>19,527</b>
Income tax expense		
Current	3,655	4,875
Deferred	2,717	3,979
	<b>6,372</b>	<b>8,854</b>
<b>Net (loss) earnings for the year</b>	<b>(97,201)</b>	<b>10,673</b>
<b>Attributable to:</b>		
Equity holders of 5N Plus Inc.	(97,198)	10,812
Non-controlling interest	(3)	(139)
	<b>(97,201)</b>	<b>10,673</b>
<b>(Loss) earnings per share attributable to equity holders of 5N Plus Inc.</b>	<b>(1.16)</b>	<b>0.13</b>
<b>Basic (loss) earnings per share</b>	<b>(1.16)</b>	<b>0.13</b>
<b>Diluted (loss) earnings per share</b>	<b>(1.16)</b>	<b>0.05</b>

## 5N PLUS INC.

(Figures in thousands of United States dollars)

	Q4 2015	Q4 2014	Change	2015	2014	Change
	\$	\$		\$	\$	
Funds (used in) from operations <sup>1</sup>	(5,734)	4,030	(242%)	(9,851)	17,592	(156%)
Net changes in non-cash working capital items	21,866	(8,019)	373%	73,860	(34,765)	312%
Operating activities	16,132	(3,989)	504%	64,009	(17,173)	473%
Investing activities	(3,671)	(4,529)	(19%)	(18,316)	(15,753)	16%
Financing activities	(11,536)	11,268	(202%)	(49,129)	24,121	(304%)
Effect of foreign exchange rate changes on cash and cash equivalents related to operations	(134)	(261)	(49%)	(525)	(845)	(38%)
<b>Net decrease in cash and cash equivalents</b>	<b>791</b>	<b>2,489</b>	<b>(68%)</b>	<b>(3,961)</b>	<b>(9,650)</b>	<b>(59%)</b>

### Revenues by Segment

	Q4 2015	Q4 2014	Change	2015	2014	Change
	\$	\$		\$	\$	
Electronic Materials	18,833	41,898	(55%)	104,265	169,367	(38%)
Eco-Friendly Materials	40,534	72,883	(44%)	206,747	338,828	(39%)
<b>Total revenues</b>	<b>59,367</b>	<b>114,781</b>	<b>(48%)</b>	<b>311,012</b>	<b>508,195</b>	<b>(39%)</b>

### EBITDA and Adjusted EBITDA

	Q4 2015	Q4 2014	Change	2015	2014	Change
	\$	\$		\$	\$	
Electronic Materials	64	4,853	(99%)	10,740	23,642	(55%)
Eco-Friendly Materials	3,377	3,106	9%	2,839	22,167	(87%)
Corporate						
Research and Development	(475)	(454)	(5%)	(1,599)	(1,195)	(34%)
Other	(2,292)	(1,848)	(24%)	(8,021)	(9,569)	16%
<b>Adjusted EBITDA<sup>1</sup></b>	<b>674</b>	<b>5,657</b>	<b>(88%)</b>	<b>3,959</b>	<b>35,045</b>	<b>(89%)</b>
<b>EBITDA<sup>1</sup></b>	<b>(26,000)</b>	<b>4,021</b>	<b>(747%)</b>	<b>(54,696)</b>	<b>39,444</b>	<b>(239%)</b>

### Backlog and Bookings

	BACKLOG <sup>1</sup>			BOOKINGS <sup>1</sup>		
	Q4 2015	Q3 2015	Q4 2014	Q4 2015	Q3 2015	Q4 2014
	\$	\$	\$	\$	\$	\$
Electronic Materials	47,225	54,965	83,676	11,093	11,596	45,821
Eco-Friendly Materials	55,714	45,603	69,483	50,645	26,355	84,936
<b>Total</b>	<b>102,939</b>	<b>100,568</b>	<b>153,159</b>	<b>61,738</b>	<b>37,951</b>	<b>130,757</b>

(number of days based on annualized revenues)

	BACKLOG <sup>1</sup>			BOOKINGS <sup>1</sup>		
	Q4 2015	Q3 2015	Q4 2014	Q4 2015	Q3 2015	Q4 2014
Electronic Materials	229	201	182	54	42	100
Eco-Friendly Materials	125	95	87	114	55	106
Weighted average	158	134	122	95	50	104

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

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