FIRST QUARTER
ENDED APRIL 30, 2015

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS

FISCAL YEAR

2016

ADF Group Inc.

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FORWARD-LOOKING STATEMENTS | Management of ADF Group Inc. wishes to inform the reader that this document contains forward-looking statements within the meaning of applicable securities laws, in which Management's expectations regarding ADF Group Inc.'s future performance may be discussed. These forward-looking statements include information concerning ADF Group's probable or foreseeable future operating results and financial position, and involve certain 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 conditions and operating plans. The principal risks and uncertainties that could affect ADF Group Inc.'s results, such that those results could differ materially from those expressed in any forward-looking statements, are presented in Sections "Current Economic Environment" and "External Factors to Which the Corporation's Performance is Exposed" of the MD&A Report for the fiscal year ended January 31, 2015.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF THE FINANCIAL POSITION AND OPERATING RESULTS

Three-Month Period Ended April 30, 2015

1. GENERAL

The purpose of this management’s discussion and analysis of the financial position and operating results ("MD&A") is to provide the reader with an overview of the changes in the financial position of ADF Group Inc. ("ADF", "ADF Group" or "the Corporation") between February 1, 2015 and April 30, 2015. It also compares the operating results and cash flows for the three-month period ended April 30, 2015 to those for the same period of the previous year. This MD&A covers all major events that occurred between February 1, 2015 and June 9, 2015, on which date ADF Group Inc.’s Board of Directors approved the consolidated financial statements, as well as the MD&A for the three-month period ended April 30, 2015.

This MD&A should be read in conjunction with the Corporation’s unaudited condensed interim consolidated financial statements and the notes thereto for the three-month period ended April 30, 2015. The unaudited condensed interim consolidated financial statements and the comparative information have been prepared in accordance with International Financial Reporting Standard ("IFRS") as issued by the International Accounting Standards Board ("IASB") and applicable to interim financial reports, including International Accounting Standard 34 "Interim Financial Reporting".

The Corporation reports its results in Canadian dollars. All amounts in this MD&A are expressed in Canadian dollars, except where otherwise indicated.

2. FORWARD-LOOKING STATEMENTS

In order to provide shareholders and potential investors with additional information regarding ADF, in particular Management’s assessment of future plans and operations, certain statements in this MD&A are forward-looking statements subject to risks, uncertainties and other important factors that could cause the Corporation’s actual performance to differ from those expressed in or implied by these forward-looking statements.

Such factors include, but are not limited to: the impact of economic conditions in Canada and the United States; industry conditions including amendments in laws and regulations; increased competition; potential shortfall of qualified personnel or managers; availability and fluctuations in commodity prices; foreign exchange or interest rate fluctuations; stock market volatility; and the impact of accounting policies issued by Canadian, U.S. and international standard setters. Some of these factors are further discussed under Section 20 "External Factors to Which the Corporation’s Performance is Exposed" in this MD&A. It should be noted that the list of factors that may affect future growth, results and performance, provided in this MD&A, is not exhaustive. The reader should not place undue reliance on forward-looking statements.

The expectations expressed by the forward-looking statements are based on information available to the Corporation on the date such statements were made. However, there can be no assurance that such estimates will prove to be correct. All subsequent forward-looking statements made, whether written or verbally, by the Corporation or persons acting on its behalf, are expressly qualified in their entirety by the caveats referred to above. Unless otherwise required by applicable securities legislation, the Corporation expressly disclaims any intention, and assumes no obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

3. OVERVIEW

From a blacksmith shop founded in 1956, ADF Group has become over the years a North American leader in the design and engineering of connections, fabrication, including industrial coating, and installation of complex steel structures, heavy steel built-ups, as well as miscellaneous and architectural metalwork. The Corporation’s products and services are intended for the following five principal segments of the non-residential construction market: office towers and high-rises, commercial and recreational buildings, airport facilities, industrial complexes and transport infrastructures. The Corporation uses the latest technologies in its industry and operates two state-of-the-art fabrication plants; one of 58,530-square-metre (630,000-square-foot) in Canada and one of 9,290-square-metre (100,000-square-foot) in the United States, where the Corporation operates since the beginning of 2015 a new 3,900-square-meter (42,000-square-foot) paint shop.

A pioneer in the development and implementation of innovative solutions, the Corporation is recognized for its engineering expertise, its project management, its important fabrication capacity and its skills in two specialized market niches: the fabrication of steel superstructures with a high level of architectural and geometric complexity, and projects subject to fast-track schedules. ADF Group’s commitment to deliver every project in accordance with the industry’s highest quality standards constitutes a core aspect of the Corporation’s mission.

4. COMMERCIAL POSITIONING

ADF Group serves a diversified client base in the non-residential construction market in Canada and the United States:

- General contractors;
- Project owners;
- Engineering firms and project architects;
- Structural steel erectors; and
- Other steel structure fabricators.

5. **MARKET TRENDS**

The non-residential construction sector includes the products and services related to the construction of commercial, institutional and industrial buildings, such as office towers, commercial buildings, hotels, sports complexes, museums, recreational complexes, as well as manufacturing plants and other industrial facilities. This sector also encompasses public works, including the construction and renovation of infrastructures and buildings, notably, hydroelectric dams, airports, bridges and overpasses. It should be noted that the demand in this sector is related to business cycles. Generally, there are more private projects in a bull cycle, whereas government projects take over in a bear cycle.

According to Management, approximately half of the non-residential projects use structural steel as a structural component, while the other half primarily uses concrete. Generally, structural steel accounts for about 10% to 20% of a project's total cost, depending on the project's nature. Structural steel offers a number of advantages when compared to other materials, which explains its increasing use in the construction of complex structures. These advantages include durability, speed of installation, greater flexibility in fast-track projects, lower installation and maintenance costs, as well as its high strength/weight ratio as a result of improved alloys.

Generally, there are more complex steel structure projects in the United States than in Canada, which can result in a certain dependence of the Corporation on the U.S. market.

