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ADF has been following guidelines in terms of occupational safety and health, adaptability, and creation of value, since 1962, integrating the context of the times and the changes related to that context. In this 2015 report, you will see how the 7 values of ADF impact our behavior on a daily basis in our effort to achieve sustainability.





Interview with

Marc Eliayan

CEO of Groupe ADF

ADF experienced growth despite a difficult economic context. How can you explain that? Would you say it was a sustainable year?

ME > Both our growth and ambitions are unquestionably sustainable. Their common basis is shaped by a consistent view of our market, our competencies, and a clear vision of the path to follow to take the changing environment into consideration. This trypic is shared by all of our 3000 employees. It is the core element of our joint commitment. We tend to place the human aspect at the heart of our activities and we are deeply convinced that the relevance of the solutions we are implementing will increase the competitiveness of our customers. Our French, Benelux, and African markets have revealed highly contrasting paradigms. However, our sustainable approach has impacted every stakeholder: our customers, who rely on us for structural projects, our shareholders who support ADF, and our staff members, who demonstrate their dedication on a daily basis and contribute to bring new talents.

What are your main strategic lines?

ME > Our growth engines have been clearly identified: Energies, Aeronautics and E-commerce.

The implementation of a new department dedicated to the latter growth engine in 2015 has been a real success (+30% orders). Although the wave of digitalization is undeniable, we have the strong conviction that the synergy of our know-how is the major marker of our singularity. The organization that we have set up to this effect has significantly improved our production (+7%).

Maintenance contracts for traditional industries still constitute a solid base (+2%) but 2015 was a fruitful year, above all for Aeronautics (+11%) and Energies (+6%). Concerning the recalibration of our offers, both major projects and environment and technology activities increased (by respectively 35% and 13%), constituting a guarantee of sustainability.

MISSION VISION

You mentioned internationalization earlier - what stage are you at now?

ME > We have set up an organization dedicated to international perspectives. It was active throughout 2015 but the impact on orders will not be visible for several semesters. However, we already noticed a progression in the first months of 2016 (with a €6M increase in orders). Obviously, these perspectives are rooted in sustainability. This is particularly true for our projects in Holland, South Korea, and Morocco.

Is your financial health sustainable?

ME > It would be pretentious to say yes too emphatically; I would rather illustrate my answer with two observations. First, one should bear in mind that no supplier is in a healthy position when customers are in difficulty. This mutual health has to be nurtured and illustrates how we consider and value partnership. On the other hand, our position as challenger contributes to the reinforcement of our results on a daily basis. Our action to improve cash flow management is a step in that direction. I would like to take this opportunity to highlight the excellent performance of the “order to cash” project headed by Stephane LANGRAND. It has improved our funding capacity by decreasing our WCR requirements (+€5M) while reducing our exposure to customer risks.

Concerning growth, do you still strive to maintain a balance between organic growth and external growth?

ME > Undoubtedly, we were offered numerous takeover opportunities in 2015. We remain focused on the cases that are relevant regarding our medium/long term strategy. In 2015, the buyout of Polymont involved the acquisition of 200 competencies specialized in Aeronautics, matching our strategic requirements. Our expansion is not a goal in itself - it is the result of our success. The same thing is true for organic growth - our company is now very mature in the way it selects the offers. Tools such as the COMENGA or the CAP contribute to this improvement. It involves asking the right questions: do we bring something different to our customers? Is it sustainable? How does it affect our balance sheet structure? On this basis, 4% organic growth is a fine performance in view of the unsettled economic environment. We will follow this path in 2016, without neglecting the most structuring files concerning external growth.

GOVERNANCE AND SHAREHOLDERS



COMEX

- 1 - Marc ELIAYAN
Chief Executive Officer
- 2 - Stéphane LANGRAND
Managing Director - C.F.O.
- 3 - Olivier AZARA
Deputy General Manager of the Service Industry Branch
- 4 - Frédéric BARET
Director of the Aeronautics, Technologies & Defence Branch
- 5 - Jean-Marie LUSINCHI
Purchasing Director
- 6 - Didier MARCONI
Major Projects Director
- 7 - Isabelle RENAUD
Human Resources Manager
- 8 - Edouard SAGON
Director of the Energy Branch
- 9 - Stéphane BOUCHE
North Cluster Director

SUPERVISING COMMITTEE

Constituted by 6 shareholders' representatives, it analyzes, advises, and validates strategic decisions suggested by the President for the purpose of sustainable development. Meetings are held quarterly to discuss the most important strategic measures (takeovers, implantation, risk management, etc.).

PERFORMANCE IMPROVEMENT COMMITTEE (CAP)

The Performance Improvement Committee examines the efficiency of HSEQ management systems quarterly and validates the convergence of the results on a strategic perspective. It tracks the progress accomplished in the most important processes defined in compliance with our standards (ISO 9001, ISO 14001, EN 9100, OHSAS18001, VCA and MASE).

EXECUTIVE COMMITTEE (COMEX)

Under the authority of the CEO, the directors meet on a weekly basis to ensure the consistency of objectives and results. It discusses the most important decisions to manage the improvement of the performances expected by our customers, shareholders, and employees.

COMMITMENT COMMITTEE (COMENGA)

Headed by the Chief Executive, it is dedicated to risk management regarding cases with financial commitment over €150K or advanced industrial exposure risk (>3). Meetings are held weekly and the Committee presents its reports and structural recommendations to the CEO every quarter.



interview with Arnaud Faure

ACTO
MEZZ



EDMOND
DE ROTHSCHILD

◆ **You have invested group ADF since August 2014. First of all, can you briefly introduce your profession?**

Arnaud Faure // As a part of a team consisting of around 50 persons, we manage more than 1.6 billion euros of assets for Edmond Rothschild Investment Partners. We have a long experience in management for institutional investors. Acto Mezz is jointly owned by Groupe Edmond de Rothschild (51%) and the management team (49%). The funds managed by EdRIP invest amounts from €4M to €25M in non-listed companies to support their projects for growth. More specifically, the Acto Mezz team is a privileged partner for leaders of small and medium-sized companies that want to take control over their company and expand at the same time. Our solutions demonstrate certain benefits that are decisive for leadership:

- Better control of their business plan and cash flow
- A quicker decision-taking and execution process
- Better access to value generation

By bringing funds to this kind of project, we support the companies in their effort to strengthen their

self-sufficiency. Most of the time, it allows these companies to combine both organic and external growth to reach a scale that suits their respective markets. This is exemplified by our investment at ADF.

◆ **What parameters convinced you to acquire that stakehold?**

AF // First of all, we were delighted by the path of the group since its rupture with GDF, thanks to a great and dynamic management team. Risk management has been able to integrate the mutations of the market without difficulty and as a consequence the company has grown significantly and is in good health, as can be seen on the balance sheets. ADF has made investments to improve its competencies, which will lead it to capture new markets, especially in the nuclear and aeronautics sectors. The mid-term perspectives for these sectors are huge and ADF can play an important role. Moreover, the international potential is substantial and is a natural outlet for ADF in addition to organic growth.

