



## ROADSHOW PRESENTATION

Presented by  
Jean Paschini, Chairman of the Board and Chief Executive Officer  
Louis Potvin, CA, MBA, Chief Financial Officer

October 2009

## Disclaimer

Management of ADF Group Inc. wishes to inform you that this document contains forward-looking statements within the meaning of applicable securities laws, in which management's expectation regarding the future performance of ADF Group may be discussed. Forward-looking statements include information concerning possible or assumed future results of operations and the financial position of ADF Group, and involve a number of risks and uncertainties with regard to their future realization. These forward-looking statements are based on currently available data in regard to competition, financial position, economic situation and operating plans.

The principal risks and uncertainties that could affect the results of ADF Group, such that those results could differ materially from those expressed in any forward-looking statements, are presented in Section 18 "External Factors to Which the Corporation's Performance is Exposed" of the Corporation's MD&A report for the fiscal year ended January 31, 2009.

The financial data presented herein is derived from ADF Group Inc.'s consolidated financial statements. It should be read in conjunction with the financial statements and related notes appearing in the Corporation's Annual Financial Report for the fiscal 2009, and the interim report for the six-month period ended July 31, 2009, available on the Corporation's website at [www.adfgroup.com](http://www.adfgroup.com) and SEDAR (System for Electronic Document Analysis and Retrieval) website at [www.sedar.com](http://www.sedar.com).

**Information contained herein is given as at July 31, 2009.**

## A North American Leader in the Structural Steel Industry

- Over 50 years of experience in the steel industry
- Specialized in the design & engineering of connections, the fabrication and the installation of:
  - Highly Engineered Steel Superstructures
  - Heavy and Complex Steel Built-Up Components
  - Miscellaneous and Architectural Metalwork
- Serving three segments of the non-residential construction market:
  - Commercial buildings
  - Industrial complexes
  - Public infrastructures
- Strongly positioned in two highly specialized and high value-added market niches:
  - Highly complex steel structures projects
  - Large-scale and fast-track projects



# STRONG FOOTHOLD IN NORTH AMERICA

## ORDER BACKLOG

- Highly Complex, High Profile and Ambitious Projects

- Commercial Buildings
- Industrial Complexes
- Public Infrastructures

- \$77M contract in the public infrastructures sector in North America (*not shown here*)