The markets served by the Corporation have improved, as evidenced by the $108 million in new contract awards announced since October 2014. More significantly still is the geographic breakdown of these different contracts. We have in hand, among others, projects in California, Minnesota, and Florida. We also have a major contract underway in Saskatchewan. All of these contracts confirm our investment choices and show that our Terrebonne and Great Falls facilities are strategically located to efficiently serve these markets.

The efforts to develop the Florida market that we undertook during fiscal 2015, are now yielding results and we now turn our attention toward California, another promising market. As previously mentioned, the New York market is also growing, however the price level and the risks related to this market, urge us to remain prudent. As such, our level of optimism in our markets has not changed and we are confident we can tap into new markets in the coming months, which will allow us to fully operate all of our facilities.

6. **SIGNIFICANT EVENTS OF THE THREE-MONTH PERIOD ENDED APRIL 30, 2015**

— On April 8, 2015, the Corporation's Board of Directors approved a semi-annual dividend of $0.01 per share, paid on May 15, 2015 to shareholders of record as at April 30, 2015.

— On April 9, 2015, the Corporation announced having concluded a series of commercial agreements totalling in excess of $46 million. All these new orders were awarded in the U.S. East Coast, and will extend to the spring of 2016.

— On April 14, 2015, ADF announced that it had entered into agreements with Mr. Jean Paschini, Mr. Pierre Paschini and Ms. Marise Paschini for the repurchase of 750,000 subordinate voting shares at a price of $2.40 per share, for a total consideration of $1.8 million. The repurchased shares were issued upon the exercise of stock options that were granted in April 2005, and that would have expired in April 2015. Following these transactions, the number of subordinate voting shares of the Corporation held directly or indirectly by Jean Paschini, Pierre Paschini and Marise Paschini remained unchanged.

7. **SIGNIFICANT EVENTS THAT OCCURRED SINCE APRIL 30, 2015**

On May 8, 2015, the Corporation announced that Mr. Marc A. Benoît and Mr. Marc Filion, would not stand for re-election to the Corporation's Board of Directors at the Shareholders meeting in June 2015, and they have tendered their resignation as members of the Board of Directors effective May 1st, 2015. The Corporation also announced the appointment of Ms. Michèle Desjardins and Mr. Frank Di Tomaso, as independent members of the Corporation's Board of Directors, effective May 1st, 2015.

8. **EXCHANGE RATE**

The Corporation is subject to foreign currency fluctuations from the translation of revenues, expenses, assets and liabilities of its foreign operations and from commercial transactions denominated in foreign currencies. Average monthly rates (considered a reasonable approximation to actual rates at the date of transactions) are used to translate revenues (except for foreign exchange forward contracts) and expenses for the periods mentioned, while closing rates translate assets and liabilities.

During the three-month period ended April 30, 2015, as well as during each of the four quarters of the previous fiscal year, the Corporation used the following exchange rates between the Canadian and U.S. dollars:

($CA/$US)	**Statements of Income and Comprehensive Income**	**Statements of Financial Position**
First quarter (April 30, 2014)	1.1051	1.0960
Second quarter (July 31, 2014)	1.0817	1.0904
Third quarter (October 31, 2014)	1.1055	1.1271
Fourth quarter (January 31, 2015)	1.1674	1.2711
First quarter (April 30, 2015)	**1.2482**	**1.2064**

During the three-month period ended April 30, 2015, the Canadian dollar gained some momentum in relation to the US dollar. The closing rate decreased by 5% compared with January 31, 2015. The average rate during the quarter ended April 30, 2015, was 1.2482, which is 13% higher than the average rate during the same quarter a year ago. Since the Corporation has assets denominated in Canadian dollars and in U.S. dollars, and because the breakdown of the Corporation's revenues (sales) is also denominated in both Canadian and U.S.

dollars, results may vary. However, as explained in Section 10 "Analysis of Operating Results for the Three-Month Period Ended April 30, 2015", paragraph e) "Foreign Exchange Loss", the Corporation has a hedging policy in place to mitigate its currency risk.

9. NON-GAAP MEASURES

The financial information in this MD&A has been prepared in accordance with IFRS, with the exception of certain financial indicators that do not have standardized meaning as prescribed by IFRS and therefore are considered non-generally accepted accounting principles ("GAAP"). When such indicators are used, they are defined and the reader is informed. The Corporation uses the following non-GAAP indicators to measure its operating performance and the achievement of objectives:

	3-Month Periods Ended April 30,		12-Month Periods Ended January 31,	
	2015	2014	2015	2014
Working capital (in thousands of dollars)	**$18,252**	$32,703	**$19,476**	$29,615
Current ratio	**2.02:1**	2.94:1	**1.88 :1**	2.53:1
Long-term debt to shareholders' equity ratio	**0.09:1**	0.10:1	**0.10:1**	0.06:1
Total debt, net of liquidities (total liquidities, net of debt) (in thousands of dollars)	**$4,951**	$(9,681)	**$1,402**	$(13,452)
Total cash, cash equivalents and short-term investments, net of long-term debt, to shareholders' equity ratio	**(0.05):1**	0.10:1	**(0.01):1**	0.13:1
Liabilities to shareholders' equity ratio	**0.29:1**	0.28:1	**0.33:1**	0.26:1
Earnings before interest taxes, depreciation and amortization (EBITDA) (in thousands of dollars)	**$1,838**	$1,406	**$1,594**	$14,234
EBITDA margin (as a percentage of revenues)	**6.4%**	5.8%	**2.1%**	15.3%
Book value per share (in dollars)	**$3.09**	$3.12	**$3.20**	$3.13
Return on shareholders' equity	**(2.0)%**	8.3%	**(1.5)%**	7.5%

a) EBITDA and EBITDA Margin

EBITDA shows the extent to which the Corporation generates profits from operations, without considering the following items:

- Financial revenues and financial expenses;
- Income tax expense;
- Foreign exchange gains or losses; and
- Depreciation and amortization of property, plant and equipment and intangible assets.