◆ **Would you say that the international dimension will be at the very heart of value creation during the next few years?**

AF // We are convinced that the first steps made in Europe, with acquisitions in Benelux that have generated significant market shares, are a good model for replication. This observation led us to support external growth in Gabon at the end of 2014, despite an oil services market at its lowest. We are confident in ADF's culture of safety and its capacity to listen attentively to customer concerns, which we believe makes ADF able to respond to the needs of the industry. The international competition these industries are facing leads them to implement continuous improvement and ADF provides a tangible solution to that challenge. The transformation of ADF into a medium-sized company strengthens that belief. We are confident in the capacity of the group to grow and to reach a turnover of €400M by 2020, with ever more robust fundamentals and an increasingly international scope.

DESIGN SMART SOLUTIONS

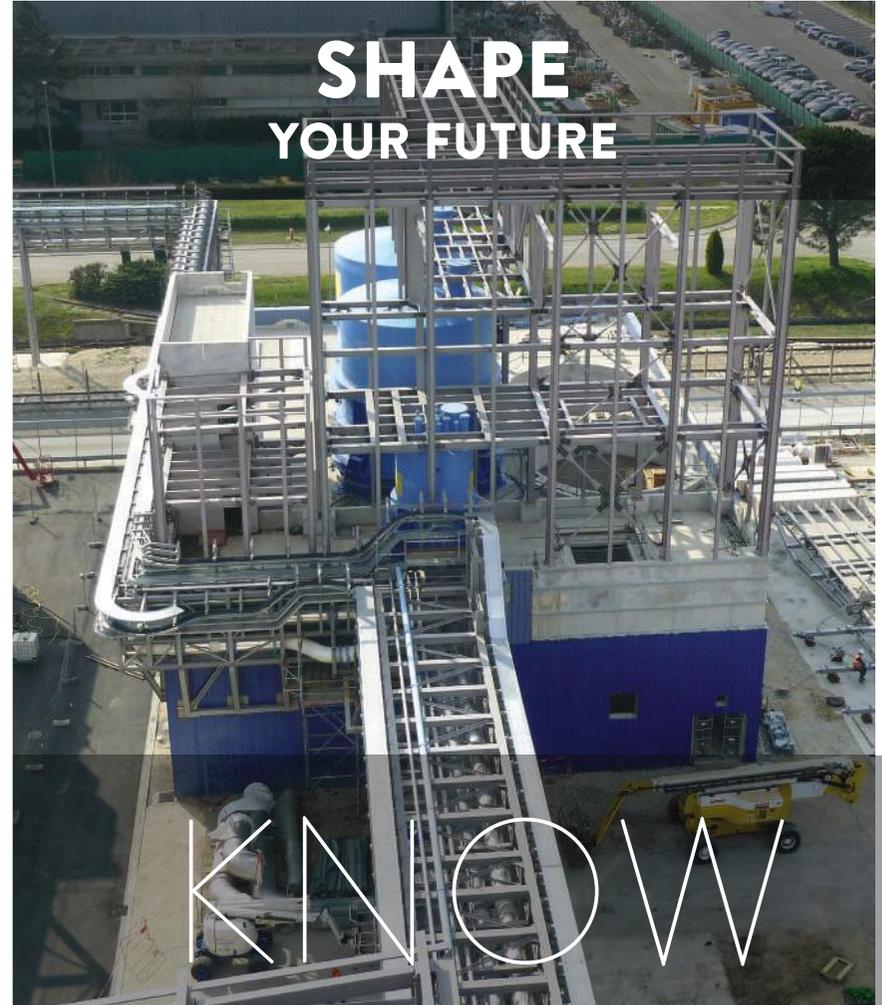


THE

ADF design technical solutions, based on our integrative abilities in the mechanical and electrical engineering fields.

- 8 scientific modelling software packages
- 150 Full Time Equivalents consisting of engineers and engineering technicians
- 4 engineering centers: general installation, mechatronics, skids, nuclear engineering.

SHAPE YOUR FUTURE



KNOW

ADF provides turnkey solutions for projects designed to improve the productivity of industrial facilities and ensure compliance with current standards.

- 1 Environments of solutions tailored to project management up to 400,000h/project
- 3 FAB Sheet metal work
- 1 FAB Electricity Programming
- 1 FAB machining/fine adjustment

SUSTAIN YOUR PRODUCTIVE POWER



HOW

Ensure the availability of industrial installations thanks to maintenance engineering.

- 9 Regional branches in Europe and Africa
- 1 Catalogue with several hundreds operating methods managed by 1 Maintenance Technology Department (DTM)
- 2 Level-5 and Saqr-ATEX mechanical maintenance workshops
- 27 maintenance sites throughout France, Benelux and Africa

SAVE ENVIRONMENT



Provide services sustainably reducing the impact of industrial processes on the environment: energy management, sanitation, industrial cleaning, and delegated waste management.

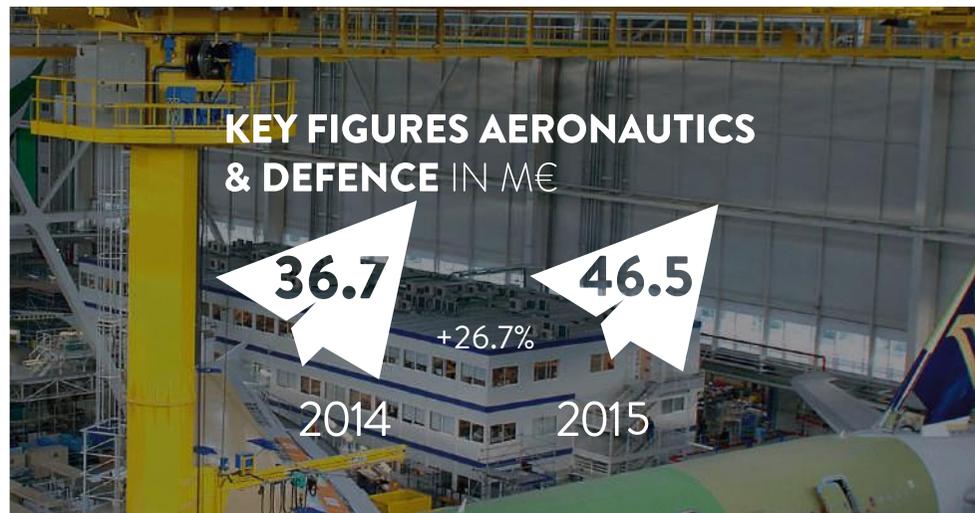
- 35 mobile facilities
- 5 standard processes