**Encana Tower**  
(The Bow Project)  
Calgary, Alberta

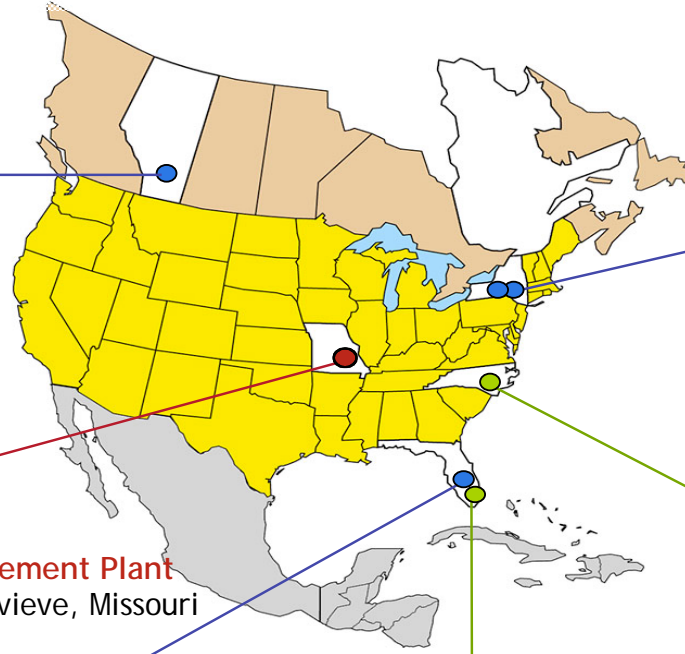


**Holcim Cement Plant**  
Ste. Genevieve, Missouri

**New World Symphony**  
Miami, Florida



**Miami International Airport**, Florida



**Freedom Tower and WTC Tower 4**  
New York, New York



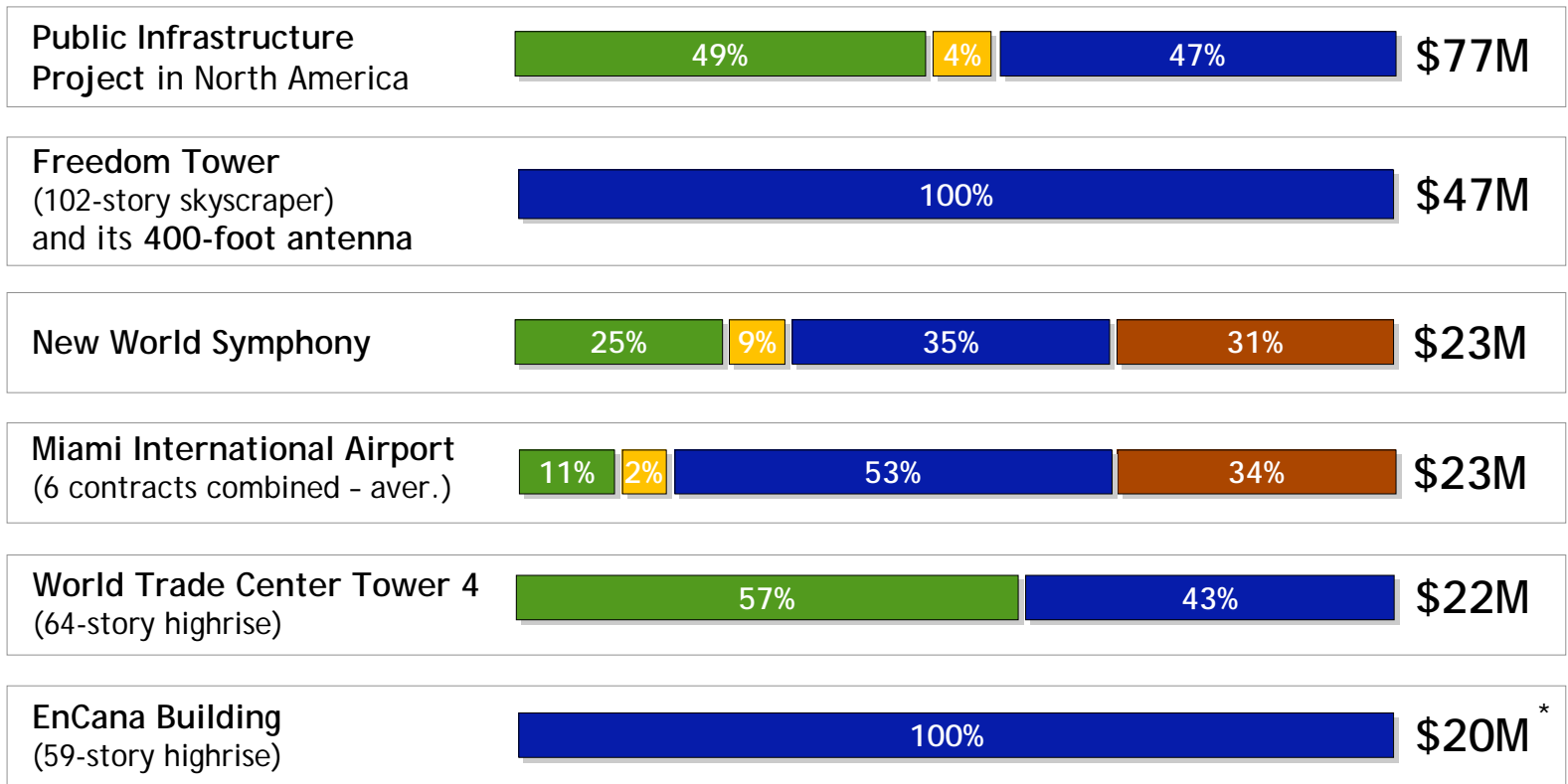
**Raleigh-Durham Int'l Airport**  
Raleigh, North Carolina

# KEY ACTIVITIES

## ORGANIZED INTO FOUR CATEGORIES

- Supply of steel
- Design & Engineering of Connections
- Fabrication
- Installation

