

GLOBE SPECIALTY METALS INC

Form 425

February 23, 2015

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Subject Company: Globe Specialty Metals, Inc.; Grupo FerroAtlantica

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Date: February 23, 2015

***I. All-Employee Letter from CEO***

Dear Colleagues,

Today is an exciting and important day for our company. I am pleased to share with you that Globe Specialty Metals has entered into a definitive agreement to merge with the Spanish company Grupo FerroAtlántica, a leading producer of silicon metal and ferroalloys. The deal will create a new multinational company that will be a global leader in silicon and specialty metals. The combined company will be a leading producer of silicon metal and silicon alloys and ferroalloys.

Like Globe Specialty Metals, Grupo FerroAtlántica is a well-respected company with a strong track record of excellence and innovation. Our two companies are highly complementary and are an excellent cultural and geographical fit. Grupo FerroAtlántica operates 20 facilities (15 production plants and five mining sites) in five countries and a majority of its revenues come from Europe, compared to our strong presence in North America.

We believe our combined company will be in a stronger position for continued growth over the long term. We will have enhanced product offerings and expanded geographic reach, allowing us to better serve our global clients, as well as the opportunity to attract new customers and expand into new market segments. For you, this will mean more attractive career opportunities within the expanded global group. Importantly, we do not expect significant changes to our operations, facilities or employee functions as a result of this announcement.

Once the transaction is completed, I will serve as co-CEO of the new company, along with Pedro Larrea Paguaga, current Chairman and CEO of Grupo FerroAtlántica. The new company will be headquartered in London, one of the global capitals for the metals and mining industry, although Globe Specialty Metals' operational headquarters will remain in Miami. The new company will maintain Globe Specialty Metals' NASDAQ listing in New York.

While we have announced the intention to merge our businesses, the transaction will need to be approved by our shareholders and must be reviewed and approved by regulators in the U.S., Europe and elsewhere. We anticipate that the deal will close in the fourth quarter of 2015.

Until that time, both companies will remain fully independent entities and business will continue as usual. It is important for all of us to continue doing our jobs safely and effectively while providing the same excellent service for which our customers rely on us. Your focus on maintaining Globe Specialty Metals' high standards and strong customer relationships has made us the successful global company that we are today, and it will remain a key part of our future with Grupo FerroAtlántica.

And finally, thank you for your hard work and continued dedication to Globe Specialty Metals. I look forward to working together as we embark upon this next, exciting chapter in our company's history.

If you would like more information about the transaction, you can find the press release and deal fact sheet attached.

Sincerely,

Jeff Bradley

CEO

## **Important Information**

### **Cautionary Statement Regarding Forward-Looking Statements**

Certain statements in this communication regarding the proposed transaction among Globe, Grupo Villar Mir, FerroAtlántica and VeloNewco, the expected timetable for completing the transaction, benefits and synergies of the transaction, future opportunities for the combined company and products and any other statements regarding Globe's, Grupo Villar Mir's, FerroAtlántica's and VeloNewco's future expectations, beliefs, plans, objectives, financial conditions, assumptions or future events or performance that are not historical facts are "forward-looking" statements made within the meaning of Section 21E of the Securities Exchange Act of 1934. These statements are often, but not always, made through the use of words or phrases such as "believe," "anticipate," "could," "may," "would," "should," "intend," "potential," "predict(s)," "will," "expect(s)," "estimate(s)," "project(s)," "positioned," "strategy," "outlook" and similar expressions. Such forward-looking statements involve estimates and assumptions that are subject to risks, uncertainties and other factors that could cause actual results to differ materially from the results expressed in the statements. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking statements are the following: Globe, Grupo Villar Mir, FerroAtlántica and VeloNewco's ability to consummate the transaction; the conditions to the completion of the transaction, including the receipt of stockholder approval; regulatory approvals required for the transaction may not be obtained on the terms expected or on the anticipated schedule; Globe, Grupo Villar Mir, FerroAtlántica and VeloNewco's ability to meet expectations regarding the timing, completion and other aspects of the transaction; the possibility that the parties may be unable to successfully integrate Globe's and FerroAtlántica's operations; such integration may be more difficult, time-consuming or costly than expected; operating costs, customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers) may be greater than expected following the transaction; the retention of certain key employees may be difficult; the intense competition and expected increased competition in the future; the ability to adapt services to changes in technology or the marketplace; the ability to maintain and grow