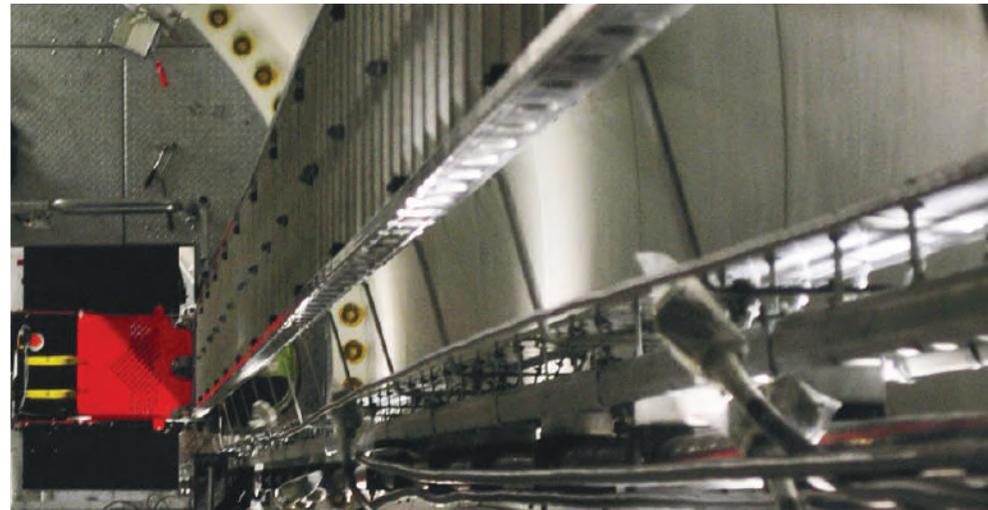
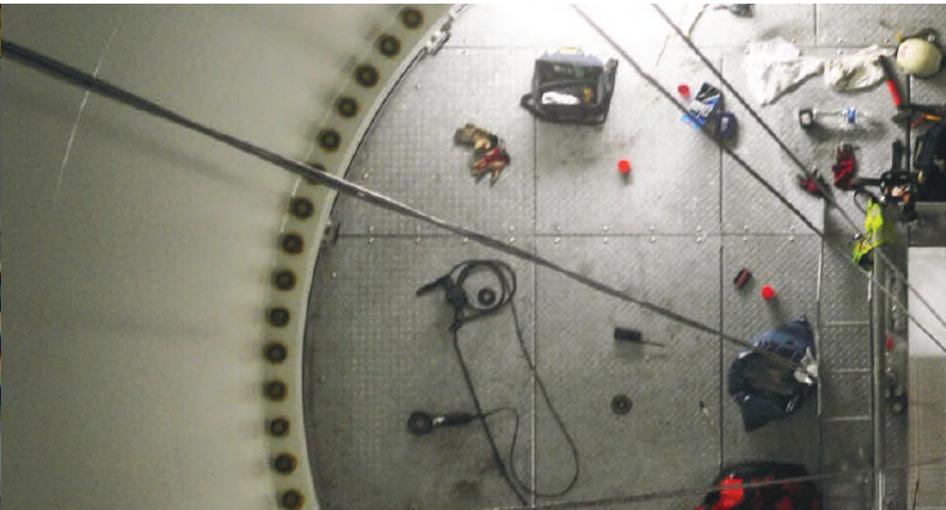


AERONAUTICS & DEFENCE

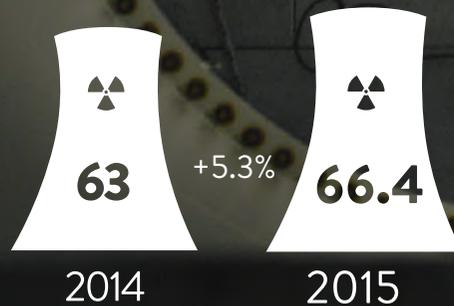
ADF works to ensure the reliability of production lines by working on three lines of action to lengthen the life span of production equipment, streamline the repairable inventory, and offer innovative and reliable designs.

- Present in 6 major basins of the aviation industry
- A catalogue of 50 proven references in GSE and GTE
- A dedicated engineering department working under CATIA DS
- EN 9100 certification





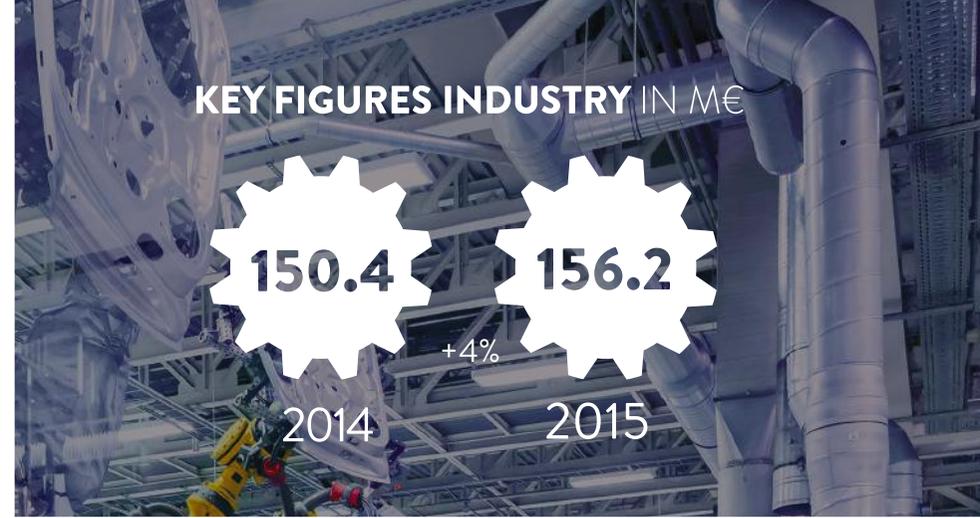
KEY FIGURES ENERGIES IN M€



ENERGIES

Present in both conventional and nuclear production, the ADF Group provides targeted solutions to support energy industrialists in their safety improvement programs as well as environmental performance.

- 2 FAB RCCM and ISO 38 34-2
- 450 collaborators including 300 PR1 and 2
- 50 FTEs in Nuclear Engineering
- PDMS equipped design platform, ANSYS



INDUSTRY

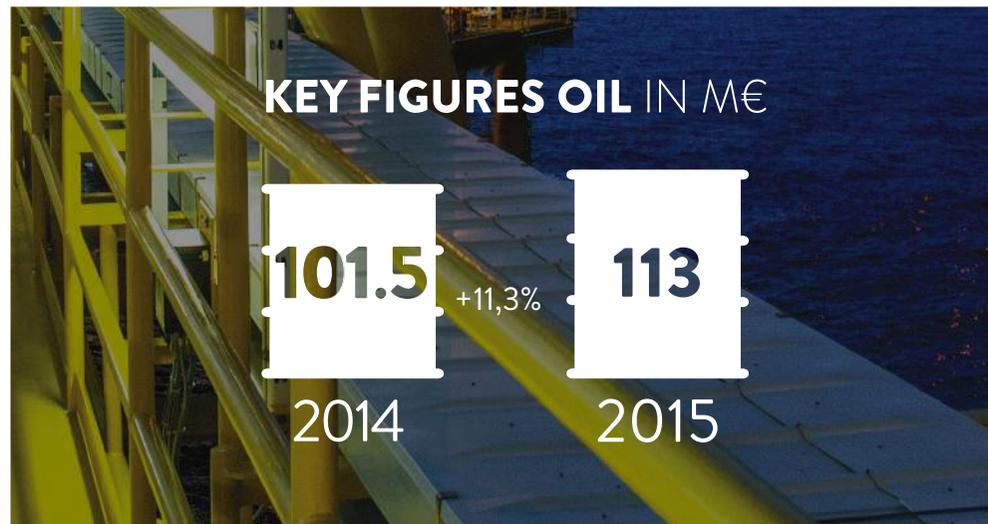
On industrial sites with high environmental ambitions, ADF supports the viability of the sites by providing maintenance and engineering services that meet the challenges of safety, competitiveness, and respect for the environment. Maintenance engineering:

- Oriented towards continuous improvement
- Knowledge of 3853 customer-established technology references
- Committed to continuous improvement
- 71 local offices
- ADF Process Industry brand committed to environmental modernization
- ISO 9001, 14001, MASE Qualification Systems

OIL

ADF intervenes in the exploration and production cycle of oil, from the manufacture of compressor skids to the renovation of installations through maintenance shut-downs. A culture of safety combined with several decades of oil expertise constitutes the guarantee of quality of our interventions.

- We export to 4 zones worldwide
- Intervention adapted to onshore and offshore environments
- A dedicated engineering department
- Intervention referential based on ISO 9000, MASE and VCA certifications





The nature of our services and the industrial environments in which ADF works involves exposure to risks for both our employees and subcontractors. We must identify those risks and control them to maintain their health and safety.

We believe that every accident can be avoided. The key consists in sharing this conviction to promote shared vigilance. ADF's ambition is to become a key player in the industry, with staff who are qualified, motivated, and sensitive to risk prevention.



- > +17% DETECTION RATE OF UNSAFE SITUATIONS
- > - 20% ACCIDENTS OBSERVED (TF2)
- > - 50% ACCIDENTS RELATED TO MATERIALS HANDLING AND GRINDING



SAFETY

The respect of humans and their competencies is at the very heart of our company

by PHILIPPE DUMOND
HSE DIRECTOR



5 essential practices to preserve integrity

Identified from critical accidents that have occurred in the past, the 5 practices defined in 2015 constitute the major lines of evolution for our culture of safety. They are analyzed during safety meetings whose objective is to foster responsible behavior.

THE SAFETY WEEK AND INTERNATIONAL SAFETY DAY

These programs provide opportunities to exchange views with our customers and partners around thematic workshops. These “Safety Days” are dedicated to “raising awareness”. They contribute to empower and expose our prevention policy within an interactive and participative context, which results in healthy emulation for the participants. These events conclude with personal and individual commitments, which are quantified and monitored.

EXEMPLARY AND ACCOUNTABLE

Launched in 2014, this approach aims to:

- strengthen the culture of safety of both ADF staff and partners by taking strong commitments.
- foster safest practices
- develop an attitude of shared vigilance
- take action as soon as a dangerous situation is identified.

The Exemplary and Accountable approach, which is mostly human-factor oriented, has yielded encouraging results. On a practical level, we have registered a significant decrease in the number of accidents observed in 2015, which has been perceived and rewarded by our customers.





TRAINING

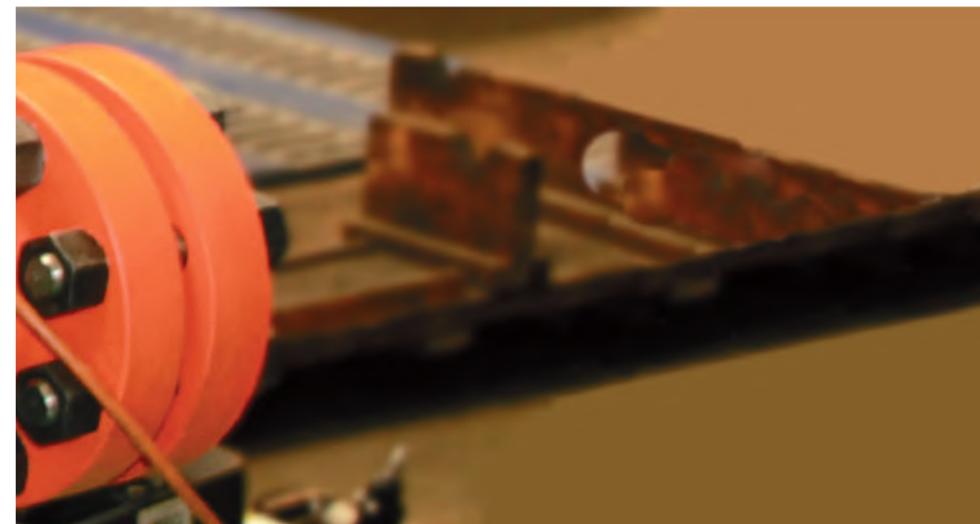
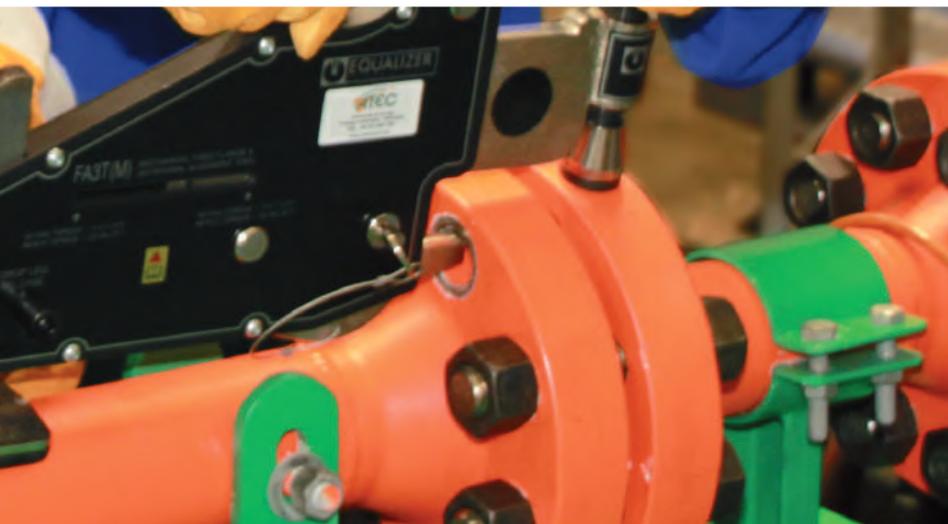
by **EDOUARD SAGON**
DIRECTOR OF THE ENERGY BRANCH

Training constitutes an investment that we consider to be a key point for success. Many contracts have been obtained thanks to this crucial competitive advantage, whose return on investment can be measured by an increase in employee productivity and by the quality of the products delivered.

This effort on training was symbolized at the end of 2014 by the creation of an Institute of Technical Training, directed by Patrice Amanatiou, which enables us to train our staff in environments that replicate actual conditions of work. This institute relies on 27 qualified in-house instructors.