Contract Value

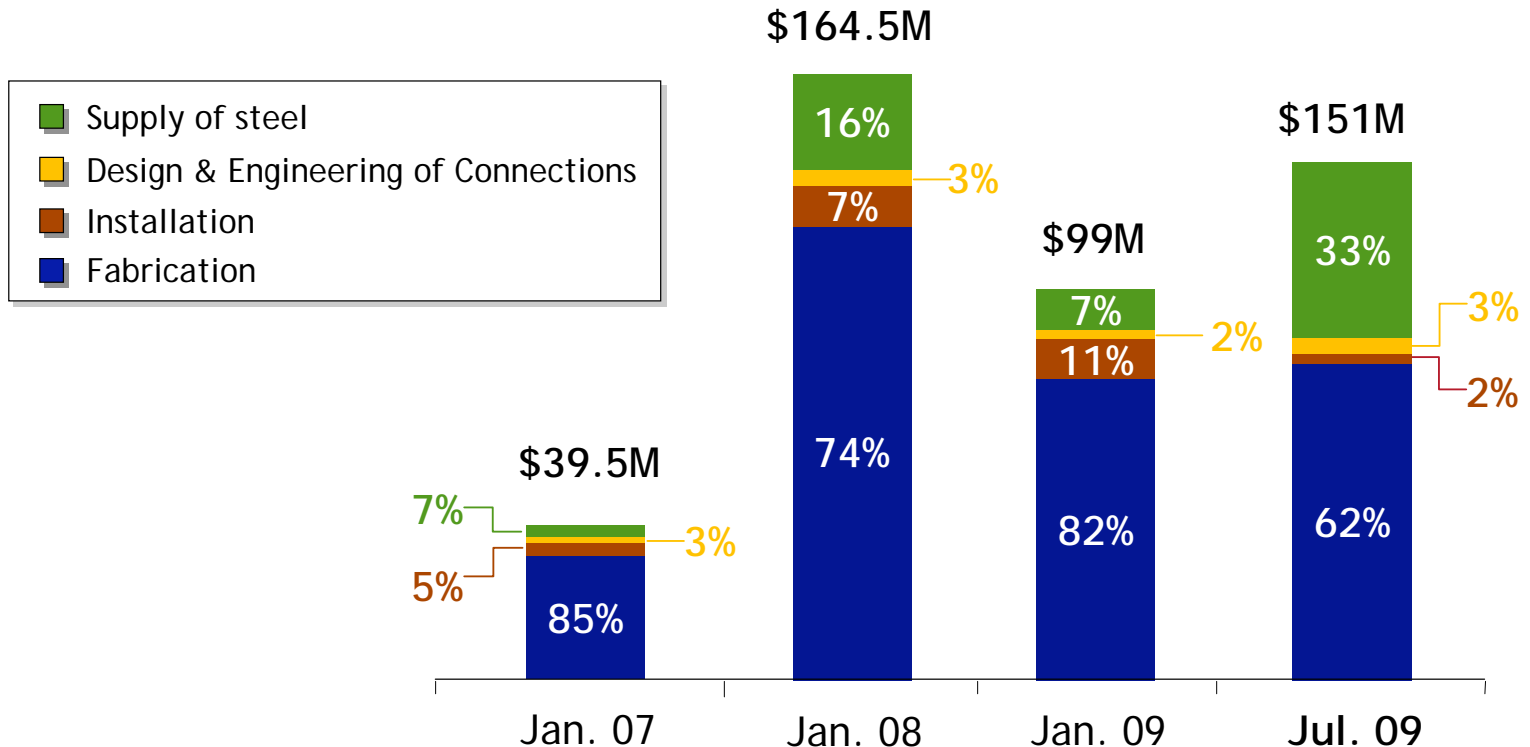


\* Contract excludes transportation from ADF's plant to construction site.

# ORDER BACKLOG

## VALUE-ADDED FABRICATION ACTIVITIES

- Gained Vast Experience Through Successful Completion of Hundreds of Projects
  - Most of the order backlog deriving from our fabrication segment, ADF's primary field of expertise, which yields better profit margins and carries lower risk.
  - Contracts in hand as at July 31, 2009, will be executed over 18 to 24 months.



# VALUE-ADDED FABRICATION ACTIVITIES

## HIGHER BARRIERS TO ENTRY AND FEWER COMPETITORS

- Experienced Engineering and Production Teams

ADF Group has become one of the most competent, most trusted, and respected companies where complex and large-scale structural steel projects are involved.

– Key elements that constitute a **complex structural steel project**:

- ✓ Combination of the building's design, configuration and geometry
- ✓ Combination of the steel components' size, geometry and weight
- ✓ High volume (tonnage)
- ✓ Uniqueness of the steel pieces

*Conventional structural steel pieces  
(Repetitive production)*



**VERSUS**

**Heavy & complex steel built-ups  
(Unique pieces)**



# RESOURCES AND CAPABILITIES UNDER ONE ROOF

## STATE-OF-THE-ART FACILITIES

- Continually Increasing Competitiveness and Productivity

ADF's 630,000-square-foot fabrication complex, equipped with state-of-the-art machinery and the latest industry technologies, is today one of the largest and most avant-garde in North America.