Net income is reconciled with EBITDA in the table below:

Three-Month Periods Ended April 30,	**2015**	2014
(In thousands of dollars and in percentages)	**$**	$
Net income	**57**	471
Income tax expense (recovery)	**105**	(115)
Financial revenues	**(16)**	(60)
Financial expenses	**98**	50
Amortization	**1,106**	1,049
Foreign exchange loss	**488**	11
EBITDA	**1,838**	1,406
— As a % of revenues	**6.4%**	5.8%

10. ANALYSIS OF OPERATING RESULTS FOR THE THREE-MONTH PERIOD ENDED APRIL 30, 2015

a) Revenues and Gross Margin

Three-Month Periods Ended April 30,	**2015**	2014	Changes 2015/2014	
(In thousands of dollars and in percentages)	**$**	$	$	%
Revenues	**28,682**	24,402	4,280	17.5
Cost of goods sold	**25,114**	21,570	3,544	16.4
Gross margin	**3,568**	2,832	736	26.0
— As a % of revenues	**12.4%**	11.6%		0.8

Revenues

Revenues during the three-month period ended April 30, 2015, totalled $28.7 million, up by $4.3 million compared with the same period of the 2015 fiscal year. The revenues are determined on the basis of the costs incurred on the various projects executed by the Corporation during the period. The increase compared with the same quarter of the previous year is mainly due to the signing of new contracts since October 2014, net of the completion of the Quebec City's and Trois-Rivières' amphitheater projects.

In terms of economic dependency, 70% of the Corporation's revenues during the three-month period ended April 30, 2015, were realized with three (3) clients for respective amounts of $12.1 million from the United States, and $4.9 million and $3.2 million from Canada (71% of the revenues were realized with two (2) clients during the three-month period ended April 30, 2014, for amounts of $14.1 million and $3.2 million respectively, all from Canada), and therefore each client accounted for more than 10% of the Corporation's revenues. Although the Corporation attempts to limit the concentration of its revenues, given the nature of its activities and market, its revenues are likely to remain concentrated among a restricted number of clients in upcoming quarters.

Gross Margin

The gross margin in dollar value increased by $0.7 million during the three-month period ended April 30, 2015, compared with the same period ended April 30, 2014. As a percentage of revenues, the gross margin went from 11.6% during the three-month period ended April 30, 2014 to 12.4% for the period ended April 30, 2015.

This increase as a percentage of revenues is for the most part explained by the revenue mix and a better absorption of the fixed costs related to fabrication, in line with the volume at both our fabrication plants.

In addition, although the percentage of fabrication hours remained stable during both comparable quarters analyzed, the results for the quarter ended April 30, 2015, included less installation hours than during the quarter ended April 30, 2014, therefore improving the margin.

Increases or decreases in raw material (mainly steel) prices do not generally have a material impact on the gross margin since in most cases, the clients supply the steel to be transformed by ADF, whereas protection clauses with regard to price changes are usually included in contracts where ADF supplies the steel. In addition, the natural hedge attributable to revenues and the purchase of raw materials in U.S. dollars mitigates the impact of exchange rate fluctuations.

b) **Selling and Administrative Expenses**

Three-Month Periods Ended April 30,	**2015**	2014	Changes 2015/2014	
(In thousands of dollars and in percentages)	**$**	$	$	%
Selling and administrative expenses	**2,836**	2,475	361	14.6
— As a % of revenues	**9.9%**	10.1%		(0.2)

Selling and administrative expenses amounted to $2.8 million, posting a $0.4 million increase compared with the same period ended April 30, 2014, although these expenses decreased by 0.2%, when analyzed as a percentage of revenues. The increase in dollar value mainly stems from the additional administrative staffing at both of our facilities in Great Falls and Terrebonne, as well as the impact of foreign exchange from the translation of administrative expenses of our US operations into Canadian dollars.

c) **Amortization**

In accordance with IFRS standards, amortization expense is included in cost of goods sold and selling and administrative expenses (see Note 11 "Classification of Expenses by Nature" to the Unaudited Condensed Interim Consolidated Financial Statements as at April 30, 2015, included in this MD&A). However, Management considers it appropriate to continue separately commenting on the trend in amortization expense since it is considered a significant, although non-cash, component in the analysis of the Corporation's profit margins.

Three-Month Periods Ended April 30,	**2015**	2014	Changes 2015/2014	
(In thousands of dollars and in percentages)	**$**	$	$	%
Amortization	**1,106**	1,049	57	5.4
— As a % of revenues	**3.9%**	4.3%		(0.4)

The $1.1 million amortization expense during the three-month period ended April 30, 2015, is slightly higher than during the same quarter ended April 30, 2014. This increase is almost exclusively attributable to the start-up of the new operations in Great Falls, Montana.

Three-Month Periods Ended April 30,	**2015**	2014	Changes 2015/2014	
(In thousands of dollars and in percentages)	**$**	$	$	%
Amortization expense included in cost of goods sold	**896**	844	52	6.2
Amortization expense included in selling and administrative expenses	**210**	205	5	2.4
Total amortization	**1,106**	1,049	57	5.4

d) **Financial Revenues and Financial Expenses**

Three-Month Periods Ended April 30,	**2015**	2014	Changes 2015/2014	
(In thousands of dollars and in percentages)	**$**	$	$	%
Financial revenues	**(16)**	(60)	44	73.3
Financial expenses	**98**	50	48	96.0
	82	(10)	92	Pos.
— As a % of revenues	**0.3%**	(0.0)%		0.3

The higher net financial expense during the quarter ended April 30, 2015, is explained by the higher average U.S.-denominated debts related to our investments in the State of Montana, USA, and by the higher average foreign exchange used to convert these expenses.

An interest rate swap covering 25% of the balance of one of the U.S. denominated debt was implemented in April 2010 in order to allow the Corporation to partially protect itself against fluctuations in interest rates. This derivative financial instrument is classified as held-for-trading and measured at its fair value at the end of every quarter; since it is not designated as part of an effective hedging relationship, hedge accounting is not applied.

