

ADF GROUP ANNOUNCES ITS RESULTS OF THE SECOND QUARTER ENDED JULY 31, 2009

Highlights of the Second Quarter:

- > Order backlog totalling \$151 million as at July 31, 2009, up 21% over the corresponding period in 2008.
 - > New contract of \$77 million in July 2009 and new investments of \$6 million pursuant to this major contract.
 - > Available liquidities of \$21.5 million at July 31, 2009 (comprised of cash, cash equivalents and short-term investments), exceeding by \$14.1 million its long-term debt including the current portion.
 - > Revenues of \$18.7 million compared with \$24 million for the second quarter of the previous fiscal year.
 - > Gross margin of 24% of revenues (compared with 29% last year), EBITDA⁽¹⁾ margin of 19.1% (compared with 25.3% last year) and net earnings of 10% of revenues (17% last year).
 - > Net earnings of \$1.8 million or \$0.05 per share (basic and diluted), compared with \$4.1 million or \$0.11 per share (basic and diluted) for the same period last year.
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Terrebonne, Quebec, September 9, 2009

ADF GROUP INC. ("ADF" or the "Corporation") (TSX: DRX) closed its second quarter with net earnings of \$1.8 million or \$0.05 per share (basic and diluted) on revenues of \$18.7 million compared with net earnings of \$4.1 million or \$0.11 per share (basic and diluted) on revenues of \$24.0 million for the same period in 2008. For the first six months ended July 31, 2009, net earnings reached \$4.1 million or \$0.11 per share (basic and diluted) on revenues of \$35.5 million, compared with net earnings of \$7.3 million or \$0.20 per share (basic and diluted) on revenues of \$49.2 million for the same period in 2008.

"These results reflect declines from the corresponding periods of the previous year. However, the decrease in revenues is in line with our forecasts considering the different mix of the contracts from one period to another, and the decrease in the margin is due to the time lag between the recognition of costs and revenues with regard to a contract. We expect that this downward trend will be reversed during the second half of the current fiscal year due to the recent contract awards for which the Corporation supplies the raw material (steel) as well as the connection design and engineering services, in addition to the fabrication hours", indicated **Mr. Jean Paschini**, Chairman of the Board and Chief Executive Officer.

The second-quarter gross profit margin and EBITDA⁽¹⁾ margin were down from the quarter ended July 31, 2008, standing at 24% and 19% respectively, compared with 29% and 25%. For the first six months of the fiscal year, these same margins were also down from the first half of the previous year, declining to 28.1% and 22% respectively, compared with 28.6% and 24%.

As at July 31, 2009, ADF Group continued to benefit from a healthy and solid financial position, with liquidity (consisting of cash, cash equivalents and short-term investments) of \$21.5 million — exceeding by \$14.1 million its long-term debt including the current portion — and shareholders' equity of \$87.6 million.

Major New Contract Award and Increase in Backlog

On July 13, 2009, the Corporation announced the award of a major contract of \$77 million in North America's public infrastructure sector. Under the terms of the contract, ADF Group will fabricate the oversized steel components with complex geometry and which will weigh close to 100 tons each, as well as highly complex architectural elements, and will also supply the design and engineering of connections and the steel.

As at July 31, 2009, ADF Group's order backlog reached \$151 million, up 21% over the same date last year. These orders are scheduled to be executed over a period of 24 months.

(1) Earnings before interest, taxes, depreciation and amortization

Investment Program

Further to \$77 million contract award in July 2009, the Corporation announced investments of \$6 million to acquire additional fabrication equipment and to retrofit one of the plant's fabrication bays, including, among others, the addition of two (2) 50-ton overhead cranes. These investments could be financed by the Corporation's working capital.

Subordinate Voting Shares Redemption

During the second quarter ended July 31, 2009, the Corporation redeemed 446,400 subordinate voting shares for a net consideration of \$1.1 million, representing an average price of \$2.44 per share. As at July 31, 2009, since the implementation of the normal course issuer bid program, the Corporation has redeemed 618,300 subordinate voting shares for a net consideration of \$1.4 million, representing an average price of \$2.35 per share.

Outlook

"With an increased order backlog and additional contracts for which we supply the raw material and connection engineering services, along with fabrication hours, we are confident we will achieve a satisfactory performance in the second half of the fiscal year. We also remain focused on our long-term value creation strategy, based on our positioning in market niches that are highly specialized and less subject to cyclical fluctuations — our focus on value-added fabrication activities — our targeted and sustained investments in the upgrading and capacity of our infrastructures and the quality of our personnel — our disciplined management of our activities, resources and capital structure", added Mr. Jean Paschini.

About ADF

ADF Group Inc. is a North American leader in the design, engineering, fabrication and selective installation in the non-residential construction industry of complex steel structures, heavy built-ups, as well as in miscellaneous and architectural metals. ADF is one of the few players in the industry capable of handling highly technically complex mega projects on fast-track schedules in the commercial, institutional, industrial and public sectors.