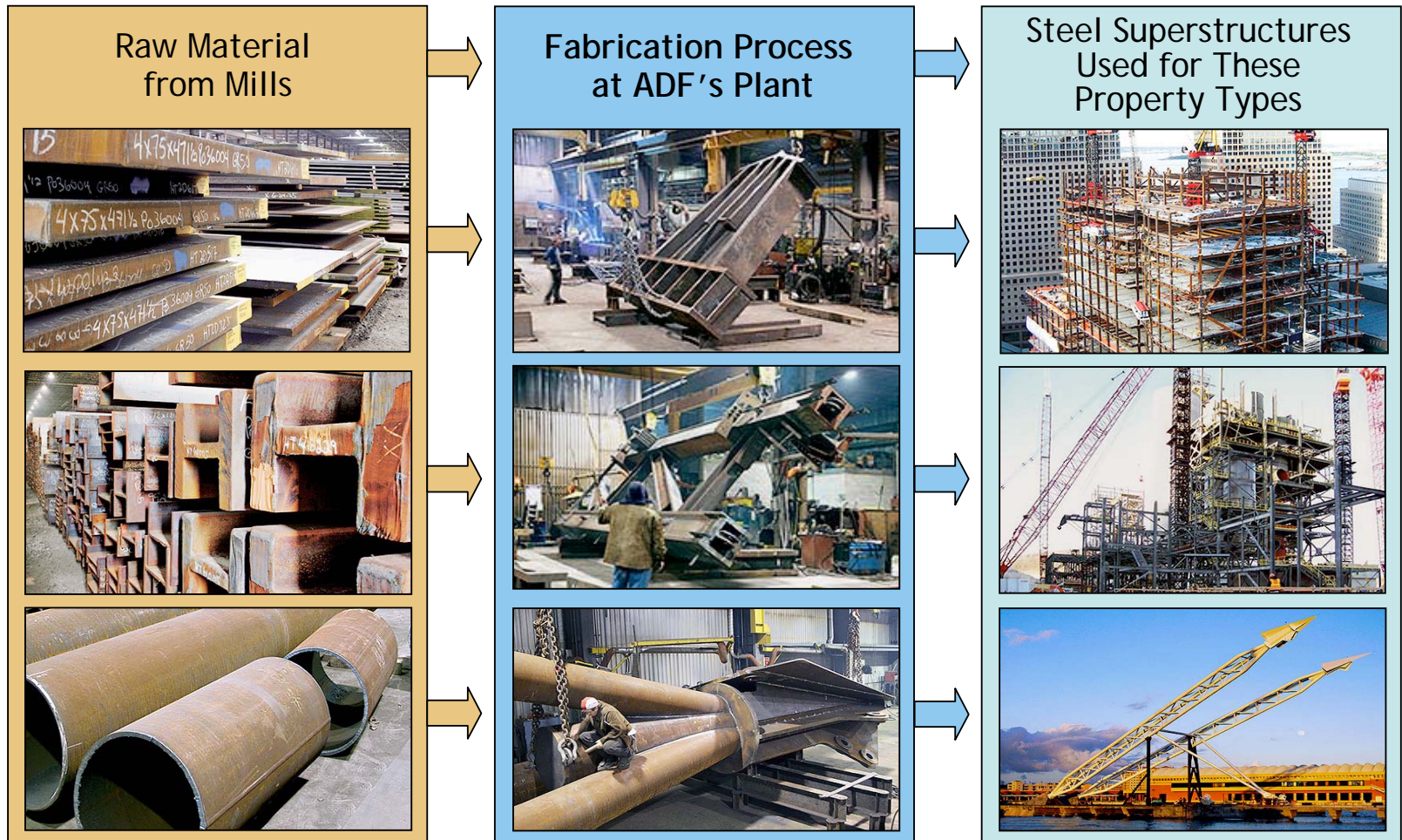
ADF's Lot Size	Total Plant Size	Fabrication Capacity	Lifting Capacity
2,000,000 ft <sup>2</sup>	630,000 ft <sup>2</sup>	100,000 tons/year	140-tons



# RESOURCES AND CAPABILITIES UNDER ONE ROOF

## STATE-OF-THE-ART FACILITIES

Based on its wide knowledge of the industry and years of experience, ADF's plant layout has been engineered to ensure an optimal fabrication flow and fitted to undertake all types of complex steel structure projects.



# STOCK INFORMATION & OWNERSHIP

(DRX) STOCK INFORMATION (AS AT SEPTEMBER 8, 2009)

**36,817,276**

Total Outstanding Shares (FD) → **22,474,169** Subordinate Voting (*1 vote/share*)  
**14,343,107** Multiple Voting (*10 votes/share*)

**1,029,500**

Shares redeemed to date under the NCIB program implemented in April 2009  
(average price: \$2.37/share)

## SHAREHOLDING

**14,343,107** (Multiple Voting) & **500,000** (Subordinate Voting)

Shares Held by the Paschini Family (**87%** total voting rights. **40%** total ownership)

**119,667**

Subordinate Voting Shares Held by Management

**78,500**

Subordinate Voting Shares Held by Directors

# STOCK INFORMATION

## (DRX) STOCK PRICE

- Street Expectation (As as September 10, 2009)

Target Price (Average \$3.59)