As at April 30, 2015, the interest rate swap was no longer necessary to protect against the fluctuations in interest rates, since the balance of the long-term debt included fixed interest rates and the floating rate credit facility was unused.

e) **Foreign Exchange Loss**

Three-Month Periods Ended April 30,	**2015**	2014	Changes 2015/2014	
(In thousands of dollars and in percentages)	**$**	$	$	%
Foreign exchange loss	**488**	11	477	Pos.
— As a % of revenues	**1.7%**	0.0%		1.7

The foreign exchange loss recorded during the quarter ended April 30, 2015, includes a $0.8 million foreign exchange loss on ongoing operations and a $0.4 million realized and not realized foreign exchange gain relating to the fair value of financial derivatives. During the three-month period ended April 30, 2015, a $1.8 million foreign exchange loss on the translation of foreign subsidiaries was recorded in comprehensive income.

As for the $11,000 foreign exchange loss of recorded during the three-month period ended April 30, 2014, it came from ongoing operations. A $0.5 million foreign exchange loss on the translation of foreign subsidiaries was recorded in comprehensive income during the three-month period ended April 30, 2014.

The Corporation is exposed to exchange rate fluctuations between the Canadian and U.S. dollars since a usually significant portion of its revenues is generally recorded in U.S. dollars. During the three-month period ended April 30, 2015, the portion of revenues realized in U.S. dollars was 66 % (less than 1% during the three-month period ended April 30, 2014, and 21% during the fiscal year ended January 31, 2015). Considering the improvement in U.S. markets and the commissioning of its new fabrication plant and new paint shop in Great Falls, Montana, the Corporation expects that the percentage of its revenues in U.S. dollars should continue to increase in fiscal 2016.

During the fiscal year ended January 31, 2015, in line with its hedging policy, given the increase in its net risk between future U.S. denominated cash inflows and outflows, the Corporation purchased the following derivative financial instruments, which are classified as held-for-trading and measured at their fair value at the end of each period, since they are not designated as part of an effective hedging relationship.

The detail of the derivative financial instruments on hand as at April 30, 2015, was established as follows:

	As at April 30, 2015			
	In thousands of $US (1)	**In thousands $CA (1)**	**Average rate**	**Expiration date**
Foreign exchange forward contracts	**3,800**	**4,303**	**1.1325**	**July 2015**
	(775)	**(881)**	**1.1372**	**October 2015**
	(700)	**(797)**	**1.1390**	**November 2015**
Foreign currency options	**1,000**	**1,160**	**1.1600**	**July 2015**
	(1,000)	**(1,115)**	**1.1150**	**July 2015**

(1) A positive amount represents the sale of U.S. dollars, whereas a negative amount represents the purchase of U.S. dollars.

Based on the balance of the Corporation's financial instruments denominated in foreign currencies, as at April 30, 2015, a 10% fluctuation in the exchange rate between the Canadian and the U.S. dollars (all other variables remaining constant) would have resulted in a $1.0 million variation in net income before income tax, and a variation of an immaterial amount in comprehensive income before income tax. However, this information only applies to financial instruments based on period-end balances and does not take into account the impact of foreign exchange fluctuations on revenues and other miscellaneous expenses for a complete fiscal year.

f) **Income Tax Expense (Recovery)**

Three-Month Periods Ended April 30,	**2015**	2014	Changes 2015/2014	
(In thousands of dollars and in percentages)	**$**	$	$	%
Income tax expense (recovery)	**105**	(115)	220	Pos.
— As a % of revenues	**0.4%**	(0.5)%		0.9

For the three-month period ended April 30, 2015, the income tax expense represented an average effective tax rate of 65%, compared with an income tax recovery that represented an average effective tax rate of 32% for the same period of the 2015 fiscal year. The difference between these rates and the Corporation's Canadian effective rate (27%) is mainly explained by the breakdown of income before income tax (profits or losses) from U.S. and Canadian jurisdictions which use different income tax rates.

Income tax expense or recovery has currently no material impact on the Corporation's cash outflows and inflows. Given the available tax attributes, no amount was paid during the three-month period ended April 30, 2015 (an immaterial amount was collected during the same period of the 2015 fiscal year).

A balance of $3.7 million relating to net deferred income tax assets remained available as at April 30, 2015. This will have a favourable impact on the future cash outflows of the Corporation, which will not have to pay future income taxes until the full amount of available tax attributes has been used in the different jurisdictions where the Corporation executes contracts. Once these future tax attributes are fully used in a given jurisdiction, the Corporation will be required to resume paying income taxes in that jurisdiction.

g) **Net Income, Basic and Diluted Earnings per Share**

Three-Month Periods Ended April 30,	**2015**	2014
(In thousands of dollars and in dollars per share)	**$**	$
Total net income	**57**	471
— As a % of revenues	**0.2%**	1.9%
Total basic earnings per share	**0.00**	0.01
Total diluted earnings per share	**0.00**	0.01

The decrease in net income during the three-month period ended April 30, 2015, compared with the same period of a year ago is for the most part explained by the previously described reasons, and more specifically by the impact of the foreign exchange loss caused by the variation in exchange rates on ongoing operations and derivative financial statements.

11. COMPARATIVE INFORMATION FOR THE LAST EIGHT QUARTERS

Trends observed in the analysis of quarterly results do not necessarily represent those of the future results of the Corporation. ADF's fabrication activities are not, as such, subject to seasonal fluctuations. However, the non-residential construction market in which the Corporation is active goes through upward and downward cycles.

Overall, quarterly fluctuations in the following indicators result mainly from the changes in the revenue mix and the costs recognized on different projects underway and for each given period, together with the lags between the recognition of costs and revenues, where appropriate, that could result from the use of estimates based on the percentage-of-completion method.