Forward-Looking Information

This press release contains forward-looking statements reflecting ADF objectives and expectations. These statements are identified by the use of verbs such as "expect" as well as by the use of future or conditional tenses. By their very nature these types of statements involve risks and uncertainty. Consequently, reality may differ from ADF's expectations.

All amounts are in Canadian dollars.

-30-

Source: **ADF Group Inc.**

Contact: **Jean Paschini**, Chairman of the Board and Chief Executive Officer
Louis Potvin, Chief Financial Officer

Telephone: (450) 965-1911 / 1 (800) 263-7560

Web Site: www.adfgroup.com

Media:

Caroline Couillard
Morin Relations Publiques
Tel.: (514) 289-8688, ext. 233

**CONFERENCE CALL WITH INVESTORS:
TO DISCUSS ADF GROUP'S RESULTS
FOR THE SECOND QUARTER AND FIRST SIX MONTHS ENDED JULY 31, 2009**

Wednesday, September 9, 2009 at 10:00 am (Montreal time)

To participate in the conference call, please dial **1-888-231-8191**

To ensure you can participate, please dial a few minutes before the start of call.

For those unable to participate, a taped rebroadcast will be available from

Wednesday, September 9, 2009 at noon until 11:59 p.m. September 16, 2009,

by dialing **1-800-365-8354; access code 28579182#.**

The conference call will be simultaneously webcast at www.adfgroup.com and archived for 90 days.

Members of the media are invited to listen in.

CONSOLIDATED STATEMENTS OF EARNINGS AND COMPREHENSIVE INCOME

Periods ended July 31, (In thousands of \$, except per-share amounts)	Three (3) Months		Six (6) Months	
	2009	2008	2009	2008
	\$	\$	\$	\$
Revenues	18,748	23,994	35,500	49,153
Cost of goods sold	14,162	17,051	25,530	35,095
Gross margin	4,586	6,943	9,970	14,058
Selling and administrative expenses	1,005	862	2,309	2,077
Earnings before undernoted items:	3,581	6,081	7,661	11,981
Amortization				
Property, plant and equipment	667	600	1,331	1,183
Intangible assets	81	13	154	26
	748	613	1,485	1,209
(Gain) loss on foreign exchange	(765)	(701)	(1,326)	(641)
	(17)	(88)	159	568
Earnings before financial charges and income taxes	3,598	6,169	7,502	11,413
Financial charges				
Interest on long-term debt	50	113	110	239
Interest income	(166)	(46)	(325)	(132)
Other interest	(18)	17	—	72
	(134)	84	(215)	179
Earnings before income taxes	3,732	6,085	7,717	11,234
Income taxes				
Current	7	3	175	171
Future	1,880	2,032	3,457	3,779
	1,887	2,035	3,632	3,950
Net earnings and comprehensive income	1,845	4,050	4,085	7,284
Basic earnings per share	0.05	0.11	0.11	0.20
Diluted earnings per share	0.05	0.11	0.11	0.20
Average number of outstanding shares (in thousands)	36,013	36,145	36,002	36,126
Average number of outstanding diluted shares (in thousands)	36,868	37,258	36,801	37,290

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS (DEFICIT)

	Three (3) Months		Six (6) Months	
	2009	2008	2009	2008
Periods ended July 31, (In thousands of \$)	\$	\$	\$	\$
Retained earnings (deficit), beginning of the period	4 012	(72 304)	1 772	(75 538)
Net earnings	1 845	4 050	4 085	7 284
Retained earnings (deficit), end of the period	5 857	(68 254)	5 857	(68 254)

CONSOLIDATED STATEMENTS OF CONTRIBUTED SURPLUS

	Three (3) Months		Six (6) Months	
	2009	2008	2009	2008
Periods ended July 31, (In thousands of \$)	\$	\$	\$	\$
Contributed surplus, beginning of the period	2,373	2,014	2,175	1,965
Stock-based compensation	66	62	127	111
Exercise of options and warrants	(17)	(17)	(24)	(17)
Excess of the book value over the acquisition cost of redeemed subordinate voting shares	231	—	375	—
Contributed surplus, end of the period	2,653	2,059	2,653	2,059