Blackmont Capital ..... \$3.00

Industrial Alliance ..... \$2.30

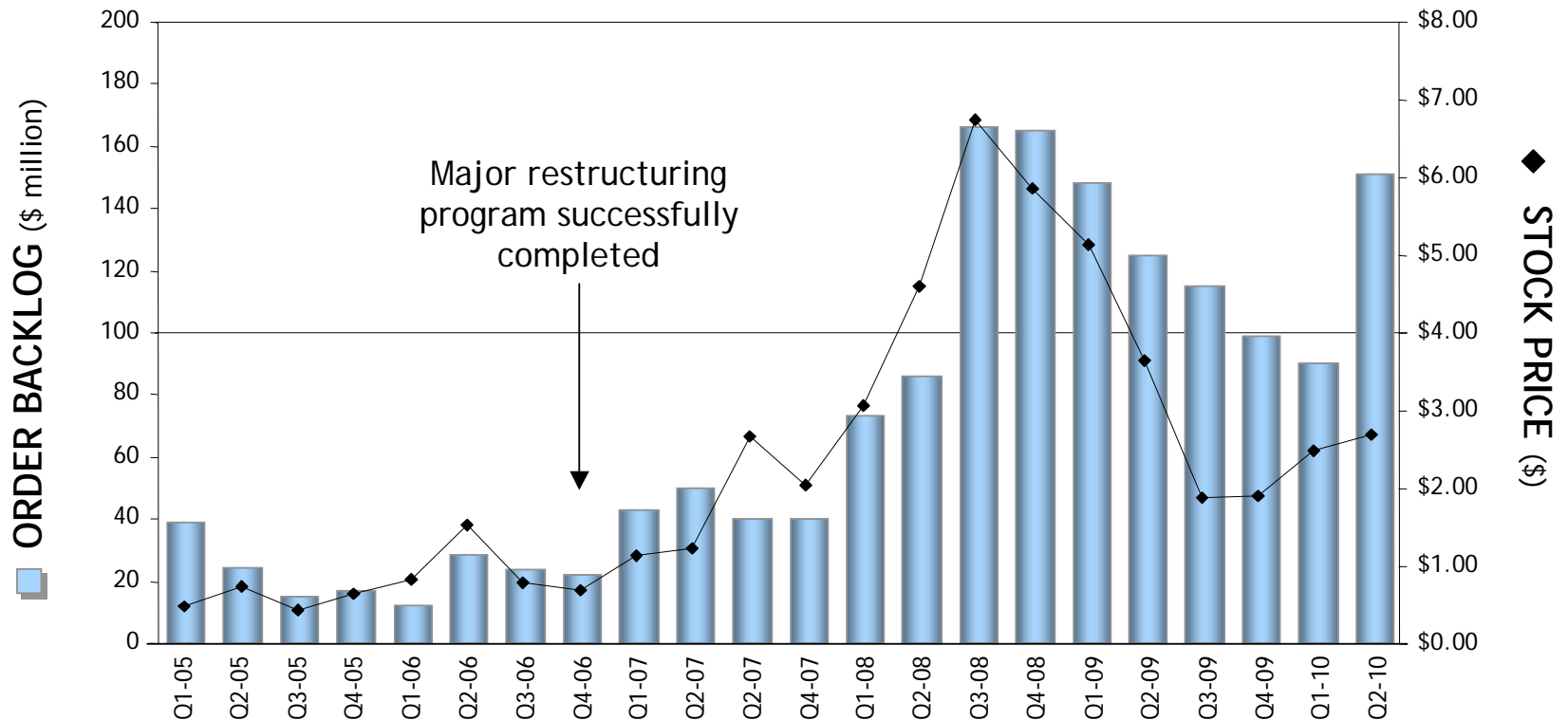
Canaccord\_Adams ..... \$3.25

Financial National Bank ..... \$4.50

GMP Securities ..... \$4.00

Salman Partners ..... \$4.50

- Stock Performance - Quarterly (As at July 31, 2009)



# HALF YEAR FINANCIAL RESULTS

## KEY POINTS FOR THE SIX-MONTH PERIOD (ENDED JULY 31, 2009)

- Increased order backlog with \$94M in new contracts in North America
- Announced new investment program of \$6M
- Sustained EBITDA margin and gross margin exceeding the industry average
- Decrease in results impacted by:
  - Different mix of contracts executed during the two comparable periods
  - Timing of cost and revenue recognition with regard to a contract
  - Higher effective tax rate

		(Y/Y)
<b>REVENUES</b>	<b>\$35.5M</b>	Down 28%
<b>GROSS MARGIN</b>	<b>\$9.9M</b>	Down 29%
As a % of revenues	<b>28.1%</b>	
<b>EBITDA</b>	<b>\$7.7M</b>	Down 36%
EBITDA Margin	<b>21.6%</b>	
<b>PRE-TAX EARNINGS</b>	<b>\$7.7M</b>	Down 31%
As a % of revenues	<b>21.7%</b>	
<b>NET EARNINGS</b>	<b>\$4.1M</b>	Down 44%
EPS	<b>\$0.11</b>	
As a % of revenues	<b>11.5%</b>	

# HALF YEAR FINANCIAL RESULTS

## KEY POINTS FOR THE SIX-MONTH PERIOD (ENDED JULY 31, 2009)

- Financial Performance

Robust platform for near and long term

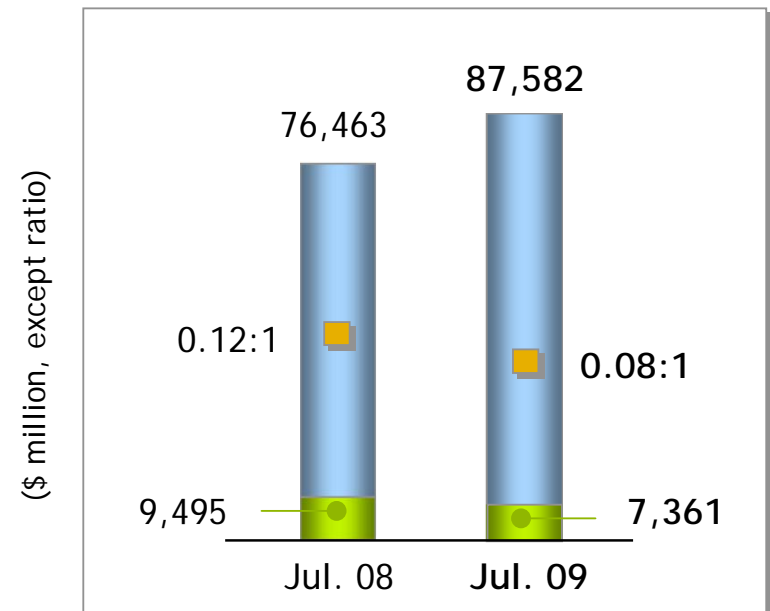
- Maintained healthy and solid financial position:

- ✓ Liquidity of \$21.5M
- ✓ Cash surplus of \$14.1M over total debt

- Continually increasing flexibility to pursue opportunities that will enhance shareholder value:

- ✓ Generated free cash flow
- ✓ Further reduced long-term debt
- ✓ Increased shareholders' equity

- Long-term debt
- Shareholders' Equity
- Debt/Equity Ratio



# HALF YEAR FINANCIAL RESULTS

## KEY POINTS FOR THE SIX-MONTH PERIOD (ENDED JULY 31, 2009)

- Financial Performance

	Jul. 2009	Jul. 2008	Jan. 2009
<i>(\$ thousand, except per-share amounts)</i>	<i>6 months</i>	<i>6 months</i>	<i>12 months</i>
– Net Earnings, Adjusted	7,547	11,239	24,549
– Changes in Non-Cash Operating Working Capital	(9,503)	694	8,175
– Cash Flow from Operations	(1,956)	11,933	32,724
– Capital Expenditures	(722)	(7,476)	(8,623)
<b>FREE CASH FLOW</b>	<b>(2,678)</b>	<b>4,457</b>	<b>24,101</b>
– Cash Flow Per Share	\$0.21	\$0.31	\$0.68
– Free Cash Flow Per Share	(\$0.07)	\$0.12	\$0.67
– Cash On Hand Per Share	\$0.60	\$0.29	\$0.79

# HALF YEAR FINANCIAL RESULTS

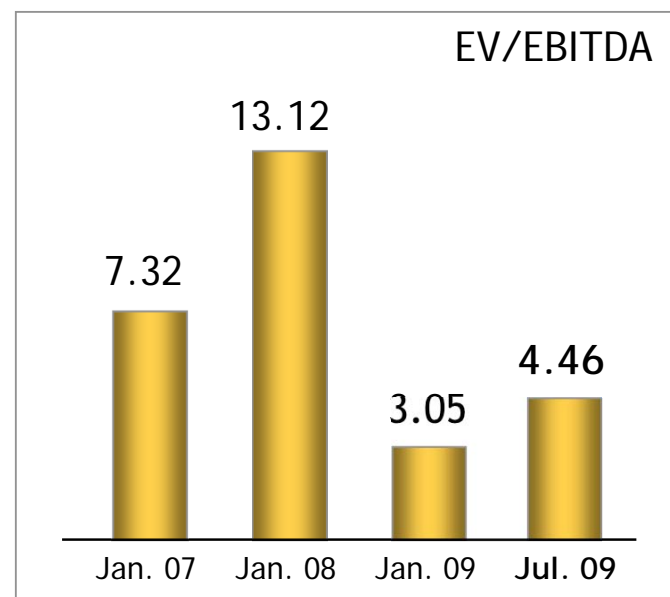
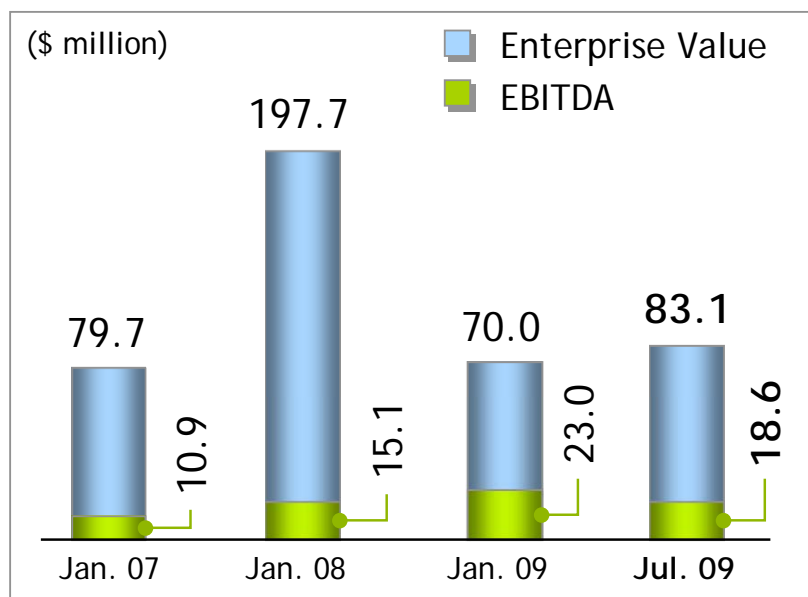
## KEY POINTS FOR THE SIX-MONTH PERIOD (ENDED JULY 31, 2009)

- Key Financial Indicators

- Return on Shareholders' Equity
- Current Ratio
- Net Acquisition of Fixed Assets
- Book Value Per Share

Jul. 2009	Jul. 2008
14.1%	12.4% *
3.25:1	2.10:1
\$0.7M	\$7.5M
\$2.43	\$2.12

\* Excluding the FY 2008 net tax attributes of \$28M  
Based on the rolling 12 months earnings ended on July 31