More specifically, and in light of the results for the last eight quarters presented below, the variations from one quarter to the other are mostly explained by the respective fabrication schedules of the various projects announced by the Corporation. Considering that revenues are established based on incurred costs on these different projects carried out by the Corporation, revenues and operating results can differ significantly from quarter to quarter because of these execution schedules.

Fiscal Years	**2016**	2015				2014		
Three-Month Periods Ended	**1st Quarter (04.30.2015)**	4th Quarter (01.31.2015)	3rd Quarter (10.31.2014)	2nd Quarter (07.31.2014)	1st Quarter (04.30.2014)	4th Quarter (01.31.2014)	3rd Quarter (10.31.2013)	2nd Quarter (07.31.2013)
(In thousands of dollars and in dollars per share)	**$**	$	$	$	$	$	$	$
Revenues	**28,682**	**18,750**	12,471	20,435	24,402	29,291	33,781	17,649
Gross margin (1)	**3,568**	**1,456**	777	2,202	2,832	5,864	8,751	4,222
— As a % of revenues	**12%**	**8%**	6%	11%	12%	20%	26%	24%
EBITDA (2)	**1,838**	**203**	(511)	496	1,406	4,408	6,789	2,562
— As a % of revenues	**6%**	**1%**	(4)%	2%	6%	15%	20%	15%
Income before income tax expense (recovery)	**162**	**(872)**	(1,610)	(651)	356	3,316	5,962	1,712
— As a % of revenues	**1%**	**(5)%**	(13)%	(3)%	2%	11%	18%	10%
Net income	**57**	**(554)**	(1,140)	(347)	471	2,352	4,380	1,219
— Basic per share	**0.00**	**(0.02)**	(0.04)	(0.01)	0.01	0.07	0.13	0.04
— Diluted per share	**0.00**	**(0.02)**	(0.04)	(0.01)	0.01	0.07	0.13	0.04

(1) Gross margin excluding foreign exchange variations.
(2) See Section 9 "Non-GAAP Measures" for the definition of EBITDA.

12. CASH FLOWS AND FINANCIAL POSITION

The Corporation posts a sound financial position and is on a solid footing to address its financial needs. Taking into account its favourable cash and cash equivalents position, its credit facility and the level of planned capital spending, the Corporation does not expect any liquidity risk in a foreseeable future.

As at April 30, 2015, the Corporation had $4.5 million in cash, cash equivalents and short-term investments, which is $4.2 million less than at January 31, 2015.

Management believes that these available funds will allow it to support the execution of its order backlog in hand on April 30, 2015, and to meet its expected financial commitments for the 2016 fiscal year.

Furthermore, the Corporation continually appraises the opportunities to use part of its liquidities to finance certain projects that could provide additional long-term competitive advantages (see Section 25 "Outlook"). It also looks at opportunities for accelerated payments discounts negotiated with suppliers.

a) **Operating Activities**

During the three-month period ended April 30, 2015, the Corporation used cash flow from its operating activities and assigned it as follows:

Three-Month Periods Ended April 30,	**2015**	2014
(In thousands of dollars)	**$**	$
Net income adjusted for non-cash items	**1,220**	1,432
Changes in non-cash operating working capital items:		
Accounts receivable	**(808)**	2,114
Holdbacks on contracts	**1,177**	(1,053)
Work in progress	**1,801**	(1,942)
Inventories	**29**	407
Prepaid expenses and others current assets	**(1,122)**	(163)
Accounts payable and other current liabilities	**(1,361)**	314
Deferred revenues	**(2,547)**	(2,608)
	(2,831)	(2,931)
	(1,611)	(1,499)
Income tax expense paid	**—**	4
Cash flows from (used in) operating activities	**(1,611)**	(1,495)

Net income adjusted for non-cash items totalling $1.2 million during the three-month period ended April 30, 2015, which is $0.2 million lower than the same period ended April 30, 2014, results mainly from the net income and a non-realized gain on financial instruments since January 31, 2015, net of the variation in income tax expense.

During the three-month period ended April 30, 2015, the changes in non-cash operating working capital items used cash outflows of $2.8 million, which are mostly explained by a decrease in deferred revenues and accounts payable and other current liabilities (respectively totalling $2.5 million and $1.4 million) and by the increase in prepaid expenses and other current assets ($1.1 million), net of the decrease in holdbacks on contracts and work in progress (respectively $1.2 million and $1.8 million). These variations are directly attributable to the level of activities at April 30, 2015, compared with the same period a year ago.

During the three-month period ended April 30, 2014, the changes in non-cash operating working capital items used cash of $2.9 million, and was mostly explained by a net increase of $4.6 million in work in progress and deferred revenues, together with the $1.1 million increase in holdbacks on contracts. These variations are attributable to the level of activities during the two periods analyzed. These cash outflows have partly been offset by the cash inflow resulting from a $2.1 million reduction in accounts receivable.

b) **Investing Activities**

The Corporation's investing activities are summarized as follows:

Three-Month Periods Ended April 30,	**2015**	2014
(In thousands of dollars)	**$**	$
Net acquisition of property, plant and equipment	**(1,622)**	(2,522)
Acquisition of intangible assets	**(88)**	(81)
Decrease (increase) in other non-current assets	**650**	(559)
Interest received	**13**	54
Cash flows from (used in) investing activities	**(1,047)**	(3,108)

During the three-month period ended April 30, 2015, $1.0 million in liquidities were used, mostly to complete the construction of the paint shop in Great Falls, Montana, while investing activities during the same period ended April 30, 2014, used a net total of $3.1 million in liquidities mostly for the acquisition of property, plant and equipment, in connection with the investment in Great Falls, Montana.