- > 75,000 HOURS OF TRAINING
- > 3.9% OF THE TOTAL PAYROLL
- > 93 AFFILIATED ORGANIZATIONS
- > 1 INSTITUTE OF TECHNICAL TRAINING





4 MAIN OBJECTIVES

- 1 To improve the creation of value generated by our deliveries by improving our staffs' qualifications. 13% of our budget was allocated to this effect in 2015.
- 2 Improve the quality of our services to strengthen our competitiveness. For instance, our entity in Saint-Nazaire was certified in 2015 as an S3C test center to train and qualify HP and THP operators according to the eponymous standard.
- 3 Reduce accidents related to these services. Specific training is being set up depending on both identified risks and contract requirements. In 2014, we focused on very high pressure techniques and pumping; in 2015, we developed learning modules related to materials handling, chemical exposure and pipework. We aim for a 30% decrease in accidents by 2018 thanks to this professionalization.
- 4 Share our company values with our staff. This is the objective of the "TRANS-FORMATION" program, followed by 39 executives in 2015. In 2016, the program will be expanded to team leaders and work supervisors to reach a total of 250 supervising staff since the beginning of the program.



We work to
**CREATE SUSTAINABLE
VALUE** on a daily basis

by **STÉPHANE LANGRAND**
MANAGING DIRECTOR

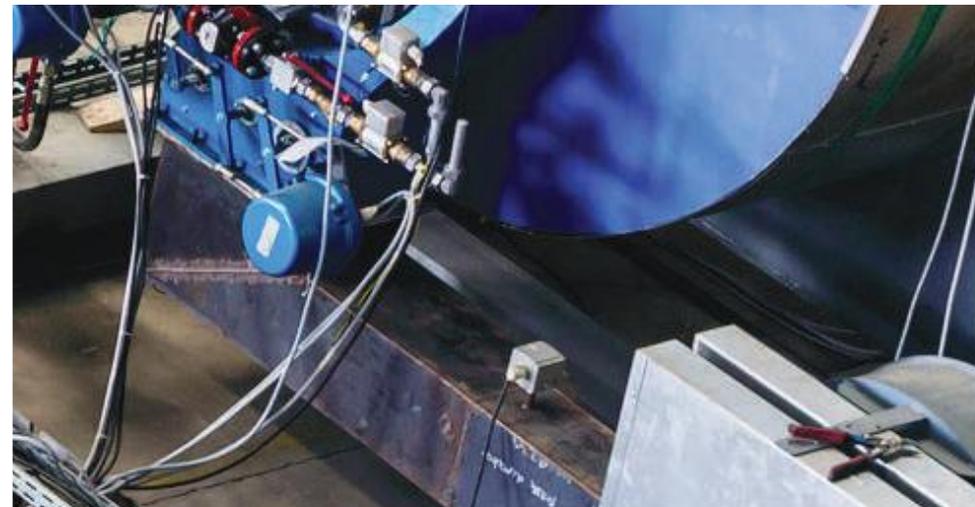
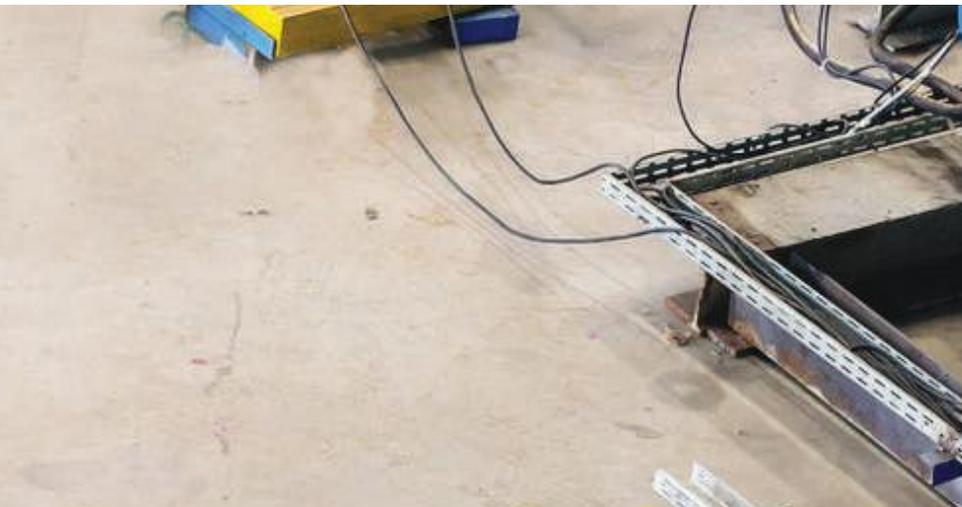
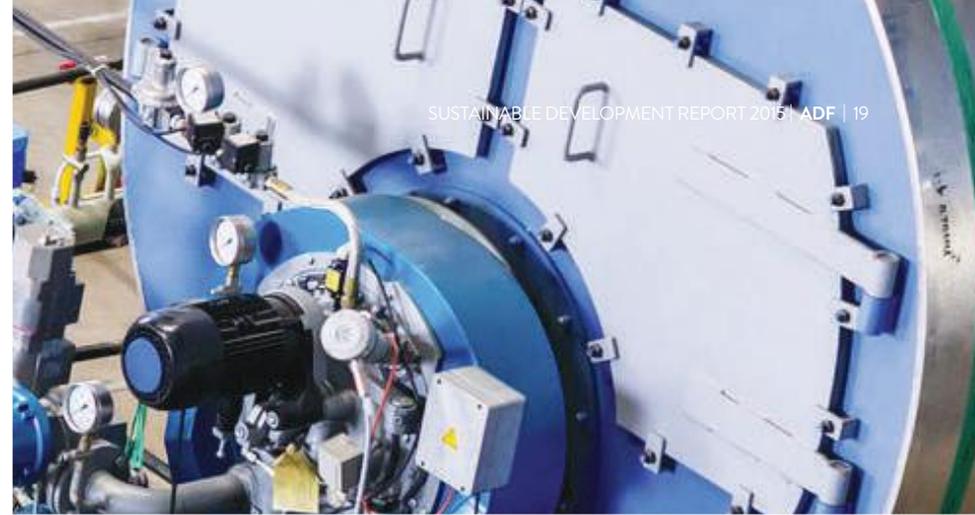
ADF ensures its durability by using a performance management system to measure:

- **Hygiene and Security (MASE and VCR)**
- **Environment (ISO 14001)**
- **Production (ISO 9001 and EN 9100)**
- **Societal Behavior (Ecovadis)**
- **Economic (IFRS)**

The Order to Cash project enabled better management of the cash flow in 2015, releasing a margin of maneuver, 21% of which was redirected towards sustainable investments (modernization of productive assets, quality standards, accreditations, etc.).