## LOWER RISKS, BETTER MARGINS BUSINESS MODEL

- **Contract Selection**
  - Continue to target highly complex, high valued-added, large-scale and fast-track projects commanding better margins.
  - Based on profitability potential and complying with ADF's risk selection criteria:
    - ✓ Minimizing risks related to, among others, the supply of steel and installation services.
- **Focus on Value-Added Fabrication Activities**
- **Increasing Efficiency, Productivity and Safety by Raising Level of Fabrication Automation Process**
- **Operating an Ultra-Modern and Mega Fabrication Complex**

January 2009: Completed a 2-year investment program of \$16.2M:

  - New cutting-edge technology and state-of-the-art machinery;
  - Reengineered areas of the plant to further improve efficiency;
  - Converted one storage area into an additional fabrication bay of 50,000 ft<sup>2</sup>.

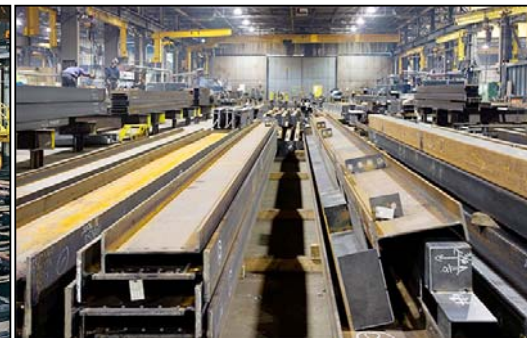
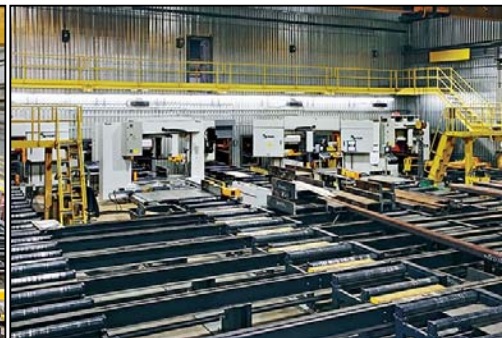
July 2009: Announced a new \$6M investment program:

  - Acquire new state-of-the-art fabrication equipment;
  - Increase lifting capacity for the handling of oversized steel components.

# DEVELOPMENT STRATEGY

## RESOURCES AND CAPABILITIES UNDER ONE ROOF

- Advantages of Operating a Mega Fabrication Complex
  - Unique management structure.
  - Pooled knowledge, expertise and experience, combined with state-of-the-art facilities, making it difficult to replicate ADF's complex rapidly.
  - Consistent quality in every project ADF undertakes.
  - Versatility and flexibility:
    - ✓ Plant equipped to adapt to shifts in market demands
    - ✓ Plant fit to handle a wide range of complex structural steel project types
    - ✓ Fabrication bays can be dedicated to specific projects or clients
    - ✓ Considerable interior floor space and exterior space for pre-assembly of oversized steel components and storage of finished products until site availability



## GROWTH OPPORTUNITIES

- **Maintaining a Flexible and Liquid Capital Structure in Order to be Able to Seize New Opportunities When They Arise**

With a strong balance sheet and enough financing capacity with which to fund its growth, ADF is on the look-out to strategically and selectively expand the business:

- **Developing a New Market**

Fabrication of steel structures for nuclear power plants; a highly specialized sector.

- ✓ ADF expects to fully comply with the nuclear system requirements in effect in America by the end of 2009.

This accreditation will open a new and expanding market, and will add a third market niche for ADF Group.