The Corporation estimates capital expenditures for fiscal 2016 at approximately $5.0 million, which will primarily be used to maintain the fabrication equipment current at both of ADF's plants in Terrebonne, Quebec and Great Falls, Montana.

c) **Financing Activities**

The Corporation's financing activities were as follows:

Three-Month Periods Ended April 30,	**2015**	2014
(In thousands of dollars)	**$**	$
Issuance of long-term debt	**—**	5,516
Repayment of long-term debt	**(187)**	(771)
Subordinate voting share repurchase	**(1,800)**	—
Issuance of subordinate voting shares	**563**	—
Interest paid on interest rate swap	**—**	(1)
Interest paid	**(100)**	(47)
Cash flows from (used in) financing activities	**(1,524)**	4,697

During the three-month period ended April 30, 2015, financing activities required liquidities of $1.5 million, compared with cash inflows of $4.7 million for the same quarter the previous year. This cash outflow stems from the repurchase of the 750,000 subordinate voting shares (refer to Section 6 "Significant Events that Occurred during the Three-Month Period Ended April 30, 2015" hereinabove).

The Corporation received an additional $5.5 million in financing (US$5.0 million) from U.S. public authorities. This cash inflow explains for the most part the variation during the quarter ended April 30, 2014.

During the three-month period ended April 30, 2015, the Corporation issued 793,400 subordinate voting shares, under its Stock Option Plan for a total cash consideration of $0.6 million (none issued during the three-month period ended April 30, 2014).

d) **Payment of Rents and Interest and Payment of Principal on Debt**

The Corporation pays interest on its long-term loans. The interest rates on these loans were between 1.98% and 2.785% as at April 30, 2015. The Corporation is making total monthly principal repayments of US$0.1 million on these loans. Other rent payments are described under Note 25 "Commitments and Guarantees" of the Notes to the Audited Consolidated Financial Statements for the Fiscal Year Ended January 31, 2015.

e) **Debt Covenants**

As at April 30, 2015, the Corporation respected all covenants with its lenders, and still did at the date hereof. Management expects it will continue to respect its commitments during the fiscal year 2016.

f) **Commitments Related to Letters of Credit as at April 30, 2015**

The Corporation contracted letter of credits, the balance of which was $4.6 million as at April 30, 2015, compared with $4.2 million as at April 30, 2014 and $4.8 million as at January 31, 2015.

13. CAPITAL STOCK

Information on the outstanding shares, including stock options:

	Subordinate Voting Shares		**Multiple Voting Shares** (1)		**Total Outstanding Shares**		**Stock Options** (2)
(In thousands of dollars, and in number of shares and options)	Number	$	Number	$	Number	$	Number
As at January 31, 2014	18,148,235	53,138	14,343,107	16,001	32,491,342	69,139	1,368,864
Issued on exercise of stock options	42,800	46	—	—	42,800	46	(42,800)
Granted (forfeited)	—	—	—	—	—	—	100,000
As at January 31, 2015	18,191,035	53,184	14,343,107	16,001	32,534,142	69,185	1,426,064
Issued on exercise of stock options	**793,400**	**882**	**—**	**—**	**793,400**	**882**	**(793,400)**
Share repurchase (3)	**(750,000)**	**(2,139)**	**—**	**—**	**(750,000)**	**(2,139)**	**—**
Granted (forfeited)	**—**	**—**	**—**	**—**	**—**	**—**	**(5,000)**
As at April 30 2015	**18,234,435**	**51,927**	**14,343,107**	**16,001**	**32,577,542**	**67,928**	**627,664**

(1) These shares carry 10 votes per share.
(2) The weighted average exercise price of the current stock options is $2.52 per unit.
(3) See Section 15 "Normal Course Issuer Bid".

As at April 30, 2015, the Corporation had 32,577,542 shares outstanding (32,534,142 as at January 31, 2015). During the three-month period ended April 30, 2015, the Corporation did not granted stock options and issued 793 400 subordinate voting shares, under its Stock Options Plan (none issued during the three-month period ended April 30, 2014). At the date hereof, being June 9, 2015, the number of shares outstanding remained practically unchanged.

On April 30, 2015, a total of 627 664 stock options were issued and outstanding. These options, which had a weighted average life of 2.71 years before maturity, had a weighted average exercise price of $2.52 (see Note 8 "Stock Options" to the Unaudited Condensed Interim Consolidated Financial Statements for the Three-Month Period Ended April 30, 2015).

14. DEFERRED SHARE UNITS PLAN

This deferred compensation plan allows every external director, who wants to participate, to defer in whole or in part his/her director's compensation (including fees and attendance fees), by electing to receive a percentage of this compensation in the form of DSUs, which will be bought back in cash by the Corporation on the date the external director ceases to be a director of the Corporation by reason of death, retirement or loss of function as director.

When a director elects to participate in this plan, the Corporation credits the account of the director for a number of units equal to the deferred compensation divided by the market value of the subordinate voting shares, which is established using the average closing price during the five (5) trading days preceding the date of grant. DSU are not convertible into shares of the Corporation and do not result in a dilution to shareholders.

When the Corporation pays dividends on subordinate and multiple voting shares, the accounts of the directors are credited for the amount in the form of additional units using the same basis of calculation previously described.

For every DSU awarded, as well as for the variation in fair value, the Corporation recognizes a compensation expense with the counterpart in "Accounts payable and other current liabilities" of the Consolidated Statement of Financial Position.

DSU compensation issued during the three-month periods ended April 30, 2015 and 2014, amounted to $14,000 and $15,000 respectively, each representing 6,137 units and 5,007 units.

Three-Month Periods Ended April 30,	**2015**	2014
(Number of deferred share units)		
Outstanding, at the beginning of period	**175,645**	153,119
Attributed	**6,137**	5,007
Outstanding, at the end of period	**181,782**	158,126

The DSU's are re-evaluated at fair market value at the end of each reporting period until the vesting date, using the market price of the Corporation's subordinate voting shares. During the three-month period ended April 30, 2015, an upward re-evaluation in the amount of $23,000 was recorded as a increase to the compensation expense. During the three-month period ended April 30, 2014, this re-evaluation generated a $73,000 decrease to the compensation expense.

15. NORMAL COURSE ISSUER BID

On May 30, 2014, the Corporation announced the renewal of its normal course issuer bid ("NCIB") under which it is able to repurchase, for cancellation purposes, up to 1,375,824 of its subordinate voting shares between June 4, 2014 and June 3, 2015. These 1,375,824 shares represent approximately 10% of the public float of subordinate voting shares. During the three-month periods ended April 30, 2015 and 2014, the Corporation did not redeem subordinate voting shares under NCIB programs.

