



**PRESS RELEASE**  
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## **5N Plus to Become a Global Leader in the Production and Distribution of Specialty Metals with the Acquisition of MCP Group SA**

**Montreal, February 28, 2011** – 5N Plus Inc. (TSX: VNP) (“5N Plus” or the “Corporation”) announced today that it has entered into a definitive Acquisition Agreement with the shareholders of MCP Group SA (“MCP”) to acquire substantially all of the outstanding shares of MCP (the “Transaction”). Pursuant to the Acquisition Agreement, the shares of MCP will be purchased for a cash consideration of €105.8 million (CDN\$141.8 million), a promissory note to the vendors of €61.9 million (CDN\$82.9 million) and approximately 11.4 million common shares of the Corporation to be issued to the vendors.

Headquartered in Belgium, MCP is a private company created in September 2007 following a merger between MCP Aramayo Ltd. and Sidech SA, two worldwide specialty metal players. Today, MCP is the world’s leading producer and distributor of specialty metals and their chemicals, including bismuth, indium, gallium, selenium and tellurium. MCP’s products are used in a variety of products, mainly related to electronic applications. It employs approximately 350 people in its 8 production sites and 14 commercial offices across Europe, Asia and the United States. MCP is majority-owned by Laurent Raskin and Frank Fache, co-Chief Executive Officers of MCP, and Floridienne SA, a Belgium industrial group.

*“Today is a very important day in the history of 5N Plus. The acquisition of MCP will allow 5N Plus to significantly expand its product offering and to establish a worldwide manufacturing and distribution platform. This strategic transaction fits perfectly with our vision of becoming a global leader in the production of specialty metals for the clean technology market. We are pleased to welcome MCP, its shareholders and all its employees to the 5N Plus family and look forward to working with them”,* said Jacques L’Écuyer, President and Chief Executive Officer of 5N Plus.

*“We are thrilled to join forces with 5N Plus, a highly-reputable firm which shares similar values and objectives as MCP. We strongly believe that the combination of our two companies will yield significant synergies and bring an array of new opportunities”,* said Laurent Raskin, co-Chief Executive Officer of MCP.

### **Key Attributes of the Transaction**

#### *Enhances Leadership Position in the Clean Technology Market, Including Solar Industry*

The acquisition of MCP is expected to allow 5N Plus to significantly expand its offering of metals, chemicals and compounds to the clean technology market. 5N Plus believes that it will become the leading producer and distributor of bismuth worldwide, a market that is poised for future growth as non-

toxic bismuth is increasingly used in various alloys and compounds. Moreover, MCP's expertise in gallium, indium, selenium and tellurium is expected to further solidify and diversify 5N Plus' leadership position in the solar materials supply chain.

#### *Creation of a Worldwide Sourcing, Production and Distribution Platform*

With its 8 manufacturing facilities and 14 commercial offices located across Europe, Asia and the United States, MCP will provide 5N Plus with a worldwide platform. In particular, MCP's presence in Asia is key for 5N Plus as it is expected to create a number of opportunities to source raw materials, reduce production costs and develop new markets.

#### *Significantly Accretive to Earnings and Free Cash Flow per Share*

The Transaction is expected to be immediately accretive to 5N Plus' earnings and free cash flow per share, before accounting for any potential synergies. Free cash flow stemming from the acquisition of MCP should further increase 5N Plus' liquidity and flexibility to fund its future growth.

During the year ended December 31, 2010, MCP generated revenues of approximately €345 million, approximately 40% of which were related to bismuth products and alloys. Its gross margin stood at approximately €80 million and EBITDA at €35 million. Following important investments in 2009-2010, MCP's €2 million working capital is at an optimal level to capitalize on market opportunities. Furthermore, MCP's operations require limited capital investments with tangible fixed assets of approximately €23 million and estimated annual maintenance capital expenditures of €5 million.

#### *Compatible Corporate Culture and Management Team*

5N Plus expects a smooth and efficient integration of the two companies as they both share similar values and the management of MCP will remain in place after the closing of the Transaction. Moreover, the current shareholders of MCP will become significant shareholders of the Corporation, further aligning interests. Upon closing of the Transaction, Frank Fache, co-CEO of MCP, will join the Board of Directors of 5N Plus, and Laurent Raskin, also co-CEO, is expected to join the Board of Directors at 5N Plus' next annual meeting, all of which should facilitate the integration of the two companies and maximize potential synergies.

### **Transaction Financing**

5N Plus will finance the €105.8 million cash consideration of the Transaction with a combination of its cash on hand and new credit facilities of CDN\$140 million committed by National Bank Financial Inc. The new credit facilities will replace 5N Plus' CDN\$17.5 million existing revolving credit facility, which is currently undrawn. 5N Plus will also assume MCP's non-recourse debt financings totaling approximately €66 million, the majority of which is used for working capital purposes.

The €61.9 million promissory note to the vendors will be payable over a three-year period after closing. The approximately 11.4 million shares to be issued to the vendors will be subject to lock-up provisions lasting up to 18 months.

### **Closing Date and Closing Conditions**

The Transaction is expected to close in mid-April 2011. The Transaction has been unanimously approved by the Boards of Directors of 5N Plus and MCP and is subject to selected confirmatory due diligence, regulatory approvals and customary closing conditions.

## **Advisors**

5N Plus was advised by National Bank Financial Inc. and legal advice was provided by Heenan Blaikie LLP.

### **Conference Call and webcast for investors and analysts**

A conference call will be held on Monday February 28, 2011, 4:30 pm EST to discuss the Transaction. The call is intended for investors and financial analysts. They are invited to access the conference call by dialing 1-416-644-3423 or 1-877-974-0446.

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 for a period of 30 days.

## **About 5N Plus Inc.**

5N Plus Inc. draws its name from the purity of its products, 99.999% and higher (five nines or 5N). Its head office is located in Montreal, Québec. 5N Plus owns four material subsidiaries, 5N PV GmbH (Eisenhüttenstadt, Germany), Firebird Technologies Inc. (Trail, B.C.), 5N Plus Corp. (DeForest, Wisconsin) and Sylarus Technologies, LLC (St. George, Utah). 5N Plus is a fully-integrated producer and closed-loop recycler of highly-purified metals, compounds and wafers. It uses a range of proprietary and proven technologies to produce metals such as tellurium, cadmium, germanium, indium, antimony, selenium and related compounds, including cadmium telluride, cadmium sulphide and indium antimonide. 5N Plus' products are critical precursors used in a number of electronic applications, including the solar photovoltaic, radiation detector and infrared markets.

## **Forward-Looking Statements and Disclaimer**

Certain statements in this press release may be forward-looking. Forward-looking statements are based on the best estimates available to 5N Plus at the time and involve known and unknown risks, uncertainties and other factors that may cause 5N Plus' or MCP's 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 on pages 27 to 29 of 5N Plus' 2010 Annual Report, which is 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 or MCP will derive therefrom. In particular, no assurance can be given that the acquisition of MCP by 5N Plus will be completed or as to the future financial performance of 5N Plus or MCP. 5N Plus disclaims any intention or obligation to update or revise any forward-looking statements in order to account for any new information or any other event. The reader is warned against undue reliance on these forward-looking statements.

Additional information about 5N Plus is available on its Web site at [www.5nplus.com](http://www.5nplus.com).

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