- **Through Possible Acquisition**

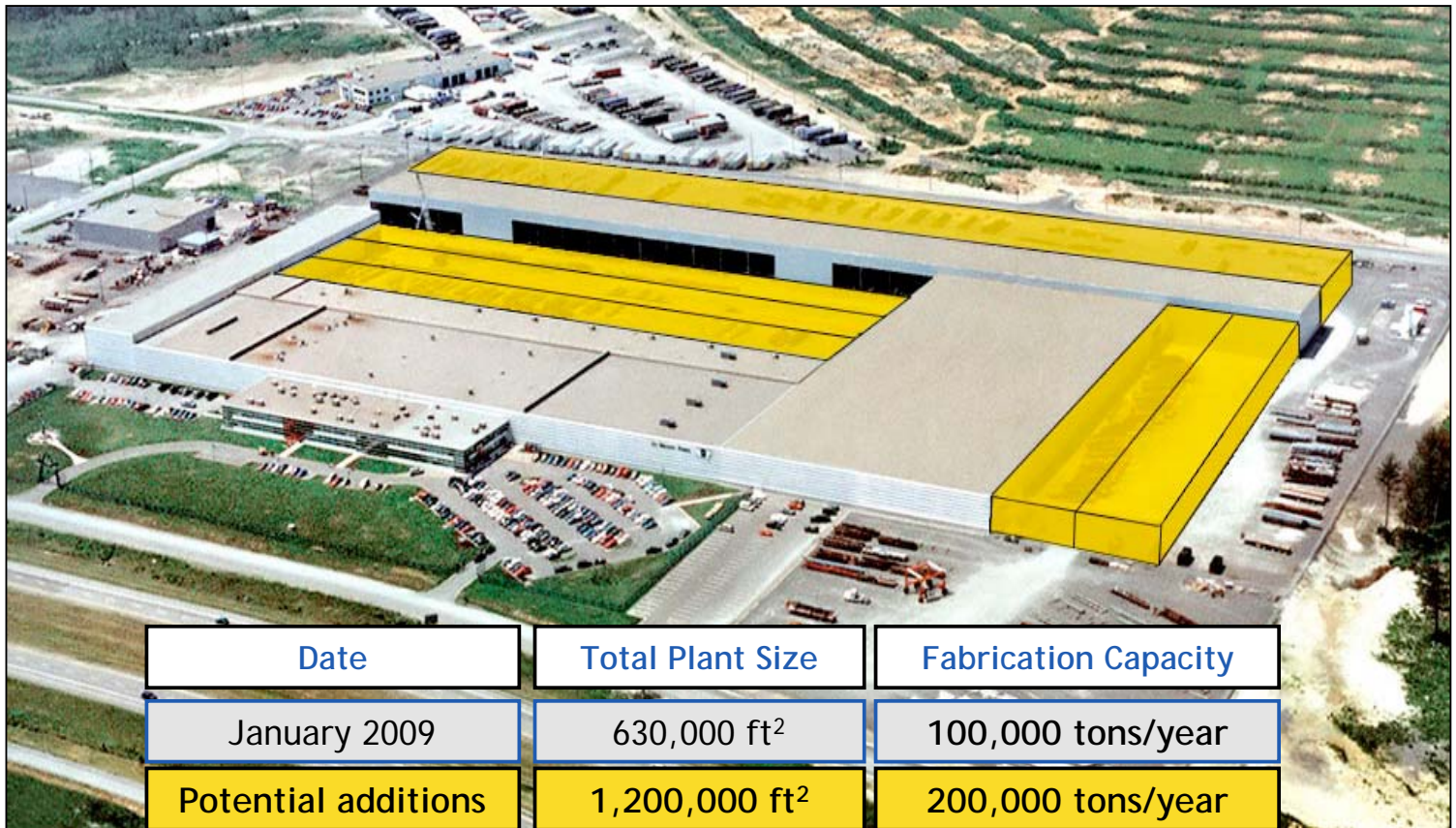
- ✓ Target low-cost fabricator
- ✓ Look for medium-size plant with possibilities for expansion
- ✓ Situated near water and railways to expand into new markets

# DEVELOPMENT STRATEGY

## GROWTH OPPORTUNITIES

- Through Organic Growth

ADF's fabrication complex and capacity can easily and rapidly be doubled. Cost of each new addition is currently estimated between \$5M and \$7M.



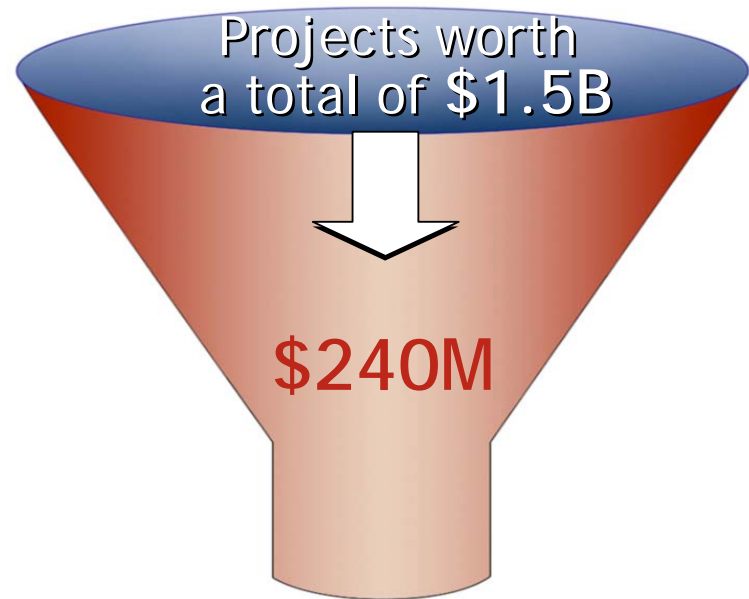
## DEMANDS FOR COMPLEX AND LARGE-SCALE STEEL STRUCTURE PROJECTS

- Demands remain fairly active in regard to calls for tender:
  - Large-scale industrial complexes (smelters, petrochemical plants);
  - Commercial buildings (high-rises); and
  - Transport infrastructures.

Targeted and/or invited  
to bid on



Currently negotiating for  
various projects totalling



## OBJECTIVES FOR THE SECOND HALF OF FISCAL 2010

- **Operations**
  - Complete the new \$6M investment program announced in July 2009
  - Comply with the nuclear system requirements in effect in America
  
- **Financials**
  - Continue strengthening the balance sheet
  - Focus on the cash flow generated by each contract underway
  - Finalize the extra work change orders
  - Pursue the NCIB program
    - ✓ ± 850,000 subordinate voting shares to be redeemed by April 2010.



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