However, and as previously explained in Section 6, the Corporation repurchased 750,000 subordinate voting shares held by three of its directors, pursuant to the exercise of the stock options awarded to them in April 2005. In the context of the share repurchase, the Corporation amended its NCIB in order to specifically authorize off-Exchange purchases under the exemptions provided under applicable securities legislation or issued by Canadian securities regulatory authorities. In accordance with the Toronto Stock Exchange's rules, the share repurchase was factored in the computation of the annual aggregate limit of shares eligible for buyback by the Corporation under the NCIB. Therefore, following this transaction, a balance of 625,824 shares is eligible for repurchase until June 3, 2015, under the NCIB.

16. DIVIDEND

On April 8, 2015, the Corporation's Board of Directors approved a semi-annual dividend of $0.01 per subordinate and multiple voting shares, which was paid on May 15, 2015, to shareholders of record as at April 30, 2015.

17. ORDER BACKLOG

ADF Group's order backlog totalled $65.3 million on April 30, 2015, compared with $24.0 million on the same date a year earlier and $48.0 million on January 31, 2015. This increase, compared with January 31, 2015, is attributable to the newly signed contracts and contractual changes, net of the execution of contracts.

As at April 30, 2015, 56% of the order backlog consisted of fabrication hours – the Corporation's core business and most value-added activity – compared with 69% on January 31, 2015. Most of the contracts on hand on April 30, 2015, will be progressively executed between now and the spring of 2016.

18. FINANCIAL POSITION

As at April 30, 2015, the Corporation had a sound financial position. The Corporation's solid consolidated statement of financial position allowed it to obtain, when required, the necessary bonding for the award of large-scale contracts. This represents a major advantage for ADF within its markets.

The following table provides details on the major changes in the Consolidated Statement of Financial Position between January 31, 2015 and April 30, 2015.

Sections	Changes	Explanatory Notes
	(In millions of dollars)	
Cash, cash equivalents and short-term investments	**(4.2)**	See Section 12 "Cash Flow and Financial Position" of this MD&A.
Accounts receivable	**0.7**	Increase in billing as at April 30, 2015.
Holdbacks on contracts	**(1.2)**	Decrease stemming from the completion of certain work and final billing of contractual holdbacks.
Work in progress/Deferred revenues (net)	**0.7**	Net difference between the work in progress and revenue billing
Prepaid expenses and other current assets	**1.2**	Related mainly to the insurance expense.
Property, plant and equipment and intangible assets	**(1.6)**	Difference attributable to amortization ($1.1 million) and the foreign exchange impact ($2.3 million), net of acquisition of property, plant and equipment and intangible assets ($1.7 million).
Accounts payable and other current liabilities	**(0.7)**	In line with the level of activity as at April 30, 2015, and mainly by the higher level of raw material purchases at January 31, 2015, compared with April 30, 2015.
Long-term debt (including current portion)	**(0.7)**	Debt repayment ($0.2 million) and the impact of foreign exchange ($0.5 million).
Derivative financial instruments	**(0.9)**	Variation resulting from maturity of foreign exchange contracts and foreign currency options, as well as the variation in exchange rates between the Canadian and U.S. dollars relating to derivative financial instruments on hand as at April 30, 2015.
Capital Stock	**(1.3)**	Variation of $1.3 million consisting of the repurchase of 750,000 subordinate voting shares ($2.1 million), net of the issuance of 793,400 subordinate voting shares ($0.9 million).
Accumulated other comprehensive income	**(1.8)**	Impact of the variation in the foreign exchange on the translation of foreign operations.

19. ISSUES RELATING TO THE CURRENT ECONOMIC ENVIRONMENT

Although the trends are improving in the markets served by the Corporation, a degree of uncertainty remains regarding the economic context. In times of economic uncertainty, the Corporation is faced with the following challenges:

— Its business segment is strongly dependent on project owners’ capacity to finance their projects. For lack of financing, certain projects can be delayed or simply abandoned. Although the Corporation strives to mitigate this risk by focusing its marketing efforts on projects whose financing is most likely to materialize, it has no control over financial market trends; and

— Certain project owners who secured financing on the start-up of projects could be forced to cease the work pursuant to the withdrawal of financing, due to a lack of capital of either the project lender or the owner. The Corporation mitigates this risk by ensuring that amounts due are diligently collected and, insofar as possible, maintaining at all times a positive cash flow for every project. Moreover, the Corporation does business with owners who are financially solid. At the date hereof, no project of the Corporation is subject to such constraints.

From a financing point of view, the Corporation has a solid financial position and currently respects all its financial covenants. It expects it will continue to do so during the next 12 months. Capital expenditures are subject to very close monitoring by Management. The Corporation does not anticipate any liquidity problems, in particular since its credit facility is issued by a Canadian chartered bank with a solid credit rating, and the Corporation’s major clients are leaders in their respective fields. Based on the foregoing, the Corporation maintains its short-term prospects (see Section 25 "Outlook") and does not currently foresee any short-term elements that could compromise its course of business.

That being said, and in light of the fact that the Corporation does not enjoy all the visibility from which it normally benefits in its markets, the Corporation will continue to use caution and will closely monitor the situation (see Section 20 "External Factors to Which the Corporation’s Performance is Exposed" and Section 25 "Outlook").

20. EXTERNAL FACTORS TO WHICH THE CORPORATION'S PERFORMANCE IS EXPOSED

a) Exchange Rate

The exchange rate fluctuation between the Canadian and U.S. dollars has an impact on the Corporation's results. Thus, a $0.5 million exchange loss was recorded for the three-month period ended April 30, 2015, compared with a negligible exchange loss for the three-month period ended April 30, 2014.