CONSOLIDATED BALANCE SHEETS

	At July 31, 2009	At January 31 2009 (Audited)
(In thousands of \$)	\$	\$
ASSETS		
Current		
Cash and cash equivalents	9,103	22,490
Short-term Investments	12,400	6,000
Accounts receivable	16,190	11,165
Holdbacks on contracts	3,128	3,462
Work in progress	1,409	628
Inventories	3,225	3,271
Prepaid expenses	933	660
Derivative financial instruments	2,470	—
Income tax receivables	20	—
Future income tax assets	6,667	6,666
	55,545	54,342
Holdbacks on long-term contracts	649	1,129
Property, plant and equipment	39,751	40,360
Intangible assets	2,713	2,402
Other assets	181	185
Future income tax assets	8,504	13,444
Investment tax credits	2,505	2,505
	109,848	114,367
LIABILITIES		
Current		
Accounts payable	3,785	5,170
Accrued charges	3,039	4,716
Salaries and fringe benefits payable	1,906	3,762
Deferred revenues	5,647	4,767
Income taxes	—	226
Derivative financial instruments	—	1,058
Current portion of long-term debt	2,729	3,018
	17,106	22,717
Long-term debt	4,632	6,827
Future income tax liabilities	528	47
	22,266	29,591
Shareholders' equity		
Retained earnings	5,857	1,772
Accumulated other comprehensive income	144	144
	6,001	1,916
Capital stock	78,928	80,685
Contributed surplus	2,653	2,175
	87,582	84,776
	109,848	114,367

CONSOLIDATED STATEMENTS OF CASH FLOWS

Periods ended July 31, (In thousands of \$)	Three (3) Months		Six (6) Months	
	2009	2008	2009	2008
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net earnings	1,845	4,050	4,085	7,284
Adjustments for:				
Amortization of property, plant and equipment	667	600	1,331	1,183
Amortization of intangible assets	81	13	154	26
Gain on disposal of property, plant and equipment	—	(764)	—	(975)
Unrealized gain on derivative financial instruments	(2,345)	—	(3,528)	—
Non-cash exchange loss (gain)	973	(198)	1,911	(178)
Future income taxes	1,880	2,032	3,457	3,779
Interest capitalized on interest-free long-term debt	5	4	10	9
Stock-based compensation	66	62	127	111
Net earnings adjusted	3,172	5,799	7,547	11,239
Changes in non-cash operating working capital items				
Accounts receivable	299	256	(5,025)	(4,968)
Short-term and long-term holdbacks on contracts	181	(647)	814	(1,093)
Work in progress	161	(292)	(781)	502
Inventories	23	(229)	46	(298)
Income taxes	(213)	64	(246)	24
Prepaid expenses	(613)	(582)	(273)	(645)
Accounts payable, accrued charges, salaries and fringe benefits payable	(1,508)	2,428	(4,918)	4,426
Deferred revenues	(281)	2,186	880	2,746
	(1,951)	3,184	(9,503)	694
Cash flows from operating activities	1,221	8,983	(1,956)	11,933
INVESTING ACTIVITIES				
Acquisition of property, plant and equipment	(332)	(5,476)	(722)	(7,476)
Acquisition of intangible assets	(127)	(372)	(465)	(639)
Investment purchase	(7,000)	—	(6,400)	—
Decrease (increase) in other items	4	(1)	4	(1)
Cash flows applied to investing activities	(7,455)	(5,849)	(7,583)	(8,116)
FINANCING ACTIVITIES				
Redemption of shares	(1,087)	—	(1,453)	—
Repayment of long-term debt	(703)	(606)	(1,467)	(1,013)
Issuance of subordinate voting shares	30	38	47	47
Cash flows applied to financing activities	(1,760)	(568)	(2,873)	(966)
Impact of fluctuations in foreign exchange rate on cash	(255)	62	(975)	15
Net cash (outflows) inflows	(8,249)	2,628	(13,387)	2,866
Cash and cash equivalents, beginning of the period	17,352	7,924	22,490	7,686
Cash and cash equivalents, end of the period ⁽¹⁾	9,103	10,552	9,103	10,552
Supplemental cash flow information				
Income taxes paid	—	—	204	162
(Received) interest paid	(95)	146	(113)	204
Non-cash financing and investing activities:				
Property, plant and equipment given in exchange for new equipment	—	1,524	—	2,261

(1) At July 31, 2009, cash and cash equivalents were composed of \$9,032,000 in cash and \$71,000 in cash equivalents (\$5,052,000 in cash and \$5,500,000 in cash equivalents as at July 31, 2008.)

SEGMENTED INFORMATION

The Corporation operates in the non-residential construction sector, primarily in the United States and Canada. Its operations include the connections design and engineering, fabrication and selective installation of complex steel structures, heavy built-ups as well as miscellaneous and architectural metal work.

Periods ended July 31,	Three (3) Months		Six (6) Months	
	2009	2008	2009	2008
	\$	\$	\$	\$
Revenues				
– Canada	3,752	2,181	7,693	3,054
– United States	14,996	21,813	27,807	46,099
	18,748	23,994	35,500	49,153

	At July 31, 2009	At January 31, 2009 (Audited)
	\$	\$
Property, Plant and Equipment		
– Canada	39,555	40,148
– United States	196	212
	39,751	40,360

During the first semester ended July 31, 2009, 76% of the Corporation's revenues were recorded with four clients (67% with two clients during the same period in 2008), each of which accounted for more than 10% of revenues.