relationships with customers and clients; the historic cyclical nature of the metals industry and the attendant swings in market price and demand; increases in energy costs and the effect on costs of production; disruptions in the supply of power; availability of raw materials or transportation; cost of raw material inputs and the ability to pass along those costs to customers; costs associated with labor disputes and stoppages; the ability to generate sufficient cash to service indebtedness; integration and development of prior and future acquisitions; VeloNewco's ability to effectively implement strategic initiatives and actions taken to increase sales growth; VeloNewco's ability to compete successfully; availability and cost of maintaining adequate levels of insurance; the ability to protect trade secrets or maintain their trademarks and other intellectual property; equipment failures, delays in deliveries or catastrophic loss at any of Globe's, FerroAtlántica's or VeloNewco's manufacturing facilities; changes in laws protecting U.S. and Canadian companies from unfair foreign competition or the measures currently in place or expected to be imposed under those laws; compliance with, potential liability under, and risks related to environmental, health and safety laws and regulations (and changes in such laws and regulations, including their enforcement or interpretation); risks from international operations, such as foreign exchange, tariff, tax, inflation, increased costs, political risks and their ability to expand in certain international markets; risks associated with the metals manufacturing and smelting activity; ability to manage price and operational risks including industrial accidents and natural disasters; ability to acquire or renew permits and approvals; potential loss due to immediate cancellations of service contracts; risks associated with potential unionization of employees or work stoppages that could adversely affect the parties' operations; changes in general economic, business and political conditions, including changes in the financial markets; and exchange rate fluctuation. Additional information concerning these and other factors can be found in Globe's filings with the Securities and Exchange Commission ("SEC"), including Globe's most recent Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof and Globe, FerroAtlántica or VeloNewco undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

### **Additional Information and Where to Find It**

This communication may be deemed to be solicitation material in respect of the proposed transaction among Globe, Grupo Villar Mir, FerroAtlántica and VeloNewco. In connection with the proposed transaction, Globe and VeloNewco intend to file relevant materials with the SEC, including VeloNewco's registration statement on Form F-4 that will include a proxy statement of Globe that also constitutes a prospectus of VeloNewco. Investors and security holders are urged to read all relevant documents filed with the SEC, including the proxy statement/prospectus, because they will contain important information about the proposed transaction. Investors and security holders are able to obtain the documents (once available) free of charge at the SEC's website, <http://www.sec.gov>, or for free from Globe by contacting the Corporate Secretary, Globe Specialty Metals, 600 Brickell Avenue, Suite 1500, Miami, FL 33131, telephone: 786-509-6900 (for documents filed with the SEC by Globe) or from Grupo Villar Mir by contacting Investor Relations, Torre Espacio, Paseo de la Castellana, 259 D 49a, 28046 Madrid, Spain, +34 91 556 7347 (for documents filed with the SEC by FerroAtlántica or VeloNewco). Such documents are not currently available.

### **Participants in Solicitation**

Globe, Grupo Villar Mir, FerroAtlántica and VeloNewco and their directors and executive officers and certain employees may be deemed to be participants in the solicitation of proxies from the holders of Globe common stock with respect to the proposed transaction. Information about Globe's directors and executive officers is set forth in the proxy statement for Globe's 2014 Annual Meeting of Stockholders, which was filed with the SEC on October 27, 2014. To the extent holdings of Globe securities have changed since the amounts contained in the proxy statement for Globe's 2014 Annual Meeting of Stockholders, such changes have been or will be reflected on Statements of Change in Ownership on Form 4 filed with the SEC. Investors may obtain additional information regarding the interest of such participants by reading the proxy statement/prospectus regarding the acquisition (once available). These documents (when available) may be obtained free of charge from the SEC's website <http://www.sec.gov>, or from Globe and Grupo Villar Mir using the contact information above.

### **Non-Solicitation**

This communication shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