- > **€11M INTERNAL FINANCING CAPACITY**
- > **€2.4M PRODUCTIVE INVESTMENTS (+14.3%)**
- > **8 SITES ISO 14001 – 17 IN PROGRESS**
- > **RENEWAL MASE OR VCA**
- > **ISO 9001 FOR ALL OUR SITES**
- > **EN9100 FOR ADF TECHNOLOGY**





RISK MANAGEMENT - THE ROLE OF THE COMMITMENT COMMITTEE (COMENGA)

Compliance with the obligations laid out in the framework of a contract is the basis of customer satisfaction. To achieve this, our Contract Managers provide support to the operators to help them understand the contractual duties and to highlight the risks involved. When a tender involves a financial commitment higher than €150,000 or an industrial risk >3A, it is examined by the COMENGA. Feedback on previous similar experiences allows us to suggest alternative approaches (from a technical or economical perspective) and by doing so, transform risks into opportunities.

CSR ECOVADIS

Concerning Corporate Social Responsibilities, ADF committed itself in 2014 with ECOVADIS to a plan to reduce the impact of its decisions and activities on society and the environment.

ADF obtained Silver accreditation in February 2015, becoming one of the most responsible reference players in the sector. This award is the result of the efforts we have made to develop a sustainable and socially responsible business.



CUSTOMER SATISFACTION

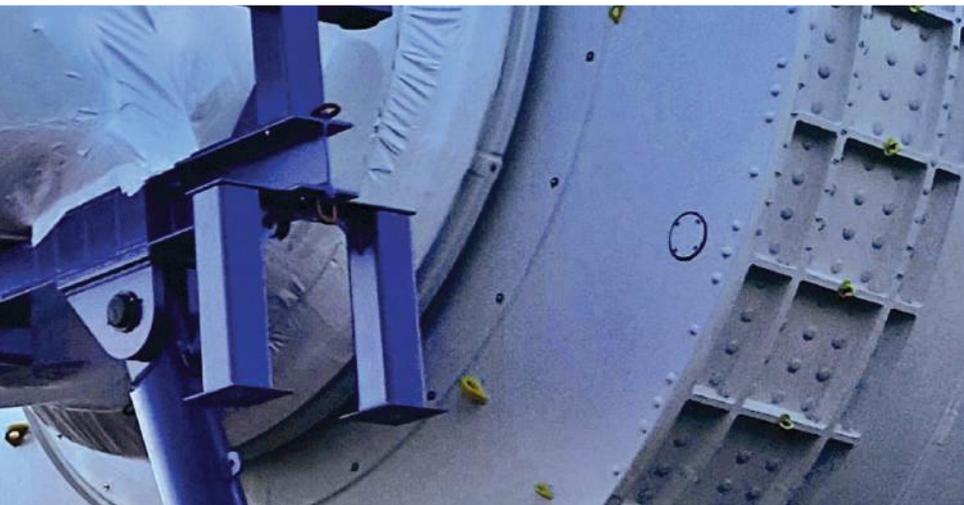
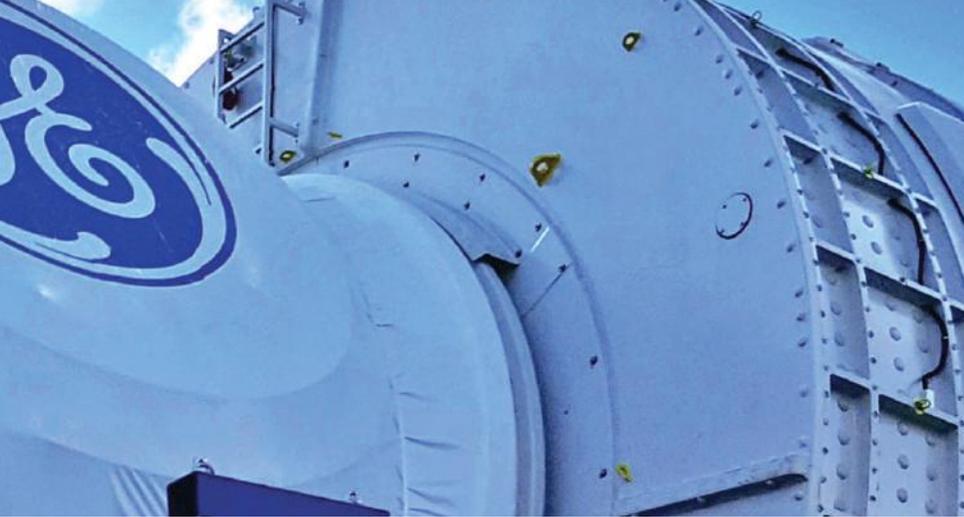
is our raison d'être. We dedicate our creativity to finding solutions to improve customer performance

by **FREDERIC BARET**
TECHNOLOGIES BRANCH DIRECTOR

Innovation and inventiveness are values treasured by ADF - they widen the field of our actions, by producing new products and techniques to further satisfy our customers.

This inventiveness allows us to find alternative solutions in many instances. As an example, the transfer of technological building bricks from the manufacturing industry allowed to ensure long-lasting impermeability of nuclear containers. This innovative process has been subjected to a patent application shared with the French Alternative Energies and Atomic Energy Commission (CEA).





- > **81% CUSTOMER SATISFACTION**
- > **463 QUALITY AUDITS**
- > **€2.12M INVESTED IN RESEARCH AND DEVELOPMENT IN 2015 (+62%)**
- > **€0.95M REFUNDABLE RESEARCH TAX CREDIT (+9.5%)**



THE 2030 WORLDWIDE INNOVATION CONTEST

Last 17 September, ADF, represented by Jean-Christophe MRAKIC, received from François Hollande, President of the French Republic, the trophy of the 2030 Worldwide Innovation Contest for ECO-STOCK 1000 project.

This reward is the result of a close collaboration with the ECO-TECH CERAM start-up, l'Ecole des Mines de Douai and the CNRS. The award comes with a €280K check to support the costs dedicated to this project by ADF PROCESS INDUSTRIES over the next 2 years.



MERIT RECOGNITION

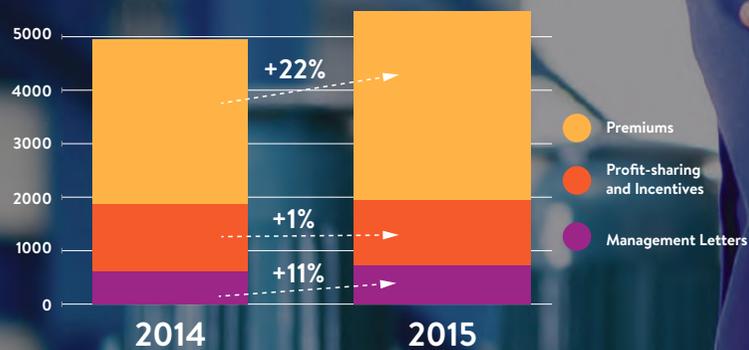
ensures the dynamics
of our group

by **OLIVIER AZARA**
DEPUTY GENERAL MANAGER



EVOLUTION OF VARIABLE REMUNERATION

in thousands of euros



Merit recognition allows us to identify the most deserving members of staff and to enhance their capacities. Our compensation policy insists on individual promotions. The tracking of this process of recognition involves employees' representative bodies (derived from the mandatory annual negotiations).