In order to minimize the impact of exchange rate fluctuations on its results, the Corporation implemented the following protective measures:

- Issuance of two new debts in U.S. dollars during the fiscal year ended January 31, 2014, and one debt during the fiscal year ended January 31, 2015;
- When advantageous, the raw material (steel) and welding products required for fabrication are purchased in U.S. dollars; and
- Implementation of a foreign exchange policy to protect a portion of the net exchange risk between cash inflows and outflows denominated in U.S. dollars.

b) Operating Risks and Uncertainties

ADF's markets are subject to several risk and uncertainty factors, which could have an impact on its business, financial position and operating results. These risks and uncertainties include, but are not limited to the following factors, which are further detailed in the section 26 "External Factors to Which the Corporation's Performance is Exposed" in the MD&A for the fiscal year ended January 31, 2015:

- Indemnity agreement;
- Uncertainties relating to the world economy;
- Bonding capacity and irrevocable letters of credit; and
- Operational risks and uncertainties that could have an impact on the Corporation's financial position and operating results.

21. FINANCIAL INSTRUMENTS

Many items in the Corporation's Statement of Financial Position include financial instruments. The Corporation's financial assets consist of cash, cash equivalents, short-term investments, accounts receivable, holdbacks on contracts, equity investments, as well as derivative financial instruments, whose fair market value is positive. Financial liabilities include accounts payable and other current liabilities, long-term debt and derivative financial instruments, whose fair market value is negative.

As at April 30, 2015, the carrying amount of these financial instruments did not significantly differ from the fair market value, either because of their forthcoming maturity date (in the case of cash, cash equivalents, short-term investments, accounts receivable, holdbacks on contracts receivable, accounts payable and other current liabilities), or because the Corporation believes it could obtain similar conditions and schedules (in the case of the long-term debt) or since they are re-evaluated at their fair value at the end of every period (in the case of equity investments and derivative financial instruments) (see Note 18 b) "Financial Instruments" to the Unaudited Condensed Interim Consolidated Financial Statements for the Three-Month Period Ended April 30, 2015, included in this MD&A).

Derivative financial instruments are typically used to manage the Corporation's foreign exchange and interest rate risk exposure. They are mostly comprised of foreign exchange forward contracts and/or foreign currency options, as well as interest rate swaps, the case may be.

The Corporation is mostly exposed to credit, liquidity and market risks, including exchange rate and interest rate risks, when using financial instruments. A description of how the Corporation manages these risks is included hereinabove in this MD&A, as well as in Note 18 a) "Financial Risk Management and b) "Financial Instruments" to the Unaudited Condensed Interim Consolidated Financial Statements for the Three-Month Period Ended April 30, 2015.

22. ASSESSMENT OF THE EFFECTIVENESS OF DISCLOSURE CONTROLS AND PROCEDURES, AND INTERNAL CONTROL OVER FINANCIAL REPORTING

In accordance with National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings, disclosure controls and procedures have been designed to provide reasonable assurance that the information that must be presented in Corporation's interim and annual reports is accumulated and communicated to management on a timely basis, including the Chief Executive Officer and the Chief Financial Officer, so that appropriate decisions can be made regarding disclosure. Internal control over financial reporting has also been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.

The Chief Executive Officer and the Chief Financial Officer have evaluated the effectiveness of Corporation's disclosure controls and procedures as of April 30, 2015, as well as the effectiveness of Corporation's internal control over financial reporting as of the same date using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) on Internal Control – Integrated Framework (2013 Framework) and have concluded that they are effective.

During the quarter ended April 30, 2015, no changes were made to internal control over financial reporting or disclosure controls and procedures that have materially affected, or are reasonably likely to materially affect, internal controls and procedures.

23. ACCOUNTING POLICIES

The significant accounting policies applied by the Corporation in accordance with IFRS are presented in Note 2 "Summary of Significant Accounting Policies" to the Audited Consolidated Financial Statements for the Fiscal Year Ended January 31, 2015.

A summary of the recent IFRS pronouncements not yet adopted is included in Note 4 "Recent IFRS Pronouncements not yet Adopted" to the Audited Consolidated Financial Statements for the Fiscal Year Ended January 31, 2015.

24. HUMAN RESOURCES

As at April 30, 2015, the Corporation employed a total of 503 people in its fabrication plant and head office in Terrebonne, Quebec, its offices and plants in Great Falls, Montana, as well as the sales office and various construction sites in Florida, U.S.A.

25. OUTLOOK

Building on the investments we made in the past years, and on growing markets, ADF Group's management starts the 2016 fiscal year with a renewed optimism. We are encouraged by the level of activity and the results at our Montana's operations. The new contracts we have announced since October 2014, worth a total of over $100 million, are or will soon be in production. ADF's management is confident that additional announcements will be done in the coming months. However, the results for the quarter ended April 30, 2015, is a confirmation that there is still work to be done. Although our revenues, totalling close to $29 million, posted an increase compared with the same date a year ago, the market sale prices remain below the levels we have seen in the past years. We put every effort to meet our partners and shareholders' expectations. We continue focusing on the quality of our fabrication and the services we provide clients, all the while speeding up the development of new markets, that we can now tap into from our Great Falls' Facilities.

26. ADDITIONAL INFORMATION

Management's discussion and analysis of changes in financial position and operating results for the three-month period ended April 30, 2015 has been approved by the Corporation's Board of Directors as of June 9, 2015.

The Corporation regularly discloses information through press releases, quarterly and annual reports and the Annual Information Form, available on the Corporation's website at www.adfgroup.com and the SEDAR (System for Electronic Document Analysis and Retrieval) website at www.SEDAR.com.

Ms. Marise Paschini	**Mr. Jean-François Boursier**, CPA, CA
/ Signed /	/ Signed /
Executive Vice-President, Treasurer and Corporate Secretary	Chief Financial Officer

Terrebonne, Quebec, Canada, June 9, 2015

The electronic version of this report is available at www.adfgoup.com and at www.sedar.com.

Ce rapport de gestion intermédiaire est également disponible en français.

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