Strategic objectives are annually laid down and individualized between each manager through **Management Letters**. The fulfillment of these objectives results in additional remuneration which is proportional to the results obtained (HSE, Customer Satisfaction, Performance, etc.). This objectivized remuneration applies to all the executives and most of the supervisors.

Profit-sharing has been set up in several subsidiaries and is being gradually introduced to all the entities of ADF. Merit recognition is also observed through internal promotion - when new posts are created, in-house promotions are preferred (43% internal promotions).

The **Thierry PIFFERI Challenge** contributes by identifying young apprentices with high potential. It is based on the values of technical and behavioral excellence personified by Thierry PIFFERI. Assessments are performed quarterly to allow the laureates to win the contest at the end of the 4 quarters (€10,000 annual allowance).

- 
- > 60% OF THE INCREASES ARE ALLOCATED TO INDIVIDUAL MERIT RECOGNITION
 - > 4 WORKSHOPS LABELLED IN 2015 AND 6 IN PROGRESS (2016)





OUR HUMILITY AND COURAGE

in the face of tomorrow's
challenges leads us to act
as challengers

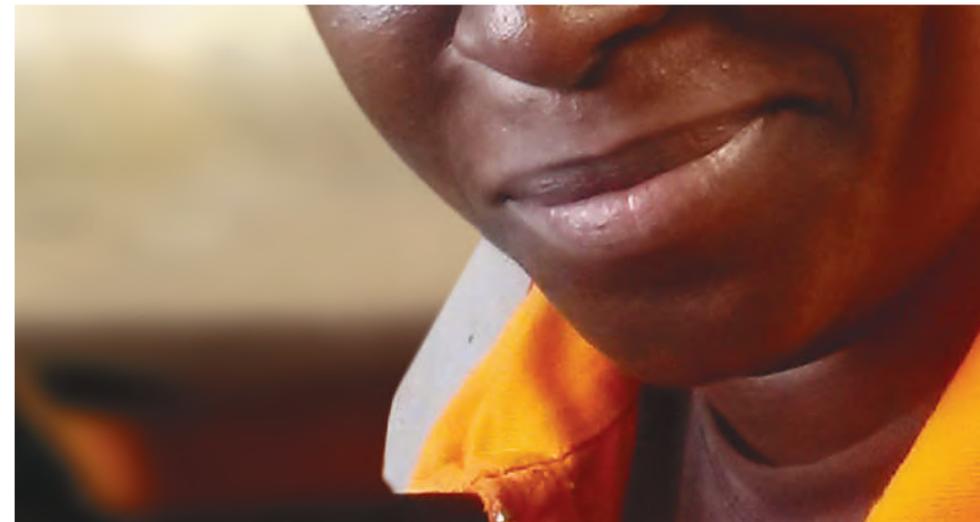
by DIDIER MARCONI
MAJOR PROJECTS DIRECTOR



KEY VALUES FOR ADF

We treat every issue meticulously, in the name of continuous improvement. This attitude is promoted by our Quality Management and relies on many analyses (COMENGA, Revue d'AO, design review, deviation diagnoses, etc.).

We review economic, human and environmental aspects with the purpose of bringing adequate and realistic solutions to our customers. This state of mind is essential to maintain and develop long term relations with our clients.



At a time when a plethora of companies from the same sector outsource production abroad as a common strategy of cost reduction, ADF is very committed to the roots that made the company successful; to this effect, ADF keeps expanding in France while developing a solid network in Europe. This commitment is a guarantee of quality and competitiveness for our customers. We launched workshop certification in 2014 to maintain our position of challenger; today, we already have 10 certified workshops.

- > **99% CONTRACT RENEWAL RATE**
- > **2 NEW APPROVALS OBTAINED**
- > **9 NEW MAJOR CUSTOMERS**
- > **2 NEW NATIONAL MARKETS**
- > **+230% INTERNATIONAL DEVELOPMENT**



Our **TEAM**
COMMITMENT ensures
our competitiveness

by **STEPHANE BOUCHE**
NORTH CLUSTER DIRECTOR

Cooperation between ADF's entities is a cornerstone of the overall performance of the group (€34M in intercompany transactions in 2015). The know-how of each of our entities is complementary and our network organization uses the approach of regional skills clusters, which enables the mobility of skills (11% internal turnover).

The “decompartmentalization” of industry practices is particularly emblematic. The cross-fertilization of experiences is at the very heart of the mission of the Technology and Maintenance Department. Technologies de Maintenance.

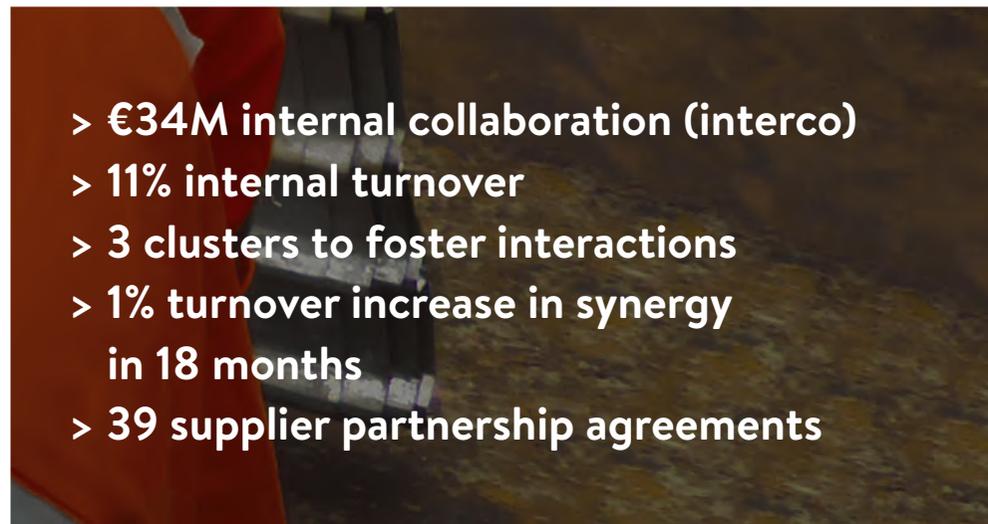
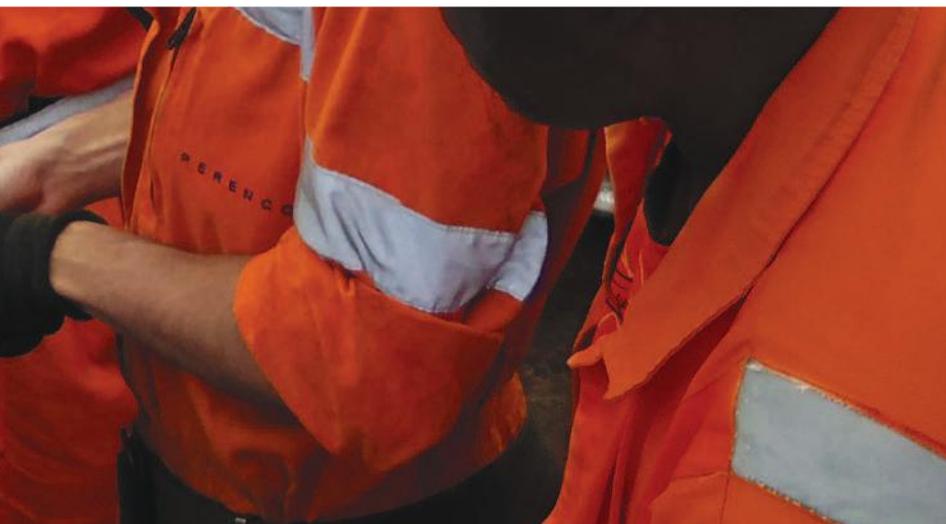


A FEW KEY EVENTS FROM 2015

BUMI Polymont was facing difficulties before being integrated into ADF in 2015. It became ADF IDF and recovered, thanks to the other expertise of other entities. Competencies have been reinforced by 16% to secure the visibility of the entity for 24 months.

HFII - This project represents €15M and mobilized 200 staff members from 4 different entities with different competencies (engineering, boiler making, assembly, and shutdowns management). It has been successfully implemented, with an HSE performance congratulated and rewarded by our customer with a safety trophy.

BIOMASSE - This project, worth €50M and mobilizing 300 staff members over 2 years, was conducted by the Major Projects team, relying on the competencies of 5 different entities of the group.



- > €34M internal collaboration (interco)
- > 11% internal turnover
- > 3 clusters to foster interactions
- > 1% turnover increase in synergy in 18 months
- > 39 supplier partnership agreements

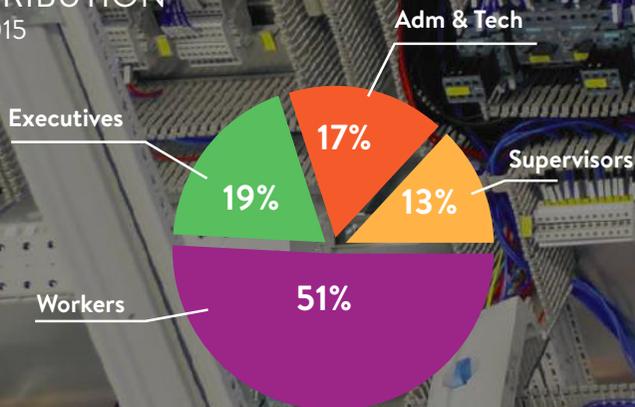


Our capacity to attract
NEW TALENTS
allows us to shape the
company of tomorrow

by **ISABELLE RENAUD**
HUMAN RESOURCES MANAGER



STAFF DISTRIBUTION
DECEMBER 2015

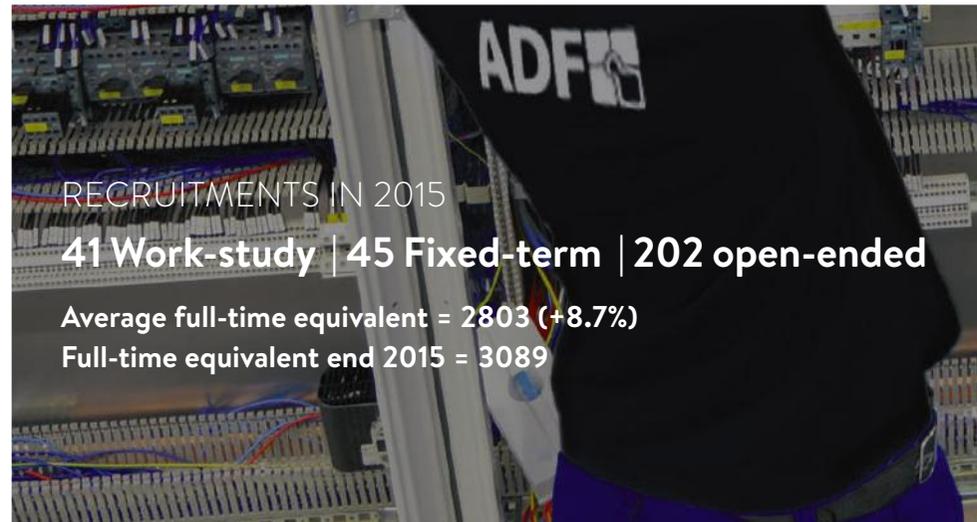


RECRUITMENTS IN 2015

41 Work-study | 45 Fixed-term | 202 open-ended

Average full-time equivalent = 2803 (+8.7%)

Full-time equivalent end 2015 = 3089



A recruitment plan has been established for a three-year period in agreement with the GPEC (Jobs and Skills Management Planning). It anticipates the recruitment of 600 talents, 20% of whom will be under the age of 25.

To develop the human capital, a management standard has cultivated operational and behavioral excellence since 2010. These tools facilitate the integration of the competencies of the acquired companies.



HANDICAPS (6.1% of the workforce)

In partnership with the AGEFIPH, ADF is developing an ambitious handicap policy. Since 2010, the Group has pursued a specific policy aimed at promoting the employment of disabled people. We signed a charter to go beyond the legal obligations and named a Head of Disabilities Issues to steer an ambitious action plan with detailed objectives:

- Ensure the deployment of the handicap policy
- Propose new actions to foster the autonomy of disabled people.
- Evaluate and follow up those objectives (68% advancement)

SOURCING

The growth engines of the group (Aeronautics, Energies, and Industry) require new talents and skills. In 2015, we attracted experienced talents with very high potential. This was made possible thanks to the acquisitions we made, but also thanks to the notoriety of the group, which is reinforced by our presence at trade shows and specialized schools.

ADF has substantially revised its sourcing during the last 4 years. We have hired new talents from many channels: co-option, external growth, trade shows, technical schools, web, headhunters, etc.



FINANCIAL

INCOME STATEMENT IN K€	2015	2014	2013
Net turnover	269 082	256 871	247 464
Other operating income	3 062	6 302	3 521
Purchases and external expenses	-137 817	-135 095	-133 036
Other operating expenses	-1 723	-3 499	-1 493
Including customer provisions	-15	-217	-2 648
Payroll	-112 164	-104 664	-98 792
Duties and taxes	-5 666	-5 536	-5 628
<i>EBITDA of operations</i>	<i>14 774</i>	<i>14 379</i>	<i>12 036</i>
EBITDA	14 774	14 379	9 511
Depreciation and provision for R&C	-2 381	-2 197	-1 892
Operating result	12 393	11 722	7 619
Financial results	-2 233	-1 295	-923
Income of consolidated companies	8 617	8 824	6 273
Net income Group share	6 983	7 121	4 414

CONSOLIDATED FINANCIAL INFORMATION
PROFORMA IFRS

